

# 2022

UNIVERSITY OF THE FREE STATE



## ANNUAL REPORT

TO THE

MINISTER OF HIGHER EDUCATION, SCIENCE,  
AND INNOVATION

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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  
2022

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# 01 PREFACE







# 1. Preface

## 1.1. Report from the Council Chair

Negotiating the aftermath of a global pandemic, incorporating innovative, ground-breaking technology into the higher education sphere, and increasingly embracing our society-focused role to work towards improving local and global societies have been key characteristics of the University of the Free State's (UFS) journey in 2022.



Negotiating the aftermath of a global pandemic, incorporating innovative, ground-breaking technology into the higher education sphere, and increasingly embracing our society-focused role to work towards improving local and global societies have been key characteristics of the University of the Free State's (UFS) journey in 2022.

A testament to our success on this journey has been the university's placement this year in the 801–1 000 range of the Times Higher Education (THE) top university rankings, which includes 1799 institutions from across 104 countries. The university's first entry onto the largest and most diverse university rankings to date has seen the UFS placed among the top nine South African universities on the THE list, serving as validation of our strategic direction.

The theme of the UFS strategic plan for the past five years has been to widen and accelerate the

scope of transformation. The plan reflected the commitment of the UFS to distinguish itself over a five-year period as an institution based in central South Africa, which through academic excellence, diversity, and inclusivity, and through innovative and transformative thought, pursues the delivery of excellent quality graduates and knowledge for the region, the continent, and globally.

These goals found expression in the Integrated Transformation Plan (ITP) that was approved by Council in 2017. The past five years have seen a dedicated, methodical implementation and monitoring of ITP outcomes via its different work streams. In 2022, the principles and goals contained in the ITP have largely become embedded within the operational structures of the university, forming the basis for future strategic planning. It is with great confidence and gratitude that we can say that we





Mr David Noko, Chairperson: UFS Council

The UFS pursues the delivery of excellent quality graduates and knowledge for the region, the continent, and globally.

have made giant strides over the past five years towards becoming the institution we want to be, namely:

- A transformed university that strives for social justice in everything it does, where its diverse people feel a sense of common purpose and where the symbols and spaces, systems and daily practices all reflect commitment to openness and engagement.
- An institution that responds to the needs of the local community, while at the same time participating in the global knowledge production.
- A university that has engaged actively with its colonial and apartheid legacies and recognises its common humanity and the universal nature of the intellectual endeavour.
- A place that provides for competing views, disagreements, and sometimes even discomfort.

The UFS Council, under my chairpersonship, met four times during 2022. The Council fulfilled its fiduciary responsibilities about governance, as provided for in the Higher Education Act (Act 101 of 1997), as amended. Decisions and actions were centred around circumspectly



strengthening the institution's three core pillars of operation, namely Learning and Teaching, Research and Engaged Scholarship.

In terms of Learning and Teaching, 2022 was characterised by a growing focus on the digitalisation of systems and processes, which included substantial investment in digital infrastructure to support blended learning and teaching. It is vital to ensure comprehensive transformation and realignment that are necessary to accommodate the changing realities and needs of a high-performance 21<sup>st</sup>-century African university that is globally, nationally, and continentally relevant. During this period, the UFS has also further established itself as a leader in developing innovative multi-lingual pedagogical solutions for tertiary institutions through our Academy for Multilingualism. The UFS also received commendation for its accomplishments in curriculum transformation and decolonisation, as well as its efforts to promote third-stream income through market-relevant short learning programmes.

When it comes to research, the UFS has done well regarding its contribution to local, regional, and global knowledge, particularly in increasing research impact and uptake. In response to an evolving global research context, increasingly necessitating multi-, inter- and transdisciplinary collaboration, our research goal has been to increase the university's contribution to local, regional and global knowledge, to address fundamental and strategically important developmental questions, and to make an economic, social and cultural impact at regional, national and international levels. During 2022, there was a strong emphasis on promoting interdisciplinarity, with scholars from different disciplines and communities being encouraged and supported to work together in a spirit of cooperation and integration, mobilising their respected knowledges to the benefit of communities and society.

The number of leading researchers at the UFS is on the increase, and the identified research areas of strength and distinctiveness are developing through an increase in focused resource allocation. The research endeavour supports the university's financial sustainability, evidenced by an increase in contract research. A clear barometer of the sustained increase in research quality, is the growing number of National Research Foundation-rated researchers – increasing from 198 in 2021 to

211 in 2022. Research productivity has improved in terms of both numbers of publications and per capita research outputs (including postgraduates). In 2022, 150 more publication units were recorded than in the previous year. There has also been a shift in the quality of research outputs, with most of the UFS publications taken up in journals listed in international indexes. In 2022, the university continued to support and build a conducive, collaborative research environment through international engagements and partnerships.

During 2022, faculties, departments and research groups developed newly identified research niche areas, aligned amongst others, to pertinent United Nations Sustainable Development Goals (SDG's), as well as continental and institution imperatives, for greater impact. The Entrepreneur-in-Residence initiative was initiated this year to stimulate and increase contract research with industry. The strategy to appoint Entrepreneurs-in-Residence allows the UFS to focus on interactions between researchers and problems facing the Mining Industry and to increase contract research within the food science industry.

The positioning of centres of excellence/UFS differentiators was a key focus area during the year under review. Over and above publication on the university's own communication platforms, UFS accomplishments were also communicated via print, broadcast, and online media, with 108 media statements released to mainstream media. This resulted in improved visibility and traction that contributed to raising the profile of the UFS. The UFS Thought-Leader Series, chaired by the Rector and Vice-Chancellor, Prof Francis Petersen, also further established itself during 2022 as a leading discussion forum, drawing distinguished, nationally recognised leaders and change-makers who make meaningful contributions to public discourse on social, economic and political issues affecting South Africa and the globe.

Engaged Scholarship has emerged strongly as a means and form of academic enquiry that is able to co-create impactful research and relevant curricula which address real-world problems. During 2022, the focus was on enhancing institutional understanding and application of the notion of engaged scholarship. Various engagements through the course of the year led to a more inclusive conceptualisation of engaged scholarship, namely the utilisation of





The strategic focus over the next strategy period will be on excellence, visibility and impact.

academic scholarly and/or professional expertise, with an intentional public purpose and mutual benefit that have a direct or indirect impact on society.

The strategic focus over the next strategy period will be on excellence, visibility and impact. A strong thrust will be on raising the research and internationalisation profile of the UFS. This will involve reviewing the academic project to encourage multi-disciplinarity and the concomitant policies. This will be supported by our increased emphasis on internationally benchmarked peer assessment. We will further put in place the relevant systems and processes to facilitate impact and enhance our reputation. Ethical and empowering leadership will be a focus to ensure that the university culture becomes more conducive to excellence and to the academic project. Emphasis will also be placed on freeing up resources to reinvest in research and innovation. This will require a review of the efficiency of academic programmes, reviewing the academic and support structures, and investing in academic leaders



and managers that will be needed to facilitate and enable this new direction.

This has been my first full year as UFS Council Chair. The continued, unwavering support of fellow Council members and the dedication and competence of our executive management team have been invaluable and have ensured the completion of a meaningful and successful year.

It remains an honour to be part of this esteemed institution on its exciting journey towards achieving its ultimate goal as an institution: To impart and

generate new knowledge that impactfully supports societal development.

A handwritten signature in black ink, appearing to read 'D. Noko', is centered within a light gray rectangular box.

Mr David Noko  
Chairperson: UFS Council





## 1.2. Report from the Vice-Chancellor

The year 2022 marked the renewal and reimagination of the University of the Free State (UFS) to have a greater impact as a centre for innovation, research, dissemination and application, both locally and globally. It was also the last year of the five-year UFS Strategic Plan (2018–2022), with considerable time, research and expertise dedicated towards developing a new strategic vision for the institution, building forth on what has already been accomplished.



One of our focus areas over the past five years has been around developing and aligning policies, procedures and systems towards improving undergraduate learning and teaching. During this period, coordinated efforts around enhancing student experience, academic quality, learning analytics and student tracking, as well as graduate attributes, have yielded positive results, providing for a holistic approach to student development.

The UFS has also invested in its teaching and learning staff and placed strong emphasis on curriculum renewal during this period. There has been a renewed emphasis on academic qualifications, with systems in place for staff development, recognition and reward. The year under review was the second year of the Curriculum Renewal Programme (CRP) aimed at supporting academic staff in the redesign of their modules by considering its purpose, context and content, ensuring that they are in line with the broader UFS vision and good curriculum design principles. Four programmes were presented during 2022, with 123 staff members completing it – presenting a marked increase from 2021. A

key focus has been to incorporate the UFS Blended Learning and Teaching Policy to support academic staff with integrating technology into their learning and teaching practices.

Transforming the profile and increasing the diversity of UFS researchers received continued attention, with targeted appointments and focused research-capacity development and support programmes such as the Future Professoriate Mentoring Programme and the Emerging Scholars Academic Programme enjoying continued support in 2022.

As part of the Quality Assurance Policy and Framework, the university embarked on a number of external quality reviews in line with its commitment to creating a culture of continuous improvement. To this end, 15 departments/centres/support units underwent external quality reviews in 2022. Institutional planning was also influenced by the Self-Evaluation Report that was prepared for the Council on Higher Education (CHE) audit at the start of the year. This report allowed us to be proactive in addressing self-identified gaps and shortcomings.





Prof Francis Petersen, Vice-Chancellor and Principal, UFS

The efficiency and effectiveness of UFS governance and support systems have improved over the past five years

Additional recommendations identified in the final CHE Audit Report will be factored into our future Annual Performance Plans.

The efficiency and effectiveness of UFS governance and support systems have improved over the past five years, mainly through increased capacity for managing the policy environment, increasing student representation in institutional governance, and improving the integration of data systems and the credibility of management information. These have been underscored with investments in infrastructure, including both information technology and physical infrastructure. Using the United Nations' Sustainable Development Goals (SDGs) as our overarching yardstick, the UFS

has been able to move beyond disciplinary boundaries in our quest to have a positive impact on our wider local and global societies. Collaborative research is embedded in key strategy documents; multi-disciplinary research is emphasised in the research strategy; and faculties have incorporated interdisciplinary research at varying levels. During 2022, sustained progress has also been made in the areas of targeted increased student enrolments, recognition of diversity by transforming the language of instruction, and increased publications in open-access journals in line with our commitment to the global open science movement.

In terms of financial management, the UFS maintains systems of internal control over financial reporting and the safeguarding of assets against unauthorised acquisition, use or disposal. Such systems are designed to provide reasonable assurance to the university and Council regarding a compliant operational environment that is committed to 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

commitment to fostering a strong ethical climate throughout the institution.

Preventing an over-reliance on government tuition funds (including the National Student Financial Aid Scheme) remains a priority. An institutional task team that was established to develop and implement a strategy to manage dependence on government tuition funds completed its fact-finding phase in 2022. A direct outflow of this has been the establishment of a recruitment fund, known as the Vice-Chancellor's Scholarship of Excellence. The UFS is partnering with Free State businesses to cater for these scholarships, which will be used to attract promising scholars predominantly from the Free State province. Short Learning Programmes (SLPs) have been identified as key drivers of third-stream income and the promotion of the financial sustainability of the UFS. The university's SLP offering has shown an encouraging increase from 63 programmes offered to 2 249 participants in 2021, to 75 programmes offered to 2 837 participants in 2022.

The period under review marked the transition of our Integrated Transformation Plan (ITP) into Vision 130, which is an elaboration of our ambitious but attainable strategic intent leading up to 2034 when our institution celebrates its 130<sup>th</sup> year of existence. The concept document was approved by Council and officially launched on 29 November 2022, ensuring continuity in our strategic planning as well as a continued emphasis on our broader institutional transformation agenda.

Vision 130 is centred around establishing the UFS as a university of choice for exceptional students, exceptional academics, and exceptional support staff, as well as a vibrant, safe space with an acceptance of constructive, robust, and critical engagement. It contains several very specific goals as well as pathways on how to achieve them. Among them is our commitment to work towards an undergraduate to postgraduate student ratio of 70 to 30, building our current complement of 18% postgraduate students to 30%. We aim to be recognised and acknowledged by peers and society as a top-tier university in South Africa, more specifically, among the top-five universities in South Africa and among the top-600 globally. By the year 2034, we also want to have at least 75% of our academic staff to have PhDs, and have 60% of our first-year-entry undergraduates record an admission point score of 35 and higher. We envisage

to have a significant increase in our research income as a share of our total income, and a significant increase in the number of female as well as black professors, with more than 85% of our academic departments having departmental heads who are at associate or professor level.

In the process of refining this vision during 2022, four clear goals were crystallised:

The first goal is centred on **improving academic excellence**. Building on the fundamentals established during the previous planning cycles in student success, our focus will be on increasing graduate employability and graduate desirability. The second goal is **promoting an environment of agility, flexibility and responsiveness – based on trust and accountability**. Building on our digitalisation strategy, we will extensively leverage the use of digital technologies, business intelligence, and data analytics to enable evidence-based decision making.

Our third goal is **advancing a transformational institutional culture that demonstrates the values of the University of the Free State** – a place where ideas are discussed, contested, improved and implemented in a culture of civil, robust engagement, building an institutional culture and climate that create a sense of belonging for all.

Our final goal is **promoting stewardship and the prioritisation of institutional resources for strategic intent**, which include our people – our staff and our students. We must use these resources responsibly to ensure that they provide maximum impact for the institution.

There has never been a more important time in modern history for great universities to make a meaningful contribution to society. In the light of this, our commitment was entrenched during 2022 to aspire to the very highest standards of education, research and engagement. We wish to do so in a way that continues to respect knowledge as being at the core of all that we do, but is also focused on the needs of our young people and of society at large.



Prof Francis Petersen  
Vice-Chancellor and Principal, UFS



## IN 2022 ...

### Key statistics



10 015  
graduates



82,7%  
success rate



41 205  
enrolments



80%  
increase in academics' participation in engaged scholarship



75,5%  
of students perceive the UFS as supporting overall well-being



2 120  
first-time graduates in Teacher Education



2,5  
research output units produced per academic



38%  
of research funds allocated for niche research



1 581,5  
research output units generated from publications



4,2%  
of income generated through third-stream funding

Table 1: Key performance indicators and enrolment targets, 2018 to 2022

<b>Red</b>	The UFS did not achieve the target, either above or below the set target. This category poses a material risk to the institution.
<b>Orange</b>	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.
<b>Green</b>	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	Performance indicator (key performance indicators marked bold with *)	2018	2019	2020	2021	2022	2022 target	% of 2022 target achieved	5-year trend
1. Improve student success and well-being	1.1. Increase student success and throughput rates and reduce the achievement gap.	All graduates, headcount (HC)	8 271	8 606	9 609	10 541	10 015	8 986	111,5%	↗
		All undergraduate (UG) graduates, HC	5 412	5 949	7 222	7 586	7 664	5 988	128,0%	↗
		Doctoral graduates, HC	138	128	106	162	163	138	118,1%	↗
		Master's graduates, HC	610	537	448	683	554	524	105,7%	↘
		Postgraduate (PG) below Master's level graduates, HC	2 111	1 992	1 832	1 710	1 634	2 336	69,9%	↘
		Total success rate	79,7%	80,5%	85,0%	82,5%	82,7%	81%	102,1%	↗
		*Undergraduate throughput rate <sup>A</sup>	57,6%	52,6%	58,0%	60,2%	59,0%	61%	96,7%	↗
	1.2. Develop graduate attributes in curricular and co-curricular interventions.	*Implementation of graduate attributes project <sup>B</sup>	NA <sup>C</sup>	NA	NA	NA	60% <i>of intentional assessment development</i>	100% <i>of intentional assessment development</i>	60%	NA
	1.3. Improve student safety and health issues.	*Student perceptions of UFS support for student well-being <sup>D</sup>	68,8%	72,2%	66%	71%	75,5%	73%	103,4%	↗
	VSP 2. Towards a world-class digital, state-of-the-art library.	*Progress on implementation of SASOL Library Revitalisation Plan	NA	NA	75%	100%	60% <i>of phase 6</i>	100% <i>of phase 6</i>	60%	NA

A 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 within 5 years or less.

B Implementation of graduate attributes project: Intentional assessment development (Score from 0%=not implemented to 100%=fully implemented).

C NA = 'not applicable'. The indicator was not in use during that year.

D 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).

Goal	Key performance area	Performance indicator (key performance indicators marked bold with *)	2018	2019	2020	2021	2022	2022 target	% of 2022 target achieved	5-year trend
2. Renew and transform the curriculum	2.1. Develop curricula that is locally relevant and globally competitive.	Foundation student intake in first year, HC	3 006	2 612	2 602	2 174	2 059	3 895	52,9%	↘
		*Number of academic departments/ programmes reviewed by external panel	11	17	13	10	15	15	100%	↗
	2.2. Revise the structure of the curricula in terms of pathways and graduate employability.	Scarce-skills UG graduates in Animal Sciences, HC	35	74	66	186	75	60	125%	↗
		Scarce-skills UG graduates in Engineering, HC	16	13	8	13	8	16	50%	↘
		Scarce-skills UG graduates in Human Health, HC	283	231	240	298	338	350	96,6%	↗
		Scarce-skills UG graduates in Life and Physical Sciences, HC	366	382	484	473	553	400	138,3%	↗
		Scarce-skills UG graduates in Teacher Education, HC	884	965	1 377	1 639	2 120	960	220,8%	↗
		*Graduate employment rate <sup>E</sup>	50%	60%	34%	57,1%	51%	61%	83,6%	↗
	2.3. Transform the pedagogic relationship between students and lecturers.	*Perceptions of advanced student-lecturer engagement <sup>F</sup>	22,8%	21,1%	25,4%	19,9%	25,2%	24%	105%	↗

<sup>E</sup> 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.

<sup>F</sup> 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	Performance indicator (key performance indicators marked bold with *)	2018	2019	2020	2021	2022	2022 target	% of 2022 target achieved	5-year trend
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 <sup>G</sup>	34,9%	45,4%	29,9%	47%	38%	25%	152%	↗
	3.2. Transform the profile and increase the diversity of UFS researchers.	*Share of rated researchers who are black and female <sup>H</sup>	1,8%	1,7%	2,6%	3%	3,8%	4,5%	84,4%	↗
	3.3. Increase research impact and uptake.	Research output units per permanent academic	1,86	1,99	2,22	2,48	2,49	0,89	280,3%	↗
		Total research output units from publications	999,85	1 171,73	1 321,40	1 398,54	1 581,50	980	161,4%	↗
		*Rate of publication in international journals <sup>I</sup>	85,9%	81,1%	85,4%	90,4%	89,7%	88,5%	101,4%	↗
	VSP 3. Improve the Faculty of Health Sciences.	*Progress on the implementation of FHS Turnaround Plan	NA	NA	77,8%	84,8%	97,1%	75%	129,5%	NA
	VSP 5. Establish a high-performance culture.	*Implementation of new Performance Management system <sup>J</sup>	41%	49%	33,7%	48,1%	74,8%	80%	93,5%	↗
	VSP 8: Enhance UFS visibility locally and internationally	*Stakeholder perception index	NA	NA	NA	NA	unavailable <sup>K</sup>	improvement from baseline		NA
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 <sup>L</sup>	4,9%	4,7%	5,1%	5%	9%	4,5%	200%	↗

G 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.

H Share of rated researchers who are Black & 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).

I 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).

J 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.

K The stakeholder perception survey was developed during 2022, but only conducted in January 2023, meaning that no data are available for 2022.

L Academics' participation in engaged scholarship: Average percentage staff time spent on engaged scholarship activities, calculated as full-time equivalents, as per HEMIS data.

Goal	Key performance area	Performance indicator (key performance indicators marked bold with *)	2018	2019	2020	2021	2022	2022 target	% of 2022 target achieved	5-year trend
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 <sup>M</sup>	0%	0%	0%	69%	67,4%	12%	561,7%	↗
	5.2. Increase student participation in university governance structures.	*Student participation in governance structures <sup>N</sup>	41%	52,8%	70%	72,2%	78,6%	80%	98,3%	↗
	5.3. Optimise the student life cycle from recruitment to graduation.	*Enrolment management <sup>O</sup>	104,8%	104,4%	103,5%	106%	105%	100%	105%	↗
		Total enrolments, HC	39 516	41 505	41 602	40 876	41 205	41 104	100,2%	↗
		First-time entering UG enrolments, HC	8 992	7 723	7 810	8 085	9 050	8 100	111,7%	↗
		Proportion of total HC enrolments in Business/Mgmt.	27%	17%	16%	17%	18%	28%	64,3%	↘
		Proportion of total HC enrolments in Education	25%	28%	28%	28%	27%	26%	103,8%	↗
		Proportion of total HC enrolments in Science, Engineering, and Technology	27%	23%	23%	23%	22%	29%	75,9%	↘
		Proportion of total HC enrolments in other Humanities	21%	33%	33%	32%	33%	17%	194,1%	↗
		Total unweighted full-time equivalent (FTE) enrolments	31 463,24	32 557,24	35 366	34 229	33 882	32 787	103,3%	↗
		Weighted FTE enrolments/ funded teaching input units	67 295,36	67 367,07	71 469	68 523	68 420,1	69 856	97,9%	↗

M Policy revision rate: Share of UFS policies that have been revised since 1 January 2018, as per records kept by the Registrar's office.

N 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.

O Enrolment management: Percentage of DHET enrolment plan targets for total UG headcount enrolments achieved, as per HEMIS data.

Goal	Key performance area	Performance indicator (key performance indicators marked bold with *)	2018	2019	2020	2021	2022	2022 target	% of 2022 target achieved	5-year trend
	5.4. Improve integration of data systems and credibility of management information.	*Graduate data records without errors <sup>P</sup>	70%	89%	93%	94%	92%	95%	96,8%	↗
6. Achieve financial sustainability	6.1. Increase non-government-derived sources of income.	*Share of income from third stream sources <sup>Q</sup>	11,4%	10,5%	12,8%	11,4%	14,2%	12%	118,4%	↗
	6.2. Optimise the cost drivers in academic programmes and support service departments.	*Progress on refinement of viability model	NA	NA	NA	60%	50%	50%	100%	NA
	6.3. Correct the UFS tuition baseline.	*Average percentage baseline correction	NA	NA	NA	100%	100%	100%	100%	NA
7. Advance an institutional culture that demonstrates the values of the UFS	7.1. Operationalise a UFS Institutional Multi-Stakeholder Group responsible for the identification of interventions in relation to UFS institutional culture.	*Progress on implementation of Language Policy Implementation Plan	NA	NA	NA	73,8%	70%	100%	70%	NA

P AKA Graduate data errors: Share of graduate records with no credit value errors at the first data run for the final HEMIS submission.

Q Share of income from thirdstream 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.







# ABOUT THE UFS







INTSIKA

BUILDING

INTSIKA BUILDING  
Central Kitchen  
Residences  
TSA Mapetsi Library  
Rusimane Mandela Hall  
Sport Facilities  
Guest House



## 2. About the UFS

### 2.1. Strategy

#### 2.1.1. Introduction

The strategic intent and direction of the UFS is contextualised in a world that is facing many socio-economic, environmental, and political challenges, which assume different complexities in line with nations, respective geo-locations and dynamics. These challenges place an increased expectation on universities to fulfil their obligations, roles and responsibilities as institutions promoting the “public good”, and their concomitant responsiveness to impactfully support societal development and the communities that they serve.

In this regard, the UFS will continue producing relevant skills and knowledge, building the economy, solving persistent and emerging social problems, and transforming the post-apartheid society.

Through its robust planning regime, the UFS commits to continuously renew itself, and to grow and extend its influence and impact locally, regionally and globally. The vision and mission and supporting strategic plan provide stability and clarity for decision making and investment choices, while still leaving scope for adaptation and agility.

#### 2.1.2. Institutional vision and strategy

In line with the UFS vision, which 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*, this reporting period marked the final year of the implementation of the 2018–2022 Strategy, aptly themed, *Widening and Accelerating the Scope of Transformation*, and prepared for the seamless transition to the next strategic phase, namely *Vision 130*.

In September 2022, the University Council adopted Vision 130, which sets out the strategic intent to reposition the institution towards 2034. Vision 130 commits the University to strengthen its reputation among its peers and society as a research-led university of excellence. It states that the UFS’s ultimate intention is to be acknowledged as a university that impactfully supports societal development, thus aspiring for maximum societal impact. This commitment to societal impact will require a purpose-driven focus on relevant and cutting-edge research as well as the preparation of globally competitive graduates. Vision 130 is a 12-year strategy which coincides with the 130<sup>th</sup> year of the UFS’s existence, which will be celebrated in 2034.

To this end, the following four goals have been adopted:

**Goal 1:** To improve academic excellence, reputation, and impact.

**Goal 2:** To promote an environment of agility, flexibility, and responsiveness based on trust and accountability.

**Goal 3:** To advance a transformational institutional culture that demonstrates the values of the UFS.

**Goal 4:** To promote stewardship and the prioritisation of institutional resources for strategic intent.

Building a culture of long-term planning is important for the continued relevance and sustainability of the University in line with its vision to become a research-led University, understanding and appreciating that universities are important for the development of individuals, societies, and economies.

This transition required bold and courageous strategic choices that were carefully considered and translated into the new *Strategic Plan 2023–2028* and a supporting, rolling Annual Performance Plan (APP) 2023–2025.

Therefore, 2022 marked the renewal and reimagining of the UFS for greater impact, as a centre for innovation, research, dissemination and application, locally and globally.

Aspiring to be research led, in 2022, the UFS continued to enhance its undergraduate teaching and learning activities, specifically focusing on student success, throughput and additional educational offerings from undergraduate to doctoral levels across various disciplines and fields of study, which are now finding expression in our PQM.

This reporting cycle thus builds on 2022 achievements, cognisant of those issues and areas that require ongoing attention and action over the transition from 2022 to 2023, for meaningful and sustainable change and to ensure the finalisation of our undertakings for that planning period.

The institutional planning was also influenced by the institutional Self-Evaluation Report (SER) that was prepared for the Council on Higher Education (CHE) Audit in early 2022. This process enabled an in-depth 'as-is' picture of the entire institutional functioning, highlighting strengths and weaknesses, as well as gaps. While still awaiting the CHE response and recommendations, the UFS has nevertheless been proactive in addressing the self-identified gaps and shortcomings to ensure a culture of continuous improvement and relevance of all institutional policies, processes and procedures, some of which also find expression in Vision 130.

The SER thus became a seminal institutional document to be used in future strategy and planning and as an audited institutional reference document. Those recommendations identified in the final CHE Audit Report, which have not already been addressed, will be factored into our future Annual Performance Plans.

The Council-approved 2018–2022 strategy was broadly communicated to all relevant stakeholders and translated into an Annual Performance Plan, shaped and informed by the Institutional Risk Register. These were further cascaded down into planning documents and instruments for the faculties, which were deemed to be realistic and implementable, and supported by a performance management system.

The period under review also marked the transition of the Integrated Transformation Plan (ITP) into Vision 130 to ensure the continued emphasis on a broader institutional transformation agenda.

The Strategic Plan is reviewed in line with the integrated planning framework set out in section 3.2.1.4, and the APP is adjusted annually in line with progress, strategic investment choices and operational budget allocations, to ensure relevance, quality, and fitness for purpose and intent. Regular reviews ensure that these core institutional processes are applied in an integrated, coherent manner to address emerging challenges and make changes. This happens during the UFS Annual Lekgotla.

The institution also engages in an ongoing process of monitoring and evaluation to ensure that its commitments, responsibilities and associated and emerging risks are addressed proactively and appropriately.

Regular reviews ensure that these core institutional processes are applied in an integrated, coherent manner

### 2.1.3. Learning and teaching strategy.

During 2022, the UFS deliberately moved to a growing focus on transforming Learning and Teaching through a greater emphasis on digitalisation of systems and processes, including investment in digital infrastructure to support blended learning and teaching. This is to ensure the substantial transformation and realignment that are necessary to accommodate the changing realities and needs of a high-performance 21<sup>st</sup>-century African university, that is globally, nationally, and continentally relevant. In the UFS context – for the period under review – key challenges remain student success and throughput, as well as curriculum responsiveness and relevance, technological innovation, the changes wrought by the COVID-19 pandemic, and issues around inclusion, equity, and social justice. Ensuring sound and transparent academic governance, curriculum administration, and an operational and systems support structure that will facilitate the aforementioned, remains paramount.

Given the prevailing higher education environment and context, all universities are faced with the reality and necessity of increased collaboration and strategic alliance/partnership with a variety of stakeholders, including funders, government, the public and private sectors, industry, and fellow institutions to maximise/leverage capacity and resources, and create (amongst others) productive communities of practice. This is enabling the UFS to align better with the needs of employers and the job market in producing graduates with appropriate attributes, skills and knowledge that will enable them to stand out, enter the economy, shape society, become good citizens, future leaders, and stewards of the environment.

The UFS's 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 Key Performance Areas (KPA's), summarised in Figure 2.

### 2.1.4 Research strategy

Globally, research is increasingly characterised by mutually beneficial research collaborations. Complex problems faced by societies locally and globally also require multi-, inter- and transdisciplinary inputs and teams. This necessitates work across academic departments, faculties, and other national and international research groups and entities to produce new knowledge that is globally, continentally and regionally relevant and applicable.

In response to this evolving research context, the UFS's research goal is to increase its contribution to local, regional and global knowledge, to address fundamental and strategically important developmental questions, and to make an economic, social and cultural impact at regional, national and international levels.

The updated UFS Research Strategy is aligned with the UFS vision and its associated key performance areas, namely to focus resource allocation for research and innovation on UFS areas of strength and distinctiveness; transform the profile and increase the diversity of UFS researchers; and increase research impact, uptake and focus on the African continent.

The Research Strategy was informed by the Integrated Transformation Plan (ITP) and signalled the commitment of the UFS to accelerate transformation at the university radically. As stated by the ITP, a transformed university is an institution where a diversity of people feel 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.

The Research Strategy also informs research management, and makes provision for cascading actioning at faculty, department and institute/centre levels.



Therefore, the 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 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 and strategic intent (to become a research-led university), its implementation and performance in relation to the goals are monitored and measured for sustained impact relevance. These are reported on in section 3.1.4 in this report.

### 2.1.5. Engaged scholarship strategy.

Given the growing emphasis on stakeholder involvement, collaborations and communities of practice, engaged scholarship has emerged strongly as a means and form of academic enquiry that is able to co-create impactful research and relevant curricula that address real-world problems.

The UFS recognises the importance of engagement and involvement of identified stakeholders in ensuring that their voices are incorporated into the research process and output.

The university places a strong emphasis on interdisciplinarity and encourages and supports scholars from different disciplines and communities to work together in a spirit of cooperation and integration, mobilising their respected knowledge to the benefit of communities and society.

The UFS's engaged scholarship strategy promotes social change and provides a framework to support and promote scholarship within the relevant academic disciplines and their aligned communities. The strategy 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*, involves 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 integrate 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 the 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, the UFS aspires to become a model of a truly robust and responsive research-led university. This aspiration is assisted by mobilising the university's resources and capacities to make a significant contribution to regional, national, continental and global development and aligned agendas.

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

VISION	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.						
	GOALS						
KEY PERFORMANCE AREAS	1: Improve student success and well-being	2: Renew and transform the curriculum	3: Increase UFS contribution to local, regional and global knowledge	4: Support development and social justice through engaged scholarship	5: Increase the efficiency and effectiveness of governance and support systems	6: Achieve financial sustainability	7: Advance an institutional culture that demonstrates the values of the UFS
	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.	2.1: Develop curricula that is 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.	3.1: 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.	4.1: Increase the number of academic staff who are 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.	5.1: Revise and update all UFS policies to reflect the University transformative drive. 5.2: Increase student participation in University governance structures. 5.3: Optimise the student lifecycle from recruitment to graduation. 5.4: Improve the integration of data and electronic systems to support both tactical and strategic decision-making.	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.	7.1: Operationalise a UFS Institutional Multi-stakeholder Group (IMG) responsible for the identification of interventions in relation to the UFS's institutional culture.

**Figure 1: UFS Strategic Plan 2018 to 2022**

LEARNING & TEACHING KEY PERFORMANCE AREAS	INSTITUTIONAL GOALS					
	Improve student success and well-being Renew and transform the curriculum					
	1: Foster the development of graduate attributes	2: Improve student success	3: Ensure a responsive curriculum	4: Develop flexible learning and teaching designs	5: Ensure that academics are empowered to teach in the 21 <sup>st</sup> century	6: Focus on quality, research-led learning and teaching
	1.1: Develop graduate attributes in curricular and co-curricular interventions	2.1: Increase student success and throughput rates and reduce the achievement gap 2.2: Deploy high-impact practices	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	4.1: 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	5.1: Recruit quality academic staff 5.2: Objectively measure good teaching 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	6.1: 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: UFS Learning and Teaching Strategy 2019 to 2024<sup>1</sup>**

<sup>1</sup> The time difference between the various plans, as stated in the APP is a true reflection of the approval status and timelines of each plan. For audit purposes, these timelines are retained at all times.

INSTITUTIONAL GOAL	Increase the UFS contribution to local, regional and global knowledge			
RESEARCH GOALS	1: Implement a differentiated research approach	2: Develop excellent researchers and scholars, providing sustainability and continuity	3: Increase the visibility, impact and uptake of UFS research	4: Provide a sustainable and supportive research environment with appropriate management and physical and financial resources
RESEARCH KEY PERFORMANCE AREAS	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	2.1: 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	3.1: 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	4.1: 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: UFS Research Strategy 2015 to 2022

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

Figure 4: UFS Engaged Scholarship Strategy 2018 to 2022



## 2.2. Governance

The UFS governance arrangements are compliant with the current system of governance for the South African public higher education institutions as constituted in the Higher Education Act No 101 of 1997. In terms of the Higher Education Act, the main institutional governance structures are council, the senate, the institutional forum and the Student Representative Council (SRC).

The governance relationship between the councils and senates, between councils and SRCs, and between councils and institutional forums is set out in the Higher Education Act, Act 101 of 1997, amended. The relevant provisions in the Act set out in which cases Council can only act after having consulted these three structures and in which cases such consultation takes the form of non-binding 'after consultation' or binding 'in consultation'. It is required that councils must follow these prescriptions meticulously as part of good governance practices in their institutions.

Governance and operational challenges currently faced by universities include increased and ongoing demand for access for all academically deserving students, irrespective of their financial strength and limited alternative options for young school leavers. This is magnified by poor student throughput and completion rates nationally.

Higher education institutions are facing increasing financial pressures due to the failure of public funding levels for universities and students to match inflationary cost increases and growing student numbers. These dynamics, together with ongoing inefficiencies and changes in the National Student Financial Aid Scheme (NSFAS) funding model and delivery, have created numerous and complex institutional disruptions and challenges.

All of this is taking place in an environment of increased state steering, monitoring and evaluation, calling into question long-held notions of academic freedoms and institutional autonomy, as well as discomfort with what is perceived as increasingly bureaucratic managerialism.

The need to drive inclusivity, diversity and equity in all governance structures, leadership and policies remains an ongoing challenge, which in some instances may be exacerbated by concomitant digital transformation and adaptation to new technologies and modes of learning and teaching. This requires significant investment in digital infrastructure and training and impact governance structures, financial decision-managing processes and institutional cultural change.

The UFS Governance structures set out below demonstrate a compliant level of responsiveness to improve institutional efficiency, effectiveness, and accountability.

### 2.2.1. Statement of Council on governance

#### 2.2.1.1. *Statement on code of ethics*

At the UFS a commitment to the highest ethical and moral standards is embedded in the UFS Code of Conduct for the UFS Council (revised in December 2021), attached hereto as Appendix 2.

During 2022, the Council endorsed the principles of ethics and leadership based on an ethical foundation which encompasses excellence and the maintenance of high and integrity-driven standards to be respected and promoted. Furthermore, the Council is aware of the King IV Report that was released on 1 November 2016, and subscribes to the principles of transparent and ethical leadership and governance. The Council also adopted the policy on Conflict of Interest by the members of the UFS Council attached as Appendix 3.

#### 2.2.1.2. *Statement on conflict management*

Conflict is a natural and inevitable part of university life and operations. This is particularly true in the South African context, which is exceptionally complex and dynamic and is impacted and influenced by a myriad of socio-economic and political forces, many of which reside outside the remit of the university mandate and

influence. In its ongoing commitment to addressing conflict management, the University participates and engages actively and deliberately in listening and communicating with empathy and openness to divergent points of view.

During the period under review, several disruptions occurred, two of which were characterized by violence and destruction of property. Over and above the damages, a maximum of two weeks in teaching days were lost, but were recouped, through learning and teaching catch-up plans that were approved by the Rectorate.

On the Qwaqwa Campus, reasons for discontent and unrest could be ascribed to a variety of NSFAS-related issues, including the application of the N+1 rule, private accommodation, reimbursement of transport costs, and book and food allowances.

Registrations, academic appeals, and mandatory vaccinations were also raised as grievances, as was a refusal to vacate student residences during the recess and the microgrid installation, during which time there would have been minimal facilities available.

Due to the violent nature of the student protest and disruptions, the repairs to the wellness centre and computer lab amounted to R3 053 382,06, requiring the erection of a temporary wellness centre, with related costs to the amount of R174 000,00.

No material conflicts or damage to infrastructure was recorded on the South Campus for the period under review.

Likewise, the Bloemfontein Campus suffered minimal disruption. However, the campus also experienced similar grievances to those expressed around NSFAS issues on the Qwaqwa Campus.

Damage to Bloemfontein Campus infrastructure by protesters was repaired at significant cost to the University.

In addressing the grievances and disruptions in an amicable, engaging, and inclusive manner, the UFS approved several concessions through the Financial Working Group. These included amongst others,

- NSFAS students awaiting confirmation of funding to be allowed to register;
- Students affected by the  $n+$  rule were assisted pending the submission of proof of an appeal;
- Outstanding fee registration cap was raised; and
- Students received food and book allowances with the condition that the next allowance would be allocated when NSFAS transferred the money to the university.

In addition, the Social Support Office assisted with meals and transport during the process of emergency accommodation. The process of appeals was expedited, and outcomes were communicated to students in good time. Throughout the protests and disruptions, the Student Governance Office had numerous engagements with the Institutional Student Representative Council (ISRC), Campus Student Representative Councils (CSRC), Student Organizations and Associations and students.

### *2.2.1.3. Statement on cooperative governance*

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 work 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.

The student population is represented by the Institutional Student Representative Council (ISRC), in addition to three Campus Student Representative Councils (CSRC; one representing each campus of the UFS). In

the 2021/2022 term ISRC elections, voter turnout was above 30% at all UFS campuses, and almost 60% at Qwaqwa, indicating increased participation in institutional student governance. The Rectorate meets quarterly with the ISRC, student governance representatives serve as members on institutional governance structures, and the new/reviewed policies are consulted with the student population. To support student participation in cooperative governance, induction training is provided for all Student Organisations, Associations, Faculty representatives, Residence Councils, and Student Representative Councils.

### 2.2.2.UFS Council activities

The UFS Council, under the chairpersonship of Mr D Noko, met four times during 2022. The Council 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 the Central Information Technology Committee (CITC).

The Council's activities during 2022 included dealing with, amongst others, the following:

#### *Strategy, Planning, Risk and resource allocation*

- The Council Summit took place on 13 May 2022 and the outcomes were endorsed. The Council supported the Minister's request to adjust the tuition fees by 4,23% and the accommodation fees by 6,23%. This was approved via round robin and ratified.
- Vision 130, as an elaboration on the strategic intent to reposition the UFS for 2034, was approved.
- The UFS Strategic Plan 2023 to 2025 was approved.
- The Consolidated Financial Statements for the year ended 31 December 2021 were approved.
- The DHET mid-term review enrolment targets for 2023–2025 were approved.
- A 6% increase in the payment of Honoraria to Council and non-Council members were approved.
- The updated Top Institutional Risk Register was approved.
- The UFS Budget: 2023 was approved.
- The 2023 Capital Budget and the proposed capital Budgets for 2024 and 2025 were approved.

#### *Statutory reporting*

- The reports of the Committees of Council and structures were expedited appropriately.
- The advice from the Institutional Forum was dealt with and noted. A request was made to the Registrar.

#### *Policy, remit approvals and amendments*

- The UFS Flexible Employment Arrangement Policy, for implementation from 1 May 2022, was approved.
- The UFS Policy on Collaborative Degrees with Foreign Universities was approved.
- The Protest Management Policy and Implementation thereof from 1 April 2022 was approved.
- The Assessment Policy on Coursework Learning Programmes was approved.
- The proposed amendments to the Policy Development Framework were approved.
- The report on the implementation of the 2016 Language Policy was noted.
- The Policy on master's and Doctoral Studies was approved with amendments.

- The lifting of the UFS COVID-19 Regulations and Required Vaccination Policy with immediate effect, as approved by the Council via round robin in July 2022, was ratified.
- The Compliance Policy and Implementation Plan was approved.
- The UFS Blended Learning and Teaching Policy was approved.
- The Emeritus Professors Policy was approved with amendments.
- The UFS Off-Campus Accommodation Policy was approved.
- The Remit of the Student Support Services Committee of Council was approved.
- It was approved that the Remit of the Executive Committee of Council be amended to include governance, environmental, social and ethics matters.
- The Remit of the Disciplinary Committee was approved.
- The Remit of the Honorary Degrees Committee was approved.

#### *Council administrative governance*

- Annual Work Plans of Committees were approved.
- Members of the Council were appointed as Chairperson and Vice-Chairpersons of Committees of the Council and Senate dealt with Council vacancies.
- The appointments of the Council members to several Committees were approved.
- The performance of the Rector was discussed by the Executive Committee of Council and recommended for discussion by the Remuneration Committee. This matter was considered by the Council.
- The Reports from the Rector and Vice-Chancellor were considered and dealt with.
- The Council Self-Assessment report was approved for submission to the DHET. Comments were made for inclusion in the executive summary to the DHET.

#### *Human resource related matters and appointments*

- The term extension of four senior staff members was approved.
- Senior appointments were made by the Council, including the Vice-Rector: Research and Internationalisation, and the Deans of the Humanities and Law.

#### *Institutional Transformation and Change*

- It was approved that Student Housing Unit (SHU) 8 be named “Ardour”.
- Name changes for five Bloemfontein Campus Student residences were approved.

#### *Academic Governance*

- The withdrawal of the BCom Accounting degree and the awarding of a BAcc degree was approved.
- The CHE Institutional Audit: Self-Evaluation Report was noted.
- The Reports from the Rector and Vice-Chancellor were considered and dealt with.
- The Standard Self-Assessment Form was approved.

#### *Institutional performance, monitoring and evaluation.*

- The 2021 UFS Annual Report for the DHET was approved.
- The Report on the Conflict of Interest was considered.
- The UFS Mid-year Performance Report 2022 was approved for submission to the DHET.

In conclusion, the Council fulfilled its mandate during 2022, as per the Statute and Institutional Rules.

**Table 2: Members of the UFS Council, 2022**

Membership category	Member	Term
CHAIRPERSON:	MR D (DAVID) NOKO*	2021/10/01-2025/09/30
VICE-CHAIRPERSON:	MS T (TIRELO) SIBISI*	2021/11/26-2025/11/25
THE VICE-CHANCELLOR AND PRINCIPAL	PROF FW (FRANCIS) PETERSEN	
VICE-RECTOR (1)	PROF P (PRAKASH) NAIDOO	2021/10/01-2022/09/30



Membership category	Member	Term
	DR M (MOLAPO) QHOBELA	2022/10/01-2023/09/30
APPOINTED BY THE MINISTER OF HIGHER EDUCATION AND TRAINING (5)	MS KV (VICKY) TLHABANELO	2020/09/07-2024/09/07
	MS I (ITUMELENG) POOE	2020/07/01-2024/06/30
	PROF M (MILLARD) ARNOLD	2018/06/27-2022/07/26
	MS L (LEAH) MOLATSELI	2018/06/27-2022/07/26
	JUDGE C (CELESTE) REINDERS	2018/06/27-2022/07/26
	MS J (JOHANNA) MAPHARISA	2022/07/27-2026/07/26
APPOINTED BY THE PREMIER OF THE FREE STATE (1)	MR KF (KOPUNG) RALIKONTSANE	2022/11/15-2026/11/14
ELECTED BY THE SENATE (2)	PROF PD (DANIE) VERMEULEN	2021/01/01-2024/12/31
	PROF P (PHILIPPE) BURGER	2021/07/04 -2025/07/03
MEMBERS OF THE RELIGIOUS COMMUNITY (1)	VACANT	
ELECTED BY THE DONORS (1)	MR M (MARIUS) REZELMAN	2021/08/24-2025/08/23
ELECTED BY THE CONVOCATION (4)	DR PD (PIETER) DU TOIT	2020/02/01-2024/01/31
	MR HH (HENRY) SHIMUTWIKENI	2020/11/24-2024/11/23
	MR DM (MANDLA) NDLANGAMANDLA	2019/11/15-2023/11/14
	MR ZL (ZAMA) SIQWEBELA	2019/11/15-2023/11/14
ELECTED BY THE ACADEMIC STAFF WHO ARE NOT MEMBERS OF SENATE 1)	DR E (EUGENE) BARON	2021/11/29-2025/11/28
ELECTED BY THE NON-ACADEMIC STAFF (SUPPORT SERVICE EMPLOYEE) (1)	MR CM (CHARLIE) MOLEPO	2020/01/01-2023/12/31
APPOINTED BY THE CENTRAL STUDENT REPRESENTATIVE COUNCIL (2)	MR J (JERRY) THOKA	Until 30 August 2022
	MR MS (SIFISO) MOFOKENG	Until 30 August 2022
	MR TL (TSHEPANG) BAMBO	From 1 September 2022
	MR STI (SEFUNDU) MASUKU	From 1 September 2022
	Mr GD MOKHEMA	Attended Council on 24 June on behalf of Mr S KUNENE
APPOINTED BY THE SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION: FREE STATE (1)	VACANT	
CHAIRPERSON OF THE INSTITUTIONAL FORUM (1)	DR M MADIOPE	until 30 September 2022
APPOINTED BY COUNCIL (8)	MS T (TIRELO) SIBISI*	2020/07/01-2024/06/30
	MR LL (LOUIS) VON ZEUNER	2020/07/01-2024/06/30
	MR R (RYLAND) FISHER	2019/03/15-2023/03/14
	MR D (DAVID) NOKO*	2019/09/14 -2023/09/13
	DR SJ (SNOWY) KHOZA	2021/10/01-2025/09/30
	DR A (ANCHEN) LAUBSCHER	2020/09/01-2024/08/31
	MR D (DAVID) ABBEY	2022/03/23-2026/03/22
	MR D (DAN) KRIEK	2022/03/23-2026/03/22

Table 3: Members of the UFS Council as at 23 June 2023

Membership category	Member	Term
CHAIRPERSON:	MR D (DAVID) NOKO*	2021/10/01-2025/09/30
VICE-CHAIRPERSON:	MS T (TIRELO) SIBISI*	2021/11/26-2025/11/25
THE VICE-CHANCELLOR AND PRINCIPAL	PROF FW (FRANCIS) PETERSEN	
VICE-RECTOR (1)	PROF P (PRAKASH) NAIDOO	2021/10/01-2022/09/30

Membership category	Member	Term
	DR M (MOLAPO) QHOBELA	2022/10/01-2023/09/30
APPOINTED BY THE MINISTER OF HIGHER EDUCATION AND TRAINING (5)	MS KV (VICKY) TLHABANELO	2020/09/07-2024/09/07
	MS I (ITUMELENG) POOE	2020/07/01-2024/06/30
	PROF M (MILLARD) ARNOLD	2018/06/27-2022/07/26
	MS L (LEAH) MOLATSELI	2018/06/27-2022/07/26
	JUDGE C (CELESTE) REINDERS	2018/06/27-2022/07/26
	MS J (JOHANNA) MAPHARISA	2022/07/27-2026/07/26
APPOINTED BY THE PREMIER OF THE FREE STATE (1)	MR KF (KOPUNG) RALIKONTSANE	2022/11/15-2026/11/14
ELECTED BY THE SENATE (2)	PROF PD (DANIE) VERMEULEN	2021/01/01-2024/12/31
	PROF P (PHILIPPE) BURGER	2021/07/04-2025/07/03
MEMBERS OF THE RELIGIOUS COMMUNITY (1)	VACANT	
ELECTED BY THE DONORS (1)	MR M (MARIUS) REZELMAN	2021/08/24-2025/08/23
ELECTED BY THE CONVOCATION (4)	DR PD (PIETER) DU TOIT	2020/02/01-2024/01/31
	MR HH (HENRY) SHIMUTWIKENI	2020/11/24-2024/11/23
	MR DM (MANDLA) NDLANGAMANDLA	2019/11/15-2023/11/14
	MR ZL (ZAMA) SIQWEBELA	2019/11/15-2023/11/14
ELECTED BY THE ACADEMIC STAFF WHO ARE NOT MEMBERS OF SENATE (1)	VACANT	
ELECTED BY THE NON-ACADEMIC STAFF (SUPPORT SERVICE EMPLOYEE) (1)	MR CM (CHARLIE) MOLEPO	2020/01/01-2023/12/31
APPOINTED BY THE CENTRAL STUDENT REPRESENTATIVE COUNCIL (2)	MR TL (TSHEPANG) BAMBO	
	MR STI (SEFUNDU) MASUKU	
APPOINTED BY THE SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION: FREE STATE (1)	VACANT	
CHAIRPERSON OF THE INSTITUTIONAL FORUM (1)	VACANT	
APPOINTED BY COUNCIL (8)	MS T (TIRELO) SIBISI*	2020/07/01-2024/06/30
	MR LL (LOUIS) VON ZEUNER	2020/07/01-2024/06/30
	MR R (RYLAND) FISHER	2019/03/15-2023/03/14
	MR D (DAVID) NOKO*	2019/09/14-2023/09/13
	DR SJ (SNOWY) KHOZA	2021/10/01-2025/09/30
	DR A (ANCHEN) LAUBSCHER	2020/09/01-2024/08/31
	MR D (DAVID) ABBEY	2022/03/23-2026/03/22
	MR D (DAN) KRIEK	2022/03/23-2026/03/22

### 2.2.3. Audit, Risk, and IT Governance Committee of Council activities

The Audit, Risk and IT Governance Committee of Council (ARIC) under the chairpersonship of Mr D Abbey convened six times during 2022 (two of which were joint meetings with the Finance Committee of Council).

The Committee's activities during 2022 included the following:

- The outcome of the ARIC Self-Assessment 2021 was noted, as was the overall positive feedback.
- Reports on IT management and governance, data-related matters and digital security were considered and dealt with.
- The Quarterly Reports on legal matters were dealt with by the ARIC.
- The Institutional Risk Management Progress Reports and the Quarterly Reports on Compliance were dealt with by the ARIC.

- The 2021 Annual Internal Audit Report was noted.
- ARIC considered and approved the Annual Internal Audit Plan for 2022.
- The External Audit Report: 31 December 2021 was dealt with by ARIC.
- Certain delegation of authority to the Rectorate was recommended for approval by the Council.
- The ARIC agreed with (and supported) the lifting, as well as the manner in which it would be managed in future, of the Required Vaccination Policy, based on the thorough risk assessment that informed the decision.
- The updated Institutional Risk Register was noted.
- The external audit plan for the year ending 31 December 2022 was approved.
- The Annual Audit Fees were recommended for approval by the Council.
- The Internal Audit Progress Report was considered by ARIC.
- At the joint meetings between the ARIC and the Finance Committee of the Council, the following transpired:
- The 2021 UFS Annual Report for the Department of Higher Education and Training was recommended for approval by the Council.
- The Mid-Term Review of UFS-Approved Enrolment Targets 2023–2025 was noted and recommended for approval by the Council.
- The Consolidated Financial Statements for the year ended 31 December 2021 were recommended for approval by the Council.
- The UFS Mid-Year Performance Report 2022 was recommended to the Council for approval.
- The Budget 2023 was recommended for approval by the Council.

In conclusion, the Audit, Risk and IT Governance Committee fulfilled its mandate during 2022, as laid down by the Intuitional Rules and its Charter.

## 2.2.4.UFS Senate activities

Under the chairpersonship of the Rector and Vice-Chancellor, Prof FW Petersen, the Senate convened four times during 2022.

- 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 for determining policy and rules concerning academic matters, dealt amongst others, with the following during 2022:
- Members of Senate were appointed to relevant UFS Committees (including the Executive Committee of Senate).
- The Remit of the Senate Enrolment Management Committee in which the post title of the Executive Director: Student Affairs replaced that of the Dean of Students was noted.
- The UFS Policy on Collaborative Degrees with Foreign Universities was recommended for approval by the Council.
- The Policy on Certification for Formal Academic Programmes and Standard Operating Procedure for Eligibility for Graduation were recommended for approval by the Council.
- The name change of the UFS Postgraduate School to the Centre for Graduate Support was supported and recommended for approval by the Council.
- The Standard Operating Procedure of the Institutional Calendar was approved.
- The 2023 Academic Calendar was approved in principle, with certain amendments.
- It was recommended to the Council that a BCom in Accounting degree awarded to a student be withdrawn.
- The strategic overview and reorganisation proposal for the Faculty of Education was recommended for approval by the Council with one amendment.
- The newly aligned Policy for the Recognition of Prior Learning (RPL) was recommended for approval by the Council.
- The UFS Research Integrity and Ethics Policy, the Senate Research Ethics Committee (SREC) Terms of Reference and the SREC Standard Operating Procedure was recommended for approval by the Council.

- The amended Remit of the Language Committee was approved.
- The amended Remit of the Academic Committee was approved.
- The Graduation Statistics report was noted.
- The Emeritus Professor Policy was supported and recommended for approval by the Council.
- The Policy on Master's and Doctoral Studies was supported for approval by the Council.
- The Qwaqwa Campus Research Strategy 2021–2025 was noted and supported.
- The Annual Internal Research Report 2022 was noted and supported.
- The revised arts-specific criteria for promotion were supported and approved.
- The draft Remit of the Honorary Degrees Committee was supported and recommended for approval by the Council, for implementation on 1 January 2023.
- The use of the Faculty of the Humanities promotion criteria for academic staff, with the conditions as indicated by the Executive Committee of Senate (ECS), was approved.
- It was noted that an External Panel had been established to assist the UFS with decolonisation. The establishment of a Decolonisation Engagement Group of Senate was approved, following a formal proposal which included all relevant stakeholders.
- The awarding of several Honorary degrees and awards was recommended to the Council.
- The appointment for senior positions was recommended to the Council.
- The Bloemfontein Campus student residence name changes were supported and recommended for approval by the Council.
- The UFS Blended Learning and Teaching Policy was recommended for approval by the Council.

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

- Executive Committee of Senate
- Research Committee of Senate
- Senate Research Ethics Committee

During 2022, these committees also fulfilled their mandates as prescribed.

### 2.2.5. Student Representative Council

These were the major highlights that happened during the term:

NSFAS Private Accommodation Guidelines Student participation and letter of standard deviation submission.

Every year at institutions of Higher Education, the general student populace that resides off campus faces major challenges with their private accommodation, from accommodation fees to the accreditation standards that are used to accredit some of the accommodations. The ISRC launched a programme they embarked on with students institutionally to try and engage students on matters of Private Accommodation (PA), as well as include students in the drafting of a standard deviation letter to NSFAS regarding the payments of students going to landlords. This was coupled with several student consultations in mass meetings with the SRC across the three campuses, with submissions from students on what they would like from their ideal student accommodation. A dialogue was also hosted on the Bloemfontein Campus titled, "Your ideal student accommodation", where Housing and Residence affairs, landlords and the student populace were present to engage on matters of private accommodation and student safety. After the consultations with all student stakeholders, the ISRC set out to consolidate the letter of deviation that was sent to NSFAS with all of the submissions and recommendations. This was very fruitful, because all students felt represented, and the Qwaqwa Campus had further meetings on the state of private accommodation with NSFAS and DHET representatives to find a further solution on the state of PA in rural areas. The ISRC also had a meeting with DHET Deputy Minister Mr Manamela and his team to further outline the challenges to see how the submissions that were made can find expression. Alongside that, the ISRC had a physical meeting with the NSFAS board and representatives from SAUS (South African Union of Students) to further find mitigating strategies on the matter. In the end, some of the submissions never found expression, but there was a major



change in the 2023 NSFAS guidelines on private accommodation that were part of the 2022 submissions during this process.

#### *Student Participation in Policy Consultation – Naming and Renaming Policy*

The university ensures that all new policies that are developed or reviewed are consulted upon with the student population. This is often accomplished via the ISRC, whose responsibility is to disseminate the policy through governance structures and ensure that the student voice is not left behind. Some of the policies consulted in the previous term include Remit on Student Health and Wellness, Student Lab Management Policy, and Gender-Based Violence and Sexual Misconduct Policy.

The Unit for Institutional Change and Social Justice, as per the directive given by the Vice-Rector for Institutional Change, Strategic Partnerships, and Societal Impact, embarked upon a policy review process for the Naming and Renaming Policy. As part of the consultation process, the ISRC was presented with the first draft of the Policy as per the Policy Framework of the Institution, to consult further with its constituency, which included the ISRC substructures.

As part of the highlights of activities, the South Campus Student Representatives undertook an initiative called the Student Representative Council: Sub-Regions Consultation Visits. The purpose of the visits was for the council to introduce themselves officially to students. It was also to oversee the space where our students study and gather all the challenges they have come across throughout the year. After the consolidation of the presented challenges, the Council would then present them to the relevant institutional stakeholders for further handling and assistance.

With the formulation of Faculty Student Representative Councils (FSCs) in 2019, the councils have had a recognizable impact in the various spaces by creating advocacy platforms through the coordination of Academic Appeals Awareness Workshops, Faculty Rulebook Sessions, and Faculty Indabas where the students are equipped and educated on the various student-related policies and guidelines, while in the same breath, advocating academically excluded students in Faculty Readmission Appeals Committee meetings on which our various Academic Student Representatives sit.

As the ISRC, through the Student Governance Structures, we also have the responsibility of contributing to the student experience at the UFS by means of Student Representative Councils in Arts & Culture, Sports, Community Engagement and Social Responsibility, Social Justice and Accessibility whereby critical student engagements and dialogues are held.

**Table 4: Members of the Student Representative Council, 2021/2022**

Student Representative Council	Membership category	Member
Institutional	1. President General	Simphiwe Dube (Qwaqwa)
	2. Deputy-President General	Xilaveko Election Hlungwani (South)
	3. Secretary General	Mokgomotsi Dinoko (South)
	4. Deputy-Secretary General	Mandisa Xulu (Qwaqwa)
	5. Treasurer General	Simphiwe Kunene (Qwaqwa)
	6. Deputy-Treasurer General	Gugulethu Mokhema (Bloemfontein)
	7. Additional Members	Luvuyo Jacobs (Bloemfontein) Gernus Terblanché (Bloemfontein) Tshegofatsho Thobane (Bloemfontein)

Student Representative Council	Membership category	Member
Bloemfontein Campus	1. President	Luvuyo Jacobs
	2. Deputy President	Katlego Booyesen
	3. Secretary	Realeboga Makgeledise
	4. Treasurer	Hope Rampako
	5. Policy and Transformation	Gugulethu Mokema
	6. Student Development and 1 <sup>st</sup> -Generation Students	Khanya Bungane
	7. Commuter Students	Kekeletso Mabuya
	8. Associations Student Council	Tshegofatso Thobane
	9. Student Organisations Council	Ledile Bambo
	10. Academic Student Council	Amanda Nhlapho
	11. Day Residence Council	Nontando Kalipa
	12. Campus Residence Council	Lebogang Ditlhareng
	13. Postgraduate Student Council	Bonolo Ndhlovu
	14. International Student Council	Lyshea Mapaike
	15. Student Media and Dialogue Council	Neo Mngwevu
	16. Universal Access and Social Justice Council	Babalwa Phillips
	17. Civic and Social Responsibility Council	Gernus Terblanche
	18. Arts and Culture Council	Hlumelo Xaba
	19. Sports Council	Lethokuhle Shabalala
Qwaqwa Campus	1. President	Simphiwe Dube
	2. Deputy President	Sphamandla Mthembu
	3. Secretary	Chulumanco Mazwi
	4. Treasurer	Mandisa Xulu
	5. Policy and Transformation	Simphiwe Kunene
	6. Student Development and 1 <sup>st</sup> -Generation Students	Theodore Hlalele
	7. Commuter Students	Sanele Ngcobo
	8. Media and Publicity	Andile Tshabalala
	9. Associations and Religious Affairs Student Council	Thando Moloi
	10. Campus Residence Council	Tlotlisang Lehloo
	11. Arts and Culture Council	Lethukuthula Nsibande
	12. Academic Council	Ayanda Maseko
	13. Sports Council	Rethabile Tshabalala
	14. Universal Access and Social Justice Council	Nontokozo Khanyile
	15. Postgraduate Student Council	Rethabile Phokojoe
	16. International Student Council	Tapiwanashe Mashamba
South Campus	1. President	Mokgomotsi Dinoke
	2. Deputy President	Livhuwani Ramalisa
	3. Secretary	Xilaveko Hlungwani
	4. Treasurer	Boitumelo Moroke
	5. Policy and Transformation	Adelia Chauque
	6. Academic Student Council	Nolithando Gumedede

### 2.2.6. Report of the Institutional Forum (IF) to Council

The UFS is positioning the Institutional Forum (IF) to serve as an influential advisory structure and accordingly it reports directly to Council on matters as determined by the Higher Education Act as amended.

In its quest to strengthen the IF, a process is underway to obtain input from all members as part of a review of the remit of the IF in line with the draft DHET 'Guiding Principles for strengthening Institutional Forums'.

The IF provided quarterly reports to Council, which included, among others, a brief summary of its activities 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:

- The IF was represented as an observer in senior appointment processes to be proactively involved from the onset to be able to report properly and comprehensively to Council about the fairness of the appointment processes and procedures. The IF representatives thus intensively observed the fairness, consistency, openness, and rationality of senior appointment processes, and advised Council accordingly.
- The IF remit was revised through the formal processes to ensure full alignment with the Higher Education Act 101 of 1997 and the UFS Statute.
- In its quarterly reporting to Council, the IF highlighted all matters pertaining to transformation and other relevant matters. Reports were submitted on time and are available from the Chairperson, on request, for perusal.
- Establishment of the UFS Women's Forum as an excellent and worthy platform to build and advance a new generation of women leaders, researchers and academics was supported by the IF.
- A staff member from the Unit for Institutional Change and Social Justice was granted observer status in the IF to fulfil the role of administrative advisor.
- The IF debated matters on fairness in support of social cohesion and trust and several UFS policies were debated and recommended made to Council.

The IF has advised Council on several key issues, including the remit of the IF, promotion of gender equality, key transformation-related matters on HR policies, and procedures and appointments.

Participation and attendance of IF members improved significantly during 2022 and IF visibility, through its reporting and advisory function to Council, increased in terms of gravitas and impact.

Anita Lombard

Acting Chairperson/Deputy Chairperson

**Table 5: Members of the Institutional Forum, 2022**

Membership category	Member	Term
Chairperson	Vacant	
Deputy Chairperson	Ms A Lombard*	
Two representatives of the University Management Committee	Ms JM Molopyane	Until 13 September 2024
	Ms L Griesel	Until 15 November 2024
Two Council representatives	Ms KV Thlabanelo	Until 31 August 2024
	Mr Z Sigwebela	2022/09/16–2026/09/15
Two Senate representatives	Prof P Mafora	2020/10/27–2024/10/26
	Prof TG Neethling	2021/07/22–2025/07/21
Two representatives of academic staff (other than Senate members)	Dr JL Matthee	2020/11/12–2024/11/11
	Dr M Tlali	2020/11/12–2024/11/11
Two representatives of support staff	Ms CS de Lange	Until 11 November 2024
	Mr MKB Lechoo	2022/09/01–2026/08/31
Two representatives of service employees	Ms LHA Molale	2021/08/01–2025/07/31
	Ms KJ Mtshali	2021/08/01–2025/07/31

Membership category	Member	Term
Two ISRC representatives	Mr Ledile Tshepang Bambo	Coincides with term of office of ISRC
	Mr Thami Masuku	
Two representatives of recognised trade unions	Ms A Lombard*	UVPERSU
	Mr MM Matla	NEHAWU
One or two designated representatives of other stakeholder groups (subject to clause 6(5)) as identified by the IF and approved by the Council	Prof C Chasi	
	Mr CD Mocwana	

### 2.2.7. Data governance and management: Institutional

Data Governance, as a subset of the total approach to Institutional Governance has been a key focus area of the University. At the UFS data governance is aimed at ensuring the management and protection of data assets towards the optimisation of institutional operational efficiencies. University data governance at UFS complies, in as much as is reasonably possible, with relevant laws and regulations, such as data protection and privacy laws (POPIA) and ensures that data are used ethically.

In 2022, the UFS invested new energies into data governance, including processes of identifying key role-players in the institution as data owners and/or system owners or both.

Data governance is dictated by POPIA and supports the floor-level deployment of the POPIA Act and its implications. Both the data and systems ownerships are fully defined and technically designed in terms of ICT Services requirements, and are well into the implementation thereof. The complexity of the integration, assignment of ownership, and implementation across the institution are collaborative and consultative. Ensuring data and governance compliance in line with POPIA is time consuming and requires the ongoing assessment of inherent and emerging operational risks, as well as the specific managerial practices associated with requisite change management and bridging.

Data management pertains to Digital Security and Data Privacy in the POPIA and its operationalisation across the institution. At the UFS, data management is addressed through institutional procedures and practices as prescribed by relevant structure owners and their associated roles and functions within the institution.

Key aspects of the data management regimen at UFS include accountability mechanisms with dedicated roles and responsibilities, data security in terms of protection, storage, transmission, access control and data quality. The UFS is investing considerable time and resources to ensure data quality; that is, data that are accurate, complete and up to date, and that are consistent across systems and departments.

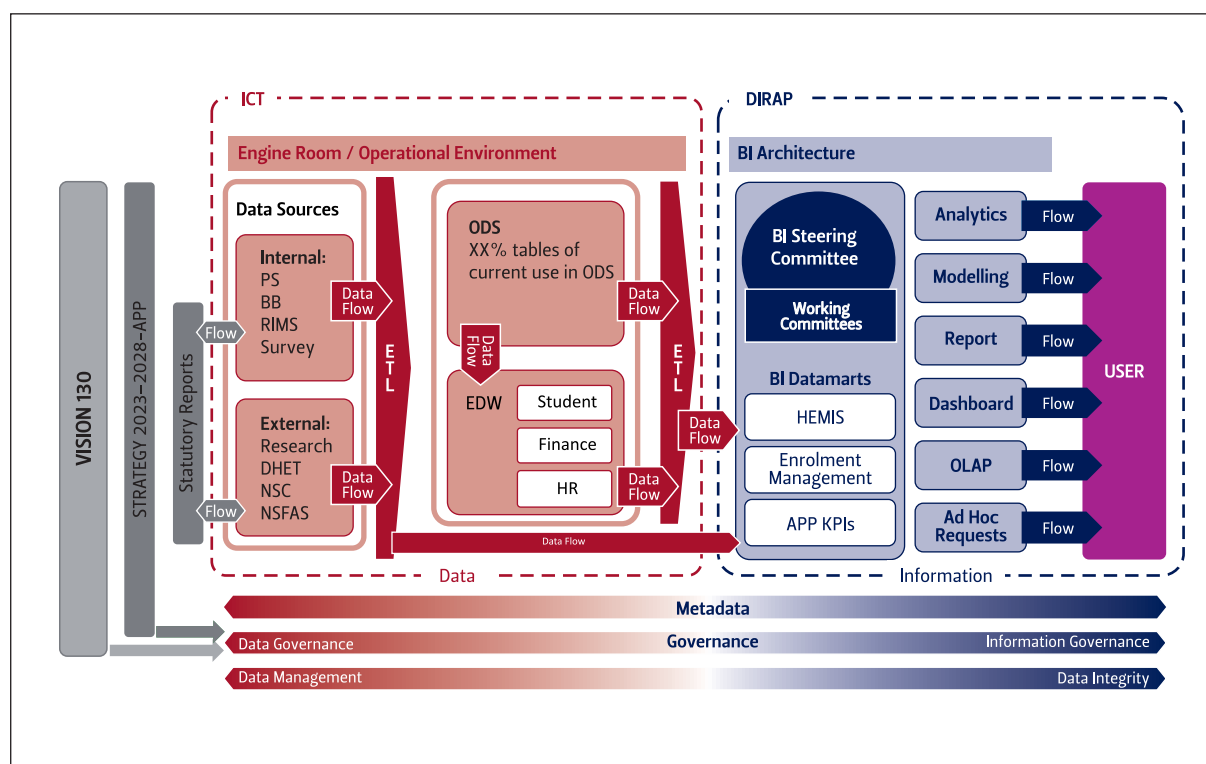
ICT plays an important role in both data governance and data management, and remains the custodian and initiator of continuous improvement that includes regularly reviewing governance processes to ensure that they are effective and responsive to changing needs and circumstances.

At the UFS, data management is unfolding deliberately and much remains to be done related to re-engineering internal processes to the point of data-safe compliance and security, as well as the aligned institutional efficiencies.

Data governance and management must translate into efficient and effective dissemination of institutional information for strategic decision making, planning, monitoring and evaluation. At the UFS this entailed the development and institutionalisation of the Business Intelligence (BI) Strategy, a key outcome of which was the development of a conceptual mode that is now in its implementation phase. This model clearly demonstrates the integratedness of data governance, management and the dissemination of information, and its location within the broader institutional structure. Figure 5 demonstrates the approach adopted for the implementation of the BI through the operational data store.

The UFS operational datastore (ODS) has been designed to support BI and analytics. It acts as an integrator and a central repository for data that have been extracted from the various operational systems and transactional databases, both internally and external to UFS. The purpose of the ODS is to provide a consistent, reliable, accurate and integrated view of data that can be extracted, translated and interpreted, and used for reporting, analyses, and decision-making.

The development of an ODS remains a complex process that requires a combination of technical expertise, data management skills, and institutional knowledge, and therefore requires informed, careful planning and execution.



**Figure 5: Implementation of the business intelligence strategy**

## 2.3. Management

### 2.3.1. University Management Committee

The University Management Committee (UMC) is one of the UFS's statutory institutional committees, and convened eight times during 2022.

The UMC's mandate, roles and functions are set out in the Institutional Rules and is responsible for exercising the powers and duties delegated to the UMC by the Council. The UMC is responsible for the strategic management of the UFS with regard to its focus areas, key success factors, academic support services and portfolios, as follows:

- (i) For finalising  
Creation and filling of posts, and promotion of all permanent and full-time support-services staff members whose level of remuneration is equal to that of a professor, associate professor, or senior lecturer.



The finalising of all matters which cannot be finalised within certain management lines by means of specific approved policy and procedures and which fall outside the mandate of the Executive Committee of the Senate and the Senate.

The establishment or termination of support services departments.

(ii) 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 a 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 Council for decision making.

During 2022 the UMC, under the chairpersonship of the Rector and Vice-Chancellor, executed its mandate in some of the following ways:

- It was noted that the Flexible Employment Arrangement Policy was not in operation and would be tabled for discussion at the Council meeting in March 2022, and staff would be expected to return to campus on 1 February 2022.
- The turnaround times for Internal Audit processes and due dates were reiterated.
- Several appointments were approved.
- The members of the CHE Institutional Audit Panel that took place from 9 to 13 May 2022 were noted.
- The proposed amendments to the Policy Development Framework were supported and recommended to the Executive Committee of Senate (ECS) and the Council for approval.
- The presentation on the Student Life Communities was noted, discussed and a task team was established.
- Several Acting Appointments were approved.
- Several term extensions of staff were approved.
- The extension of senior appointments was recommended to the Council for approval.
- The 2023 Budget was supported and recommended to the Finance Committee and Audit, Risk and IT Governance Committee.
- The Compliance Policy and Implementation Plan was supported and submitted to the Audit, Risk and IT Governance Committee and the Council for final approval.
- The Policy and Procedure for Overtime Compensation and the Implementation Plan were supported and recommended to the Human Resources Committee and the Council for approval.
- The Policy of the UFS on a smoke- and Vape-Free Workplace and its Implementation Plan were recommended to the Council for approval.
- Members were elected to serve on various institutional structures.
- The UFS Vision 130 and UFS Strategic Plan 2023 to 2028 were supported and recommended to the Council for approval.
- The Crime and Incident Investigations Procedure was approved with effect from 1 December 2022.

In conclusion, the UMC fulfilled its mandate in 2022, as laid down by the Rules.

**Table 6: Members of the University Management Committee, 2022**

Membership category	Member
Vice-Chancellor and Principal (Chairperson)	Prof FW (Francis) Petersen
Vice-Rectors	Prof RC (Corli) Witthuhn (Vice-Rector: Vice-Rector: Research, Innovation and Internationalisation)
	Prof P (Prakash) Naidoo (Vice-Rector: Operations)
	Dr EL (Engela) van Staden (Vice-Rector: Academic)
	Dr M (Molapo) Qhobela (Vice-Rector-Institutional Change, Strategic Partnerships and Societal Impact)
Registrar	Mr NN (Nikile) Ntsababa
Deans	Prof H (Heidi) Hudson (The Humanities)
	Prof JC (John) Mubangizi (Law)
	Prof HJ (Hendri) Kroukamp (Economic and Management Sciences; until 28 February 2022)
	Prof P (Philippe) Burger (Economic and Management Sciences; from 1 March 2022)
	Prof DJ (Danie) Vermeulen (Natural and Agricultural Sciences)
	Prof GJ (Gert) van Zyl (Health Sciences)
	Prof LC (Loyiso) Jita (Education)
South Campus	Prof R (Rantoe) Letšosa (Theology and Religion)
	Dr M (Maria) Madiopie (Campus Principal; until 30 September 2022)
Qwaqwa Campus	Dr MDPA (Martin) Mandew (Campus Principal)
Student Affairs	Mr T (Temba) Hlaseho (Executive Director)
Heads of departments	Ms JM (Jeannet) Molopyane (Library and Information Services)
	Mr CR (Chris) Liebenberg (Finance)
	Ms SJ (Susan) van Jaarsveld (Human Resources)
	Dr GJ (Glen) Taylor (Research Development)
	Dr RV (Vic) Coetzee (Information and Communication Technology Service)
	Prof JF (Francois) Strydom (Centre for Teaching and Learning)
	Ms L (Liana) Griesel (DIRAP)
	Mr NJ (Nico) Janse van Rensburg (University Estates)
	Mr CCA (Cornelius) Hagenmeier (International Affairs)
	Ms LC (Lacea) Loader (Communication and Marketing)
	Prof CT (Colin) Chasi (Unit for Institutional Change and Social Justice)
	Mr PMB (Billyboy) Ramahlele (Community Engagement)
	Ms NE (Nomonde) Mbadi (Student Recruitment Services)
	Prof W (Witness) Mudzi (Centre for Graduate Support)
	Dr RT (Russell) Ally (Senior Director: Institutional Advancement)
	Mr QT (Quintin) Koetaan (Housing and Residence Affairs)
	Mr N (Noko) Masalesa (Protection Services)
	Mr DB (DB) Prinsloo (Kovsiesport; until 31 May 2022)
	Ms MS (Maryke) Holtzhausen (KovsieSport; from 13 June 2022 until 31 October 2022)
	Mr MLJ (Matsobane) Laka (KovsieSport; from 1 November 2022)
	Adv SA (Shirly) Hyland (Short Learning Programmes)
	Dr NI (Nomalungelo) Ngubane (Academy for Multilingualism; from 1 January 2022)
President: Central Students' Representative Council	Mr SS (Simphiwe) Dube/Ms GD (Gugulethu) Mokhema (from 1 January 2022)
	Mr MF (Mokgomotsi) Dinoke (from 1 January 2022)
	Mr T (Tshepang) Bambo (from 17 October 2022)
	Mr R (Retschedisitswe) Makae (from 17 October 2022)
In advisory capacity	Ms AM (Anita) Lombard (UVPERSU representative)
	Mr ZP (Zenzele) Mdletshe (NEHAWU representative; until 31 July 2022)
	Mr C (Chelepe) Mocwana (NEHAWU representative; from 1 August 2022)
	Ms JH (Elna) van Pletzen (Deputy Registrar: Governance and Policy)
	Mr A (Anban) Naidoo (Deputy Registrar: Student Academic Services)
	Adv MC (Mbongeni) Mateta (Deputy Registrar: Legal Services and Compliance; until 31 May 2022)
	Adv V (Vuyo) Booysen (Deputy Registrar: Legal Services and Compliance; from 1 December 2022)
	Prof P (Philippe) Burger Pro-Vice-Chancellor: Poverty, Inequality and Economic Development

### 2.3.2. Report of Council on risk assessment and management of risk

The University's risk philosophy is operationalised through a Risk Management Policy (approved 2015) and Guidelines (approved 2018) in which the risk management process, governance structures, responsibilities, and accountabilities are outlined. Council is responsible for the oversight of risk management. The Risk Management Framework is informed by the University's strategic objectives and guided by the University's risk management philosophy. 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. Risk management supports institutional management processes.

The governance responsibility for risk management duties resides with 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 sub-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:

- Academic Committee of Senate – risks of academic work;
- Research Committee of Senate – risks of research;
- Senate Committee on Engaged Scholarship – risks of engaged scholarship; and
- Support Service Risk Management Committee – risks of university operations, health, safety, and crime.

The IRMC convened four meetings during 2022 specifically to address risk issues. Minutes were kept of all 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);
- Vice-Rector: Research and Internationalisation;
- Vice-Rector: Institutional Change, Strategic Partnerships and Societal Impact;
- Vice-Rector: Operations;
- Vice-Rector: Academic;
- Registrar;
- Executive Director: Student Affairs;
- Senior Director: Institutional Advancement;
- Senior Director: Information and Communication Technology Services;
- Director: Communication and Marketing;
- Campus Principals;
- Two Deans from faculties, appointed by the Deans Forum;
- Two Senior Directors;
- Chairperson of the Audit, Risk and IT Governance Committee (ARIC);
- Compliance officer;
- Deputy Registrar: Legal Services and Compliance;
- Deputy Registrar: Governance and Policy;
- Deputy Registrar: Student Academic Services;
- Risk Unit: Senior Director: Finance (Advisory);
- Risk Unit: Deputy Director: Finance (Advisory);
- Risk Unit: Chief Officer Risk Management (Advisory);
- The Risk Unit comprises the Senior Director Finance, Deputy Director Finance and the Chief Officer Risk Management (Advisory); and the
- 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.

The mandate of the IRMC was executed by reviewing the most significant institutional risks that would prevent the university from achieving its strategic objectives. Risks with an institutional impact was presented to the ARIC for input and discussion. The chairperson of the IRMC has unrestricted access to the chairpersons of the ARIC 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 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 appetite as set by Council, risk mitigation strategies are applied and monitored. Risk mitigation strategies are preceded by robust discussions and construed with a multi-disciplinary approach. 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 and assessed, and mitigation plans are constantly updated in an electronic risk management system. Council presents the risks in Table 7 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, Senate Committee on Engaged Scholarship, and Support Services Risk Management Committee in October 2022 and the UFS Council approved the subsequently identified top institutional risks of 2022 in November. The identified risks are managed to improve the performance of specific strategic objectives. Table 7 shows the institutional risks with a residual assessment of 'high' and above.

Table 7: UFS institutional risks 2022

No	Risk description	Overall Inherent (Impact x Likelihood)		Controls	Control effectiveness	Residual risk (Inherent rating x Control effectiveness)	Summary of action plans
1	Interruptions in core business due to power outages (overloading of infrastructure and loadshedding) at Qwaqwa	4	4	• Critical facilities have diesel generators • Entire campus will be supplied by a mix of solar and diesel-generated power	Satisfactory	High	• Short-term goads achieved – network switches on UPSs • Computer labs on UPSs to ensure a seamless transition from grid to emergency power • Microgrid Project underway. Ordering of all long lead items secured.
		16					
2	Cyber (Digital/ Information) Security	5	5	The most profound controls implemented by ICT during 2021/2022: • 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  • Image Now Retention and Audit • SSL Decryption on Gateway • Endpoint detection and Response (Cybereason) • Security Information and Event Management (Elastic) • Oracle Database Activity Monitor • Thycotic Privileged user management / (phase 1) • Endpoint Tunnel (Phase 1) • System Owner Questionnaire • Privilege Access Permissions • PSAT (ProofPoint Security Awareness Training)	Satisfactory	High	Planned 2023 and beyond: • IS Policy Rewrite (ISO 27001 aligned) • Appspan 360 (User Audit Management) • Privilege Management (Thycotic) • Spirion Data Classification • Encrypt Oracle Traffic • Oracle Database Encryption • Disk Encryption Windows (MBAM) • Appspan De- identification • End Point Data Loss Prevention • Vulnerability Management (Extension) • Aruba – Trusted/untrusted devices • IOT Security • Student Email Security  • Student PSAT rollout (ProofPoint Security Awareness Training) • NAT Student Network • NAT Staff Network • Gateway Data Loss Prevention • CIS (Control implementation and improvement) • Policy implementation and maturity improvement
		25					



No	Risk description	Overall Inherent (Impact x Likelihood)		Controls	Control effectiveness	Residual risk (Inherent rating x Control effectiveness)	Summary of action plans
3	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.	4	4	<ul style="list-style-type: none"> <li>Establishment of a Third-stream Income Committee for continuous evaluation of the UFS third-stream initiatives/drivers should ensure/enable effective management at faculty level.</li> <li>Ongoing engagement between the Office of Institutional Advancement, DRD and the office of International Affairs to advance research activities</li> <li>The DRD has designated funding available to brand and showcase research at the UFS Examples include the Annual Research Report, regular Research Communique and various conference displays.</li> </ul>	Satisfactory	High	<ul style="list-style-type: none"> <li>Various strategies to stimulate contract research, grant income and diversify the sources of research income are in the development phase.</li> <li>Strategies include faculty programs to get the UFS closer to industry, the development of research hubs, actively marketing our research and technologies to the industry</li> <li>Identify key role players and industry sectors where the UFS has little or no involvement.</li> <li>Implement proposal development and proposal tracking modules on RIMS to evaluate activity and success rates.</li> <li>Improve relationships with major funding authorities</li> <li>Engaging with industries and forming strategic partnerships (spinout companies that could generate passive income in future years.</li> </ul>
4	Share of income from advancement activities stagnate due to economic climate and our ability to raise funds	4	4	<ul style="list-style-type: none"> <li>IA has a CRM system that tracks interactions by fundraisers and other staff.</li> <li>The system also tracks contributions received to keep abreast of trends.</li> </ul>	Satisfactory	High	<ul style="list-style-type: none"> <li>Retain existing donors, renew lapsed donors, and acquire new donors. Continuous staff training.</li> <li>Review IA structure to optimize fundraising capacity.</li> <li>Strategic approaches to SETAs and other high-probability prospects alongside partner departments such as DRD and Financial Aid.</li> </ul>

No	Risk description	Overall Inherent (Impact x Likelihood)		Controls	Control effectiveness	Residual risk (Inherent rating x Control effectiveness)	Summary of action plans
5	Difficulty to attract quality diverse UG students	4	4	• Data and statistics from DIRAP are analysed to check quantity and quality of applications against Size and Shape institutional targets. Narrative toolkit is referenced at campaign conceptualisation.	Satisfactory	High	<ul style="list-style-type: none"><li>• Include the narrative in the messages to promote a sense of belonging and care for all groups.</li><li>• Cross-departmental integration and collaboration to encourage effective oversight of the professional, ethical, and shared service delivery at each touch point between application and enrolment.</li><li>• Visits by the VC, Director SRS, and the school marketer to the principal and or SGB will encourage stronger relationships, which will improve loyalty to and advocacy by schools for the UFS.</li><li>• SRS promotes the academic and student life product at national and international career exhibitions and parent evenings.</li></ul>
		16					
6	Difficulty to attract fee- paying undergraduate students	4	4	• Project plan developed, approved, and in place. Status reports are submitted to Vice-Rector Operations every quarter.	Satisfactory	High	<ul style="list-style-type: none"><li>• Increase the number of Quintile 5 and private schools to visit.</li><li>• Implement a campaign targeting private schools.</li><li>• Conduct a root-cause analysis through a survey of why the institution is losing fee-paying students.</li></ul>
		16					

No	Risk description	Overall Inherent (Impact x Likelihood)	Controls	Control effectiveness	Residual risk (Inherent rating x Control effectiveness)	Summary of action plans
7	Fire response and emergency preparedness		<ul style="list-style-type: none"> <li>• University has a contract with ER24 to respond to medical emergencies.</li> <li>• Good relationship with Mangaung Metropolitan Municipality Disaster Management Department.</li> <li>• Departmental emergency evacuation plans developed and drills conducted.</li> <li>• Safety functionaries appointed and trained at various buildings.</li> <li>• Effective Emergency Management Committee is in place.</li> <li>• Regular inspections done by the Mangaung Fire Department.</li> <li>• Events and Evacuation Coordinator appointed within Protection Services.</li> <li>• Protection Services members are trained on a regular basis to enhance skills and groups abilities. Newly appointed Response Officers at Bloemfontein Campus trained in firefighting</li> </ul>	Satisfactory	High	<ul style="list-style-type: none"> <li>• Purchasing of Personal Protective Equipment and other tools of the trade to be enhanced to ensure the safety of members.</li> <li>• Additional training and capacity building are needed for fire response in order to start extinguishing fires within less than 5 minutes.</li> </ul>
8	Academic programmes lack local relevance and global competitiveness	3   3 9	<ul style="list-style-type: none"> <li>• Focused quality (programme and/or departmental) reviews in line with local relevance and global competitiveness of curriculum.</li> <li>• Processes and procedures with guidelines implemented in a coherent integrated perspective</li> <li>• Consolidated review report on review outcomes</li> <li>• Improvement plans monitored at AC to ensure that outcomes are implemented</li> </ul>	Ineffective	High	<ul style="list-style-type: none"> <li>• Quality (departmental and/or programme) reviews being conducted and updated.</li> <li>• Dedicated improvement plans approved by AC. The review will be followed by continuous quality and curriculum improvements.</li> <li>• AC monitors the improvement plans and report feedback.</li> </ul>

No	Risk description	Overall Inherent (Impact x Likelihood)		Controls	Control effectiveness	Residual risk (Inherent rating x Control effectiveness)	Summary of action plans
9	Unemployability of graduates	3	3	<ul style="list-style-type: none"> <li>• Learning pathway more structured and streamlined</li> <li>• Curriculum review of Cat A programmes</li> <li>• Academic Advising Collaboration between DIRAP, SAS, Teaching and Learning Managers and CTL</li> <li>• Graduate Attributes to be mapped and designed into the curriculum. External reviews of Departments highlight improvements needed within the curriculum</li> <li>• Module catalogue must be neatly aligned</li> <li>• GES monitors and reports on employment trends of UFS graduates to Rectorate and faculties</li> </ul>	Ineffective	High	<ul style="list-style-type: none"> <li>• Programme reviews, cleaning of the module catalogue.</li> <li>• CTL has developed and implemented the Curriculum Renewal Programme (CRP) to facilitate the integration of graduate attributes.</li> <li>• Integration of Graduate Attributes into all programmes and will be complemented by the implementation of E-portfolios to better position graduates</li> <li>• Use Graduate Exit Survey to gather data on employability</li> </ul>

### 2.3.3. Report on internal administrative/operational structures and controls

The University maintains systems of internal control over financial reporting and the safeguarding of assets against unauthorised acquisition, use or disposal. Such systems are designed to provide reasonable assurance to the University and Council regarding a compliant operational environment that is committed to 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 commitment to ethics and ethical conduct that is communicated and practised throughout the university to foster a strong ethical climate.

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 back-up 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 utilisation 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 internal control systems and reports findings and makes recommendations to Management and Council through the Audit, Risk and IT Governance Committee. Corrective actions are taken to address identified control deficiencies and other opportunities for improving systems. 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. Nonetheless, the university has made every effort to mitigate the potential of such occurrences.

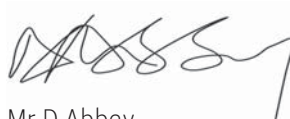
The University assessed its internal control systems as at 31 December 2022 in relation to the criteria for effective internal control over financial reporting described in its financial policy documents. Based on this assessment, the University believes that, on 31 December 2022, its systems of internal control over operational environment, financial and information reporting and safeguarding of assets against the unauthorised acquisition, use or disposal of assets met these criteria.

The University also 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 V Visser  
Director: Internal Audit



Mr D Abbey  
Chairperson: Audit, Risk and IT Governance Committee



# 03 PERFORMANCE REPORT









## 3. Performance Report

The UFS followed an integrated approach in compiling the Annual Report, while nevertheless meeting all of the requirements as set out in the Regulations for Reporting by Public Higher Education Institutions (2014). This integration hinges on the Report of the Senate to Council as well as its commitment to Council in the Annual Performance Plan. This section thus addresses the extent to which the strategic goals and objectives for learning and teaching, and research have been met.

### 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 the year under review, the UFS continued to promote a solid foundation for learning and teaching. The strategies continued to meet the challenges posed by the global COVID-19 pandemic, which accelerated the adoption of many opportunities. Key amongst these is the development of the Blended Learning Policy, which combines in-person instruction with online resources and activities, allowing for personalised learning experiences and flexibility.

The key findings of learning and teaching on an institutional level show that the UFS has moved towards a level of maturity regarding managing its undergraduate enrolment targets for 2022, with the exception of a spike in education. This is ascribed to offer management, which is an area that is receiving the concerted attention of UFS. It remains a critical component of student enrolment management, as it enhances enrolment conversion and yield, supports enrolment forecasting, and upholds institutional reputation.

The declining trend in postgraduate enrolments, particularly the steady and consistent decline in postgraduate qualifications below master's, raises questions about the navigability of pathways linking undergraduate and postgraduate studies. Three main factors contributing to the decline are financial support, articulation, and academic preparedness to grow the pool of eligible students entering postgraduate studies. The year under review marks the final year of the UFS Strategic Plan 2018 to 2022. Strategies to promote postgraduate education and research will form the nexus of UFS Vision 130 as we advance to build the institution's reputation and ensure 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. The year 2022 marks the highest number of graduates that the UFS has produced over the years. UFS will keep a close eye on these trends and conduct further research on the impact of the higher intake of students as a result of the #FeesMustFall movement and the time to completion for these cohorts.

However, considering the graduation rate, which is a more substantive way of viewing graduations related to enrolment, the UFS's undergraduate graduation rate increased from 17% in 2019 to 22% in 2022. The University supports the improved graduation rate and the employability of students with the mapping of the graduate attributes to ensure that graduates display the relevant skills, competencies, knowledge and attitudes essential for success in the workplace, regionally, nationally, continentally and globally. The asynchronous online Graduate Attributes Portal provides detailed instruction on how to integrate graduate attributes into outcomes, assessments, and teaching activities. Whilst first-year students have been introduced to graduate attributes since 2021, in 2022, final-year undergraduate and postgraduate students were invited to participate in a pilot module (EDED3722) for the creation of an e-portfolio that could be used to promote their employability. In addition, during 2022, the Digital Skills and Competency Framework and self-paced asynchronous pathway were created for students to enhance their digital skills and their employability to thrive in the workforce.



The UFS has made significant progress with success rates over the past years, with the general success rate improving by 1,3 percentage points from 2018 to 2022. The UFS continued to invest substantially in student success, throughput and overall student well-being strategies, including, but not limited to, additional tutoring, improved academic advising and mentoring, programmes and initiatives that promote student engagement and, key amongst these, the investment in professional counselling to address the growing mental health needs of students. It ensures that students can access the support they need to navigate personal and emotional challenges effectively. The Digitalisation Strategy and Implementation Plan has secured additional resources to invest in up-to-date technology infrastructure, software and digital resources to support student learning and engagement. This includes providing access to online learning platforms, research databases, virtual classrooms, and collaborative tools. In closure, the UFS continued to invest in academic staff development and training opportunities, focusing on student-centred pedagogy, inclusive teaching practices, and effective assessment methods, underscoring the UFS's vision of being student centred. Student success is not without its challenges; while technological advancements have transformed learning opportunities, the digital divide persists, creating disparities among students. UFS students, as many students in South Africa, continue to experience inequality due to a lack of access to reliable internet and electronic devices, as well as the required digital skills to succeed in an online environment. Therefore, the work on student success will continue to consider the implications for access, quality, integrity of assessments, and future approaches to learning and teaching.

Within the context, the University remains committed to promoting student success and throughput. In so doing, a number of projects are in place to assist in achieving this strategic imperative. Key amongst these are:

- The Tsheheta Tracking Project
- Siyaphumelela project (data evidence and academic advising)
- Translanguaging pilot project in tutorial system
- Reducing research Master's and Doctoral student time to completion

Coupled with success rate is the achievement gap that forms a critical lens to evaluate the aforementioned strategies' effectiveness. This gap measures the percentage deviation between white and black<sup>1</sup> students, and through the reporting cycle, the gap has substantially improved from 16% in 2010 to 9% in 2022.

A thriving campus life that promotes a welcoming and inclusive campus environment contributes significantly to a positive student experience. The year under review marked the implementation of the Multi-Campus Management model. Work has commenced on positioning the Bloemfontein, Qwaqwa and South Campuses with their unique purposes as one single university operating through three campuses. In so doing, the UFS is in the process of implementing the Qwaqwa

A thriving campus life that promotes a welcoming and inclusive campus environment contributes significantly to a positive student experience.

1 Black includes African, Coloured and Indian/Asian students.

Campus PQM, and much work has been done on reimagining the South Campus. In support of a thriving campus, the UFS monitors its students' perceptions to track performance towards improving student safety and health and to devise strategies to promote a welcoming and inclusive campus environment. A number of strategies have been foregrounded during the year under review and will remain relevant in subsequent reporting years. These include student counselling and development to assist the students with career counselling, mental health difficulties and traumas, confidential counselling for emergency-related issues (suicide attempts, suicidal thoughts, trauma) to assess and contain the emergency and make the relevant referrals, *career counselling, including psychometric evaluations*, a dedicated UFS student toll-free mental health careline (24/7) and a 24-hour emergency service as well as a Health and Wellness Centre, which includes HIV counselling. In addition to the strategies, the UFS launched a number of campaigns and projects. Key among these is the First Things First campaign aimed at encouraging students to know their health statuses by testing for HIV and screening for STIs and TB, and the social support week, an advocacy and awareness initiative.

The CHE Institutional Audit, which took place in May 2022, provided an opportunity for the UFS to reflect on its quality arrangements and, through this initiative, again foreground quality assurance and enhancement as key strategic drivers to promote a sustained and fit-for-purpose University. The integrated approach to embedding quality is beginning to reap the required benefits, which include closing the loop between module and programme reviews and instilling a culture of continuous improvement.

In 2022, the UFS continued with the implementation of UFS Library Revitalisation Project on all three campuses, as it plays a multifaceted role in promoting student success. The UFS libraries provide access to information, research support, collaborative learning spaces, digital literacy resources and personalised assistance.

From this narrative account presented herein, it is evident that the UFS undergraduate learning and teaching space has reached a level of sustained maturity that will require continued investment in institutional research to keep abreast with emerging trends and analysis to remain at the forefront of the changing landscape in which universities are operating.

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

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

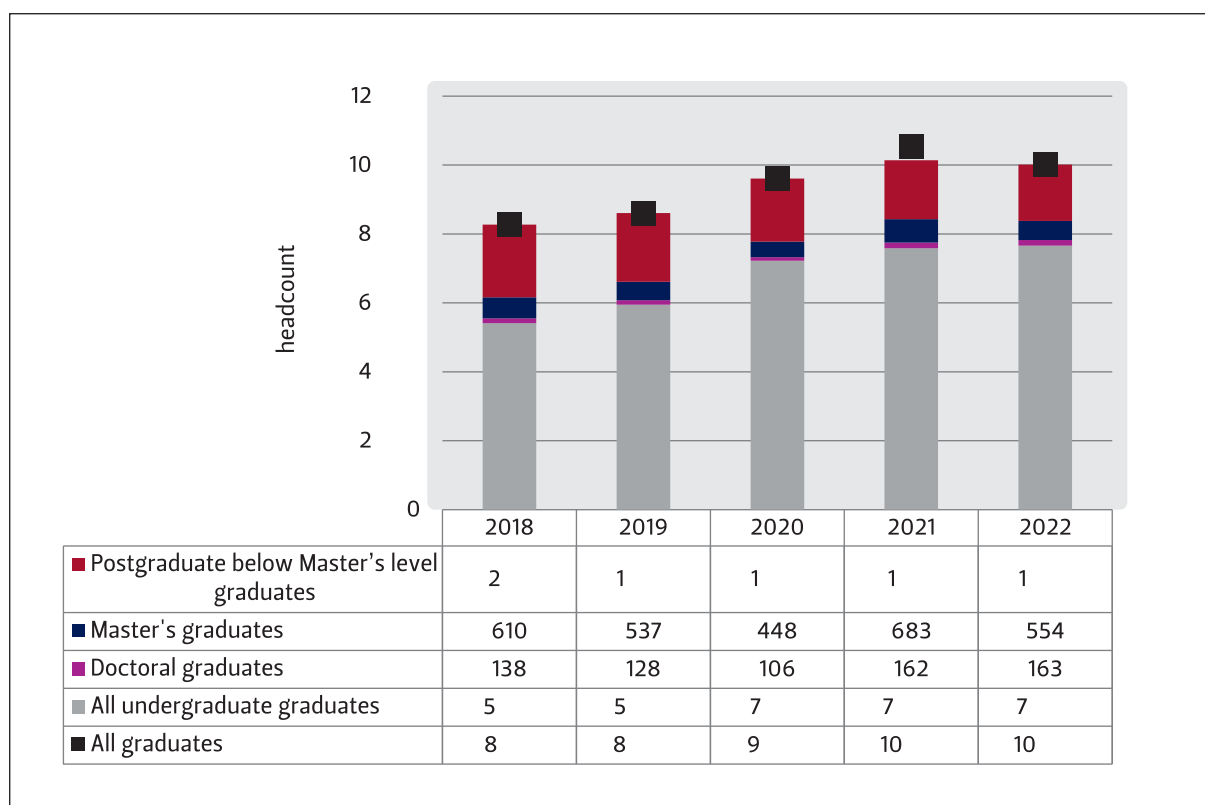
The University has achieved its 2022 targets for six of the seven indicators measuring its performance in relation to its goal of improving student success and well-being.

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

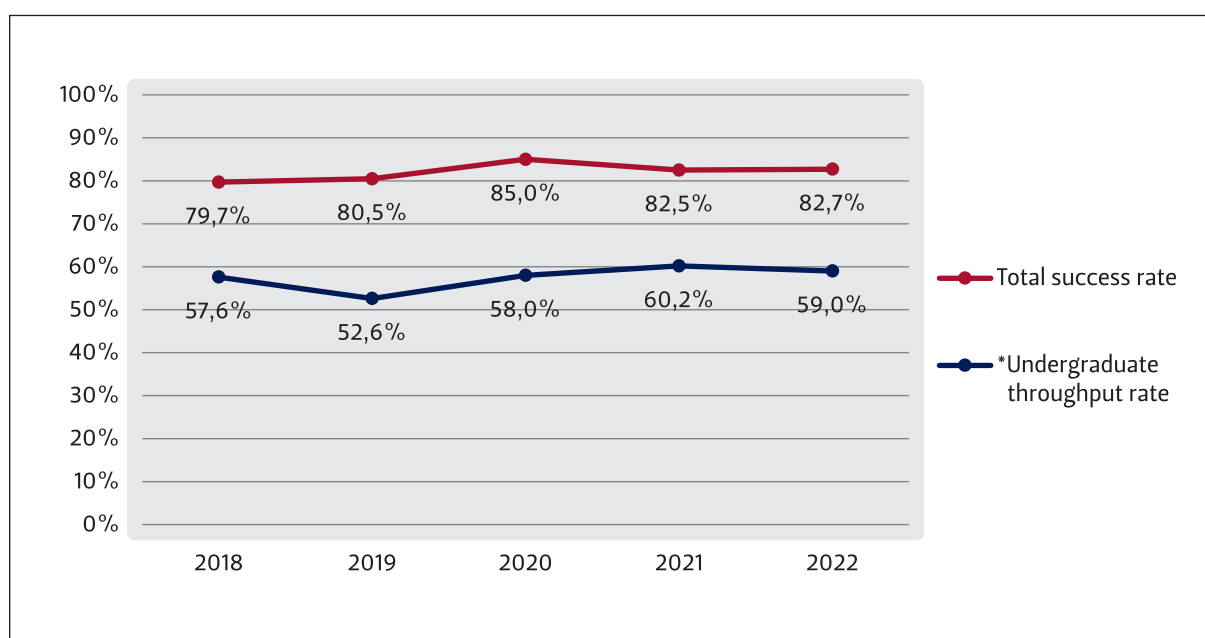
The UFS performed well in the key performance area of increasing student success and throughput rates: It exceeded its targets in terms of graduate numbers for all qualifications (see Table 1), except for postgraduate graduates below master's level, which has been decreasing continuously since 2018. An area of concern is master's graduates that showed a steep decrease in 2022 (see Figure 6). However, doctoral graduates increased slightly from 162 (2021) to 163 (2022) during the reporting year.

The UFS has also achieved its target in terms of total success rates and is slightly below its target for undergraduate throughput. As illustrated in Figure 7, 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.

Improving student success is crucial for ensuring that students can reach their full potential, and through the module evaluations and CLASSE evaluations, the UFS endeavours to create a classroom culture that values diversity, inclusivity and respect through building positive pedagogical relationships, recognising that each student is unique and has different learning needs, as well as being mindful that student success and well-being are interconnected.



**Figure 6: Increasing student success (KPA 1.1) – graduate headcounts, 2018 to 2022**



**Figure 7: Increasing student success (KPA 1.1) – success and throughput rates, 2018 to 2022**

Within the context of the analysis above, the University remains committed to promoting student success and throughput. In so doing, a number of projects are in place to assist in achieving this strategic imperative. Key amongst are:

### *The Tshehetsa Tracking Project*

The Tshehetsa Tracking Project aims to use reactive, predictive and informative analytics to track, predict and inform the student success work. It is therefore an umbrella term used to describe the different efforts the UFS uses to identify, track, and nudge vulnerable students to relevant support. A number of initiatives were implemented during 2022, including using analytics to identify “at-risk” students based on their behaviours or lack of participation in certain activities. These students were then contacted to provide requisite and appropriate support. This project forms part of the Digitally Enhanced Student Success and Employability (DESSEP) Programme, funded in equal partnership by the UFS and the Michael and Susan Dell Foundation (MSDF). Predictive modelling uses historical data to make assumptions about current students that enable early interventions to facilitate student success. An example here is the National Benchmark Test algorithm used to place students in academic literacy modules based on their predicted need for such support. During 2022, the algorithm made 7 669 predictions, with an 85% accuracy rate to place students in appropriate support programmes. Finally, identified students are informed timeously and advised of the option to adjust the academic credit load they enrol for, where this would improve the probability of success. Students are also advised to contact and visit faculty advisors, who provide appropriate curriculum advice.

### *Siyaphumelela project (data evidence and academic advising)*

This project harnesses data analytics to promote student success and expands on the current practices to find additional ways and means of student support. This includes, amongst others, the WhatsApp Chatbot and text analytics.

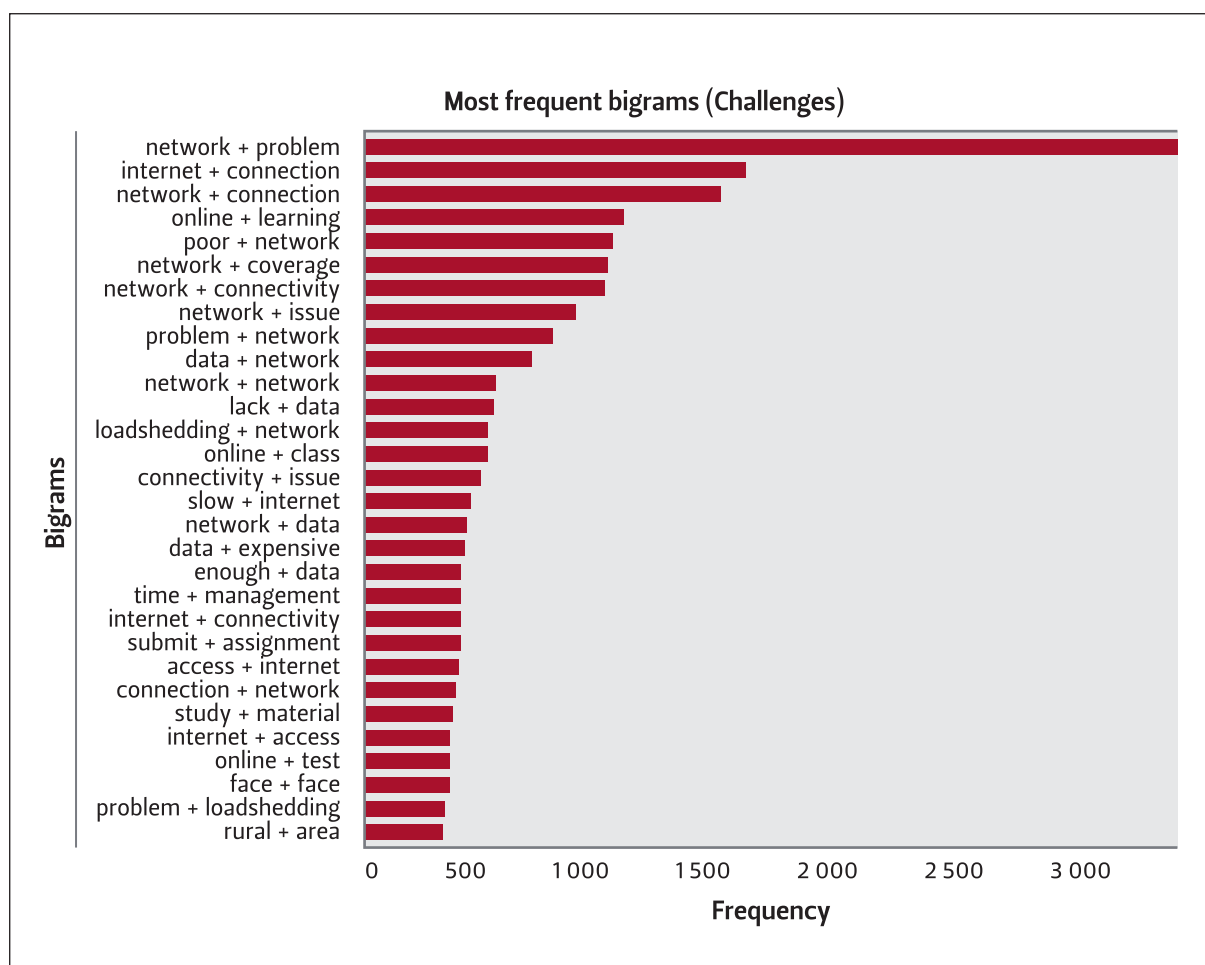
The WhatsApp Chatbot was introduced during the COVID-19 pandemic, primarily as a means to support prospective and new students at registration. The success of the chatbot prompted the expansion of its coverage by offering multiple channels of communication for students to access student support services, including:

- Success coaching (entry level academic advice)
- Tutorial support
- First-year & senior student orientation
- Registration

Between 1 July 2021 and 31 July 2022, the Chatbot data indicated that it was used by 28 000 prospective first-year and senior students. The Chatbot activity peaks during registration and orientation, but recent trends indicate that activity is also picking up during the semester, suggesting that it is becoming an important tool for student support beyond registration.

Text analytics is also growing especially in regard to the Learner Case Management system, which captures data populated by academic advisors. For example, reasons for students not participating on Blackboard (shown as a bigram in Figure 8), were derived from words most frequently grouped together in qualitative data captured by the advisors. These include around 3 000 mentions of network problems, and around 1 500 mentions of internet connection and network connection, respectively. This indicates the pre-eminence of network and connectivity challenges faced by UFS students, which in turn speak to their isolated location and the ongoing intractable socio-economic and technology deficits they face on a daily basis.





**Figure 8: Reasons for students not participating on Blackboard**

As part of its collaborative commitments the UFS's Academic Advising Professional Development (AAPD) is also available as a Siyaphumelela Service. Twelve institutions participated in this collaboration. The UFS has also launched Eletsa, the South African Academic Advising Association, and during 2022, the first seminar was hosted and well attended. The UFS further acted as editors and contributors to a special edition of the Journal of Student Affairs in Africa on Academic Advising (<https://upjournals.up.ac.za/index.php/jsaa/issue/view/161>).

#### *Translanguaging pilot project in tutorial system*

In 2022, 23 modules were selected from our campuses to form part of the translanguaging tutorial project, and a total of 227 tutors skilled in multiple languages received introductory training in translanguaging practices. The objectives of the training included:

- Introducing translanguaging as a pedagogy in the multilingual tutorials.
- Sharing translanguaging pedagogical approaches to manage multilingual tutorials in classrooms.
- Assisting in decision making in the use of translanguaging as a critical strategy to promote multilingual tutorials.

In 2022, the UFS presented its first translanguaging online seminar:

The implementation of translanguaging is time sensitive and needs to be carefully monitored and adjusted to align with the changing teaching and learning dynamics and environment.

Reduce research Master's and Doctoral student time to completion

The Centre for Graduate Support (CGS) assists master's and doctoral students to reduce their time to degree completion through a Research Capacity Development Program, academic writing interventions, funding and monitoring of the postgraduate student progress through the Graduate Research Management (GRM) system. The following initiatives took place in the period under review:

- More than 150 Research Capacity Development workshops were presented to a total of 4 055 attendees, the majority of which were postgraduate students.
- Five provincial outreach research-capacity development workshops were held in Gauteng and the Northern Cape, and seven regional outreach workshops were hosted in Lesotho, Zimbabwe and Namibia.
- 289 academic writing consultations took place. In support of this, 19 writing consultants were trained to help postgraduate students with academic argumentation.
- The first CGS short learning programme for Postgraduate Academic Writing (PGAW6820S) was approved on 5 July 2022 and will open for registration in 2023.
- The CGS also provided Grammarly software to enhance students' language and grammar skills., predominantly to postgraduate students.
- Postgraduate students are funded by the UFS and assisted in acquiring funding from the NRF.
- In addition, R1 000 000 was dispersed to 40 PG Dip students, R21 333 000 to 547 honours students, R8 490 350 to 422 master's students and R3 222 630 to 282 doctoral students from the UFS tuition fee funding.
- The NRF funded 83 honours, 99 master's and 61 doctoral UFS students to the value of R32 162 290.

All these initiatives were tracked and monitored by the Graduate Research Management system so as to reduce the time to completion of master's and doctoral students.

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

The UFS has not achieved this target; however it remains committed to see its full implementation during the 2023 academic year. Much has been achieved during 2022 with the mapping of the graduate attributes to the curriculum across different programmes and faculties. This mapping process confirmed that the attributes are integrated into the curricular and co-curricular programmes throughout a student's academic journey.

The development of the graduate attributes assists UFS students to reach their professional careers and contribute to their personal and societal development. The implementation of the graduate attributes project is done through a continuous process of reviewing and improving practices.

Continue intentional assessment development phase of graduate attributes project.

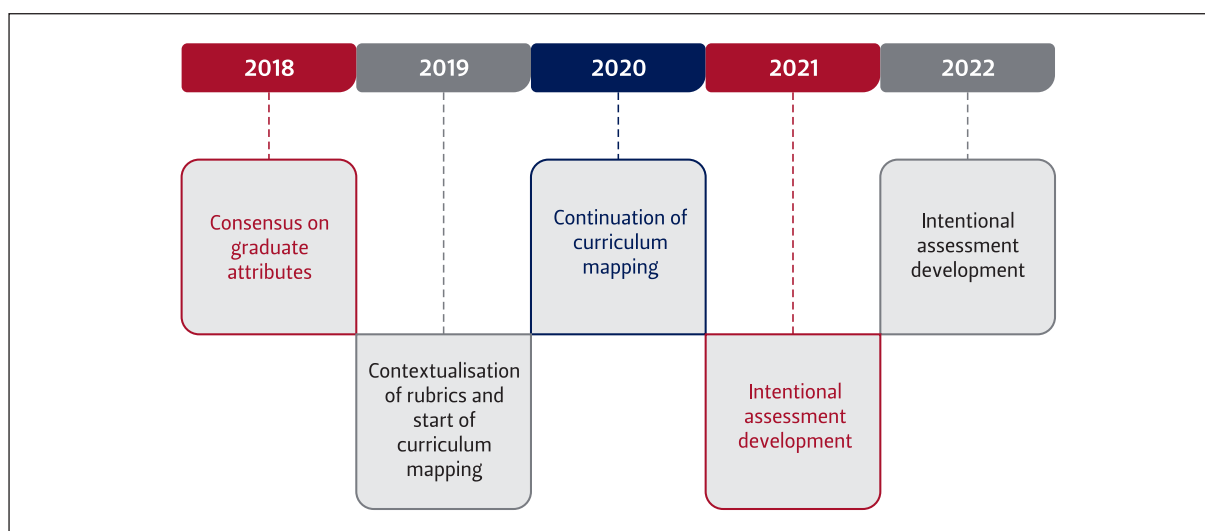
The UFS strives to ensure that its graduates display attributes that are aligned to both national imperatives and the institutional ethos. At the UFS, graduate attributes include, amongst others, ensuring the inculcation of relevant skills, competencies, knowledge and attitudes essential for success in the workplace, regionally, nationally, continentally and globally.

This is particularly important, given that the current context demands that a graduate should be resilient and adaptable and able to navigate complex, uncertain environments and futures to be able to make an impactful contribution to societal and economic development.

To this end, the Graduate Attributes Project was approved and planned to roll out in the four phases shown in Figure 9.

The third phase of the Graduate Attributes project took place in 2021, achieving a 76% submission rate for curricular module maps by the end of December 2021. Co-curricular mapping, as well as analyses of all of the maps continued in 2022.

Phase 4 started with graduate attributes being integrated into the Curriculum Renewal Programme (CRP) and in 2021, 60 lecturers redesigned their modules to intentionally integrate graduate attributes into their outcomes, assessments and teaching activities. This change resulted in a higher level of participation by lecturers and by the end of 2022, 123 lecturers had participated in the CRP.



**Figure 9: Graduate Attributes Project phases, 2018 to 2022**

In the second semester of 2022, the online Graduate Attributes Portal was launched and made available asynchronously to all staff to provide detailed instruction on how to integrate graduate attributes into outcomes, assessments and teaching activities. The portal includes a Graduate Attributes playlist on LinkedIn Learning, which staff may share with students, as well as co-curricular projects from which students may also benefit. Faculty workshops that provided feedback on the curriculum maps showcased the Graduate Attributes portal and introduced a menu for integration into assessment, which was used as the measure for the intentional integration of graduate attributes into assessments. There are 7 faculties at the university, and workshops were presented to 5 of the 7 faculties by the end of December 2022, thus resulting in 71% of the faculties reached. These workshops will continue in 2023, not only with the remaining 2 faculties, but follow-up workshops with all the faculties will be conducted.

In addition, first-year students were introduced to graduate attributes in UFSS1504 and UFSS1522 from 2021, and they received a development plan for them to reflect and work intentionally on these attributes. In the second semester of 2022, final-year undergraduate and postgraduate students were invited to participate in a pilot module (EDED3722) for the creation of an e-portfolio that could be used to promote their employability. The proposal for rolling out this module as an off-curricular, credit-bearing module for all final-year undergraduate and postgraduate students was approved at the ECS towards the end of 2022, and funding was also secured to credit the tuition fees of the module for students in 2023 and 2024.

In 2022, the digital skills and competency framework and self-paced asynchronous pathway were created for students to enhance their digital skills and their employability to thrive in the workforce. Digital skills are a key graduate attribute, and will become integral to UFS graduates.

**Table 8: Percentage of graduate attribute curriculum mapping across faculties**

Faculty	Number of modules	Number submitted	Percentage submitted
Economic and Management Sciences	71	68	96%
Theology and Religion	40	39	98%
The Humanities	310	256	83%
Natural and Agricultural Sciences	585	487	83%
Law	62	17	27%
Health Sciences	243	167	69%
Education	188	105	56%
TOTAL	1479	1125	76%

## Expand the LinkedIn Learning project

UFS students are making good use of LinkedIn Learning, with 16 450 active users, 20 872 courses completed, and 492 348 video completions. The most popular content among UFS students include videos on critical thinking, problem-solving techniques, communicating with confidence, using an entrepreneurial mindset, and writing with impact – all aligned with the UFS graduate attributes.

Development of a digital skills pathway for graduates (Define digital literacy skills within the graduate profile + CISL to be adapted towards digital literacy)

The UFS Digitalisation Implementation Plan (DIP) envisions a digitally transformed institution by 2030, with seven key outcomes targeting reforms in human resources and administrative systems, integrated ICT systems, and blended programme delivery, among others. The Plan also supports the outcome of a “digitally literate student cohort that embraces digital ways of studying and conducting research”. The digital skills and competencies project aims to support this goal.

The framework, which is discussed above, is set out below:

UFS Digital Skills and Competencies Framework Core competencies, levels and outcomes					
<b>Principles that underpin this framework:</b> <ul style="list-style-type: none"> <li>This project as an asset-based approach which means we acknowledge how digital skills has become an integral part of all our lives.</li> <li>To align all the work we have done, we have to benchmark it and then develop a contextualised framework that will allow us to show external stakeholders that we are intentional about digital competency development and that we assess it (have evidence) for what we claim.</li> <li>In our design we need to make sure that we give students opportunities to practice throughout an undergraduate degree to acquire these skills. As part of this approach, we would like students to become confident and comfortable in their digital skills acquisition.</li> <li>Finally, and very importantly, we need to clarify how we need to support academic staff to develop their own digital competence and ways of using technology to enhance their learning and teaching.</li> <li>As technology evolves and contexts change, so too should this project evolve accordingly.</li> <li>Universal Design for Learning will be incorporated in the design of the learning pathway, to ensure accessibility and inclusivity.</li> </ul>					
Core competencies					
Levels	1: ICT Proficiency: Functional access	2: Digital citizenship	3: Information, data and media literacy	4: Digital creation: problem solving, creativity and innovation	5: Discipline/industry specific skills
Levels 1	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Competently and confidently use hardware for academic purposes.</li> <li>Navigate the UFS online learning management system, to find content, participate in activities, and upload assignments, as well as use accessibility software.</li> <li>Navigate the UFS systems and software.</li> <li>Perform basic functions related to word processing, presentation software, and data management software.</li> </ol>	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Identify simple risks and threats in digital environments.</li> <li>Identify simple safety and security measures to protect devices, and digital content.</li> <li>Identify simple ways to use and share personally identifiable information while protecting yourself and others from damages.</li> <li>Identify simple privacy policy statements of how personal data is used in digital services.</li> <li>Identify the appropriate digital communication tools and netiquette for a given context.</li> <li>Become aware of your own digital wellbeing, related to screen time, social media, fake news, and interpersonal skills.</li> </ol>	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Identify personal information needs.</li> <li>Identify simple personal search strategies.</li> <li>Detect the credibility and reliability of common sources of data, information, and their digital content.</li> <li>Identify how to organise, store, and retrieve data, information, and content in a simple way in a digital environment.</li> </ol>	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Identify ways to create and edit simple content in simple formats.</li> <li>Identify ways to express yourself through the creation of simple digital means.</li> <li>Identify simple rules of copyright licenses that apply to data, digital information, and content.</li> </ol>	
Levels 2	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Perform intermediate functions related to word processing, presentation software, and data management software.</li> </ol>	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Differentiate risks and threats in digital environments.</li> <li>Apply well-defined and routine safety and security measures.</li> <li>Apply different ways to share personal data while protecting yourself and others from damages.</li> <li>Explain privacy policy statements of how personal data is used in digital services.</li> <li>Engage in online communication by selecting the appropriate digital communication tools and netiquette for a given context.</li> <li>Become responsible for your digital wellbeing, related to screen time, social media, fake news, and interpersonal skills.</li> </ol>	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Interpret information needs of others.</li> <li>Explain well-defined personal search strategies.</li> <li>Perform the analysis, comparison and evaluation of sources of data, information and digital content.</li> <li>Organise information, data, and content to be easily stored and retrieved.</li> </ol>	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Create and edit content in different formats.</li> <li>Express yourself through the creation of digital means.</li> <li>Indicate well-defined copyright and licenses that apply to data, digital and routine rules of information, and content.</li> </ol>	
Levels 3	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Perform advanced functions related to word processing, presentation software, and data management software.</li> </ol>	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Choose the most appropriate protection for devices and digital content</li> <li>Choose the most appropriate safety and security measures for a variety of threats and risks to devices and digital content</li> <li>Evaluate the most appropriate ways of using and sharing personally identifiable information while protecting yourself and others from damages.</li> <li>Evaluate the appropriateness of privacy policy statements on how personal data is used.</li> <li>Create solutions to solve complex problems and do so while selecting the appropriate digital tools and netiquette to respond to a variety of viewpoints.</li> <li>Advocate for digital wellbeing, related to screen time, social media, fake news, and interpersonal skills.</li> </ol>	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Respond to others' information needs.</li> <li>Propose relevant search strategies.</li> <li>Critically assess the credibility and reliability of sources of data, information, and digital content</li> <li>Manipulate information, data, and content for easier organisation, storage, and retrieval.</li> </ol>	<b>By the end of this level, students will be able to:</b> <ol style="list-style-type: none"> <li>Change content using the most appropriate formats.</li> <li>Adapt the expression of yourself through the creation of the most appropriate digital means.</li> <li>Apply different rules of copyright and licenses for personal use of digital content.</li> </ol>	

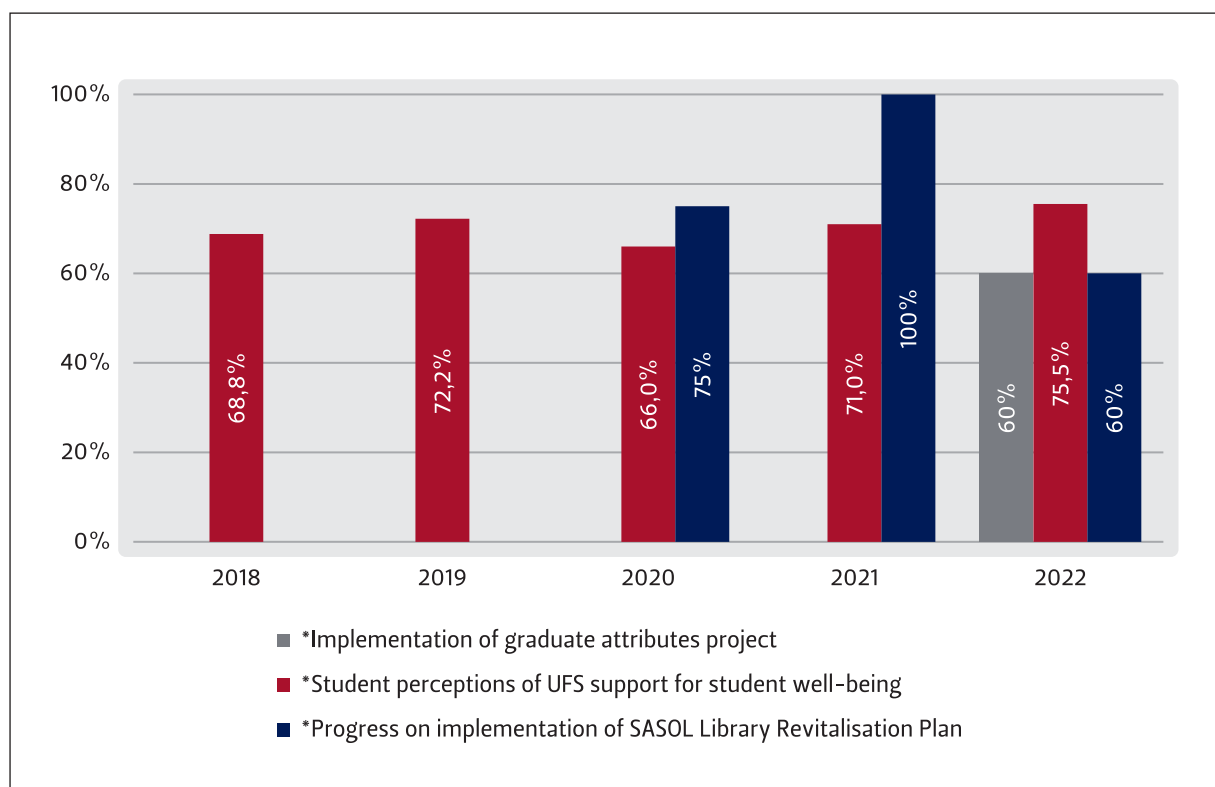


Short learning programme for students to develop graduate attribute of community engagement through service-learning and citizenship

The short learning programme (SLP) on community engagement for students was replaced with co-curricular and extra-curricular training during 2022. The Directorate of Community Engagement trained co-curricular Student Engaged Leadership in several aspects pertaining to Engaged Scholarship, for example in Appreciative Inquiry and Asset-Based Community Development (ABCD). A total of 3 534 students attended curricular Service-Learning modules across different disciplines in 2022, compared to a total of 3 727 in 2021. For extra-curricular programmes, a total of 52 students was trained in 2021, compared to 74 in 2022. This training was conducted for over 40 student associations, covering a wide range thereof, from Civic and Social Responsibility Council through Sex Ed UFS, Eco-Alliance UFS, to Humanities Guild, Natural and Agricultural Student Council. Training was aligned with the graduate attributes which are aligned to Sustainable Development Goals (SDGs). Students felt empowered in all their dimensions of being human. High up on their list was the acquisition of a graduate attribute of community engagement.

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

The UFS monitors its students' perceptions of the University's support for their student well-being as the key indicator to track performance towards improving student safety and health. As shown in Figure 10, these perceptions have improved steadily over time, and by 4,5% from 2021 to 2022. The UFS exceeded its 2022 target for this indicator and the five-year trend indicates a slow, but steady improvement. This is ascribed to the level of commitment towards promoting a welcoming and inclusive campus environment.



**Figure 10: Developing graduate attributes (KPA 1.2), improving student safety and health (KPA 1.3), and establishing a world-class library (VSP 2)**

#### *Continue to improve student wellbeing on all campuses*

Student Counselling and Development (SCD) provides free counselling services to assist the students with career counselling, mental health difficulties and traumas and are offered on all three campuses. Various

developmental and support workshops designed to assist students are presented. The strategic direction of SCD can be divided into three focus areas, namely:

- Psychological Interventions,
- Training and Development, and
- Research and Innovation.

The three focus areas embody the primary avenues through which SCD hopes to achieve incremental and significant change. The focus areas are designed to support Student health and wellness.

#### Individual Counselling

Individual, confidential counselling for various psychological, emotional and developmental issues is provided. Individual sessions are held with students on an appointment basis. Although SCD moved to mainly face-to-face sessions post-lockdown, students may still choose which platform of counselling they prefer:

- Telephonic counselling
- Online video counselling
- Face-to-face counselling

Table 9 reflects the uptake and use of these available counselling options and demonstrates that approximately 10% of students made use of the service in the year under review. Further investigation and follow-up as to why students missed their sessions remain a priority.

**Table 9: Sessions scheduled (2022)**

	BFN Campus	South Campus	Qwaqwa Campus	TOTAL
Total Sessions Booked	5 056	411	1 277	6 744
Total Sessions Attended	3 287	235	866	4 388
Difference	1 769	176	411	2 356
Cancelled by Student	447	57	95	599
Cancelled (Other)	270	35	122	427
Missed by students	1 052	84	212	1 348
Total	1 769	176	429	2 374
New Students Booked	1 251	147	571	1 969
New Students Attended	945	111	419	1 475

**Table 10: Emergency sessions scheduled (2022)**

	BFN Campus	South Campus	Qwaqwa Campus	TOTAL
On Call (Emergency) Sessions Booked	314	29	157	500
On Call (Emergency) Attended	270	23	130	423

#### On-Call/Emergency Sessions

Individual, confidential counselling is available for emergency-related issues (suicide attempts, suicidal thoughts, trauma) to assess and contain the emergency and make the relevant referrals. The table above presents a bleak picture per campus per capita. Per capita it should be noted that Qwaqwa has the highest incidence, which requires more in-depth investigation and analysis.

Data indicate that August had significantly more students requesting therapeutic assistance, as well as emergency sessions. The two most-reported reasons why students visit SCD are for assistance with depression and anxiety.

### Career Counselling

This specialised service assists the student in knowing and understanding themselves and the world of work in regard to making career, educational and life decisions. The career counselling process offered to registered students and Grade 11/12 learners includes a complete psychometric evaluation of aptitude, interests and personality as well as an intake interview and intensive decision-making process followed with a counselling psychologist.

The table below indicates a lower uptake than for other counselling services, taking into account the academic value of the service and its proven contribution to student success, throughput and overall satisfaction with curriculum choices.

**Table 11: Career Counselling feedback sessions scheduled**

	BFN Campus	South Campus	Qwaqwa Campus	TOTAL
Intake Interviews Booked	70	4	0	74
Intake Interviews Attended	58	3	0	61
Feedback Sessions Booked	62	1	0	63
Feedback Sessions Attended	42	1	0	43

**Table 12: Ad hoc ER24 trauma counselling sessions**

October	November
1 Group session	25 individual trauma counselling sessions
22 Individual trauma counselling sessions	

The South African Depression and Anxiety Group (SADAG) implemented a dedicated UFS student toll-free mental health careline (24/7), which commenced on 1 September 2020, and provides free telephonic counselling, containment, crisis intervention and support, as well as referrals to mental health professionals and other psychosocial resources to all registered UFS students. Each student caller's details and location are recorded along with a detailed description of the nature of the difficulties the student is experiencing, as well as the support provided in terms of referrals/advice on how best to manage their situation. According to the Case Management Principles applied by SADAG, follow-up calls are made for students in crisis to track their situations and ensure that they are making positive progress.

In September 2021, SADAG also took over the screening process from SCD. This means that every student who contacts SCD for a session is first contacted by SADAG and an initial screening session is conducted online. From these calls/sessions, SADAG will then refer students to SCD if the student is still in need of further counselling or intervention. If a student is not referred to SCD for further intervention, it means that the student was sufficiently assisted/contained. This process continued into 2022.

### ER24

A dedicated, comprehensive, integrated 24-hour emergency service for mental and medical health emergencies was registered during 2022 to cover after-hours incidences, in compliance with new Health Professionals guidelines by the Health Professionals Council of South Africa (HPCSA), and to mitigate potential systemic and reputational risks. UFS Top Management granted permission to implement a 24-hour emergency service from 1 October 2022 to 31 March 2023 as a pilot project.

The service is available to all UFS registered students on all three campuses – on-campus and off-campus housing – and there is ongoing collaboration between SCD, Kopsie Health and ER24.

During August and September 2022, ER24 assisted on an ad hoc basis, with group sessions and individual counselling. The table below presents the uptake of this service since its approval by the Rectorate.

The SCD aims to provide a multi-faceted approach to UFS students to enhance their mental health, and aid in developmental needs towards their wellbeing and student success.

### ***Health and Wellness Centre***

The Health and Wellness Centre is a service delivery centre, which includes the health division and the HIV office. The following services are offered:

- To support and encourage the UFS student community effectively towards optimal health and well-being.
- To deliver quality health and HIV counselling, specialising in meeting the needs of students.
- To identify challenges that impact the health of the campus community.
- To promote and encourage healthy lifestyle choices and an environment that facilitates health and well-being.
- To advocate healthy decision making through education, prevention, care and support.

The health division renders a range of services, from curative to preventative care. Students can consult with professional nurses for primary healthcare services, which include minor ailments, HIV counselling and testing, and pre- and post-exposure prophylaxis. During consultations, a holistic approach is followed to screen for possible other health risks. During 2022 many students visited the professional nurses for various health concerns, and they were treated or referred accordingly. Preventative treatment includes the immunisation of students in healthcare professions, as well as awareness campaigns. Support was given to students infected and affected by HIV. One of the professional nurses is responsible for the HIV support group.

HIV and AIDS prevention resorts under the health division's responsibility and the biomedical model includes all HIV-testing and counselling services as well as clinical support. The behavioural model is the HIV office's responsibility, and includes awareness campaigns, prevention campaigns, and peer education.

In addition, the Best Club was established after the need for comprehensive and continuous support for newly diagnosed/living with HIV students increasingly became evident. The Best Club is thus a support group that provides help and a sense of belonging to affected individuals. This group is currently 230 members strong.

A WhatsApp group offers professional and personal support in real time and currently comprises 140 active members. POPI (Protection of Personal Information) Act compliance is obtained via the requisite permissions from each group member. Members not only share relevant and current information on the subject of HIV, but also provide and request emotional support, guidance, advice and encouragement in a non-judgemental and supportive space.

When newly diagnosed, or when disclosing their positive status, every HIV-positive student is paired with a treatment buddy to personally support them on their journey. The treatment buddies are students who are also HIV-positive, are knowledgeable about HIV, and have substantial personal experience of the emotional and physical challenges of living with HIV.

Regular support, social, and information-sharing meetings and events are held and organised by committee members. The support group functions to provide professional and peer support to accepting an HIV-positive status, sharing information, encouraging adhering to treatment, breaking down stigma, rendering counselling, and building resilience.



The Best Group has proven to be an immense source of support to an important minority – and often overlooked – group at the university. In 2022 alone, 69 HIV-positive students were transferred from external public health clinics into the UFS Kopsie Health system. During the same year, 25 students were newly diagnosed on the Bloemfontein and South Campuses through both the walk-in testing service and the First-Things-First Campaign run by Kopsie Health.

In response to the feedback from group members and personal observations, Kopsie Health is now embarking on a research project to explore the effects of The Best Group by means of a qualitative study using Digital Storytelling as a method to present a nuanced understanding of group members' lived experiences.

### Peer Education

The UFS recruited and trained 103 peer educators. The training focused on the following programmatic areas of Higher Health: HIV/STI/TB, Women's and Men's health, mental health, GBV, LGBTQI, Disability and COVID-19.

Table 13 illustrates the total number of peer educators (103) trained per campus in the year 2022.

The objective of peer education training is to capacitate peer educators so that they are able to educate their peers on different topics of the Higher Health programme through dialogues, workshops and exhibitions, while mobilising them to access a broad spectrum of health and wellness services. During this reporting period, a total of 14 622 students were reached through the peer-to-peer programme.

Table 14 indicates the number of students reached through health and wellness dialogues, campaigns, exhibitions and workshops in the year 2022

**Table 13: Number of peer educators trained in 2022**

Campus	Total Achieved 2022	Training Dates
South	23	1–3 April
Bloemfontein	51	22–24 April
Qwaqwa	29	6–8 May
TOTAL	103	

**Table 14: Number of students reached in 2022**

Campus	Total Achieved 2022
South	5 338
Bloemfontein	6 804
Qwaqwa	2 680
TOTAL	14 622

**Table 15: Numbers of students tested/screened for HIV/TB/STIs, and campaigns conducted in 2022**

	Qwaqwa	Bloemfontein	South	Total Achieved
FTF Campaigns	4	5	4	13
HIV Testing	1 812	4 541	1 018	3 371
TB Screening	5 001	6 891	1 018	12 910
STI Screening	4 717	6 850	1 000	12 567

### ***First Thing First (FTF) Campaigns***

First Thing First is a campaign aimed at encouraging students to know their health statuses by testing for HIV and screening for STIs and TB. The HIV Office conducted monthly FTF campaigns in the year 2022, and this initiative resulted in an increase in the number of students tested for HIV and screening for TB and STIs. The students who tested HIV negative were encouraged to remain negative by enrolling on the Pre-exposure Prophylaxis (PrEP), which is a preventive treatment that lowers the chances of getting infected. PrEP is now a universally accepted prevention methodology. Those tested HIV positive were encouraged to join a support group for the HIV-infected and -affected people for continuum care and support. They were also encouraged to enrol for an ART programme available at the campus clinic.

During the campaigns students were also taught about the importance of the consistent use of condoms, to be faithful, and abstinence as methods of preventing HIV infection.

Table 15 indicates the number of students tested for HIV and screened for TB & STIs, as well as the campaigns conducted in the year 2022.

### ***Men's Conference***

The UFS Health and Wellness Centre, in partnership with Student Life and GEAD Office, hosted the men's conference, whose purpose was to promote and advance the well-being of the students. The conference objectives were:

- To allow students to adopt a declaration with actions and strategies to enhance their role towards ending the stigma of GBV in their various capacities;
- To give them tools of communication that will assist them to speak out as men;
- To assist students to develop healthy relationships and interpersonal skills;
- To help students to exercise responsibility regarding sexual relationships, including addressing abstinence, pressures to become involved in sexual intercourse, the use of contraception and other sexual health measures; and
- To encourage well-meaning interactions, understanding the concept of consent, and to achieve optimal mental health for academic success, personal growth, and increased capacity to cope with stress as an individual and a university student.

Through this event, students were encouraged to lower their “masks” and speak out about their challenging personal problems. The conference also created awareness amongst students on related issues that would encourage positive development while advocating behaviour modification through dialogue, education, positive re-enforcement and Ubuntu principles. About 250 male students attended the conference.

The Social Support Office (SSO), in collaboration with its stakeholders, namely Protection Services (PS), Health & Wellness, the Gender and Anti-Discrimination Office (GEADO), and Student Development and Counselling (SCD), hosted the social support week, an advocacy and awareness initiative, from 10–13 August 2022. From the 166 student reviews received, the majority of students felt that the project should be an annual event, especially the self-defence classes and the sexual-health awareness sessions (including GBV).

In support of student wellbeing, the Alcohol and Drug Abuse Awareness campaign was hosted from 13–15 September 2022 to raise awareness and sensitise students about alcohol and drug abuse.

Lastly, the biopsychosocial wellbeing of students was catered for via 698 individual consultations with students dealing with issues of pregnancy, family matters, declaration forms, bus tickets, meal vouchers, toiletries, drug abuse, and bereavement.

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

Figure 10 shows that progress with the implementation of UFS Library Revitalisation Project has fluctuated since its inception in 2020. The UFS has not achieved the 2022 target; the project has experienced some

delays and the project team is fully equipped to finalise the project in 2023 to ensure that the library serves as a gateway to knowledge, supports academic pursuits, and contributes to staff development and growth.

Continue implementation of UFS Library Revitalisation Project on all three campuses.

In line with the revitalisation project plan, the Sasol Library Phase 5 was completed in April 2022 and comprised refurbishment of levels 4 and 5 only. The refurbishment included the HVAC system, thus opening additional floorspace, which was further maximised by the reorganisation of the floor spaces on levels 4 and 5.

Even though the target for 2022 – 100% completion of Phase 6 of the project – was not achieved, measurable progress was made on Phase 6 of the project, which comprised the refurbishment of levels 6 and 7, which was completed and is awaiting new furniture.

In addition, work done on the South Campus: Neville Alexander Library, was completed in November 2022, and the work done on the Qwaqwa Campus: TK Mopeli Library, which included the Centre for Teaching and Learning, was completed in September 2022.

### 3.1.3. Renew and transform the curriculum (Goal 2)

The University has achieved its 2022 targets for three of the eight indicators measuring its performance pertaining to its goal of renewing and transforming the curriculum. The UFS approach to curriculum renewal, including decolonisation, is an evolving and ongoing process that requires collaboration, flexibility, and responsiveness to changing needs and contexts. Throughout this process, the UFS involves all stakeholders and creates a shared vision for the curriculum that aligns with the UFS Vision and national development imperatives.

The changing landscape and the accessibility of students into mainstream programmes contribute to the declining trend in the foundation-provisioning programmes. The entrance with higher APS allows students access to their programmes of first choice. However, unequal socioeconomic factors contribute to a lack of seamless transition from school to a university programme. The UFS has experienced that students from lower socioeconomic backgrounds who faced challenges in accessing quality education, counselling, support, and social networks during their school years struggle more with a smooth transition to a university programme. Furthermore, socioeconomic inequalities also manifest in cultural capital, including knowledge, values, and behaviours valued in academic settings. Students from more privileged backgrounds may be exposed to a culture that promotes academic achievement, critical thinking, and self-advocacy from an early age, whilst students from disadvantaged backgrounds may not have the same exposure to these academic expectations, making it more challenging for them to adjust to the demands of a university programme.

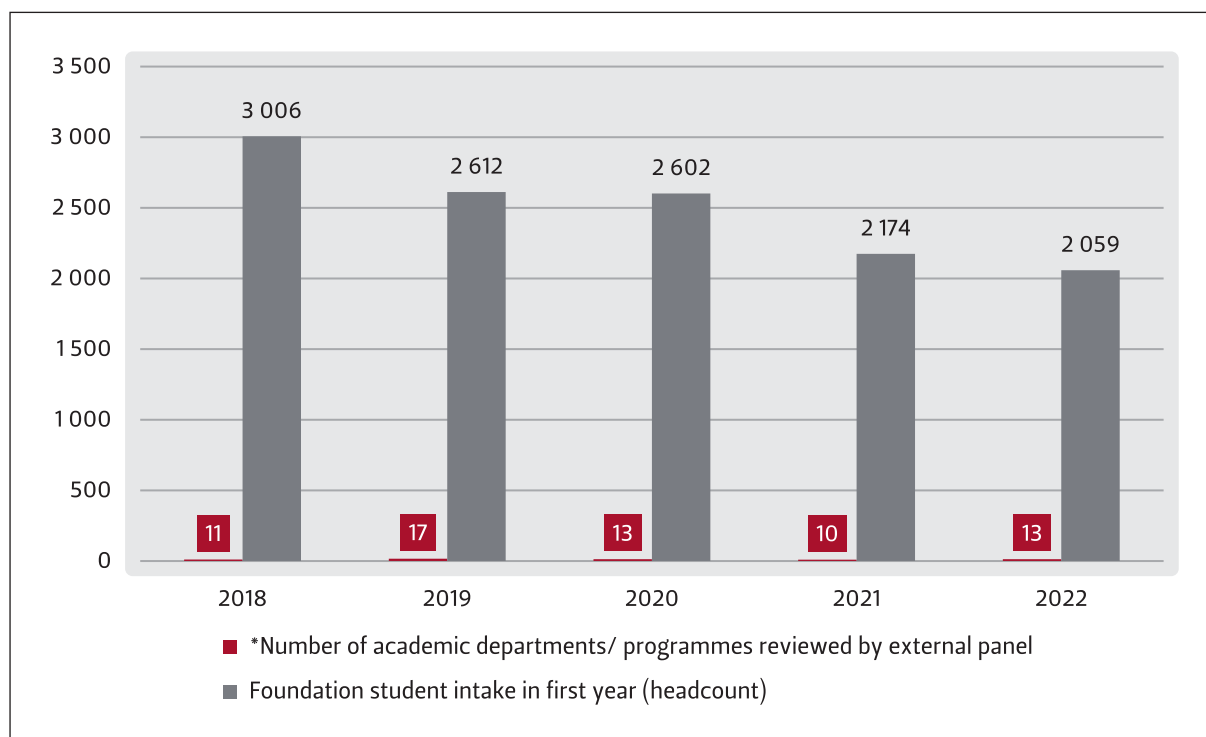
For this reason, the UFS has developed a range of development modules to bridge the gap between socioeconomic backgrounds.

#### *3.1.3.1. The following section addresses the specific performance areas per the annual performance plan. Develop curricula that are locally relevant and globally competitive (KPA 2.1)*

Foundation student intake and external academic department/programme reviews (KPI) are monitored to track performance with regard to relevant and competitive curricula. Figure 11 shows that the foundation-student intake has decreased significantly since 2018, and by 5,3% from 2021 to 2022, leading to the UFS achieving only 53% of its 2022 target. While this is a major cause for concern for the UFS, the changing strategic direction of the UFS – towards being research led and postgraduate focused – means that the UFS will focus less on a foundation and extended programme intake and more on mainstream undergraduate intake and throughput along the postgraduate pipeline during the next strategic cycle (2023 to 2028).

While the UFS did not achieve its 2022 target of 15 academic departments/programmes reviewed, a total of 16 external quality reviews took place during 2022, including two institution-wide reviews (decolonisation and CHE Audit, discussed below).

Prioritising the programme qualification mix through relevance and quality enhances student success, throughput, graduateness and ultimately employability. The regular reviews at departmental, programme and module level, and the adaptation of programmes based on employer feedback, technological advancements, and changing societal needs are essential to maintain relevance and build a sustained culture of continuous improvement.



**Figure 11: Developing relevant curricula (KPA 2.1)**

#### *Continue external departmental quality reviews*

As part of the Quality Assurance Policy and Framework, the UFS embarked on several external quality reviews in line with its commitment to a culture of continuous improvement. To this end, thirteen (13) academic departments (listed below; see Figure 11) underwent external quality reviews, in addition to an institutional decolonisation review, review of Library and Information Services, and the CHE Institutional Audit.

1. Centre for Gender and Africa Studies
2. History
3. Anthropology
4. Zoology and Entomology
5. Chemistry
6. Mathematics and Applied Mathematics
7. Mathematical Statistics and Actuarial Sciences
8. Religion Studies
9. Practical and Missional Theology
10. Old and New Testament Studies
11. Historical and Constructive Theology
12. Public Administration and Management
13. Business Management

From the reviews, a number of recommendations emerged and shared some commonalities that are receiving the concerted attention of the Academic Committee for action by the faculty and department heads.

Key recommendations included succession planning; staff/student ratios and academic workload; curriculum review and benchmarking; improved efficiencies in research processes such as ethical clearance and NRF ratings; mentorship programmes and support (including financial support) to promote a research-led institution.

In addition, it was recommended that Engaged Scholarship increase its footprint through strategic partnerships and collaborations, with a variety of relevant stakeholders, including local communities, industry and the government.

To promote equal opportunities for teaching and learning and research, as well the distribution of the workload amongst campuses, the implementation of the multi-campus model has been developed and approved and is in the process of implementation.

An ongoing concern at the Qwaqwa Campus remains the provision of basic educational services as a result of a failed municipality, including the lack of power and a collapsing municipal infrastructure in Phuthaditjhaba. A need for better connectivity for students and better access to power/electricity is receiving ongoing attention but resides outside the control of the University, even as it has provoked student protest and dissatisfaction.

The University received commendations for its efforts in curriculum transformation and decolonisation, as well as its efforts to promote third-stream income through market-relevant short learning programmes.

### ***Establish decolonisation position statement***

To conceptualise and formulate our *Institutional Position Statement on Decolonisation* UFS stakeholders engaged with an external panel of experts in 2022. Before the engagement, all faculties had reflected and reported on their decolonisation-related initiatives and or projects, and their current positions on decolonisation. These reports were combined into a single reflective report, which also included subsequent tiers of intense discourse; that is, faculty involvement capturing progress made, and an institution-wide webinar on Decolonisation. This multi-tiered, transformative approach deepened the University's critical reflection on what it aspires to be and was a significant and timely milestone in the University's aspiration towards a decolonised institution.

A Decolonisation Engagement Group of the Senate was also established to assist the UFS to reflect on its status on decolonisation developments and institutional progress, and to develop a framework and principles for decolonisation. The intention is for the Framework to guide faculties and other units on the imperative of mainstreaming decoloniality.

Statements of Intent are currently in progress and will form the foundation of the Framework on Decolonisation taking the UFS to a Decolonised University.

Roll out implementation plan and phases for introduction of Qwaqwa Campus programme and qualifications mix

Since 2003, the QwaQwa campus has been a fully-fledged delivery site with its own viable programme and qualifications mix (PQM) offered through four faculties (NAS, Humanities, EMS, and Education) in contact mode.

Revitalisation, simplification and streamlining of the PQM is in process, and new Qwaqwa-specific programmes have been introduced to, amongst others, respond to sustainable development goals, the Qwaqwa labour market and societal needs.

A staggered and phased approach for the implementation of these programmes is being followed.

### ***Develop implementation plan for South Campus programme and qualifications mix***

The UFS South Campus hosts different entities, projects and entrepreneurial activities and continues to address a persistent legacy of inequality in educational access and outcomes. It also inherited the delivery of



education programmes for in-service teachers who were enrolled in distance education. The South Campus could service and work across faculties in delivering distance and access programmes and therefore is well-positioned to continue supporting the UFS with its uniqueness and location.

Given the UFS's multi-campus model, perceived mission drift created some confusion about the campus's purpose as set out in the UFS strategy and intent of being *research led, student centred and regionally engaged*.

A process to review the purpose and to revitalise the PQM of the South Campus commenced during 2022.

#### Implement Curriculum Renewal Programme

The Curriculum Renewal Programme (CRP) aims to support academic staff in the redesign of their modules by considering its purpose, context and content in line with the UFS vision and good curriculum design principles. The year under review was the second year of the CRP. Four programmes were presented during the year. In total, 123 staff members completed (submitted syllabi) in CRP during 2022, in comparison with 48 in 2021, demonstrating a marked increase.

A key focus of the CRP currently is to incorporate the UFS Blended Learning and Teaching Policy, as well as Blended Learning Innovation Services and Support (BLISS) to support academic staff with integrating technology into their learning and teaching practices.

#### *Differentiated PQM delivery on programme and academic plan with 2022 as an interim arrangement*

In consultation with the senior management of the Qwaqwa Campus, between the academic years of 2021 AND 2022, DIRAP compiled an report of new proposed PQM for the Qwaqwa Campus to ensure that it is a fully-fledged delivery site with its own viable PQM offered through four faculties (NAS, Humanities, EMS, and Education) The programmes that were approved for the development are: BA Literature & Languages; BA History & Africa Studies; BA Tourism & Heritage Studies; BSocSci Gender & Peace Studies; Master of Science majoring in Geoinformatics; Doctor of Philosophy majoring in Geoinformatics; Bachelor of Science majoring in Geoinformatics; BSc in Physics and Electronics; Bachelor of Commerce specialisation in Management; BCom with specialisation in Supply Chain and Logistics Management.

Table 16 shows the programmes that were developed at the Bloemfontein Campus, and some were subsequently approved by the regulatory bodies and in some, those that DIRAP is still awaiting an outcome.

At the South Campus, in 2022, the Vice-Rector: Academic appointed two Project Managers to coordinate the new proposal for the South Campus PQM.

A project plan was developed by the Project Managers. The first step was to compile an Environmental scan. This was done by the Monitoring and Institutional Research (MIR) unit under DIRAP. This was presented at the Academic Senate in the year 2022. The following programmes were proposed for the South Campus to bring about a differentiated PQM for the South Campus to ensure that it becomes a fully-fledged campus: Bachelor of Agriculture; Bachelor of Agriculture Honours; PGDip Sustainable Agriculture; Master of Agriculture; Master of Sustainable Agriculture; Doctor of Philosophy in Agriculture and Foundation Phase Education and Department of Early Childhood Department.

**Table 16: Programmes development, Bloemfontein Campus, 2022**

Degree	Type of Qualification	Mode of provision	Campus	Current Status
Master of Public Health	New Qualification	Face to face	Bloemfontein	CHE Accredited and SAQA registered
Master of Biokinetics	New Qualification	Face to face	Bloemfontein	CHE Accredited and SAQA registered

Degree	Type of Qualification	Mode of provision	Campus	Current Status
Doctor of Philosophy in Public Health	New Qualification	Face to face	Bloemfontein	CHE Accredited and SAQA registered
Doctor of Biokinetics	New Qualification	Face to face	Bloemfontein	CHE Accredited and SAQA registered
Post Graduate Diploma in Occupational Health	New Qualification	Face to face	Bloemfontein	CHE Accredited and SAQA registered
Advanced Diploma in Music	New Qualification	Face to face	Bloemfontein	Not Accredited. Sent representation document conditions to the CHE
Postgraduate Diploma in Music Performance	New Qualification	Face to face	Bloemfontein	CHE Accredited and SAQA registered
Advanced Diploma in Opera Studies	New Qualification	Face to face	Bloemfontein	Not Accredited. Sent representation document conditions to the CHE
Bachelor of Arts Honours in Communication Science with specialisation in Leadership Communication	Site extension to Qwaqwa	Face to face	Qwaqwa	Site extension done
Master of Arts in Communication Science	Site extension to Qwaqwa	Face to face	Qwaqwa	Site extension done
Master of Psychology in Research	New Qualification	Face to face		Not Accredited. Sent representation document conditions to the CHE
Masters of Community Development	New Qualification	Face to face	Qwaqwa	CHE Accredited and SAQA registered
Postgraduate Diploma in Community Development	New Qualification	Face to face	Qwaqwa	CHE Accredited and SAQA registered
Bachelor of Sustainable Food Systems	New Qualification	Face to face	Bloemfontein	CHE Accredited and SAQA registered
Bachelor of Sustainable Food Systems	New Qualification	Distance	Bloemfontein	Awaiting CHE
Master of Science in Mountain Environment	New Qualification	Distance	Qwaqwa	Awaiting CHE
Bachelor of Engineering in Agricultural and Bio-Systems Engineering	New Qualification	Face to face	Bloemfontein	DHET PQM approved, still working on HEQC application

### *Institutional audit site visit and improvement plan*

In the year under review, the UFS was subject to a Council on Higher Education (CHE) Institutional Audit (IA) site visit. This site visit constituted a major part of the audit process following the UFS's self-reflection on its integrated quality management system presented in a comprehensive and widely consulted Self-evaluation Report (SER). The SER included a Portfolio of Evidence (PoE) providing evidentiary documentation of the UFS's integrated quality management initiatives. After a year of preparation, an expert panel visited

our campuses from 9 to 13 May 2022 to conclude the institutional audit before drafting the audit report. The institutional audit was aimed at assessing the UFS's integrated quality management system with a specific focus on the management of the core academic functions of higher education; that is, teaching and learning, research, and community engagement, as framed by the institution's respective vision and strategic goals.

In preparing for the audit, the University reviewed and reported on its progress towards a university striving for maturity in all its quality assurance endeavours. After planning and strategising, a steering committee presented readiness workshops before hosting several roadshows to brief academic and support staff on their role in the audit. Via the steering committee, numerous UFS staff members contributed to the content of the SER submitted in electronic format, with several links to supporting documents included in the PoE and institutional videos early in 2022.

The UFS community was kept informed with relevant communication on our various channels, counting down the time until the site visit began. A dedicated group of students acted as ambassadors during the visit and supported the panel in navigating our campuses. The Vice-Chancellor and Rector, members from Council and Senate, the University Management Committee, Trade Unions, Institutional Forum, Student Representative Council, Alumni, Faculty Deans and Assistants Deans, as well as several staff members (academic and support) and students from the Centre for Teaching and Learning, Student Administration, Engagement and Support, Information and Communication Technology Services, Human Resources, Finance and Facilities, as well as external key stakeholders (Advisory Boards) were interviewed by the panel to get a clear picture of the University's character and how the design and implementation of our integrated quality management system enhance the likelihood of student success and improve the quality of learning, teaching and research, as well as integrated community engagement within the context of the University's mission.

The Directorate for Institutional Research and Academic Planning (DIRAP) were central to the execution of this momentous occasion. The panel repeatedly commended the quality of documentation provided as well as smooth logistical execution of the site visit.

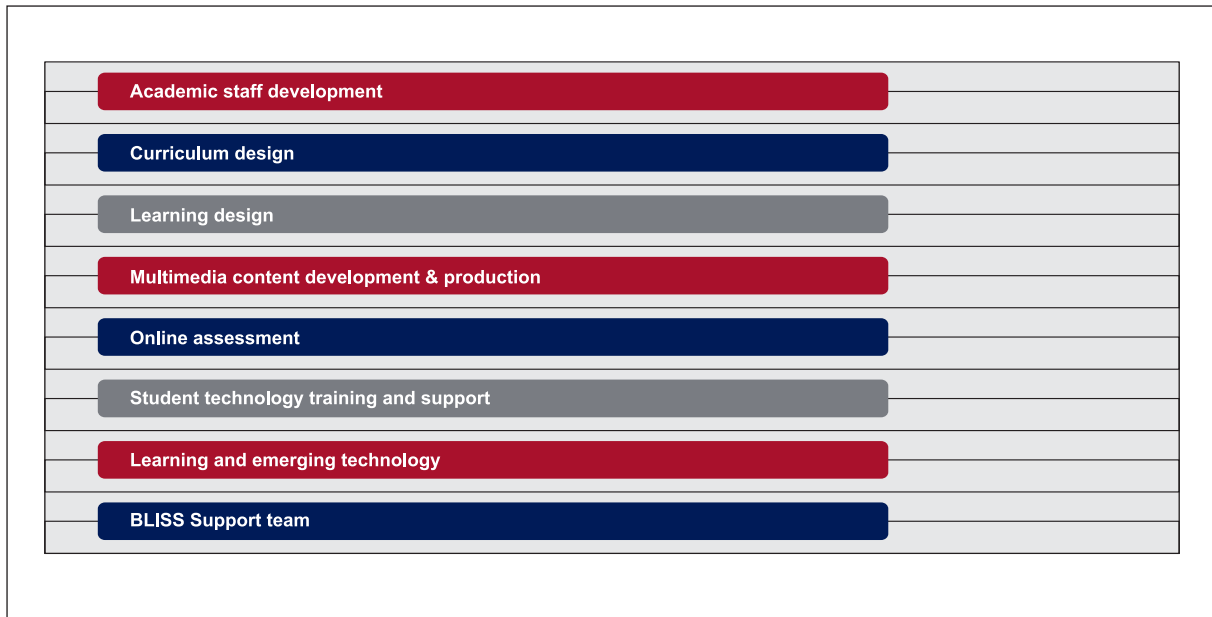
The UFS has not yet received the audit report. The UFS will be allowed time to respond to the findings before a final report is presented. Based on these findings, an improvement plan will be developed and monitored by means of progress reports. Quality assurance is a continuous and systematic process and the UFS is committed to continue to enhance our quality output aligned to environmental and social changes and demand.

### ***Digitalisation of teaching and learning***

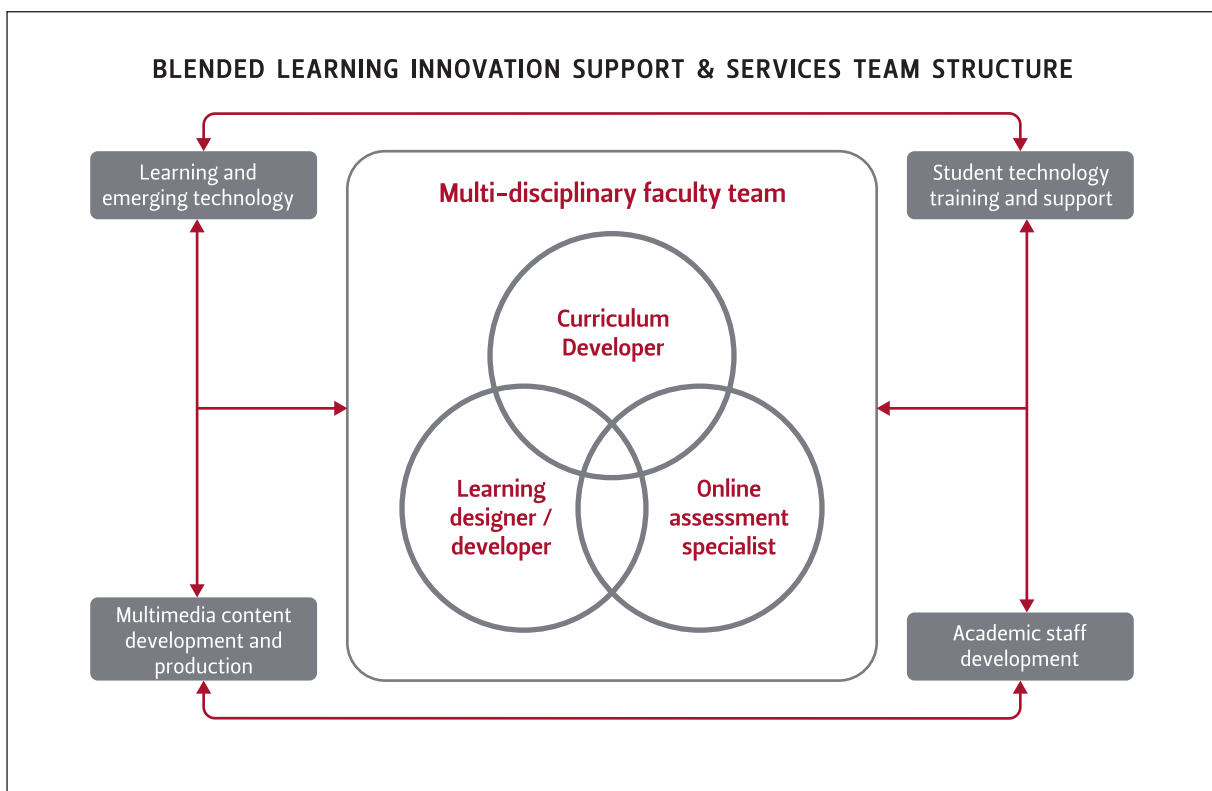
In 2022, the UFS Blended Learning and Teaching Policy was approved by Council, and foregrounded graduate attributes, the harnessing of technology to facilitate student learning and success, the promotion of flexible modes of delivery in its learning and teaching practices to ensure the significance and relevance of learning experiences, and empowering teaching staff to use evidence-based, technologically enhanced methods and pedagogies to create an exceptional learning experience.

To this end, the Blended Learning Innovation Services and Support (BLISS) focus area was conceptualised to provide tailored support in the form of multi-disciplinary faculty teams, consisting of a Curriculum Developer, a Learning Designer, and an Online Assessment Specialist. This is further supported by academic staff development, multimedia content development and production, student technology training and support, and learning and emerging technology subdivisions, all of whom will work collaboratively.

Figure 12 demonstrates the stakeholders involved in ensuring a more collaborative approach to quality curricula and an improved student learning experience. Figure 13 demonstrates the integrated approach for curriculum design and renewal.



**Figure 12: Stakeholders in the collaborative approach to quality curricula and improved student learning experience**



**Figure 13: Integrated approach for curriculum design and renewal**

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

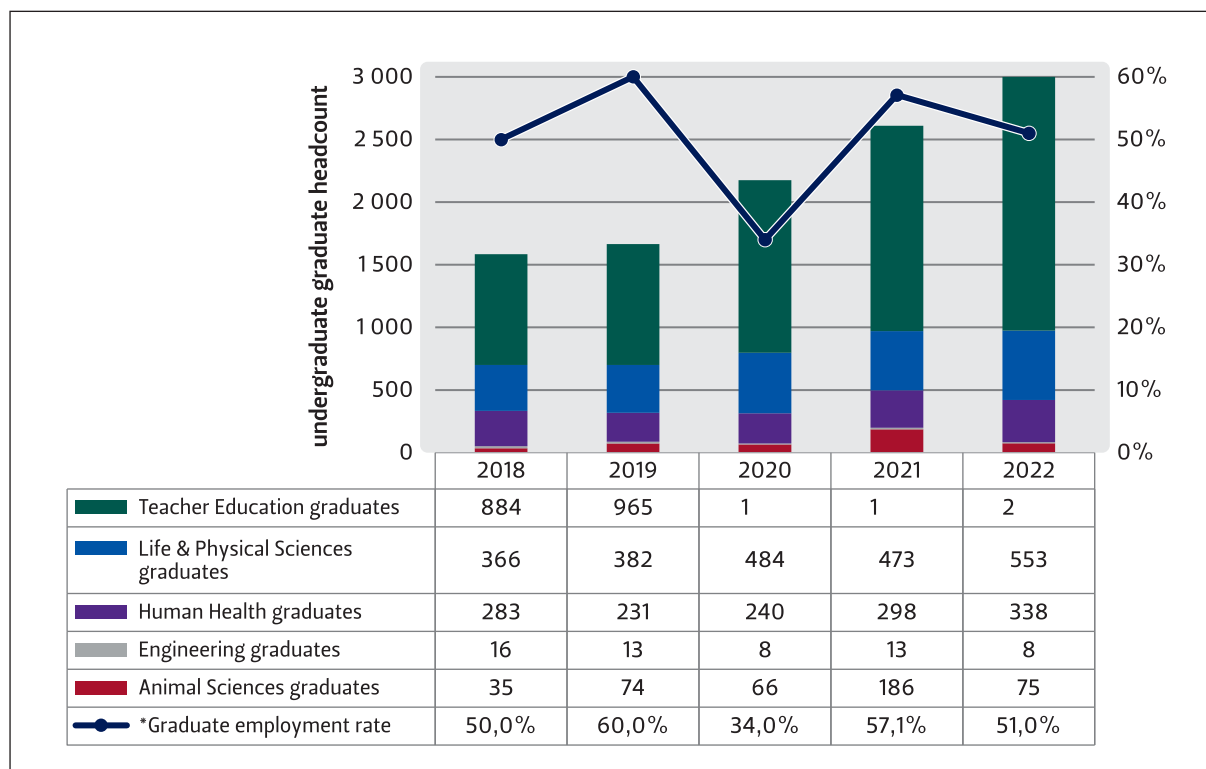
Graduate employability is a key factor in evaluating the quality and effectiveness of the educational opportunities provided and the responsiveness to the market, and it contributes to the social and economic

development of the region, the country and abroad. The UFS remains committed to producing highly employable graduates and, in so doing, improving its reputation and standing both nationally, on the content and globally. The graduate employability rate fluctuates due to market demand and changing recruitment trends during the pandemic.

Graduate employability cannot be considered in isolation from the number of graduates produced and the student recruitment and retention processes. The employability of graduates is a significant consideration for prospective students when choosing a university. Stakeholders prioritise universities with a strong record of assisting graduates in securing relevant employment opportunities. Therefore, the UFS will continue to demonstrate its commitment to graduate employability to attract and retain high-calibre students from all walks of life and meet student expectations to acquire the knowledge, skills, and competencies necessary for successful careers.

Figure 14 shows the indicators used by the UFS to track pathways to graduate employability. The graduate employment rate (KPI) has fluctuated over time, with a notable decrease seen in 2020 (most probably due to falling national employment rates during the pandemic). Final employment rates for the 2022 graduating cohort were not available at the time of compiling this report and preliminary data were therefore used. According to this data, the employment rate has decreased by 6,1% from 2021 to 2022, which is of great concern to the UFS. Graduate desirability, which subsumes employability, is a critical priority for the UFS during the next strategic cycle and the UFS hopes to improve the desirability (and employability) of its graduates through a range of interventions.

Considering the numbers of undergraduate graduates in scarce skills, the number of graduates in Animal Sciences decreased notably from 2021 to 2022. The UFS did not achieve its targets with regard to graduates in Engineering and Human Health, and exceeded its target for Teacher Education very significantly. For the year under review, it is evident that the UFS has produced far more graduates than planned. However, the lower than expected employment rate remains a concern, and the University will continue to analyse the contributing factors, including economic growth and reform, to stimulate employment opportunities and social responsiveness to employment and the higher migration rate.



**Figure 14: Pathways to graduate employability (KPA 2.2) – scarce skills graduates and employment rates, 2018 to 2022**



***Implement instructional design development process***

The learning design introductory course is aligned to the CRP and has been designed to ensure that all resident learning designers are familiar with the curriculum design principles and have the skills set required to design courses. New staff will be onboarded and trained to ensure the requisite skills are developed. This course was reviewed and revised in 2022, and two cohorts completed the course, comprising a total of 34 staff members.

***Finalise proposal for digital devices and e-textbooks***

In addressing the responsiveness to digitalisation and to keep abreast with the fast-changing pace of technological advancement in higher education, the UFS has made a formal submission for the procurement of e-textbooks to create a more equitable digitised learning experience.

Throughout the reporting period, students were provided with data bundles and devices were made available for the most vulnerable students.

***Secure engineering qualification approval***

The purpose of this undergraduate qualification is to align the UFS with its striving to promote innovation, distinctiveness and leadership, and to be proactive in addressing the collective need for engineers in Southern Africa, specifically Agricultural and Biosystems Engineers, who operate within the water-food-energy nexus to enhance food production and ensure food security.

The UFS applied for an engineering degree programme in Agricultural and Biosystems Engineering, in line with its strategic intent and size and shape. This programme will be launched pending its anticipated approval in 2023.

This engineering degree will improve the utilisation and sustainability of the existing infrastructure associated with the current three-year BSc majoring in Physics and Engineering Subjects programme. It will also expand the current horizontal articulation possibilities to include the discipline of Agricultural and Biosystems engineering.

Furthermore, it will promote a holistic understanding of the interrelationships between the worlds of physical engineering and biosystems with living organisms, considering their complex, multifaceted and interconnected nature. It will expand the current trend of reliance on the linear economy philosophy to include the concepts and attributes of the circular economy in the design of sustainable solutions, using integrated management activities to proactively preserve the earth's ecological infrastructure, while simultaneously utilising the resources for food production.

***Implement Graduate Destination Survey***

The UFS Graduate Destination Survey (GDS) was developed in 2022, building on the Graduate Exit Survey (GES). The exit survey gathered data on the opinions of alumni that would be used to inform interventions intended to prepare UFS graduates better for the world of work and improve their employability.

The survey aimed to:

- Develop an employment profile for UFS alumni;
- Investigate the relationships between the field of employment, salary range, type of employment (permanent/temporary, full-time/part-time), qualification obtained, UFS graduate attributes, and other professional and interpersonal skills;
- Compare graduates' opinions, expectations and plans for the future to their actual post-graduation experiences; and
- Investigate alumni suggestions about what the UFS should do to better prepare its graduates for the world of work.

Given that the GDS is an extension of the UFS Graduate Exit Survey (GES), the design was similar, although a brief literature review was conducted as were institutional engagements to strengthen the validity and reliability of the survey further.

The self-administered online questionnaire was distributed to 41 901 alumni, of which 1 531 responded. Following the July 2022 pilot, two tests were conducted to improve the questionnaire, namely cognitive interviews and statistical reliability and validity. Data from the 2022 GDS were used to perform the validity and reliability tests. The process of continuous improvement will be ongoing.

### ***Implement employer survey***

The Employer Satisfaction Survey progressed well, with key milestones achieved in 2022. The survey aims to gather feedback from employers who have hired UFS graduates, to assess their satisfaction with their calibre and workplace readiness and relevance.

### ***Establish at least one new spin-out company***

The Centre of Geo-mineral Science, within the University's Faculty of Natural and Agricultural Sciences, conducted and finalised research technology on effective micro-organisms, which formed the basis for negotiations to incorporate a legal business entity called Free Farms Innovation Pty Ltd. An equal partnership between the UFS and a South African agricultural company was established. The innovative technology that contains more than 15 strains of bacteria and fungi was developed, and forms the basis of a product that will be made available to the agricultural sector.

These bacteria and fungi were scientifically selected based on a two-pronged approach and involved a reverse engineering process of an existing Effective Micro-organism (EM) product. Followed by the establishment of a new product, Free Farms Innovation Pty Ltd was established in 2022, but will only be legally registered in 2023.

Furthermore, a spin-out company trading as Moraband Pty Ltd was incorporated in 2022. It is intended that Moraband Pty Ltd will also develop and roll out new technologies in partnership with other clinicians and is in the process of developing a business strategy to raise operating capital to conduct operations.

### ***Licence one technology from the UFS intellectual property (IP) portfolio***

During the year under review, the UFS did not license any technology from its intellectual property portfolio. However, Moraband Pty Ltd, the spin-out company will utilise tissue engineering technology developed by an employee (which has been patented) to develop a number of biological products. The licensing agreement between the University and its spin-out company Moraband Pty Ltd has not been finalised. The University has opted to take up shareholding in the company, in partnership with Prof Smit.

In 2022, the UFS procured the services of an entrepreneur to assist the University in its efforts to commercialise its intellectual property and to establish networks between the researchers and industry partners. Through this initiative, the UFS anticipates a better understanding and interaction of/with industry needs, better connection between industry players and the UFS resulting in potential licensing agreements, spin-out companies or service level agreements.

### ***Strengthen innovation park at the Paradys Experimental Research Farm***

The agribusiness innovation park aimed to create value for existing and new products produced on the research farm. The cheese manufacturing became operational in 2022, while the brewery unit saw significant progress towards being fully commissioned. Furthermore, woollen products produced by the women from the community (as part of a community project), were also supplied to KowsieGear as a branding and marketing outlet. Each of these products is custom-made and branded accordingly. The projects have generated such interest and uptake that products are produced on consignment for surrounding business,

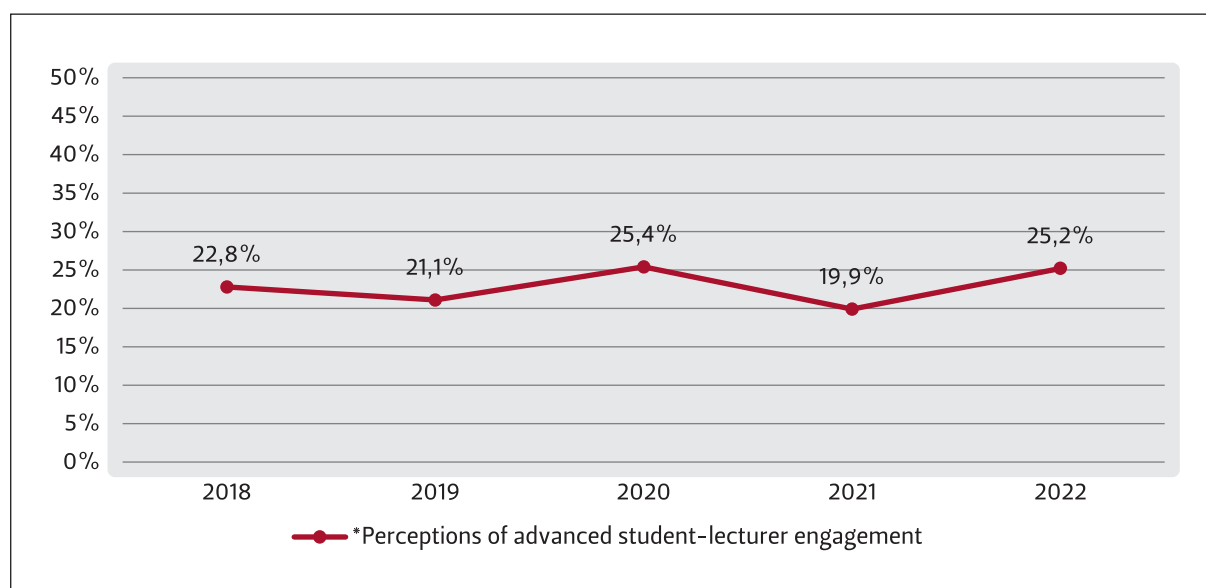
industries and international conferences. Funds were made available to order another four containers to expand the activities within the Innovation Park.

The Faculty of Natural and Agricultural Sciences appointed a dedicated entrepreneur to drive the Innovation Park strategy on the research farm and to assist start-up businesses with incubation services for increased visibility and impact. A full business plan for the agribusiness Innovation Park, as well as the startups being incubated within this unit, is being developed for approval by the Intellectual Property and Investment Committee (IPIC) of the University. To promote interdisciplinarity, the Faculty of Economic and Management Sciences will contribute towards business and entrepreneurial training. The aim is to develop the innovation park further to become a space where undergraduate students are exposed to real-world examples of entrepreneurship and the world of work as it applies in the (South) African context.

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

The UFS has achieved the target and demonstrates that the share of students engaging with their lectures have improved from 22% in 2018 to 25,2% in 2022. This includes discussions about careers, and module/ subject topics and ideas, or concepts with a lecturer outside of class. The University continues to invest in the pedagogical relationship between students and lecturers to create an inclusive, collaborative, and student-centred environment. Creating a deeper and mutual understanding of the pedagogical relationship empowers students to be actively involved in the learning process and to embrace a culture of lifelong learning.

Figure 15 shows perceptions of advanced student-lecturer engagement among students. This indicator has fluctuated over the five years, but increased significantly from 2021 to 2022 and the UFS exceeded its 2022 target for this KPI. This data suggest that the interventions implemented by the UFS (detailed below) are effective in improving the pedagogic relationship.



**Figure 15: The pedagogic relationship (KPA 2.3)**

### *Develop new generation of Academics through new Generation of Academics Programme (nGAP) and Qhubeka programmes (QDP); via employment equity (EE) funding*

nGAP is a DHET-funded initiative that commenced in 2016 and aims to develop new cohorts of young academics. The DHET allocates the nGAP positions to universities after successful applications. The UFS has currently been allocated 27 lecturer positions across phases 1 to 8 of nGAP. Twenty-two (22) lecturers have been appointed at the UFS thus far; 16 African (10 females and 6 males); 5 Coloured (3 females and 2 males)

and 1 White female. Five (5) positions are in the process of being filled. The lecturers in Phases 1 and 2 have completed their six years in the programme. Four (4) lecturers have completed their doctoral degrees since joining the programme and 15 are in the process of completing their doctoral degrees.

Similarly, the QDP is a UFS initiative aimed at developing young promising academics to be appointed as full-time, permanent lecturers on a six (6)-year developmental programme. Only candidates under the age of 40, aligned to the employment equity profile, are appointed in this programme. The programme works on the basis of a shared funding model between the Employment Equity Strategic Fund and the relevant faculties/departments for the first three years, covering the remuneration only. The departments are fully responsible for the remuneration from the fourth year onwards. The first cohort of QDP lecturers started in 2021 and there are currently 19 positions of which 10 are filled. There are 9 Africans (5 males and 4 females) and 1 Coloured male. Nine (9) lecturers are in the process of completing their doctoral degrees.

### ***Monitor Teaching Fellows project***

The UFS Learning and Teaching Fellowship aims to support and develop scholars in this field. The fellowship is a two-year programme with two tracks, namely emerging and advanced scholars. The programme was launched in September 2021 with 15 fellows, for completion in September 2023. The second cohort of 15 fellows was introduced in September 2022. The programme will be completed in September 2024. The two programmes thus overlap and will run concurrently for that period. Table 17 indicates the faculty/campus distribution of these scholars.

***Table 17: Number of UFS Learning and Teaching Fellows by campus and faculty, 2022***

Campus and Faculty		Cohort 1		Cohort 2		Total
		Advanced scholars	Emergent scholars	Advanced scholar	Emergent scholars	
Bloemfontein		3	7	1	10	21
	Economic and Management Sciences		2		1	3
	Education				1	1
	Health Sciences	2		1	2	5
	Natural and Agricultural Sciences		2		1	3
	The Humanities	1	2		4	7
	Theology and Religion		1		1	2
Qwaqwa		1	3		3	7
	Education	1	2		2	5
	Natural and Agricultural Sciences		1		1	2
South			1		1	2
	Natural and Agricultural Sciences		1		1	2
Total		4	11	1	14	30

Fellows are expected to deliver certain outputs. Fellows in the emergent track are expected to submit and present a Scholarship on Teaching and Learning (SoTL) paper at a local conference, while fellows in the advanced track are expected to publish at least one SoTL article in an accredited journal. Fellows receive monetary support for individual needs, e.g. language editing, printing, etc. Furthermore, the outputs are incentivised once a fellow publishes an article or presents at a conference.



The fellowship is furthermore supported through writing retreats, workshops, and individual support (where required). The writing retreats are customised according to the group's needs and progress and structured in face-to-face sessions by internal and external staff members. Regular monitoring with regard to progress and arising needs ensured appropriate levels of support to encourage fellows to reach their intended outcomes.

The fellows made good use of the opportunities, evidenced in high attendance rates (100% attendance rate for the first four events). Progress in this initiative has been steady. Thus far, one SoTL article has been published, while two were accepted for publication. Two fellows presented papers at conferences and one abstract has been submitted, while nine of the fellows presented on their projects at the annual UFS Learning and Teaching Conference in September 2022.

The second cohort of 15 fellows were welcomed in September 2022 and a similar approach was followed.

The workshops were also well attended.

As part of monitoring and reflexive praxis, continuous feedback is obtained from the fellows. Feedback indicated that the retreats have been a positive experience. Individual support was valued and appreciated, and created opportunities for networking and communities of practices, despite some difficulties experienced in finding mentors.

A comment from one of the fellows attending the November 2022 writing retreat highlights the value of the retreats: "Being given an opportunity to write in a conducive space without being disturbed by work issues was amazing. Also being surrounded by other fellows and be able to tap into their expertise at any time was valuable. Working without pressure was a cherry on top, the only pressure you have is you wanting to be productive and make progress."

#### ***Promote multilingualism through partnership between the Multilingual Academy and academic departments***

In 2022, the Academy for Multilingualism collaborated successfully with different faculties in several multilingualism projects in order to promote the uptake and embedding of the Council-approved language policy. This has been done by hosting a collaborative UFS Translanguaging seminar in July 2022 (which was well attended by academics and tutors), donating books and promoting reading in two regional schools, translating learning resources into Sesotho, isiZulu and Afrikaans to improve epistemological access, and translating legal documents and posters for the public to enable access to Law information in the languages they understand. Furthermore, some faculties commenced with the translation of PhD abstracts into students' languages other than English for appraisals, and collaborative engagement was entered into, in adjudicating students' English essays for an institutional writing competition on combating crime.

### **3.1.4. Overview of progress during 2022 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.

The university has increased its research performance significantly over the past five years (2018–2022), with increased performance in the following areas:

- Research publication units (significant increase in journal articles and chapters/books over the five-year period)

- NRF-rated researchers (specifically in relation to Y-rated researchers (from 37 in 2018 to 57 in 2022)
- The UFS contribution towards postgraduate bursaries increased significantly from 2018 to 2022 (from R41 615 081 to R81 882 478).

The improved performance is ascribed to the research strategy and a number of interventions described below.

In 2022, UFS developed distinctive research areas aligned to pertinent Sustainable Development Goals (SDG), as well as continental and institution imperatives, for greater impact. These niche areas have been supported through dedicated funding and the allocation of postdoctoral fellows as well as providing expertise and training to assist with NRF ratings and SARChI Chairs. Furthermore, several programmes have been initiated to assist in developing the new research niche areas, these include amongst others the Industry Engagement Programme which connects researchers with industry mentors and the Entrepreneur-in-Residence initiative which stimulates and increases contract research with industry.

Dedicated resources are paramount to the successful implementation of the UFS research agenda with the aim to increase the University's contribution to local, regional, and global knowledge production. The research funding specifically designated for scholars' support flagship research, provide access to necessary equipment and facilities, and encourage collaboration. The share of total discretionary funds allocated to research increased from 34.9% in 2018 to 38% in 2022, to fund priority areas such as Medical Physics, Indigenous Knowledge Systems, the Afromontane Research Unit (ARU), cardiothoracic surgery and the Centre for Human Rights.

Progress with the development of research capacity and sustainability continued in 2022 and included several programmes namely the Future Professoriate Mentoring Programme and the Emerging Scholars Academic Programme (ESAP). These endeavours include training in supervision, academic writing, research software, ethics, grant proposal writing, appropriate referencing, and copyright. The aim of these interventions is to transform the profile and increase the diversity of UFS researchers.

The appointment of postdoctoral and research fellows remains key strategies in promoting research development and increase research output at the UFS. The UFS continues to invest in the Postdoctoral Research Fellowship Bursary Scheme. The number of postdoctoral fellows appointed in 2022 was 178. The postdoctoral fellows were also involved in career development programmes in 2022. The university also hosts a total of six South African research chairs, who are funded by the National Research Foundation (NRF) and the Department of Science and Innovation (DSI) and remain a significant source of research income.

Again in 2022, an invitation was extended to UFS researchers to apply for interdisciplinary research grants. Six new projects received funding in 2022, to the amount of R245 000.

Strategic interventions related to attaining NRF ratings resulted in the UFS having produced a well-established group of rated researchers. The university continues to focus a significant amount of its resources on creating funding opportunities and identifying, developing, and assisting black and female researchers to apply for rating and further their qualifications. The share of rated researchers who are black and female increased from 1.8% in 2018 to 3.8% in 2022, this however is below the target of 4.5%. Furthermore, the UFS has 153 NRF-rated researchers in the A, B and C categories, and 58 researchers in the P and Y categories (referring to emerging researchers based on being under 35 and under 40 years of age, respectively). This means that there was a total of 211 NRF-rated researchers at the UFS in 2022, compared to 198 in 2021 and 188 in 2020. The UFS submitted 36 applications to the NRF under the 2022 rating call. This included 16 first-time applications and 20 who were invited to reapply to maintain their ratings.

Attracting and retaining academic scholars from disadvantaged groups remains a challenge, however the UFS has made a concerted effort to provide professional development opportunities tailored to the needs of emerging academic scholars. This includes workshops, seminars, conferences, and networking events that help newly appointed academics to develop their research, teaching, and leadership skills. Furthermore, participation in research projects is encouraged and collaborative initiatives are undertaken that enhance academic and professional growth. The UFS through various interventions attempts to provide a supportive and inclusive campus culture that values diversity and respects the experiences and perspectives of all

academics – thus promoting a sense of community. The academic promotion process is open and transparent, fair, and unbiased, provides clear guidelines and expectations for advancement, offers mentorship and guidance throughout the process, and actively seeks to identify and address any systemic barriers that may hinder the progression of scholars from previously disadvantaged groups.

Although research publication outputs for 2022 has not been finalised, all indications are that the total number of outputs continued to increase from the 2018 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 journal output units generated from scholarly articles published in internationally indexed journals constituted 89% in 2022 (compared to 90% in 2021). Only 11% of journal articles were published in South African-indexed (DHET) journals (compared to 15% in 2018). Since 2020, there has been an increase in Scopus Index articles.

A declining trend in the number of master's graduates from 610 in 2018 to 496 in 2022 is observed whilst the doctoral graduation numbers also reveal a downward trend since 2018. Graduation numbers have however increased in 2022.

As part of the UFS research strategy, it was possible to develop different areas of expertise to retain the number of South African Research Chairs Initiative (SARChI) at the UFS. SARChI remains a significant source of research income for the university and, importantly, a critical platform for postgraduate student training and research. The UFS also holds a SANRAL Chair in Mathematics and Science Education and an ETDP-SETA Chair in Mathematics Education. 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.

The agribusiness development on the UFS Paradys Experimental Farm continued during this reporting cycle, with novel projects with potential commercial value being 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 involved, not only with the experimental farm, but also the reconceptualisation of the South Campus, to become a hub for the development of entrepreneurs and entrepreneurial activities.

The UFS is a highly connected or networked university, and during 2022, new opportunities were created for the internationalisation of research activities. Academics have joined international online discussions, working groups, conferences, and meetings.

Library and Information Services (LIS) continues to explore ways and means to ensure that the research output of the university grows, and that it is visible and impactful. The library subscribed to packages which enable researchers to publish without author processing charges. This initiative comes on top of the Open Access Research Fund that the library has made available to the university community, to fund publications for researchers and academics. The Archive for Contemporary Affairs is equally visible, and it must be noted that its usage is increasing.

Since the establishment of the Digital Scholarship Centre (DSC), it continues to make an impact on the research agenda, including teaching and learning, since sophisticated technologies have been procured to support its activities. The research data management searches continue to increase, implying that academics and researchers are actively taking part in the recommendations of the university's research data management policy.

In 2022, a total of 3587 searches was conducted by the university community on the research data management LibGuide. It must be noted that there is progress with the research data management, with a total of 275 data sets uploaded up to this point. The total views amounted to 6847 with 4290 downloads. The visibility of KowsieScholar continues to increase, compared to 2021, with over six million searches in 2022. KowsieScholar attracted a total of 903,321 searches by over 8 million users worldwide. Most of the searches were from the United States with 151,338. Table 20 provides the analytics as extracted from Google Analytics software.

Despite some challenges, 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.

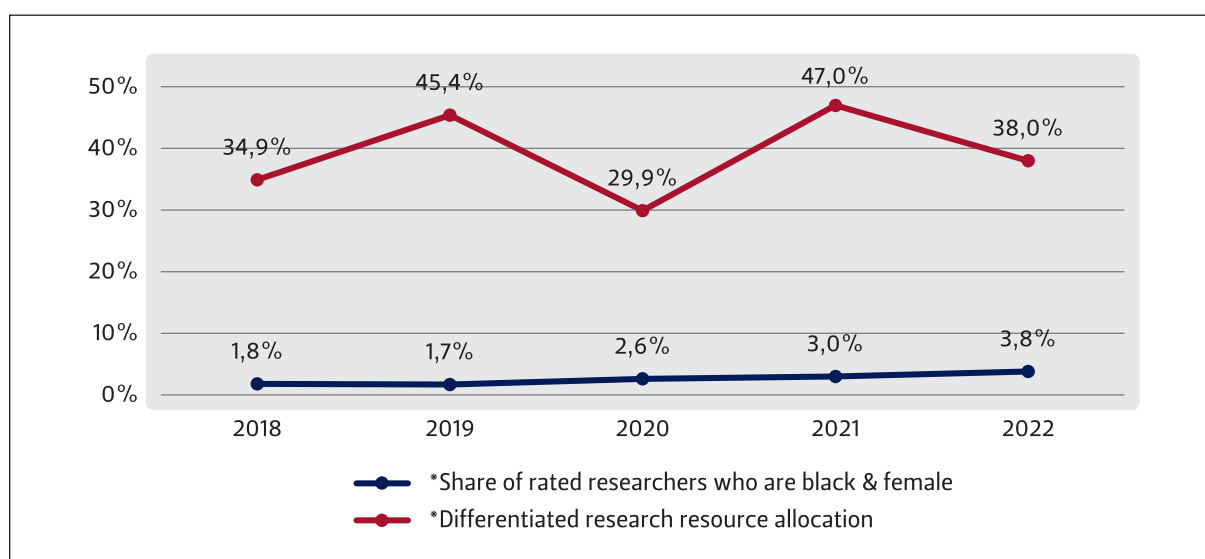
### 3.1.5. Increase UFS contribution to local, regional, and global knowledge (Goal 3)

The University has achieved its 2022 targets for five of the seven indicators measuring its performance for increasing UFS contribution to local, regional, and global knowledge. This is ascribed to the rigorous research conducted to increase research impact and uptake, fostering interdisciplinary research and collaborations, and engaging with diverse communities to gain new insights, advance understanding, and address pressing challenges.

The impact of research is threefold:

- At the local level, the UFS contributes to knowledge by addressing community needs, and developing solutions that have a direct impact on the region.
- On a regional scale, the UFS engages in research and knowledge exchange initiatives that span multiple communities, industries, and institutions.
- At the global level, the UFS plays a critical role in advancing knowledge through international collaborations, research networks, and global partnerships.

Furthermore, the UFS increases its contribution to knowledge by promoting open access to research findings, publishing in reputable journals, and sharing knowledge through conferences, seminars, and public events. This ensures that UFS research has a broader impact and reaches a wider audience.



**Figure 16: Focused research resource allocation (KPA 3.1) and transforming the researcher profile (KPA 3.2)**

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

Figure 16 shows that, of its total discretionary strategically appropriable funds allocated for research, the UFS disbursed 38% to research hubs in 2022, significantly exceeding the target of 25%.

Develop potential new research niche areas



During 2022, the faculties, departments and research groups developed newly identified research niche areas, aligned amongst others, to pertinent Sustainable Development Goals (SDG), as well as continental and institution imperatives, for greater impact.

In view of its intention to become a research-led university, the UFS remains committed to building capacity around the identified niche areas. The capacity includes, amongst others, providing funding support, the allocation of postdoctoral fellows, providing expertise and training where required, and assisting with the achievement of NRF ratings and, possibly, NRF SARChI Chairs. The niche areas identified for further intervention include:

- Next Generation sequencing – Prof Martin Nyaga
- Centre for Human Rights – Prof Danie Brand
- Natural-based solutions, in partnership with the CSIR – Prof Paul Oberholster (Potential new SARChI Chair)
- African Studies – Prof Heidi Hudson (Potential new SARChI Chair)
- Food Science/Protein Trust – Prof Wilma Oldewage (Potential new SARChI Chair)
- Magic Initiative, funded by the Merensky Trust – Dr Martin Clark
- Food Security Platform – an initiative between UWC, UP and UFS
- Indigenous Knowledge Systems – Prof Motlalepula Matsibisa (Potential new SARChI Chair)
- Institute for Ground Water Studies – Prof Abdon Atangana (Potential new SARChI Chair)
- Zoology and Entomology – Prof Peter Taylor (Potential new SARChI Chair)

Programmes have also been initiated to assist in developing the current and new research niche areas, such as the Industry Engagement Programme, to enhance the research environment, its relevancy and exposure to industry as it relates to UFS research projects and technologies. Industry mentors were identified and matched with UFS researchers to assist them with engagement and partnering with relevant industries and the development of markets. In 2022, a cohort of 12 researchers and 3–4 industry mentors were identified to roll out this initiative.

The Entrepreneur-in-Residence initiative was launched to stimulate and increase contract research with industry. The UFS appointed one Entrepreneur-in-Residence to focus on interactions between researchers and problems facing the mining industry. A second appointment is in process to increase contract research within the Food Science research area.

### ***Allocate Strategic Research Funding to support identified Hubs***

In the year under review, the resource allocation for research and innovation focused on the UFS's areas of strength and distinctiveness to increase the University's contribution to local, regional and global knowledge production. The percentage of discretionary funds allocated to research focus areas was 38% in 2022, surpassing the previous annual target of 25%. The following priority areas were identified in calculating a percentage share of total annual strategic research funds allocated.

International Studies Group:

- Plant Sciences
- Institute for Institutional Change
- Higher Education Studies
- School of Pathology
- Sociology
- Astrophysics
- Microbiology and Biochemistry
- SACN Chair
- Physics,
- Medical Physics,
- Department of Economics and SANRAL Chair
- Indigenous Knowledge Systems

- Afromontane Research Unit (ARU)
- School of Mathematics
- Cardiothoracic Surgery
- Centre for Human Rights
- Natural Sciences and Technology Education

### *Implement a deliberate funding strategy to support all UFS research endeavours*

Progress with the implementation of a differentiated research strategy was evident in identifying and developing strategically distinctive research areas, increase the number of externally funded research chairs, consolidating and building research capacity at the Qwaqwa Campus, and encouraging multidisciplinary research.

This strategy is supported by a funding strategy targeted at stimulating units where the UFS has a strategic advantage. Funding mechanisms are allocated to these distinctive areas in order to stimulate the quality and quantity of research outputs (productivity) and increased funding of Postdoctoral Fellows (to build capacity around these areas of strength), as well as the funding of research equipment.

A suite of other funding programmes supports the University's research strategy and activities at all three UFS campuses.

Other financial programmes to enable and support research include:

- Central Research Non-Discretionary fund
- Funding to develop the Silent majority/Missing middle programme,
- Funding to participate in national and international networks
- Research Information Management System (RIMS) funding
- International Collaboration funding
- Postdoctoral funding
- NRF rating awards/incentives
- Joint UFS/CUT funding programme
- Expensive Equipment funding
- South African Research Chairs Initiative (SARChI) funding
- Funding for branding and showcasing of research
- Funding for research administration, development and support
- Emerging Scholars Accelerated Programme (ESAP) funding
- Research outputs awards
- Funding for Interdisciplinary research and projects
- Senior Professors programme
- Centre of Excellence discretionary funding

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

The share of rated researchers who are both black and female is monitored by the UFS with regards to the diversity of UFS researchers. Even though Figure 16 shows that this share has more than doubled since 2018, and increased from 2021 to 2022, the UFS did not achieve its 2022 target of 4,5% for this indicator.

### *Support research development for staff*

Progress with the development of research capacity and sustainability continued in 2022, with staff development in the following areas: the diversity of UFS researchers, emerging scholars, career development,

UFS researchers and scholars, research fellows, postdoctoral fellows, and the number and quality of postgraduate students.

Special interventions have been implemented to increase the diversity of UFS researchers, which include targeted appointments and focused research-capacity development and support.

Seventeen candidates were selected to advance to the Future Professoriate Mentoring Programme in 2022, based on their excellent research and teaching-and-learning performance. The candidates represent all seven faculties and are located at the Bloemfontein and Qwaqwa Campuses. The group is diverse, with 60% black candidates: 36% male and 24% female.

The Emerging Scholars Academic Programme (ESAP) holistically supports early-career academics in becoming productive researchers and research supervisors, and balancing their roles as lecturers and researchers with their scholarship of engagement and leadership responsibilities. In addition, the programme assists candidates in navigating the complex dynamics of academia through frequent group discussions facilitated by members of the Rectorate and support departments.

The programme combines one-on-one mentoring discussions for career development. Discipline-specific mentors are provided within faculties and outside the institution to provide guidance to mentees on building international networks, publishing in respected journals, and handling the demands of academia.

Skills-development needs analyses are conducted, which then inform the capacity development programme. Regular development opportunities include writing retreats with national and international facilitators and workshops on productivity, self-efficacy, creativity and innovation, as well as transformative leadership, to supplement individual mentoring processes.

The Future Professoriate Mentoring Group continued with their activities in 2022. The programme outcomes included NRF rating, securing national and international research grants, and improved impact of the research of candidates as monitored through various bibliometric indicators. Furthermore, the programme supports candidates with funding to relieve their teaching loads while they take sabbatical leave or work on extensive research projects. Candidates also receive support for international travel. An important part of the programme involves supporting candidates in establishing sustainable international networks through the appointment of national and international researchers as mentors.

The individualised and group mentoring and coaching had a measurable impact on the performance of the candidates, with 10 candidates of the group receiving NRF ratings during the last two years.

The appointment of postdoctoral and research fellows remains one of the key strategies in promoting research development and increase research output at the UFS. The UFS continues to invest in the Postdoctoral Research Fellowship Bursary Scheme. The number of postdoctoral fellows appointed in 2022 was 178. The postdoctoral fellows were also involved in career development programmes in 2022.

### ***Increase number of National Research Foundation (NRF) funded and of rated academics***

The University continues to focus a significant amount of its resources on creating funding opportunities and identifying, developing and assisting black and female researchers to apply for rating and further their qualifications.

The UFS has 152 researchers in the A, B, and C NRF categories and 59 researchers under the age of 40, who are considered emerging researchers in the NRF P and Y categories. This means that there was a total of 211 rated researchers in 2022, compared to 198 in 2021 and 188 in 2020.

The university submitted 37 applications to the NRF under the 2021 rating call. This included 25 first-time applications and 12 who were invited to reapply to maintain their ratings (of whom one was unsuccessful); thereby increasing the number of NRF-rated researchers at the UFS to 211 in 2022.

When it comes to NRF-rated researchers, the following highlights may be noted:

- Constant growth in the number of rated researchers, from 150 in 2017 to 211 in 2022.
- Most NRF-rated researchers (196 in 2022) are at the Bloemfontein Campus. The number of rated researchers at the Qwaqwa Campus increased from seven in 2017 to 12 in 2022. The South Campus increased their number of rated researchers in 2022 by one to a total of three.
- The Faculty of Natural and Agricultural Sciences currently has the highest percentage of rated researchers (48%) followed by the Faculty of the Humanities (26%).
- The percentage of rated White researchers decreased from 91% in 2017 to 75% in 2022, and the rated Black researchers increased from 7% in 2017 to 19% in 2022.
- The percentage of rated female researchers increased from 29% in 2017 to 35% in 2022.
- Rated researchers within the C2 and C3 rating categories decreased slightly from 54% in 2017 to 47% in 2022. There is still growth in the number of young (Y1/Y2) rated researchers – from 21% in 2017 to 27% in 2022.

These highlights can be ascribed to opportunities for discussion throughout the year with external facilitators who advise and guide researchers on their funding applications. Internal panels have also been established to review applications for quality before final submission. This initiative has proven to be very successful during the 2022 Thuthuka programme for emerging researchers.

The Thuthuka programme and the Black Academic Advancement Programme are both considered important drivers of research transformation and the diversity of researchers with respect to gender and race. The objectives of both these programmes are to promote the attainment of a doctoral qualification, as well as the development of black academics by accelerating their progression to becoming established researchers.

Assistance is provided to potential rated researchers, and rated researchers who are eligible for re-evaluation of their NRF rating. To this end, a rating panel, consisting of internal and external rated researchers, has been established to improve the quality of rating applications and has proven to be very successful. There has been a significant increase in interest in NRF ratings and annually an average of 35 applications are submitted.

### ***Create opportunities for UFS academics to experience different knowledge cultures and develop intellectual diversity***

The facilitators used in the programme during 2022 are all successful researchers who specialise in diverse topics and with different disciplinary lenses in terms of research paradigms in both STEM and Humanities/Social Sciences, and they all have extensive academic leadership experience. The programme presenter has knowledge about creative outputs, and how to support candidates to produce outputs for DHET accreditation and NRF rating applications. The different mentors add transformative and critical theory perspectives on the work of colleagues, which opens up possibilities for interdisciplinary work, in line with the differentiated research strategy.

Travel grants, including equipment and training grants offered by the NRF and other funding institutions, are facilitated. The UFS remains committed to the Knowledge Interchange Collaboration (KIC) call of the NRF, which aims to build and maintain excellence in South African research, bolstered by international collaboration. The promotion of international collaboration through support for travel opportunities and participation in scientific events, enriched by national learning opportunities and engagements, provides important support to this end. The value of KIC Calls awarded during 2022 amounted to R339 443,00 and included R20 000 to host a conference at the Qwaqwa Campus and R219 443 for 6 individuals who were awarded travel grants to present at international conferences during 2022.

### ***Prioritise diversity appointments and implement targeted recruitment.***

The Talent Acquisition and Employment Equity Division has a targeted and predetermined recruitment strategy for when vacancies (especially for scarce skills and senior support and academic positions) arise. Although time, costs and productivity are of the essence, compromising on the employee value proposition remains non-negotiable. All the decisions in terms of the recruitment processes are thus based on data from research to leverage the maximum return on investment. Targeted recruitment processes include regularly advertising and promoting vacancies on industry-specific websites, professional bodies, sites internal to

the UFS, higher-education vacancy platforms, industry partners, Research Gate, Careers 24, various social media platforms such as LinkedIn, Facebook and Twitter and, most importantly, through robust headhunting. During 2022, headhunting generated the biggest successes in terms of appointing excellent fit-for-purpose candidates, and at the same time improving the UFS's diversity objectives.

Despite having an excellent targeted recruitment strategy in place, recruiting black senior academics with PhDs remains challenging. UFS strategic initiatives to address this challenge include the Transformation of the Professoriate Mentoring Programme, the New Generation of Academics Programme (nGAP) and Qhubeka Development Programme (QDP). Senior and experienced academic staff with at least a doctoral degree are needed in order for the university to deliver on its strategic mandate to become a research-led institution. This includes leading projects that include doctoral students' supervision and the production of research outputs of high impact, quality and quantity. Improving the diversity of the university, especially its equity profile, thus remains a strategic priority.

In 2022, sixty-six (66) academic appointments were made, of which 42 (64%) were from the designated groups. Two of the positions filled were on associate professor level, with only 1 (1,5%) having been an associate professor from the designated groups. Sixteen (16) senior lecturers were appointed, with 6 (9%) being from the designated groups. The prevalence in higher education for the majority of black academic appointments to be on lecturer level were the same at the UFS, with 35 (53%) of the forty-eight (48) appointments. Currently the UFS has only 17 (10,4%) professors and associate professors from a total of one hundred and sixty-three (163) academic staff members from the designated groups. These numbers, 163 (18,3%) from a total academic staff complement of 889, are fairly in line with national higher-education trends of approximately 23% for these occupational categories.

The targeted recruitment strategy leveraged very positive returns in terms of support services appointments. In 2022 one hundred and sixty (160) permanent support services appointments were made, of which 149 (93%) were from the designated groups. In terms of temporary contract appointments for support services staff, 231 (93%) from a total of 248 were appointments from the designated groups. The Qhubeka Development Programme (QDP) is also supported by equity funding as discussed above.

#### ***Continue roll-out of Succession Management Programme***

The University's succession management programme is about sourcing internal talent from the University's talent pool and strengthening the pool through development and various talent management initiatives. The programme focuses on addressing business continuity risk. It starts with determining the requirements of the positions, proactively developing employees against such requirements, and assisting employees with the transition into the new role.

The programme demonstrates the University's commitment to investing in its employees and reinforcing that the University is a place where new and current employees can grow, develop and be able to fulfil critical positions at all levels.

In 2022, a number of faculties/departments took part/enquired about this initiative. The successful implementation of the SPOT programme is critical for the recruitment and retention of the talent and institutional continuity.

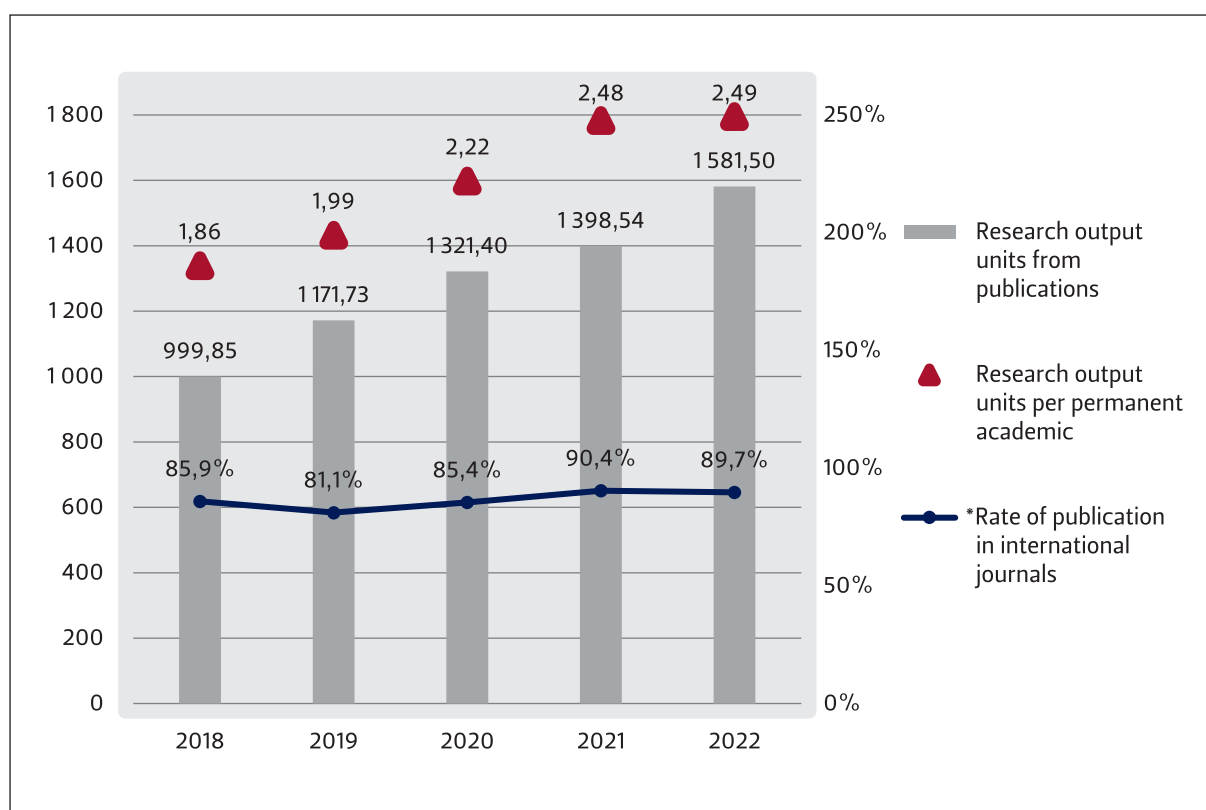
#### ***Continue Women in Leadership training via UFS Business School***

The DHET employment equity targets for universities place a greater emphasis on the appointment of women in leadership positions. This is true for the UFS. During 2022, 20 women in junior management positions successfully completed the Women Leadership Programme.

### ***3.1.5.3. Increase research impact and uptake (KPA 3.3)***

As is clear from Figure 17, the UFS is doing well with regard to the impact and uptake of its research. All 2022 targets were exceeded, in particular in terms of research output units produced, with total research output units from publications increasing with 183 units from 2021 to 2022.





**Figure 17: Increasing research impact and uptake (KPA 3.3)**

#### *Increase number and value of national and international research grants*

The total number of grants and contracts signed in 2022 is 87, with a cumulative value of R107 537 743,93. The Faculties of Education, Health Sciences and Natural and Agricultural Sciences largely contributed to this amount.

The European Health and Digital Executive Agency (HADEA) and Bristol Myers Squibb Foundation signed the largest international contracts with the UFS in 2022, while the Department of Sports, Arts and Culture (DSAC) and ETDP-SETA contributed significantly at a national level. Furthermore, a number of NRF bilateral grants were signed with the University during 2022. These included Sweden, Mozambique and China, to name a few. Human capacity development and research outputs have already resulted from these bilateral agreements.

#### *Increase research collaboration*

Research development is a collaborative effort between both internal and external stakeholders. In 2022, the university continued to support and build a conducive, collaborative research environment through international engagements and partnerships.

Between 2016 and 2022, the UFS collaborated with over 3 005 international institutions and produced 7 467 co-authored publications with international researchers. There has also been a significant increase in terms of co-authored publications and partnerships across the African continent.

Currently the UFS is collaborating with 353 institutions on the African continent and has published 3 069 co-authored publications with scholars/researchers on the African continent.

Collaboration with European institutions remains the highest in 2022, constituting 35% of the collaborations signed.

Nationally, the greatest collaboration is between the University and the University of Pretoria in terms of co-authored publications. The number of contracts decreased from 114 in 2021 to 87 in 2022, which is likely a result of the impact of the COVID-19 pandemic. The majority of contracts at the University were signed with South African counterparts.

### ***Increase international publications***

Research outputs have increased year on year at approximately 100 units per year. In 2021, the UFS reported close to 1 400 units and in 2022, the UFS recorded 150 units more than the previous year. There has also been a shift in the quality of research outputs, with an increase of 38% in publication outputs in quartile journals 3 and 4, to quartile journals 1 and 2 in 2022.

Most of the UFS publications are in journals listed in international indexes, while only about 10% of journal publications are on national index. The collaboration with international stakeholders, institutions and other researchers is also increasing yearly.

### ***Improve UFS's position in selected international ranking systems***

The Times Higher Education (THE) World University Rankings measure participating institutions across 13 separate performance categories and indicators, such as teaching, research, knowledge transfer, and international outlook, providing the most comprehensive report of excellence among world-class research universities.

The UFS was placed in the 801–1 000 range of this prestigious ranking, which included 1 799 institutions from across 104 countries – the largest and most diverse university rankings to date. This is the UFS's first entry in the THE's top university rankings and pleasingly, the institution received an overall score of 29.8–33.9, and ratings of 18.1 for teaching, 17.6 for research, 49.4 for citations, 40.1 for industry income, and 47.3 for international outlook.

The UFS is among the top nine South African universities on the THE list, which was released on 12 October 2022. The institution is ranked in the same band as the University of Pretoria and Rhodes University, earning a coveted ninth spot among the 15 South African universities featuring in the rankings. Every effort will be made to improve the international standing of the institution by promoting quality research output and impact.

The UFS was also recently ranked in Shanghai Ranking's Academic Ranking of World Universities (ARWU) for 2022, which were published in August 2022. The university ranked in the 901–1 000 band globally, and a joint 8–9 position in South Africa, together with UNISA. The ARWU rates institutions based on alumni and staff who have won Nobel prizes and Fields medals, highly cited researchers, papers published in Nature and Science, papers indexed in major citation indices, and the per capita academic performance of an institution. In total, more than 2 500 universities were ranked, and the best 1 000 were published. This was only the second time that the UFS had participated in this ranking.

### ***Increase capacity of Directorate Research Development***

In order to achieve the UFS strategic mandate, it is necessary to develop and invest in a relevant structure (organogram), and to ensure appropriate levels of leadership and considered deployment of staff. Currently, the DRD is under-capacitated in terms of its mandate. While the team does have the required levels of skills and experience, it would realise improved performance with the requisite capacities.

Ultimately, the DRD needs to increase its portfolio of offerings, but this can only be achieved if the number of appropriately skilled staff is increased in line with the demands made on the Department.

### ***Position Centres of Excellence/UFS differentiators for visibility and impact***

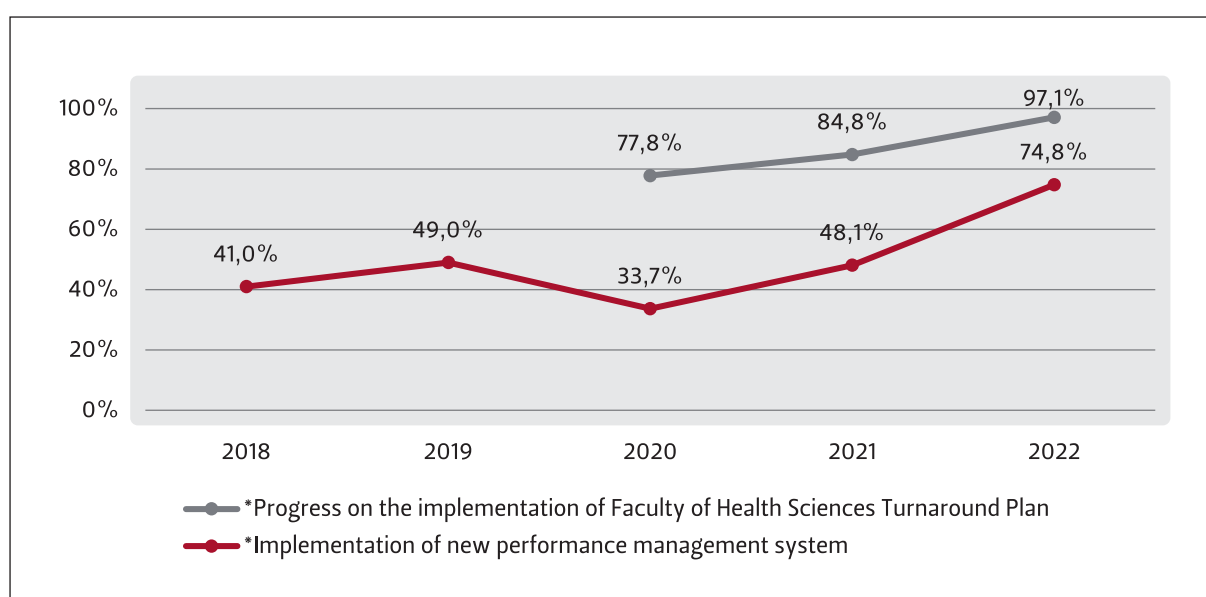
The positioning of centres of excellence/UFS differentiators was a key focus area during the year under review. Over and above the university's communication platforms, the print, broadcast, and online media

played a vital role in this regard, releasing 108 media statements on mainstream media. This resulted in improved visibility and traction raising the profile of the UFS. Detailed mining on the UFS media presence is done on a weekly basis and reported on.

The University also participated in a number of paid advertising opportunities in print and digital media, with a view to positioning the centres of excellence/UFS differentiators. These publications have a national and international reach. Profiling UFS academic experts is also done through participation in *The Conversation Africa*. In addition, opportunities were sourced for speaker engagements for subject experts and the Rector and Vice-Chancellor at conferences attended by a wide range of stakeholders from the public and private sectors and industry.

Measurement of the success of the media strategy was done by means of the Advertising Value Equivalent (AVE), which is the measurement linked to editorial/non-paid public relations activities. Reporting on social media and media coverage by means of AVE is done on a weekly basis. The AVE for the period under review approximated R191 million.

The UFS Thought-Leader Series has already established itself as a leading programme that contributes to local, regional and global knowledge, drawing distinguished, nationally recognised leaders and change makers who make meaningful contributions to public discourse on social, economic and political issues affecting South Africa and the globe. The series, which was established in 2018, has gained popularity and momentum, and none of the presentations has disappointed, as evidenced in their excellent attendance. Facilitated by the Rector and Vice-Chancellor, the events are free and open to the public.



**Figure 18: Improve the Health Sciences faculty (VSP 3) and establish a high performance culture (VSP 5)**

#### 3.1.5.4. VSP 3. Improve the Faculty of Health Sciences

Good progress has been recorded in terms of implementing the Faculty of Health Sciences Turnaround Plan since its inception in 2020 (see Figure 18) and exceeded the 2022 target significantly. The Plan comprising a number of streams and progress towards their key achievement is discussed individually in the section below.

##### *Implement memorandum of understanding with Free State Department of Health*

In the period under review, the planned Memorandum of Agreement (MOA) was signed between the Free State Department of Health and UFS. This MOA aims to, amongst others, establish principles and guidelines

for the collaboration in the provision of funding in the Health Sciences to eligible MBChB students registered in Cuba and returning to South African medical schools for integration.

Concerning increasing joint appointments to FSDoH hospitals and teaching platforms, of the 225 joint staff establishments, according to the signed MoU between FSDoH and FHS, only 154 (68,40%) positions have been filled since August 2021. Concerning the improved staffing levels in Pathology, several joint appointments were made.

### *Relationship with Health sector partners*

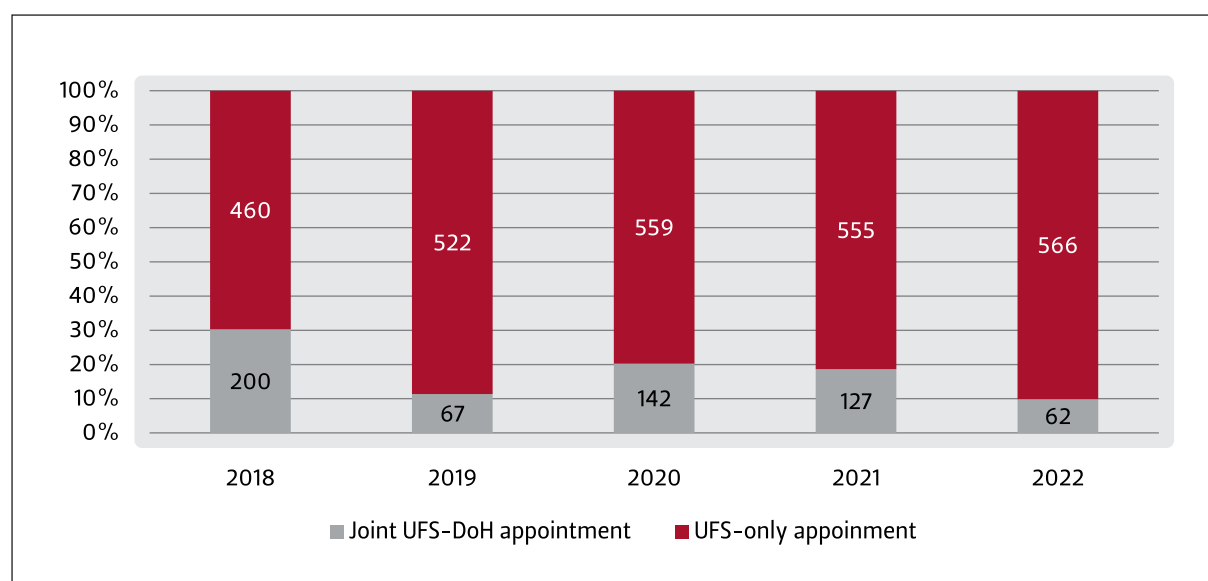
A MOA was signed with the Northern Cape Department of Health (NCDoH) for the training of both undergraduate and postgraduate students. However, a limitation has been the non-signing of the notarial lease agreement for student accommodation.

As part of this agreement, the **transfer of senior clinical staff to the UFS and the appointment of academic associates would, insofar as possible, be representative institutionally, and consulted before appointment.**

The UFS continued to strengthen its partnerships with the National Department of Health, the Health Professions Council of South Africa (HPCSA) and through Service Level Agreements with the South African Health Products Regulatory Authority (SAHPRA), as well as an umbrella agreement with the National Health Laboratory Services (NHLS).

### *Confirm staff establishment needed for the Faculty (joint staff employment)*

The aforementioned MoUs made provision for joint staff employment to promote academic excellence and research opportunities. Figure 19 shows the distribution of joint UFS-DoH staff appointments versus UFS-only appointments in the Faculty of Health Sciences. It is notable that the share of appointments that are joint has decreased substantially since 2018, and from 2021 to 2022.



**Figure 19: Distribution of joint versus UFS-only staff appointments in Health Sciences, 2018 to 2022**

### *Finalise robotic surgery proposal*

Robotic surgery is an increasingly important and relevant dimension of quality and effective health care. In line with global trends and acknowledging its reality in the current and future contexts, the university is committed to implementing the use of digital technology in an incremental fashion. This includes robotic surgery. To this end, the UFS, together with the FS DoH, are co-funding robotic surgery medicine to the amount of 17M.

This capital investment in a hybrid machine would have a broader disciplinary scope improving its application and cost effectiveness.

This investment will require extensive training and will be developed in collaboration with the simulation unit. It would therefore be a prerequisite for the student being able to use the machine to operate on patients under the supervision of the proctor.

### *3.1.5.5. VSP 5. Establish a high-performance culture*

#### ***Monitor performance management (PM) system for support and academic staff***

The UFS's Performance Management System forms an integral part of building a culture of high performance. The PMS aims to link departmental, faculty and individuals goals and objectives to the vision and strategic intent of the university. It also recognises that performance management is an essential component of any successful institution in clarifying expectations, celebrating successes, focusing on strengths, learning from mistakes, reviewing results and by looking at potential for growth and development.

The aim of the performance management process is therefore to provide:

- Clarity about opportunities for growth, development, and advancement
- Opportunities to continuously review results, provide and receive feedback
- Opportunities to reflect on successes as well as challenges and how these can be overcome
- Opportunities for managers and staff to deepen alignment around expectations
- Insight for managers on how we are doing as a team towards meeting our institution's mission and goals.

The performance cycle of the UFS runs from 1 July 2021 to 30 June 2022. During this period, a total of 1 839 performance plans were completed. This resulted in a completion rate of 71,4%.

- 648 Academic performance plans were completed
- 1 190 Service and Support performance plans were completed
- 49 Individual and group performance sessions were presented during this time.

For the reporting period of this report – January to December 2022 – the average share of academic and support staff members with signed performance plans on the online performance management system was 74,8% (see Figure 18). Even though the UFS did not achieve its 2022 target for this indicator (80%), the share increased by 26,7% from 2021 to 2022, which is very encouraging.

#### ***Continue implementation of individual development plans***

The primary purpose of an individual development plan is to help UFS staff reach short- and long-term career goals, develop key competencies, and fulfil the vision and objectives of the University and the department through competency-based assessments.

Competency-based assessments are in line with the requirements of a position and the input of the line manager. In 2022, 109 Individual Development plans were compiled to assist with their professional development of staff.

#### ***Continue a deliberate strategy to recruit and retain excellent academics***

The UFS takes a holistic approach to staff retention by ensuring practices are in place that will contribute to staff engagement and retention. The purpose of this strategy is thus to facilitate the retention of staff and to implement more efficient practices to attract and retain talent. The strategy is implicit in broader initiatives that include, but are not limited to, talent management, performance management, reward and recognition, employee engagement, training and development, diversity and inclusion and induction. Employees are given opportunities for career mobility in the University and various roles to achieve their career growth goals.



Remuneration management is of the utmost importance, as it relates to the attraction and retention of staff members. The University strives to stay the employer of choice by providing valuable benefits and allowances. Benchmarking with other universities ensures that the University offers competitive remuneration and better incentives that are attractive to staff. Benchmarking of salaries and benefits allows the University to improve job offers, to negotiate salary packages, to decrease the turnover rate, and increase the recruitment rate of staff.

The Remuneration Policy and philosophy also makes provision for the payment of an additional allowance equivalent to a maximum of 25% of the total remuneration package to an individual in order to attract and retain highly skilled individuals.

### **3.1.5.6. VSP 8: Enhance UFS visibility locally and internationally**

#### ***Socialise UFS Narrative to create institutional awareness and uptake***

Building on the 2020 approved brand narrative, the UFS has enhanced some of its branding elements, such as the brand essence, which has been adapted to *Inspiring excellence, transforming lives through quality, impact, and care*.

Through the Reputation Management Forum (RMF), the brand narrative continues to be socialised and shared widely with internal stakeholders. Tactical execution included a UFS Narrative Toolkit and a message map, encouraging ownership of the brand narrative and incorporating the brand narrative into all communication throughout the university. The toolkit is a guideline used in conjunction with narrative training to implement the adaptations. During a launch function towards the end of 2022, internal stakeholders were introduced to the brand narrative, its purpose and application, with a storyteller explaining the importance of a narrative in the corporate environment.

#### ***Enhance visibility of the UFS by positioning the institution on identified platforms through strategic and positional communication***

The university's overall media strategy is to proactively engage the media nationally and internationally, particularly targeting and forging relationships with journalists and showcasing institutional experts as key commentators on topical issues.

An international media-relations programme was established as part of the DCM's aim to raise the visibility of the UFS through strategic and positional communication in the news media globally and to target specific media audiences that would have a scientific or academic interest in the work done by the UFS. During the period under review, a total of 53 institutional experts provided commentary to international media, generating substantial interest in subjects related to African researchers, the environment, terrorism, politics and corruption, water, Russia and human rights, traditional medicine, and law, among others. In addition, 805 comments were given by UFS experts in national media.

The media strategy also focuses on positioning the UFS as a thought leader in the national and international media through the placement of opinion articles by institutional experts. A total of 166 opinion articles were published by UFS experts, affording the UFS substantial visibility in the national and international media. This also entailed positioning and profiling of the Rector and Vice-Chancellor and other members of the Rectorate as institutional and higher education experts through the curation and dissemination of opinion articles on topics related to student success; return to campus; protest action in higher education; corruption; social cohesion; and collaboration and co-creation in all sectors, among others.

#### ***Support strategic partnership strategy for visibility and impact***

In the year under review, the UFS contributed to greater visibility and impact through several high-profile events and engagements. These included:

- A concert presented at Constitution Hill in Johannesburg on 20 October 2022, where the UFS hosted approximately 65 influential guests, including members of the diplomatic community, senior executives of funding organisations, and high net-worth individuals. The event enhanced the brand of the UFS as it featured the Odeon String Quartet performing on the instruments of the Quartet of Peace.
- An event at Boyden observatory where the UFS hosted a delegation from the US Consulate and the Appalachian State University on 24 March 2022.
- A corporate breakfast was held in Cape Town on 22 March 2022 to engage the Cape Town-based UFS funders and partners.
- A series of online conversations called Global Citizen were facilitated, where the Rector and Vice-Chancellor spoke to high-profile guests from South Africa and abroad. An in-person 'Global Citizen' event was held in London on 10 November 2022 at South Africa House, involving Lord Peter Hain.
- Alumni events were held in Lesotho and Namibia to maintain relationships with alumni in those regions.
- In November 2022, the department coordinated a series of meetings in London for the Rector and Vice-Chancellor to engage partners and prospective funders.
- The relationship with the South African Chamber of Commerce in London has assisted the UFS to grow its footprint amongst the SA ex-pat business community in the UK.

### ***Establish purposeful strategic partnerships for visibility and impact***

In its Internationalisation Strategy, the UFS expressed the intention that *"a limited number of strategic partnerships will be identified and specifically supported, while the diversity of collaborative activities of faculties, departments, centres, and academics will be encouraged"*. In the year under review, the University refined its approach to strategic partnerships and identified linkages that could be developed into new strategic partnerships, based on existing academic collaborations.

African collaborations were the focus of partnership development in 2022. The University established three new collaborations in Gabon, championed by the Department of Zoology and Entomology. The new collaboration with the Masuku University of Science and Technology (UMST) in Franceville, Gabon, focuses on doctoral capacity development. Academics from the UFS and the UMST will work together to provide PhD education to young academics. Parallel to this, the UFS developed a linkage with the Centre Interdisciplinaire de Recherches Médicales de Franceville (CIRMF) located in the same city. The collaborative activities started with the joint supervision of a doctoral student and academic visits. A partnership was also established with EM Gabon University, which resulted in first research visits.

Collaboration in Ghana was another focus area. The existing linkages with the University of Ghana and the University of the Cape Coast were strengthened. Academic highlights included a research visit by the Vice-Dean: Faculty of the Humanities 27 June 2022 to 27 July 2022, as well as an engagement to strengthen existing partnerships in the SADC region, including those with the University of Zimbabwe and the University of Lesotho.

Among the UFS partnerships in the Global North, the long-standing partnership with the Appalachian State University in the United States stands out. It encompasses research, learning and teaching, and capacity development activities on all UFS campuses. In the year under review, the collaboration was acknowledged during a visit to the UFS, by the US Consul General, and the Associate Vice-Chancellor of the Appalachian State University North Carolina.

The University also fostered a conducive environment where academics could network and explore new collaborations. Highlights in this regard were the Southern African Mountain Conference 2022, which the UFS hosted in the Maloti-Drakensberg Mountains, and the iKudu Leadership Summit, a project that was coordinated by the UFS, and hosted at the University of Siena, Italy.

Overall, the partnership development activities in the year under review strengthened the epistemic diversity of ideas, perspectives, and methodological approaches at the UFS. While the University intensified its strong collaborations in the Global North, strategic partnership development resulted in growing linkages with world regions home to previously disregarded knowledge paradigms, particularly in Africa.

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

The Engaged Scholarship Strategy attempts to bring together faculties staff and the wider communities UFS serves to address real-world challenges and create meaningful social impact. This strategy goes beyond traditional academic research by actively involving communities, industry partners, policymakers, and the public. The strategy aims to bridge the gap between theory and practice, promoting collaborative problem-solving, knowledge exchange, and mutual learning. Furthermore, it involves conducting impactful research that is responsive to societal needs that foster sustainable and inclusive development. The strategy contributes to positive societal change that enhances the relevance and impact of UFS research to prepare students to become active and responsible citizens.

In 2022 the focus of the UFS was to create a mutual understanding of Engaged Scholarship and its interrelatedness with teaching and research. For this reason, the strategy will be revised to form an integral part of the Learning and Teaching Strategy and the Research and Innovation Strategy. These three strategies collectively will inform the strategic pillars of the academic project.

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

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

As stated above engaged scholarship plays an important role at UFS in supporting development and social justice by actively engaging with stakeholders and communities, addressing the pertinent societal challenges, by recognising the expertise and lived experiences of community members and empowering them as equal partners in the research and problem-solving process.

The increased number of staff involved in engaged scholarship signals the commitment of UFS to building more inclusive, resilient, and just societies.

#### 3.1.7.1. Increase the number of academic staff who are involved in engaged scholarship (KPA 4.1)

UFS academics' participation in engaged scholarship increased dramatically from 2021 to 2022 (see Figure 20) and the UFS achieved double its target for this KPI in 2022. While the indicator value remains relatively low, a range of activities has supported the UFS in achieving this target. These are detailed below.

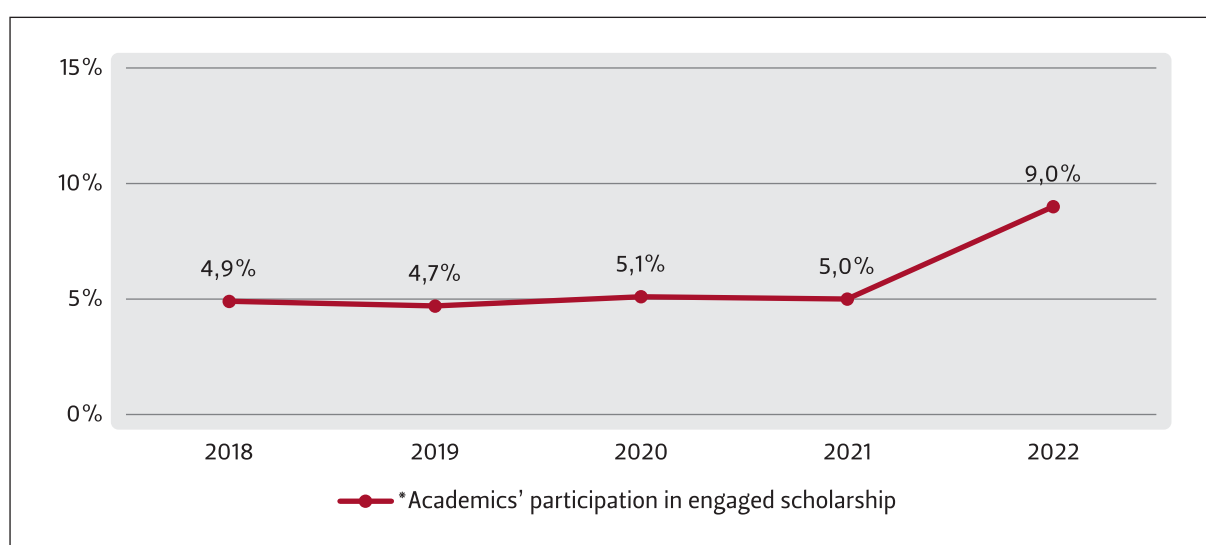


Figure 20: Increasing academic staff members' engaged scholarship (KPA 4.1)

***Provide and review capacity building on engaged scholarship for all staff members***

Engaged Scholarship at the UFS involved two contextual phases. In the first phase, the focus of the portfolio was on the transformation of Community Engagement to a revised notion of Engaged Scholarship; this being the application of academic scholarly work and professional expertise, with an intended public purpose and mutual benefit that demonstrate engagement with external and non-academic constituencies. An integrated model for Engaged Scholarship was established, and comprised three elements, namely engaged learning and teaching, engaged research and engaged citizenship.

During the 2022 reporting year, the focus was on enhancing institutional understanding and application of the notion of engaged scholarship. The various engagements led to a more inclusive conceptualisation of engaged scholarship, namely the utilisation of academic scholarly and/or professional expertise, with an intentional public purpose and mutual benefit that has a direct or indirect impact on society. The three elements, engaged learning and teaching, engaged research and engaged citizenship, have been retained.

In the year under review, a process was started under the ambit of the Senate Committee on Engaged Scholarship to adapt, review and align the Engaged Scholarship Strategy with the more inclusive conceptualisation of engaged scholarship. This revision is informed by the UFS 2018 to 2022 and will be aligned to the Vision 130 and Strategic Plan 2023–2025. This revised strategy, once finalised, will form an integral part of the Learning and Teaching Strategy and the Research and Innovation Strategy. These three strategies collectively inform the strategic pillars of the academic project. The strategic intent of the UFS Engaged Scholarship strategy is to create a supportive and enabling environment for engaged scholarship for increased impact and benefit to the UFS and society.

In addition to the Engaged Scholarship Strategy review, a range of other actions were undertaken aligned to the Annual Performance Plan 2022. The first was to review the uptake and impact of a short learning programme (SLP) delivered to students to develop the graduate attributes of community engagement. The second was to review the uptake and impact of engaged scholarship support provided to academics as a means of enhancing participation in engaged scholarship.

The review furthermore confirmed that adequate awareness was raised and that the university was capacitated on engaged scholarship. Training provided for students is discussed in section 3.1.2.2. With regard to academic staff, training provided is discussed in section 3.4.1.2.

## 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)

Increasing the efficiency and effectiveness of governance and support systems is crucial for UFS to optimise its operations, streamline decision-making processes, and provide the best possible support to students, faculties, and staff. During the year under review, the UFS foregrounded several initiatives including the review of the UFS policy universe to ensure sound governance practices, the inclusion of the student voice in governance structures and proper enrolment management in line with the UFS carrying capacity. The UFS has achieved two of the three indicators.

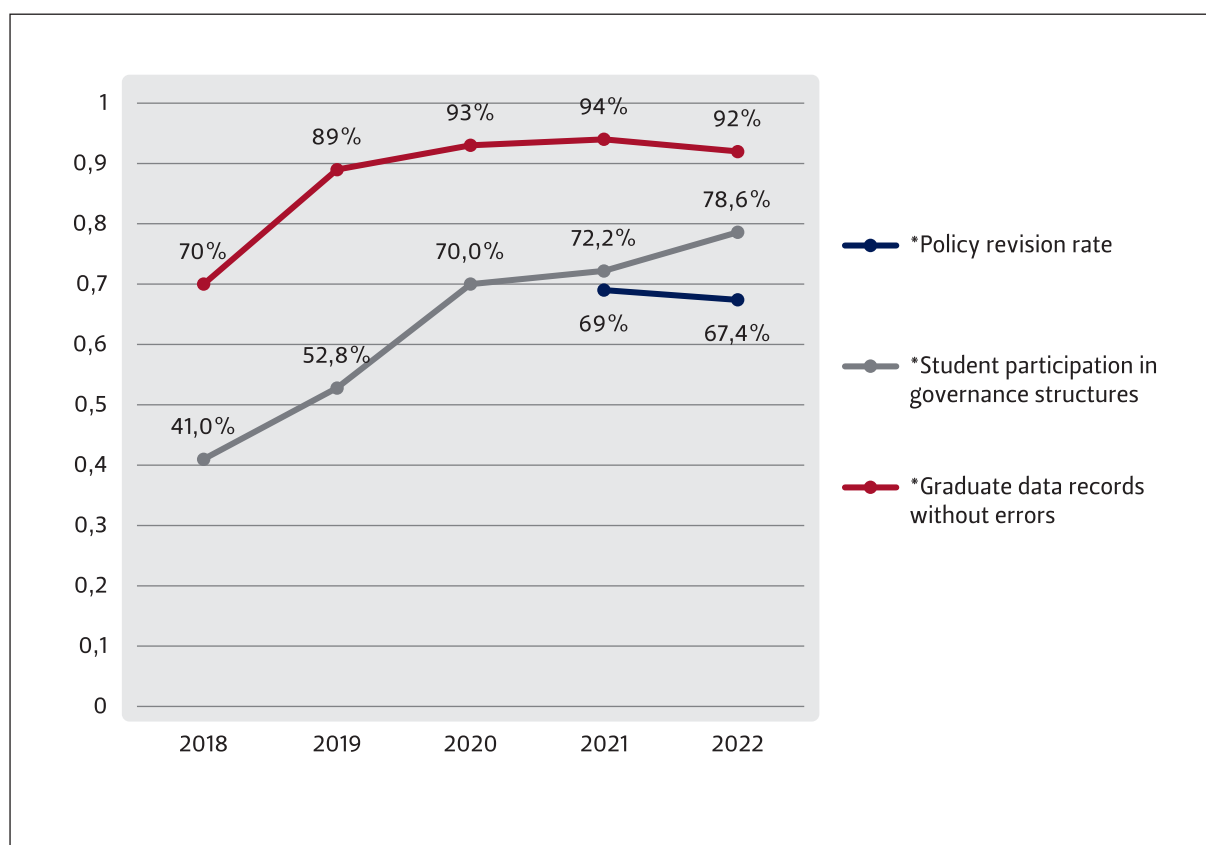
The policy revision rate far exceeds the planned numbers predominately because the University has placed more emphasis to ensure full alignment and integration of its governance arrangements. The aim is to promote a shared and mutual understanding among decision makers around the key policy drivers that steers strategy execution.

Since 2018 UFS has promoted inclusive participation and representation of key stakeholders' groups through the establishment of collaborative structures and processes that foster effective communication, shared

decision-making, and collective responsibility. It promotes open dialogue, mutual respect, and a willingness to work together towards common goals and fosters a culture of collaboration, trust, and transparency amongst all stakeholders. At UFS the participation rate of students on these selected governance structures increased from 41% in 2018 to 78,6% in 2022, which is a clear signal of UFS willingness to harness the collective expertise and insights of their stakeholders, leading to more informed decisions, effective implementation of initiatives, and a stronger sense of ownership and commitment to the university's vision.

In 2022, the university invested in streamlining the enrolment planning, enrolment management and registration processes with the aim to leverage technologies and automating routine tasks to free up resources and enable staff to focus on more value-added activities. UFS enrolment planning processes is now reaching a certain level of maturity and the focus going forward will be to instill sound enrolment management practices and to deploy a fully online registration process. This will only be achieved through investing in professional development and training programs for faculties and all support staff to enhance their skills, knowledge, and capacity to deliver high-quality services. For the year under review the UFS has managed its enrolment intake (size) at institutional level, however within the classification of the subject matter (CESM) (Shape) more work is required to recruit timeously the right students for the available programmes.

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



**Figure 21: Improve policy (KPA 5.1), increase student participation in governance (KPA 5.2), and improve data (KPA 5.4)**

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

Figure 21 shows a slight decrease in the policy revision rate from 2021 to 2022. However, the UFS again exceeded its target for 2022 (12% revision rate) and is continuing with the renewal of its policy environment as detailed below.



### *Review policies in line with the policy framework and strategy of the UFS*

The revision of policies during 2022 was informed and aligned to the Framework for Policy Development and Review, which the UFS Council approved in November 2020. The policy revision process was prioritized in 2022 and saw the approval of several strategic policies such as the Compliance Policy, the Protest Management Policy and the Masters and Doctoral Studies Policy. Factors contributing to this include the effective functioning of the Institutional Regulatory Code Office and the continuous support provided by this office to the respective policy owners. This process remains a priority for the UFS and continues to make good progress. Table 18 indicates the progress made on policy revision in the year under review.

**Table 18: Policies processes, 2022**

Policies approved (9)	Structure and date approved
Policy on Collaborative Degrees	18 March 2022, Council
UFS Flexible Employment Arrangement	18 March 2022, Council
Policy on Certification for formal academic programme	18 March 2022, Council
Protest Management Policy	18 March 2022, Council
UFS Research Integrity and Ethics Policy, Procedure and TOR	24 June 2022, Council
Emeritus Professors' and Associate Professor's Policy	16 September 2022, Council
Compliance Policy	24 November 2022, Council
UFS Off-Campus Accommodation Policy	24 November 2022, Council
UFS Blended Learning and Teaching Policy	24 November 2022, Council
Policies Reviewed (3)	Structure and date approved
UFS Employee Wellness Policy	13 June 2022, UMC
Assessment Policy	24 June 2022, Council
Masters and Doctoral Studies Policy	16 September 2022, Council
Policies Discontinued (4)	Structure and date approved
Cooperative and Partnership Programmes and Qualifications Policy	Email confirmation
Joint Degrees Policy	Email confirmation
Open Blended and Engaged Learning Policy	Email confirmation
Teaching Learning Policy	Email confirmation

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

Since 2018, the UFS has worked to improve the participation of students in university governance by reviewing the membership of institutional committees to include student representatives, and by encouraging attendance of and participation in these meetings by students. As shown in Figure 21, student participation in university governance structures has increased exponentially over the last five years, and by 6,4% from 2020 to 2021. While the UFS has fully not achieved its 80% 2022 target, the notable increase in participation over time is reassuring that the University is heading in the right direction.

### *Review institutional rules*

In accordance with the provisions of the Higher Education Act, 101 of 1997 (as amended), the Institutional Rules articulate the provisions of the UFS Statute. The current Institutional Rules deal with several matters not expressly accommodated in the current UFS Statute. These are, for example, how Council members are elected and the processes to elect members of the Senate. Given this relationship and inter-dependency between the Institutional Rules and the Statute, the revision of the UFS Institutional Rules will be finalised

once the draft Statute that is currently being considered by the Department of Higher Education and Training is approved, signed by the Minister and published in the Government Gazette. This is necessary to ensure these crucial governance documents are aligned, as discrepancies may compromise the UFS's good governance.

### ***Continue with the Protection of Personal Information Act (POPIA)***

The UFS is committed to adhering to the POPIA Act and Code of Conduct as adopted in 2020 by Universities South Africa (USAf), which aim to promote a more inclusive, responsive and equitable national system of higher education, through the regulation of the processing of personal information within the sector.

The Code aims to increase the level of the protection of privacy within the sector by aligning its approach to information governance, specifically privacy, with that of the Information Regulator. It aims to ensure a uniform sectoral implementation of the POPIA by helping public universities comply while promoting good information and technology governance to achieve the institution's strategic objectives and providing for the responsible use of personal information. Against this background the UFS prioritised the initiatives discussed below.

### ***POPIA Safeguarding of Personal Information***

A compliance review was conducted to assess how personal information is safeguarded electronically and physically to prevent data breaches. POPIA Compliance risk management workshops were conducted to determine processes currently in place to ensure that personal information is safeguarded efficiently and effectively. This information was then verified with the assistance of ICT for electronic data and records and in consultation with the Records Management Unit (for physical records).

### ***Personal Information Impact Assessment***

As part of the Business Impact Assessment (BIA) phase of the project, departments that process personal information were requested to document their processing activities. The document will be the starting point for the next phase, namely the Personal Information Impact Assessment, which will be conducted in 2023.

The following items are included as part of the project:

- Review of archetypes of agreements
- Review of the UFS Operator Agreement

A consolidated list of contracts was compiled based on the information returned from each respondent. A contract representing each of the identified archetypes will be reviewed as part of the project.

Thus far, the University has reviewed the UFS Operator Agreements, as well as the Annexure dealing with technical and organisational security measures. The project team is currently reviewing the suggested changes.

### ***Information Privacy Management System***

The compliance methodology of the appointed service provider is underpinned by a software tool called RUBIQ (an Information Privacy Management System) managed by their technology partner. The information gathered as part of the project is stored in RUBIQ.

To comply with the UFS Procurement Policy, an open tender for an Information Privacy Management System was issued on 6 October 2022.

### ***Codes of Conduct***

Two Codes of Conduct apply to higher education. Both Codes have been drafted for submission to the Information Regulator for approval. One has been compiled to serve as a Code of Conduct for Public Universities, while the other relates to Research. Once the Information Regulator has issued a code of

conduct, failure to comply with it will be considered a breach of the conditions for lawful processing under the POPIA.

The Academy of Science of South Africa (ASSAf) is facilitating the process of developing a Code of Conduct for Research. The UFS has been involved in the reviewing process through our Research Directorate. The last communication from ASSAf noted that the Drafting Committee is still busy working on the Code of Conduct for Research.

### ***Establish and implement Delegation of Authority Matrix***

A Task Team was set up to consider the institutional Delegation of Authority (DoA) document. The University agreed that a single document will be compiled comprising all the relevant areas that are mentioned in the institutional rules, as well as the areas that were added by the Task Team. The office of the Registrar, the Deputy Registrar: Governance and Policy, and the Deputy Registrar: Legal Services and Compliance started working on the consolidated document, using the existing DoA document as a platform and considering all the inputs provided by the relevant portfolios.

Benchmarking indicated that two documents are usually produced. One is a narrative that indicates what is delegated both at governance and functionary levels, and the other is a user-friendly matrix that maps out the delegation process and line of authority.

The University is awaiting the approval of the revised Statute in order to complete the DoA document, as the delegation of authority is premised on the Institutional Statute and the Institutional Rules. The project will therefore be finalised in the second quarter of 2023, after the approval and gazetting of the revised UFS Statute.

### ***Facilitate student representation and participation in UFS governance structures***

#### ***Institutional student governance***

Student representation and participation operate under the guidance of the Student Governance Department within the Division of Student Affairs. The team has diverse expertise, ranging from policy development to critical conversation facilitation. Student representation mainly occurs through the Institutional Student Representative Council (ISRC) recognised by the UFS Statute and Higher Education Act. ISRC representation comprises Campus Student Representative Council (CSRC) members elected across all three campuses of the University. They mainly serve as the students' voice on various institutional committees such as the University Council, Senate, University Management Committee, Institutional Forum, and many others. The ISRC also forms part of the appointment committee for Senior Staff members in the Support Services (P2-P5) as part of their participation in governance structures. However, participation is not limited to the ISRC.

Voter turnout is one of the biggest indicators of student participation in governance structures. For election results to be valid, the ISRC constitution dictates that at least 30% of the student population must participate. In the 2021/2022 ISRC elections, the results were as follows: South Campus 32,78%, Bloemfontein Campus 34,99%, and Qwaqwa Campus 59,87%. The results were never appealed, and the legitimacy was never questioned.

Induction training of all student organisations, associations, faculty representatives, residence councils, and student representative councils took place across all three campuses. This process equips student leaders with the necessary skills required to participate in university committees that have a diverse and large cohort of student representatives such as the Student Support Services Forum and Integrated Management Group. These are platforms tailor made for student participation that is not reliant on the SRC. Postgraduate student representatives, residence representatives, and faculty coordinators get to advocate their respective constitutions directly.

The university ensures that new policies under development or review are consulted with the student population, often through the ISRC, whose responsibility it is to disseminate the policy through governance

structures and ensure that the students' voices are represented. Some policies consulted in the previous term include Remit on Student Health and Wellness, Student Lab Management Policy, and Gender-Based Violence and Sexual Misconduct Policy.

The aspects raised by students include the need to promote arts & culture, sports, community engagement and social responsibility, social justice and accessibility, associations & organizations, academics, residence life, commuter student affairs, internationalization, postgraduate studies and student media representation. The UFS provides training and administration to the SRC, associations and organizations, substructures and committees/councils of the SRC. Student representation is further encouraged by their advocacy throughout university structures for the well-being and interest of the student base. The UFS thus equips students with skills development, which aim to enhance their experience at the University through leadership development and advocacy, each aspect of which is addressed through best-practice and research-led application.

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

The UFS measures how it manages enrolments in order to monitor progress towards optimising the student lifecycle. The UFS exceeded its target for enrolment management by overenrolling at undergraduate level by 5%. This is due mainly to over enrolment of first-time entering undergraduates (see Figure 22). The UFS achieved its target for total headcount enrolments. The target for total unweighted full-time equivalent (FTE) enrolments for 2022 was exceeded. However, weighted FTE enrolments/funded teaching input units were under target by 2,1% (1 435,9 units; see Figure 22).

Figure 23 shows the distribution of enrolments by major field of study. The UFS did not succeed to achieve the target distribution in 2022, with over-enrolment in Education and significant over-enrolment in the other Humanities.

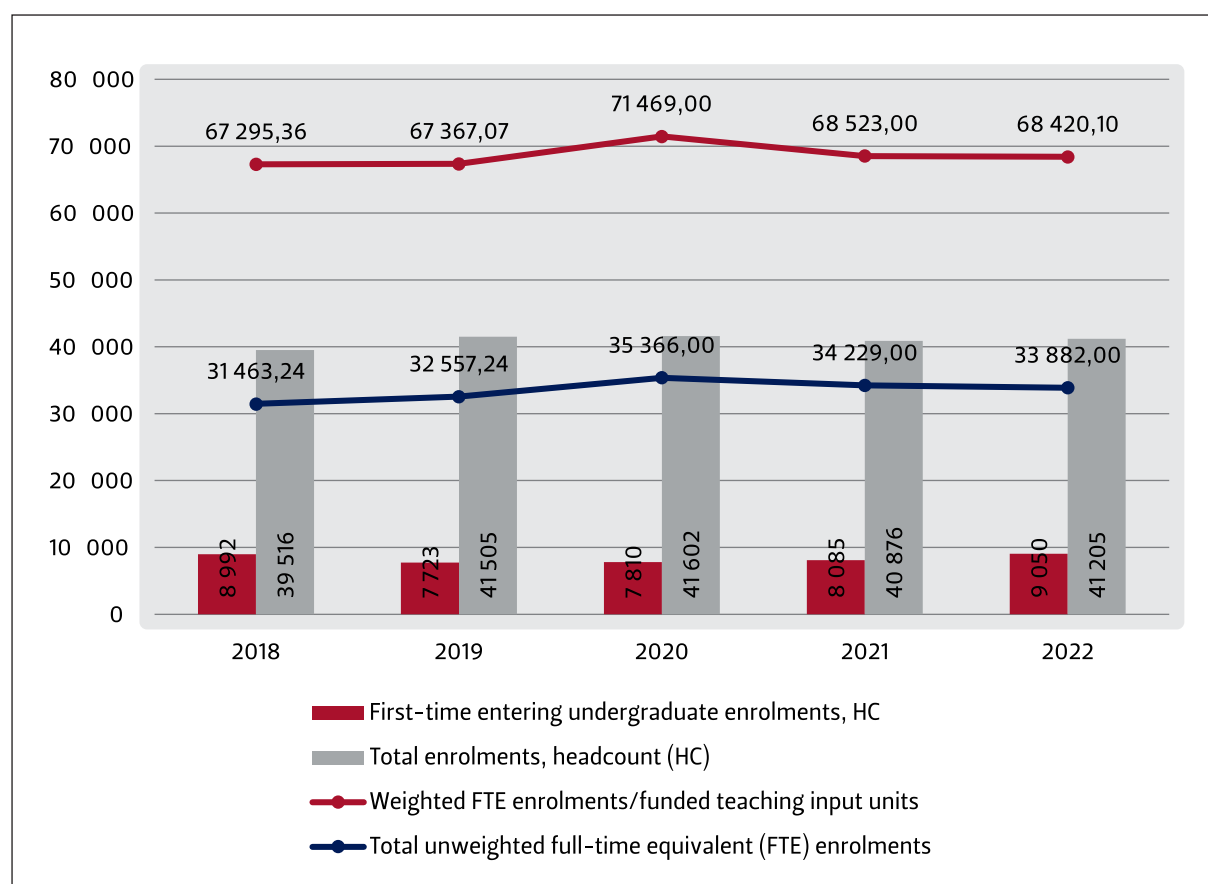
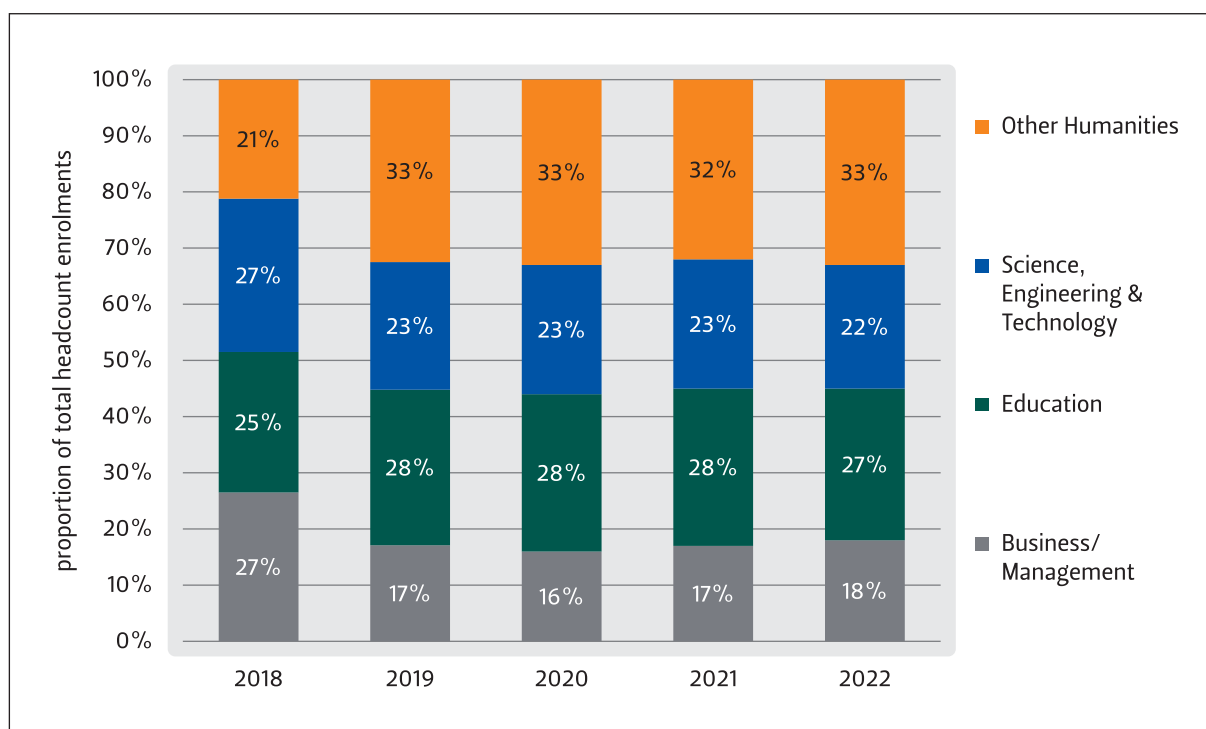


Figure 22: Optimise the student life cycle (KPA 5.3) – enrolments and input units



**Figure 23: Optimise the student life cycle (KPA 5.3) – enrolment distribution by major field of study**

#### *Implement Horizon 3 of system and academic administration renewal*

During the 2022 year, Student Academic Services continued with the implementation of the stabilisation phase of the Systems and Academic Administration Renewal, which is a foundation for the development of a long-term vision, mission, strategy and strategy execution plan for the future that is aligned to Vision 130. The Graduation and Certification units were strategically merged with other units within SAS, forming the Examination and Graduation Division, and Academic Record and Transcript Administration Divisions, respectively.

A significant upgrade to the institutional student information system was analysed, approved, planned, and scheduled for implementation in 2023. The upgrade will bring additional stability to the system and allow more functionality to be available.

A revised Registration Strategy was developed that allowed more flexibility to faculties and therefore also allowed a differentiated approach based on the unique requirements of each faculty's students and/or curriculum. The strategy would allow a more seamless, consistent, efficient, and effective service to students, while the larger systems and academic administration renewal are designed. The aim of Registration Strategy was also to improve the efficiency and effectiveness of the Enrolment Management process. There was increased emphasis on offer manager and increased data points for monitoring and management. The new strategy allowed faculties to monitor the pending registrations of students who had financial challenges.

#### *Continue with the implementation of student recruitment solution as per HDI Youth Consultancy recommendation project*

In line with the UFS strategy, the Department of Student Recruitment Services (SRS) is tasked to create awareness of the UFS qualification offerings to attract and recruit a high calibre of students. The primary goal is to recruit the best talent in the country, continentally and internationally in support of societal and developmental needs.

Post-COVID marketing needed revitalisation to remain at top of mind of the UFS target market. In the year under review, the focus was on continuing with the 2020 HDI Recruitment strategy to entice the UFS's



desired student profile through an engaging recruitment solution – an approach driven by visibility and impact.

To stand out as an institution, the following key areas were addressed:

- Grade 9 subject choice initiative (mentor that empowers)
- Conducive learning environment that helps to realise dreams & ambitions
- Empowering grounded thinkers

Placing the students at the centre, our strategy included:

- Targeting the Free State as a key feeder for the UFS
- Targeting underrepresented programmes
- Hosting virtual sessions for applicants throughout the year
- Hosting a virtual session for applicants with conditional admission and their parents

SRS widened the scope of content and messaging to radically embrace digitisation, internationalisation, and future value co-creation.

In the content and messaging, the narrative in all our adverts, publications, and social media was on demonstrating that the UFS is a university of choice. A key motivator for the University remains its inclusive and inspiring commitments, which were leveraged in the marketing and recruitment, as presented below.



A comprehensive communication plan, including the WhatsApp chatbot, the mobi site that acts as our lead generation platform, and above-the-line (ATL) advertising platforms to raise awareness of the product offering and below the line (BTL) for targeted campaigns, were vital to driving this process.

Visibility and impact underpinned the 3 Tier Recruitment model, which includes sponsorships, perimeter boards and marketing materials.

Consistency is paramount in embedding the brand in the target audience's mind, and continued excellent customer service and satisfaction breed loyalty to the brand.

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

The share of graduate records with no credit value errors at the first data run for the final HEMIS submission is measured to monitor data integration and credibility. As shown in Figure 21, this indicator has improved significantly since 2018. However, in 2022, the UFS fell short of its target by 3%.

#### ***Implement the Graduate Eligibility Procedure and Certification Policy***

The Awarding of Degrees and Certification Policy was another large-scale change that was implemented in 2022. The policy was necessary to ensure best practices in awarding of degrees, but also to ensure academic integrity of the awarding process, with Faculty Examination Board and Executive Committee of Senate approving degrees.

All projects were regularly reported to the relevant committee structures such as ECS, Dean's Forum, Rectorate, Academic Timetable Committee and Senate Central Admissions Committee.

#### ***Begin integration of ES monitoring system into UFS management information system (MIS)***

To initiate a process of developing and integrating an Engaged Scholarship monitoring system into the UFS management information system (MIS), a concept proposal was developed which would use existing data from external sources such as SciVal and Altmetrics. This project is ongoing and has not been concluded.

#### ***Begin integration of Research Information Monitoring System (RIMS) into UFS MIS***

The data and reports management information on most of the parameters associated with research and research productivity at the UFS are captured centrally. As is customary, and in line with statutory reporting requirements, in 2022, the UFS supplied information and data to the Department of Higher Education and Training, the Department of Science and Technology, Human Sciences Research Council, top management and Faculties.

The following RIMS Integration with UFS systems were planned for 2022:

- PeopleSoft Human Resources
- Graduate Research Management
- Figshare
- ORCID
- Ethics

From January 2022, the UFS commenced with the hosting of the InfoEd/RIMS server on campus, meaning that the UFS is responsible for all the technical aspects of the server. Integration with other systems also requires ICT's technical input and assistance.

Unfortunately, these integrations still need to be completed due to capacity issues in ICT. InfoEd assisted with a new DEV2 System Test Environment to ensure that the necessary tests can be done for the technical setups. These projects were thus postponed to 2023.

#### ***Ensure that all ICT systems respond to digitalisation in a coherent manner***

Digitalisation of the institution takes place via a two-pronged approach. From the outside in, digitalisation, in the first instance, refers to the provision of devices and digital platforms to promote greater efficiency and enhance productivity at all levels in the institution. Secondly, digitalisation also refers to the digital core of the institution (inside-out perspective), commonly referred to as infrastructure, platforms, systems, and associated structures such as databases, etc.

Viewed from the core, outwardly, the core is a fully deployed digital platform enabling the three operational pillars of the Institution, these being the academic and research pillars, and the administration pillar. The central core is fully responsive to the digitalisation initiatives of the University and takes its development leads from the operational periphery of the institution as digitalisation is embedded into day-to-day operations. Here, the need for changes to the core architecture is dependent on two key factors, being (i) the ability to

provide operational integrity (inclusive of digital security) and (ii) to accommodate new requirements from the institution as the institutional strategy unfolds and/or when new business-side initiatives are launched.

In terms of ensuring a coherent response to digitalisation initiatives, the foregoing provides the surety of a high level of coherence, given the pursuance of all internal protocols and approval channels such as the approvals by either the Educational Technology and Learning Spaces Committee (ETLS) and the Central Information Technology Committee (CITC) structures.

### *Continue implementation of Operational Data Store*

The development of the Operational Data Store (ODS) happens in parallel to the development of the parallel development of the Enterprise Services Bus (ESB). The Operational Data Store (ODS) is a highly structured, normalised and de-humanised, very secure data storage platform to accommodate safe data for either value-added operational activities such as structured reporting and/or higher-level Business Intelligence-practices. The data contained in the ODS are extracted according to specific user requirements through a collection of integrated Application Programming Interfaces (APIs), collectively constituting the concept of an ESB. The one is dependent on the other and does not exist as independent platforms.

The development of the ODS and the ESB is ongoing, as new user requirements emerge on a daily basis and in light of ever-changing business needs. This is especially influenced by the growth of BI practices across the institution. Formal specifications as defined by changing business practices inform the new data requirements and the associated development of the enabling computer code.

Initiate implementation of Business Intelligence framework, promoting an integrated MIS for engaged scholarship, teaching and learning, and research

The BI Steering Committee Terms of Reference guides and governs the implementation of the BI framework. This is supported by a well conceptualised project plan aligned to the Rectorate approved BI Strategy.

In the year under review the committee approved the 9 steps in the project plan, and the roadmap, for full implementation. These two outcomes aimed, amongst others, set up structures in the ODS.

Strategic vision – twelve years	Vision 130: The UFS aspires 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											
Strategic planning – six years	Mission: The University's ultimate goal is to be a university that impactfully supports societal development											
	Strategic Plan 2023-2028						Strategic Plan 2029-2034					
Evaluation and review – three years	Formative Review 2025			Summative Review 2028			Formative Review 2031			Summative Review 2034		
Performance planning – three-year rolling	Annual Performance Plan (APP) 2023-2025			APP 2026-2028			APP 2029-2031			APP 2032-2034		
	Portfolio APP 2023-2025			Portfolio APP 2026-2028			Portfolio APP 2029-2031			Portfolio APP 2032-2034		
	Faculty and support APP 2023-2025			Faculty and support APP 2026-2028			Faculty and support APP 2029-2031			Faculty and support APP 2032-2034		
Risk management – three-year rolling	Institutional Risk Register (IRR) 2023-2025			IRR 2026-2028			IRR 2029-2031			IRR 2032-2034		
	Portfolio Risk Register (PRR) 2023-2025			PRR 2026-2028			PRR 2026-2028			PRR 2026-2028		
Strategic resourcing – three-year rolling	Strategic Resource Plan 2023-2025			Strategic Resource Plan 2026-2028			Strategic Resource Plan 2029-2031			Strategic Resource Plan 2032-2034		
Budgeting – annual	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Staff performance contracting – annual	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Monitoring and reporting – bi-annual	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034

**Figure 24: UFS integrated planning 2023 to 2034**

In addition, the conceptual future state and strategy remain in process and the socialisation of BI is being done via various sessions aimed at including all stakeholders. Formal stakeholder engagement sessions covered 21 out of 39 business areas in the University, with only 8 (20%) of the 39 having no engagement at all.

BI is a strategic level for the promotion of sound and informed decision making and reporting. The importance of BI requires total institutional buy-in and trust in the quality and integrity of data. Therefore, a communication and awareness strategy was approved, and implementation commenced at the end 2022.

### ***Build capacity for strategic planning, monitoring and evaluation***

During this reporting period, the UFS introduced integrated planning, monitoring and evaluation as part of its Annual Performance Plan (APP) cycle. The aim of this concept is to assist the UFS in achieving its vision and agreed-upon objectives more effectively. Furthermore, this concept creates consensus regarding the annualised priorities, the required resources and, ultimately, individual performance plans to ensure full accountability. The framework as presented below outlines the key concepts that will underscore UFS strategy going forward. The framework recognises that the UFS is unique, and some goals may relate to short-term social or economic challenges, while others extend to six years and beyond.

Although the planning does not fit within this reporting cycle of the annual report, the concept was developed in 2022 with the aim to demonstrate that the UFS aspirational goals cascade to more detailed levels of reporting in a constructive manner to make the UFS aware of the different roles in clarifying the strategic direction and the relationship between the different layers of planning and the broader policy goals.

To promote an integrated and inclusive planning and reporting culture, the framework makes provision for risk management, monitoring and evaluation, and performance contracting, in line with the principles of combined assurance. The aim of the framework is to ensure that all planned activities steer and direct the institution towards achieving its vision in a synchronised and well-planned manner.

During 2022, the UFS has reaffirmed that the strategic management process is the key driver of outward thinking and promoting an approach of bringing together people to voice their thoughts, creative ideas, and strategies. This will ultimately lead to a level of integration, both structurally and collaboratively, through interdisciplinary teams.

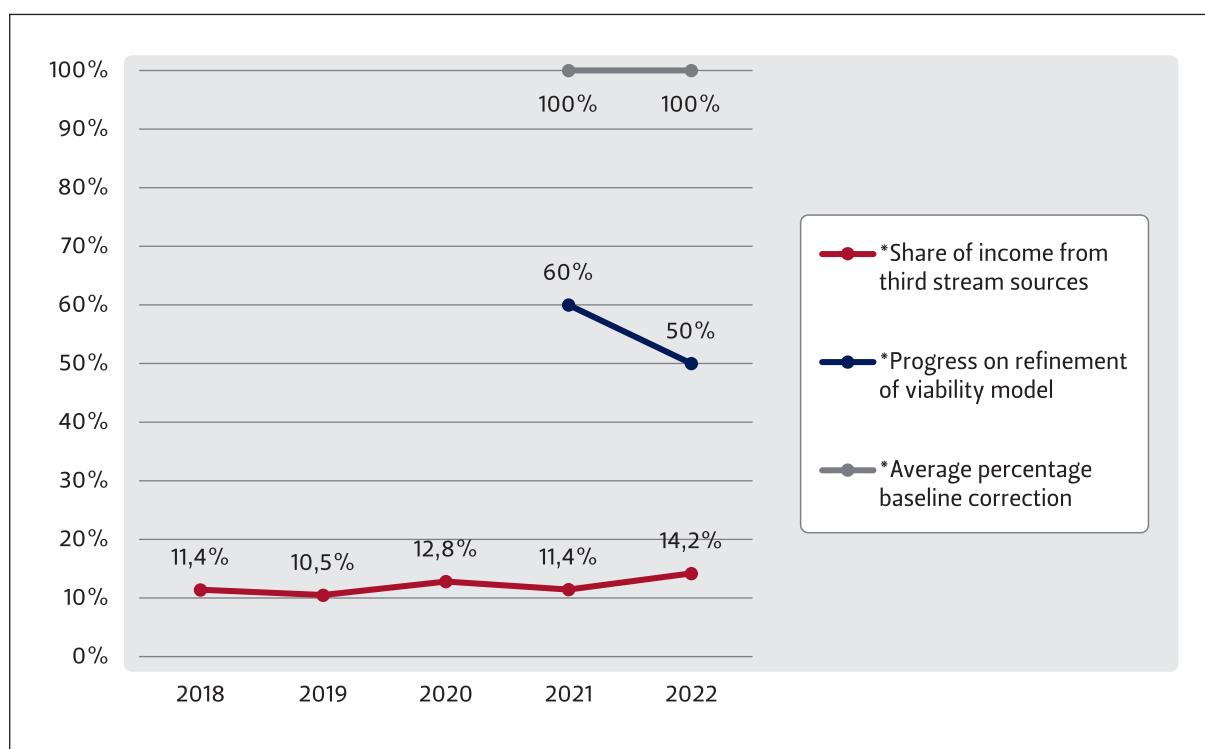
The framework forms an integral part of the UFS vocabulary and the launch of Vision 130 in 2022 reaffirmed the interrelatedness of our planning and subsequently the monitoring. To give expression to this integration, the Rector and Vice-Chancellor has formally established the Strategy Execution Steering Committee to promote cross-portfolio collaborations, build capacity regarding planning and shared accountability and assurance in achieving the desired outcomes. In addition, each Faculty was requested to develop their faculty APP in line with this framework and in a special sitting on the 28<sup>th</sup> November 2022, the Academic Committee considered these plans. Further refinement is being done to these plans, including the risks associated with the execution of the academic project.

## **3.3. Statement of Council on sustainability**

### **3.3.1. Achieve financial sustainability (Goal 6)**

The UFS has foregrounded financial sustainability as a critical factor to provide quality education, support research and innovation, and meet the evolving needs of students and society. In so doing the UFS agreed to three distinct indicators namely to increase the share of income from third stream sources, to develop and refine a viability model and do an average percentage baseline correction of tuition fees. The UFS has met all three targets.

Even though the UFS has met these targets, the University is fully aware that achieving financial sustainability requires effective financial management, strategic planning, and diversified revenue streams. Furthermore, the UFS must continue to carefully balance income and expenses, optimise resource allocation, and explore new sources of funding. This includes the work of the institutional advancement office to cultivate relationships with donors and alumni and seeking external partnerships and grants. Additionally, prudent financial practices such as budgeting, cost control, and risk management are essential for long-term stability. By ensuring financial sustainability, the UFS will maintain its vision, invest in the digital transformation agenda and attract and retain renowned academic staff as well as support staff and students.



**Figure 25: Increase third-stream income (KPA 6.1), and optimise cost drivers (KPA 6.2) and the tuition baseline (KPA 6.3)**

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

The UFS monitors the share of its income originating from third stream sources to track its performance with regard to increasing non-government-derived sources of income. Figure 25 shows a steady increase in this share from 2018, and a 2.8% increase from 2021 to 2022. The UFS exceeded its 2022 target for this indicator.

***Third-Stream Income Task Team strategies focusing on short learning programmes, academic advisory boards and contract research projects.***

During 2022, the Third-Stream Income Task Team discussed new strategies to increase income from short learning programmes (SLPs), e.g. targeting large companies that bring large numbers of their employees for such training, incentivising staff members to develop and present SLPs, focusing on increasing the profit rate rather than the income rate, improving the management of cost recovery, and streamlining centralised support and administration of SLPs. During 2022, the Kopsie Phahamisa Academy (KPHA) also facilitated an integrated planning process with all faculties for the offering of SLPs, aiming to improve integrated planning across the UFS to ensure that the KPHA is capacitated to support all academic entities adequately in the proposed offerings of SLPs, to estimate the income and profit targets against planning, and to reflect on the income and profit targets.



The Task Team also monitored the activities of the Academic Advisory Boards established within faculties, the purpose of which is to ensure that the curriculum is aligned with industry expectations, to build/strengthen relationships with industry, to secure bursaries, internships and employment opportunities for UFS students, and to solicit industry partners' input on the development of SLPs.

With regard to contract research, the importance of developing entities that can drive and support such research was highlighted. To this end, working groups were established between the faculties/academic departments and the Directorate Research Development (DRD). Various strategies on the roll-out of entrepreneurial initiatives were also discussed and refined in order to ensure efficient collaboration and a consolidated contract research environment. Initiatives to increase exposure of staff to private sector, industry, commerce and non-governmental entities were also implemented by the DRD. Finally, a different strategy was investigated to entice staff members to apply for external funding.

### ***Investigate possibility of increasing share of self-funded students, in collaboration with UFS Student Recruitment***

The University of the Free State's 2020 Financial Statement showed increased dependency on government tuition (NSFAS). NSFAS contributed 39% to the tuition fee income for 2018 (see Figure 29), and this contribution gradually increased to 62% in 2020. In the year under review, this percentage has continued the upward trajectory, and is at 68% at the end of 2022. The Institutional task team was part of the Financial Framework (size and shape) workstream to develop and implement a strategy to manage over-reliance on government tuition. The task team decided also to look inward and check whether UFS systems might be contributing to the reliance on state funding.

To this end, the task team established sub-committees according to the in-scope issues that must be addressed as stipulated in the project plan. The sub-committees are the Customer experience sub-committee; funding sub-committee; statistics and data analysis sub-committee; online registration sub-committee; and the postgraduate studies sub-committee. The task team planned to carry out the mandate in three phases: (1) the fact-finding phase, (2) the development of appropriate strategies, and (3) the implementation of the strategy. The task team completed the fact-finding phase in the year 2022.

The Recruitment Strategies to Attract Self-funded Students in Support of UFS Financial Sustainability sub-committee, aimed to achieve financial sustainability by balancing recruitment, admission, and registration of self-paying and NSFAS-funded students.

This subcommittee's fact-finding mission aimed to gather the information that would help the task team to develop and implement strategies to attract self-funded students, thus supporting the UFS's financial sustainability. The sub-committees were also commissioned to determine and analyse the root causes of why self-paying students do not regard the UFS as an institution of first choice.

Fact-finding reports with analysis were submitted, even though sub-committees still have not submitted their reports.

### ***The Vice-Chancellor's Scholarship of Excellence***

The funding sub-committee completed its fact finding and analysis and gave recommendations. The task team mandated the sub-committee to implement its recommendations, and a recruitment fund was established. The fund is called the Vice-Chancellor's Scholarship of Excellence. The scholarship will cover the first year of university fees. However, through their mentors, students will be made aware of other funding opportunities.

With the approval of the task team, the sub-committee decided to use the scholarship to attract predominantly from the Free State. The UFS is partnering with Free State businesses to cater for this scholarship fund. Funds are available, and the scholarship will be advertised for the 2024 cohort.

***Increase number of SLPs and increase number of digitally designed SLPs***

The SLPs at the UFS are offered under the auspices of the Kopsie Phahamisa Academy (KPHA). The purpose and function of the KPHA as per the 2020 Policy on Short Learning Programme Provisioning is to govern and coordinate all SLP offerings at the Institution and is accountable to Senate through the Academic Committee.

Governance and coordination support is applied through the SLP value chain from inception to registration through marketing and implementation to certification and reporting.

SLPs are a key driver of third-stream income and promoting the Financial Sustainability of the UFS Annual Performance Plan.

During 2022, the KPHA endeavoured to identify funding opportunities for offering SLPs. In total, 65 funding opportunities were sent to the relevant academic entities and 23 contracts were concluded, constituting a slight increase from the 21 agreements in 2021. The Academic Committee of Senate approved 22 new SPLs, of which 20 are offered in a blended mode.

The uptake of SLP offerings at the UFS has shown a steady increase. In 2021, 63 programmes were offered to 2 249 participants, while in 2022, 75 programmes were offered to 2 837 participants. An income target of R26 500 000 was set, which was exceeded.

***Corporate fundraising***

Several proposals were submitted to corporate funders during 2022. Existing relationships, such as with Absa Bank and AB Inbev, have been maintained. Most major corporate funders at the UFS support students financially, often through scholarship schemes that they manage themselves. In this regard, new relationships include First Technology, Naspers and mining companies – such as Sibanye – which have been performing well due to the commodities boom. Some of the funding proposals are still under review. Raising funds from the corporate sector is challenging, partly due to the UFS's geographic location, legacy perceptions of the UFS, and competition for funding in a constrained economy, where charitable priorities usually take precedence.

***SETA funding (bursaries and strategic projects)***

The SETA funding for 2022 amounted to R41 million and represented a decrease of R10 million compared to 2021, the main reason being the UFS B-BBEE rating deteriorated and the FASSET SETA did not fund the UFS to the same extent as in the previous year.

SETA funding is mostly aimed at supporting undergraduate students. Concerted and targeted approaches to SETAs to secure funding for strategic projects are a priority. The merSETA and, to a lesser extent, the ETDP and CHIETA SETAs, have established a solid record of funding for strategic projects at the UFS. Backlogs in the review of applications to the merSETA contributed to the decline in revenue that the UFS received from SETAs in 2022.

The UFS has undertaken to enhance the success of its relationships with SETAs through improved capacitation, communication, management and engagement to enhance efficiencies within the UFS and funding opportunities

***Targeted international funding strategy***

In addition to modest contributions, the UFS received substantial grants from two major US foundations in 2022, namely the Kresge and Michael and Susan Dell Foundations. Both these multi-year grants support the Centre for Teaching and Learning at the UFS.

The UFS has decided to focus international fundraising efforts on the United States and the United Kingdom. Both these countries have links with South Africa, and by leveraging existing academic relationships (such as with the Afromontane Research Unit) and maintaining contact with alumni in those countries, the UFS will be in a position to identify new funding opportunities abroad.

The King Baudouin Foundation in the New York City is the conduit for donations to the UFS in cases where international funders seek to take advantage of the tax benefits that are available to US individuals and organisations.

The UFS is steadily developing relationships in the UK with prospective funders, relationships that are stewarded by the Rector and Vice-Chancellor. To promote visibility, the UFS is also actively pursuing partnerships with institutions such as Oxford University and SOAS.

### ***Leveraging Centres of Excellence/differentiators***

The creation of Centres of Excellence boosted the attraction of funding and the building of relationships. The three centres of excellence foregrounded in the year under review were the Afromontane Research Unit, the Astrophysics Research Group, the Two Observatories, and the Free State Centre for Human Rights. The latter attracted funding from the RAITH Foundation, and this new relationship holds promise for the future. The Afromontane project was a catalyst for meetings between the UFS and the United Kingdom in London and a networking link for a high-profile event at Boyden Observatory for a delegation from the US Consulate.

In 2022, the UFS Astrophysics programme continued to grow in reputation through collaborative international research programmes. The UFS is a partner in the BOOTES network of robotic telescopes project and, amongst others, has collaborations with the University College Dublin and the Appalachian State University. In 2022, a Fulbright scholar completed the installation of a spectrograph and polarimeter on the large telescope at Boyden Observatory. Advanced research projects, coupled with the Naval Hill Planetarium and the public facilities at Boyden Observatory in Bloemfontein, make this centre of excellence an attractive project to funders. In addition, the museum at Boyden Observatory was cited as a UNESCO Astronomical Heritage Site in 2022. The Two Observatories Project is invaluable as an interface between the public and the UFS, and the UFS leverages the benefits of the project. The UFS also maintains a relationship with the American Museum of Natural History to support this project.

### ***Bursaries and scholarships with a growing focus on postgraduate bursaries***

The UFS remains committed to supporting the work of Student Financial Aid and the Centre for Postgraduate Support in seeking funding for bursaries and scholarships. In 2022, the UFS hosted a visit from the CEO of the Oppenheimer Memorial Trust to address postgraduate students on the Oppenheimer Trust scholarships.

Most funders prefer to fund undergraduate students, however, when funders are not prescriptive about the criteria for donations for student support, post-graduate students in need of funding are supported.

Support alumni and donor engagement strategy (including international funding strategy)

The UFS is committed to engaging internal stakeholders meaningfully to provide strategic communication and marketing support to promote the relevant functional areas. To this end, the UFS supported a number of campaigns and projects as part of its alumni and donor engagement and international funding strategies. This included the development of publicity strategies for identified projects.

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

#### ***Redefine viability model for academic programmes and support service departments***

Figure 25 shows progress with regard to the refinement of the viability model. During 2022, the viability base model has been developed, which equates to the target of 50% completion. The model itself focus on the academic deliverables within academic units from the level departments and consolidation to the level of a faculty and ultimately the University.

### 3.3.1.3. *Correct the UFS tuition baseline (KPA 6.3)*

Figure 25 shows that the average percentage baseline correction with regard to tuition fees has been on target at 100% for the last two years.

#### *Ensure that tuition fee structures are in place for possible national regulation of fees*

The average baseline correction was fully implemented in accordance with the Council approval for a phased in approach.

## 3.3.2. Statement of Council on financial sustainability: UFS Financial Report 2022

This section provides an oversight and review on the financial sustainability of the UFS during 2022. It does so through an oversight of performance in 2022, where applicable trends are sighted and a review of the results itself is made. This is to create an understanding and providing evidence of the going concern status of the UFS being 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), and International Financial Reporting Interpretations Committee (IFRIC) interpretations, and are 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. This, read with the consolidated financial statements, concludes the financial executive's statement on the 2022 financial results.

### 3.3.2.1. *Achieve financial sustainability*

Financial sustainability inherently assumes that the University will be able to provide the financial resources to deliver on its mandate of teaching and learning, research and engaged scholarship.

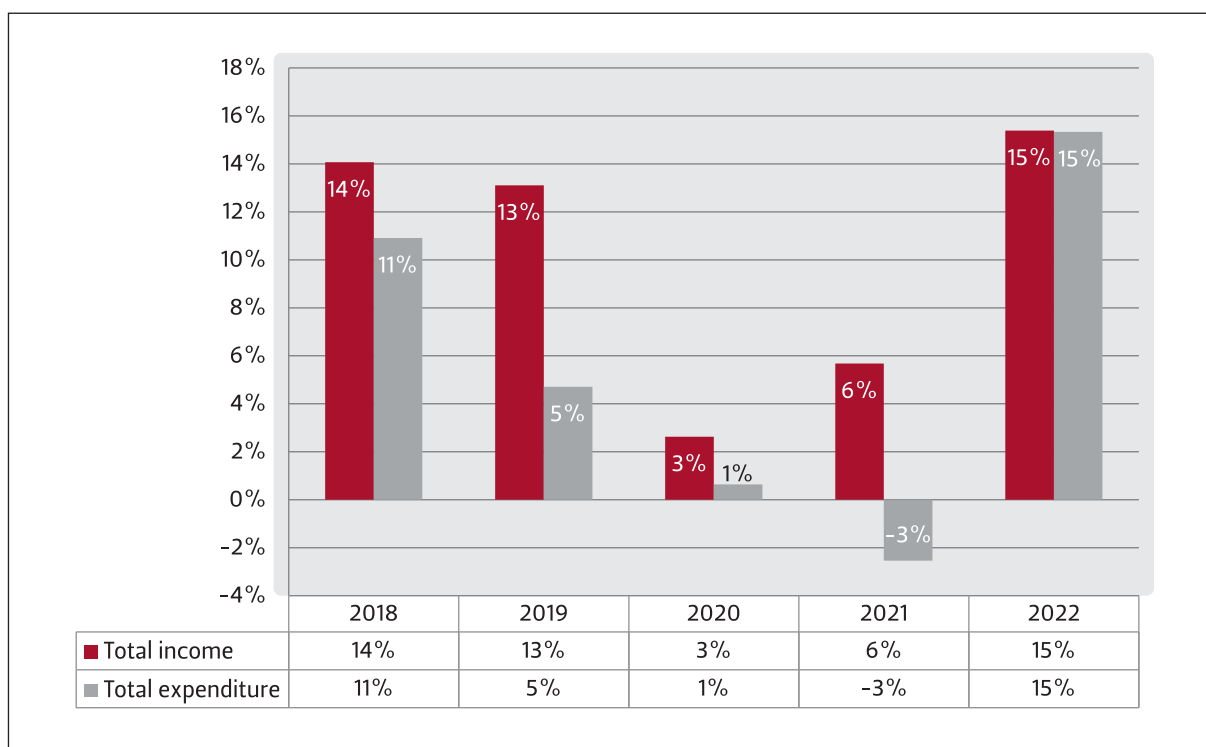
A financial sustainability model comprises determinants for parameters set to fund, analyse and review council-controlled revenue and expenditure to maintain sufficient funding levels for the three core educational pillars and strategic funds. The financial results in the context of achieving, maintaining and enhancing financial sustainability should thus be read as an integral part of the reports.

Total Council-controlled Income increased by 15% per Figure 26, compared to the prior year of 6% and will be elaborated on per revenue component below.

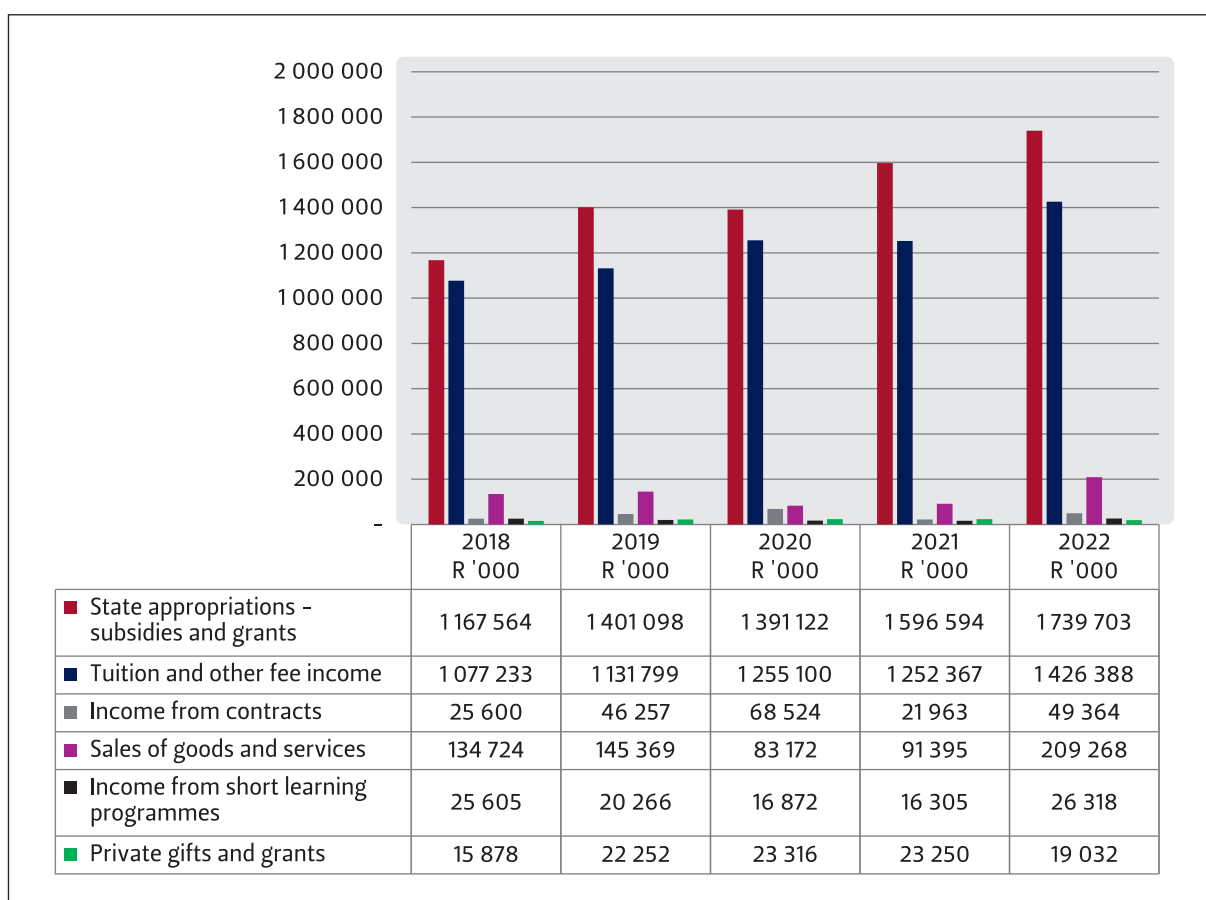
Total Council Controlled Expenditure also increased by 15% from 2021, compared to a decrease of 3% in 2021 from 2020. This is largely attributable to increased activities towards normalisation after the impact of COVID-19 in 2021, compared to 2020 when several cost austerity measures had to be implemented.

#### Council-controlled Income (CCI)

CCI includes state appropriations, fees, sales of goods and services, private gifts, and other income. Figure 27 presents the total income per revenue category.



**Figure 26: Council-controlled funds: Year on year changes on income and expenditure**



**Figure 27: Council-controlled income**



**Table 19: Council-controlled income as a percentage of total Council-controlled income**

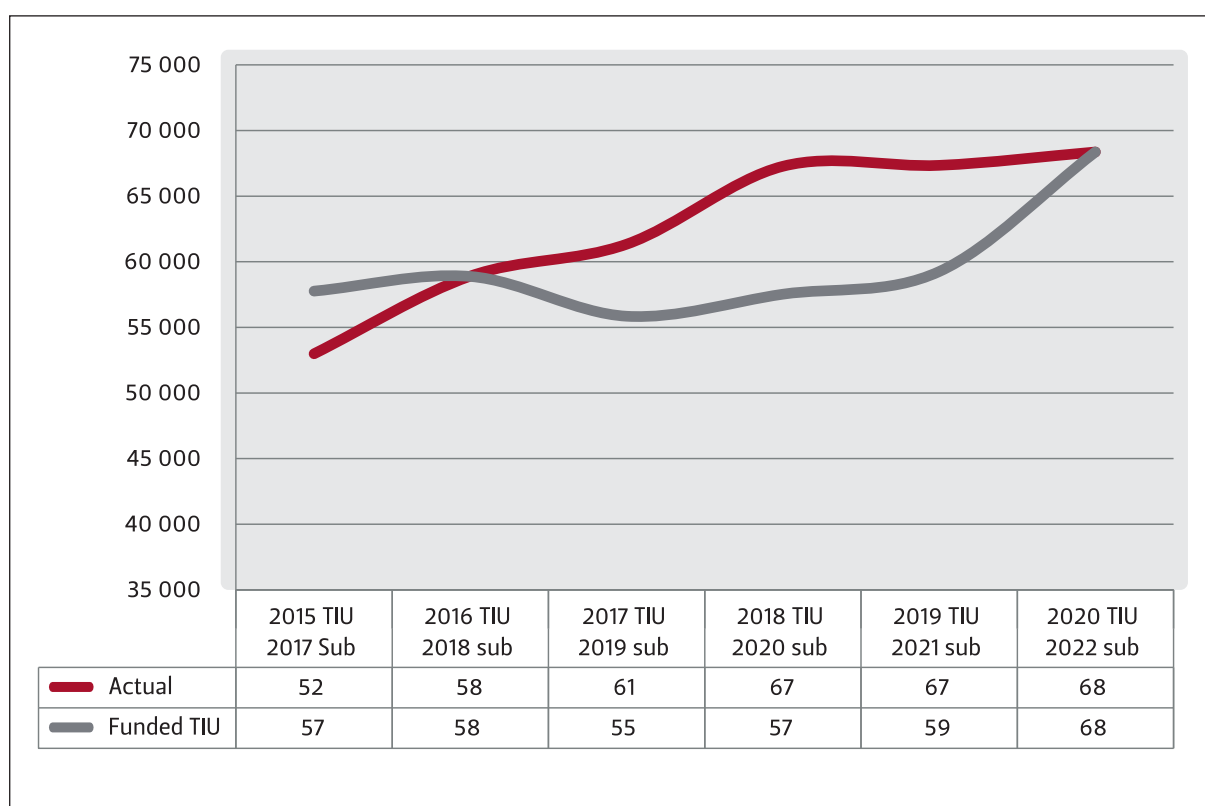
CCI Income : Total CCI Income	2018	2019	2020	2021	2022
State appropriations – subsidies and grants	48%	51%	49%	53%	50%
Tuition and other fee income	45%	42%	45%	42%	42%
Other	7%	8%	6%	4%	8%

***The state appropriations***

State appropriations increased by 9% from R1,60b in 2021 to R1.74b in 2022 as per the University's share of national funding allocation by the DHET.

The 2022 block grant for the UFS amounted to R1,72b, which is 14,9% more than 2021, mainly because of a 15,4% increase in the subsidised teaching input units from 59 252 to 68 362.

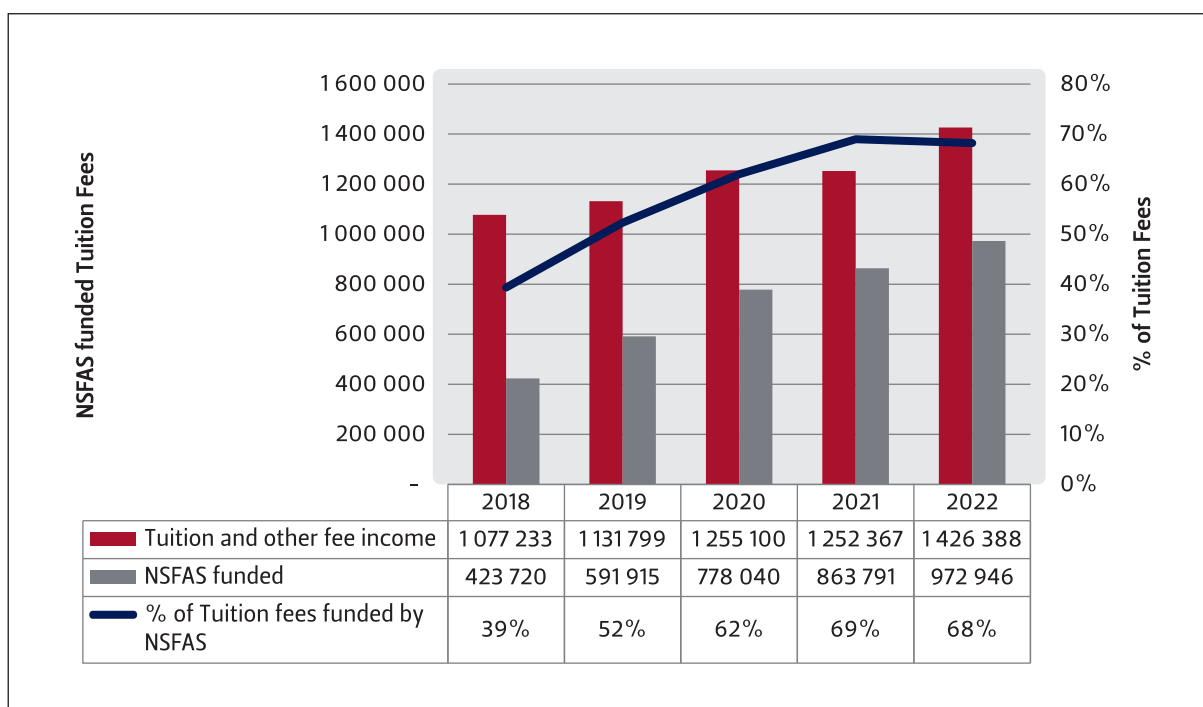
The ratio of state appropriations to total income decreased to 50% in comparison to 53% in 2021.

**Figure 28: Actual versus funded teaching input units*****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 29. Tuition fees charged to students who are dependent on NSFAS funding increased from R423,7 million in 2018 to R972,9 million in 2022. This increase represents a growth from 39% of tuition and other fee income in 2018, to 68% in 2022.

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

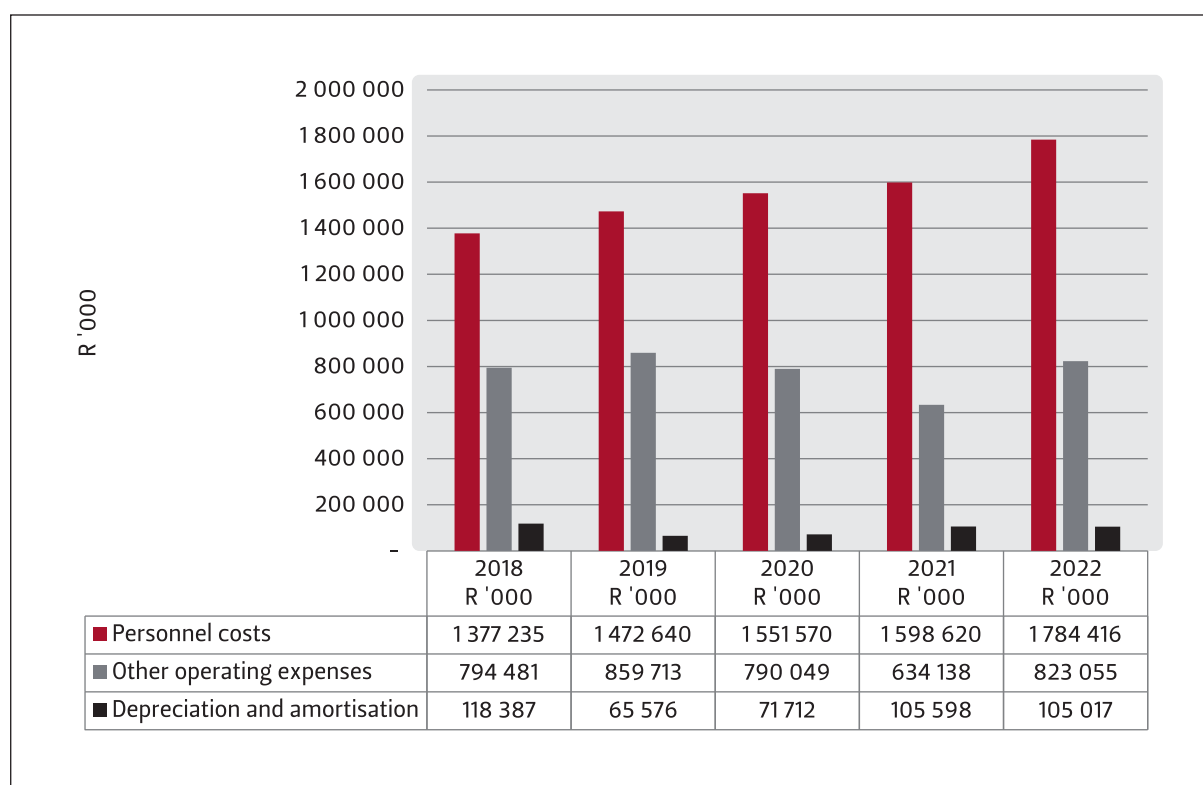
Students who qualified for the fee-gap grant when it was introduced and who are still in the system in 2021, were allocated an amount equal to the annual national agreed-upon increment.



**Figure 29: Tuition and other fee income from NSFAS-funded students**

#### *Council-controlled expenditure*

Council-controlled expenditure consists mainly of personnel costs, operational expenditure, and depreciation and amortisation as per Figure 30.



**Figure 30: Council-controlled expenditure**

The UFS responded to the challenges the COVID-19 pandemic presented by instituting austerity measures in 2020 and partially in 2021. The growth in expenditure in 2022 reflects the cost of increased activities post-COVID-19, as is evident in the ratio of other operating expenses in Table 20.

**Table 20: Expenditure as percentage of Total income**

Expenditure as % of Total Income	2018	2019	2020	2021	2022
Personnel costs	56%	53%	55%	52%	49%
Other operating expenses	33%	31%	28%	28%	30%
Depreciation and amortisation	5%	2%	3%	3%	3%

Personnel costs varied between 56% and 49% from 2018 to 2022. The decrease in personnel costs as a percentage of total income is mainly the result of a 9% increase in state appropriations – subsidy and grants.

### 3.3.2.2. 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.

#### *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.

Restrictions 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 increased from the previous year by 27% (R70 million) to R330 million in 2022. This mainly comprises an increase in contracts from other activities, 16% (2021–2022), and an increase in income from contracts for research by 40% (2021–2022).

The current economic climate made it difficult to grow this income stream.

#### *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 2022 are the clinical training grant, university capacity-development grant and foundation grant.

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

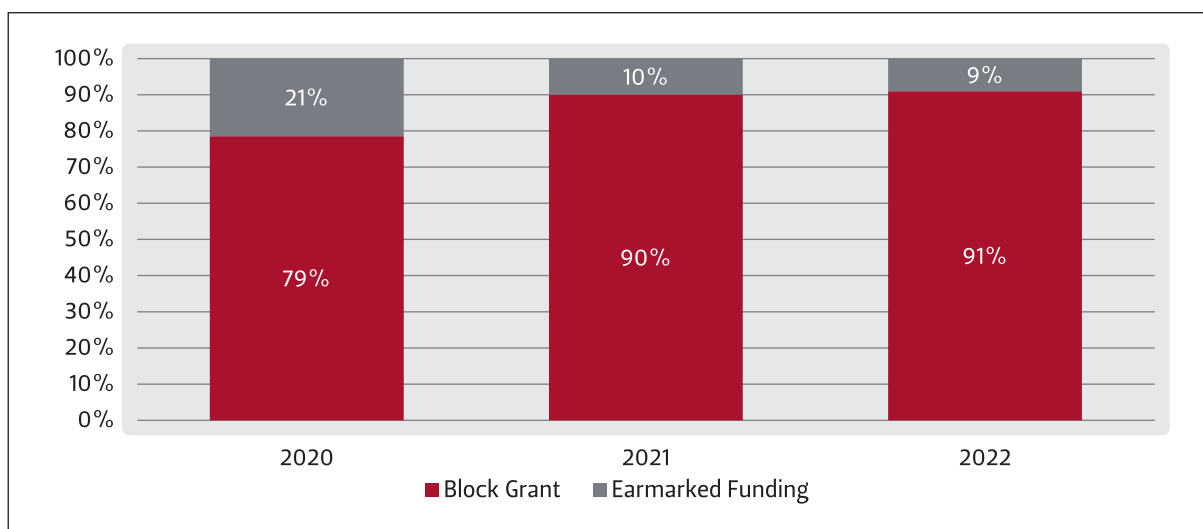
Figure 31 compares the ratio of the earmarked grants compared to the block grant allocation from DHET.

### 3.3.2.3. Cash flows

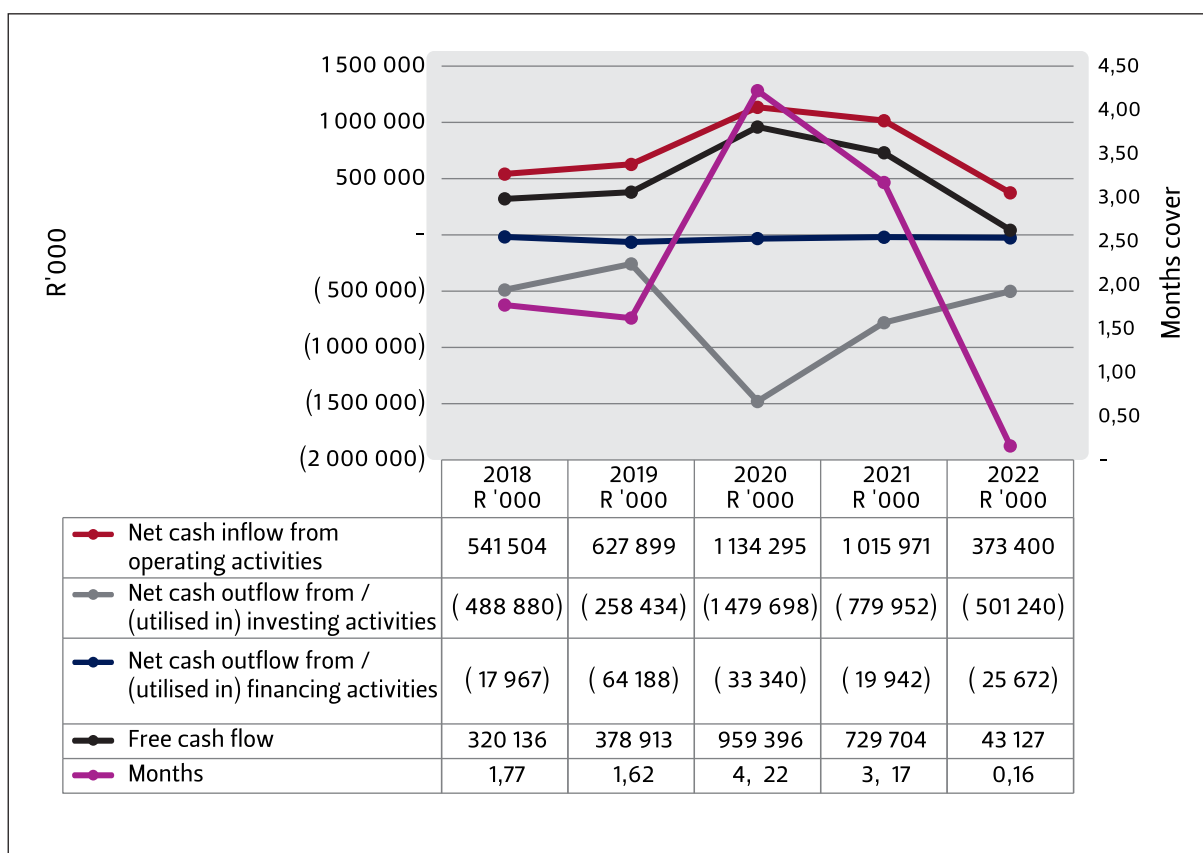
The University generated sufficient levels of cash through its operational activities to maintain investing activities and service debt. The University received a substantial payment from NSFAS late in December 2021 – unfortunately not in time to invest these funds in accordance with the approved investment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

A measurement of free cashflows of all revenue streams are the cash the University produces through its operations less the cost of expenditures 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 reduced the cash amounts received in this term significantly. The free cash in 2022 is at a significantly low level and is insufficient, should this continue. Increased in capital expenditure in 2022 to make up for backlogs developed during COVID-19 and funded from the prior year's unutilised operational funds is largely responsible for the low level of free cash.



**Figure 31: UFS block grant versus earmarked funding**



**Figure 32: Sum of cash flows and free cash flows**

### 3.3.2.4. 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 is 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 of 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 provide assurance for financial sustainability, and the UFS has received unqualified audit reports in all of the periods included in this report.



Mr C Liebenberg  
UFS Chief Financial Officer



Mr L von Zeuner  
Chairperson: Finance Committee of UFS Council



## 3.4. Statement of Council on transformation

### 3.4.1. Transformation Report

#### 3.4.1.1. *Integrated Transformation Plan progress report*

The Integrated Transformation Plan (ITP) coincided with the Institutional Strategy and was implemented over a 4-year period (2019 to 2022). The observations during the ITP review, which was conducted during 2021, were incorporated across the 13 work streams and demonstrated manifest progress, discussed below:

#### ***Teaching and learning***

In the year under review, a number of achievements can be recorded. The annual UFS Multi-lingual Mokete took place in both face-to-face and virtual formats. In respect of the pedagogy peer-review mechanism, teaching portfolio workshops were offered across all faculties and campuses. The reconceptualisation and alignment of academic staff development, continuous professional development, reward and promotion were ongoing.

An analysis of student success showed a longitudinal decrease in the achievement gap between different races. The clarification and intentional mapping of UFS graduate attributes into curricula and co-curricular programmes has been completed in five (5) of the seven (7) faculties. Lastly, the continuous development of learning analytics continued as part of the Siyaphumelela initiative.

The conceptualisation of the PQM Viability model was finalised, socialised and populated in the year under review. This model is integral to institutional sustainability and remains a key strategic instrument.

#### ***Research, internationalisation, and innovation***

In the year under review, the first cohort of 52 emerging scholars participating in the Transformation of the Professoriate Mentoring Programme was almost completed. Some emerging researchers are on the cusp of NRF rating and promotion to Associate Professor, participating in the Future Professoriate Mentoring Programme, while the participants of the ESAP group who completed their doctorates in the past three years are working towards obtaining a Y-rating. The establishment of an e-Research Unit was completed and is fully operational, using the latest virtual and augmented reality added to the existing technologies.

#### ***Engaged scholarship***

Despite a leadership change in 2021, the workstream has made progress in the year under review, enabling access to opportunities for students to build civic awareness. The UFS introduced an Engaged Student Citizenship initiative for developing and supporting students' extra and co-curricular activities and programmes.

#### ***Student experience***

The work-stream deliverables were revised significantly to incorporate the observations made by the ITP review panel in 2020 and measurable progress was made in the year under review. The UFS hosted several programmes in celebration of Africa Month. In addition, a number of events to promote advocacy and awareness for staff and students with disabilities were presented in 2022. The Student Governance and Leadership Development Training were well attended by student leadership. A key deliverable was the Policy on Zero Tolerance of Gender-Based Violence and Sexual Misconduct, which the Rectorate approved in October 2022. Implementation of the Integrated Sport Strategy commenced in 2022.

#### ***Student accommodation and residence culture***

During the year under review, this workstream focused on residence placement and the uptake of beds, which were largely stabilised on all three campuses. The intention is to promote greater diversity towards gender-inclusive housing. The process is ongoing, and engagements with the relevant role players to finalise the proposal have been prioritised.

***Staff experience and composition***

The work stream has completed several deliverables. Key among these are the Exit Interview Policy and Questionnaire that included a well-being dimension.

***Names, symbols and spaces***

The work stream concluded its intended deliverables for the year under review.

***Universal access***

The Integrated Strategy on Staff with Disabilities is close to finalisation, pending the instructions from DHET regarding Disability Classification on HEMIS. The Student Mental Health Policy, the Policy on Universal Access and Disability Support for Students with Disabilities, and Student Counselling and Development were monitored and workshops ongoing in the year under review.

***Financial framework (size and shape)***

While some deliverables were completed in the year under review, some are still in progress due to their complexity. In relation to developing and implementing a strategy to manage overreliance on government funding, a progress report titled “Managing overreliance on government funding task team” was submitted to the Rectorate. When the review of several policies relating to the generation of third-stream income has been concluded, these include Short Learning Programmes (Policy on short learning programme provisioning at the UFS, Procedural directives on SLPs, and Seminar and workshop work scrapped) and Research (Pricing, costing, and profit-sharing template for NIPMO and other contract research and IPIC remit).

***Governance and policy***

In the year under review, the designing, revising, and redevelopment of policies with the relevant policy owners made solid progress. A key deliverable was the reconstitution and capacitation of the IF to enhance its functionality. To this end an IF induction workshop was conducted.

The revision of the UFS committee structures was aligned with the King IV recommendations, and the committees’ restructuring is ongoing.

***Governance, systems, and administration***

The work stream has completed most deliverables and made good progress in the year under review. In preparation for the next phase of process and systems renewal, the Project Management Consulting arrangement going forward was re-envisioned and agreed with the PMO in 2022. This agreement comprised three projects: (1) Upfront Stabilisation Project; (2) a Re-design Project to commence after the Stabilisation Project; and (3) a Re-implementation Project to be planned and executed based on the outcomes of the re-design project.

***Multi-campus model: Qwaqwa Campus and South Campus***

The work streams progressed well in the year under review. The Multi-Campus Model made provision for a postgraduate focus on sustainability sciences for the Qwaqwa campus, and appointments for the Risk and Vulnerability Science Centre were made under the auspices of the ARU. The idea is that the RVSC will be inculcated into sustainability sciences. Furthermore, with reference to strengthening the governance and accountability at Qwaqwa Campus, a Campus Academic Forum focused on academically related matters was established.

With reference to the comprehensive review and response to the infrastructural needs of South Campus, this deliverable has received a lot of attention. As for developing a strategy around open distance-learning and foundation programmes for the South campus, an environmental scan was done by the UFS to assess the opportunities that exist to develop relevant and sustainable programmes. The UFS is in the process of

reviewing its South Campus to align with the institutional strategy and to give expression to the following end state “*South Campus to be a fully-fledged delivery site with its own Programme and Qualification Mix (PQM) offered through all Faculties in contact and/or distance mode. Furthermore, the campus will host a Research Unit in Open Distance Learning with the aim to inform the design, development and delivery of quality curricula in a team approach. The campus will be supported through an informed research approach, academic staff profile, aligned policies and procedures, and resources to service the diverse student cohort in a nominated PQM, and give expression to its social responsibility. Furthermore, the campus will use state-of-the-art technologies to provide access and success to teaching and learning opportunities to the diverse student profile.*”

### **3.4.1.2. Advance an institutional culture that demonstrates the values of the UFS (Goal 7)**

Although a number of indicators are being used to measure the advance of an institutional culture, the UFS agreed to measure the implementation of the language policy as one proxy of successes. During the reporting period, the UFS did not fully implement the policy. It is however important to note that the IMG plays a critical role in promoting and nurturing an institutional culture that reflects the values of the university to create an environment where staff and students feel supported, inspired, and empowered to contribute to the UFS vision.

UFS recognises that this goal is an ongoing process that requires continuous effort, commitment, and reinforcement. Building and nurturing a strong culture is a long-term endeavour that requires consistent attention and dedication from all members of the UFS community, including leadership, faculties, staff, students, and alumni. This will involve embedding the UFS core values, fostering a sense of belonging and aligning behaviours and practices with those values. Furthermore, UFS recognised that such a commitment requires well designed systems, relevant policies, and organisation structures that support and promote the desired culture.

The Strategy Plan 2018 to 2020 has laid the foundation for the advancement of an inclusive culture and will continue to evolve and adapt as the institution moves towards Vision 130, facing new opportunities and challenges to rapidly respond to changing societal needs. Therefore, the UFS will regularly assess and reflect on the culture, identify areas for improvement, and implement strategies to address any gaps or discrepancies.

A number of initiatives, as presented below, contribute to the advancement of an inclusive culture that demonstrates the values of UFS.

#### ***Review language policy***

The UFS language policy was subjected to a review in 2022. The Language Committee tasked the Academy for Multilingualism to oversee the language policy review process. The review process started in February 2022 with the new formation of a Language Policy Review Task Team comprised of Heads of Language Departments (Sesotho, isiZulu, Afrikaans, Dutch, French), Centre for Teaching & Learning, DIRAP, and Faculties). The task team was approved by the Vice-Rector Academic and included both internal and external review and engagement.

#### ***Continue implementation of the Language Implementation Plan recognising four drivers***

In the year under review four key drivers supported the language implementation policy, namely:  
*Developing of Sesotho and isiZulu as academic languages*

#### ***Multilingualism resources for the several modules were translated into Sesotho, isiZulu and Afrikaans.***

The Academy, in collaboration with the Library Services, launched the UFS African Languages Press, which is an initiative geared towards publishing books in African Languages. One of the 2022 projects was to send out a call for a book chapter on “Using Indigenous Languages as Languages of Teaching and Learning in Higher Education”. The book, which features scholars writing their research reports in different African languages, is currently under review for a possible publication and launching in 2023. Also, two books in African languages, written by students, were launched by the Academy in collaboration with the i-CAN project.

The Academy monitored the faculty's implementation of conversational modules (Sesotho, isiZulu, Afrikaans, SALS). In 2022, the Academy, in collaboration with the Humanities, implemented the translation of PhD abstracts into one other language other than English for the appraisals. A joint UFS/UKZN/UCT Language Colloquium was launched and hosted by UCT in October 2022 to engage different issues and external stakeholders on the implementation of the LPHE (2020).

### ***The incorporation of the practice and concept of multilingualism in the domain of teaching and learning***

The Academy continued to monitor the implementation of translanguaging tutorials through the facilitation of translanguaging workshops. In 2022, the UFS also hosted a Translanguaging Seminar to stimulate institutional discussions/understandings of translanguaging as a pedagogical practice.

### ***The promotion of multilingualism as a social asset***

In September 2022, the UFS hosted the Kopsie Multilingual Mokete Festival to promote multilingualism as a social asset through cultural music, poetry, arts, dance, etc. The festival featured a panel discussion on multilingualism and social justice in higher education.

### ***The development of English as language of instruction***

The UFS remains committed to the development of students' academic literacy skills. In 2022, the UFS collaborated with the UWC in support of the development of postgraduate academic writing skills.

### ***Governance and administration***

The capacitation of the Academy was initiated and completed in 2022.

### ***Continue to implement initiatives that embed institutional values; create social cohesion among staff and students***

The Community Engagement Directorate raised awareness and capacitated the UFS community on Engaged Scholarship. In 2022, a total of 10 new academic staff members were oriented on Engaged Scholarship, while 88 persons attended information sessions about Engaged Scholarship in various university committee meetings. The Directorate of Community Engagement furthermore launched the Communities of Practice (CoPES) for Engaged Scholarship initiative and a total of 45 academic staff members attended. In addition, 108 staff members were trained via webinars, 106 in an Engaged Scholarship's Professional Development Programme and 47 in a Participatory Action Learning Research Training Programme. This was in comparison with 2021, where a total of 21 new academic staff members were oriented on Engaged Scholarship, a total of 51 individuals attended information sessions about Engaged Scholarship in various meetings, and 49 were capacitated through the Transformation of the Professoriate Mentoring Programme. These information and orientation sessions covered all levels of employment and at all campuses of the UFS.

### ***Implement Universal Access Plan***

In the year under review, satisfying progress was made on implementing the Policy on Universal Access and Disability Support for students with disabilities. This is a collaborative institutional undertaking. The Centre for Universal Access and Disability Support (CUADS) is a key stakeholder in developing and revising UFS policies and procedures to ensure that it is inclusive and socially just through the UFS Policy Framework. CUADS' participation in UFS structures, for example, the Education Technology and Learning Spaces Committee and the Central Information Technology Committee, and a strategy developed to provide teaching material in different accessible formats, contributes towards making learning increasingly accessible.

As part of the UFS Learning and Teaching Strategy, a proactive approach for lecturers to include students with disabilities was also promoted. The UFS Estates department, as part of its Technical Manual to contractors and developers of infrastructure, now includes universal access considerations. The Integrated Sport Strategy, including Disability Sports, also assisted in the contract appointment of a coordinator for Disability Sport to assist with students with disabilities' needs in participation in recreational and high-performance sport.

# CONCLUSION







NATURAL AND  
AGRICULTURAL  
SCIENCES

THEOLOGY AND  
RELIGION

## 4. Conclusion

In conclusion, the 2022 annual report showcases the significant achievements, milestones, and progress made by the UFS over the past year. It reflects the UFS's unwavering commitment to widen and accelerate the scope of transformation. Through the efforts of the UFS Council, dedicated faculties, exceptional academic and support staff, and the support from stakeholders and communities, the UFS has advanced its 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.

This reporting period marked the final year of the implementation of the 2018-2022 Strategy and prepared the UFS, through critical reflection, for the seamless transition to the next strategic phase, namely Vision 130.

As the institution moves forward, it remains steadfast in its pursuit of academic excellence, reputation, and impact and the continued transformation of lives through education. The UFS expresses its gratitude to all who have contributed to its success in 2022, and looks forward to the opportunities and challenges that lie ahead. The UFS leadership will – together with its valued stakeholders, students, staff and alumni continue to empower the next generation of leaders, thinkers, and change-makers to inspire excellence and transform lives through quality, impact, and care.

A stylized, handwritten signature in black ink, appearing to read 'D. Noko'.

Mr David Noko  
Chairperson: UFS Council

A stylized, handwritten signature in black ink, appearing to read 'F. Petersen'.

Prof Francis Petersen  
Vice-Chancellor and Principal, UFS

# APPENDICES

Appendix 1: **Audited Annual Financial Statements 2022**

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

Appendix 3: **Policy of the UFS on conflict of interest by the members of the UFS Council**

Appendix 4: **UFS Council meeting minutes 2022**

# Appendix 1:

Annual Financial Statements 2022

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UNIVERSITY OF THE FREE STATE  
GENERAL INFORMATION

CHAIRMAN OF THE COUNCIL	Mr. D. Noko
RECTOR AND VICE-CHANCELLOR	Prof. F.W. Petersen
POSTAL ADDRESS	PO Box 339 Bloemfontein 9300
STREET ADDRESS	Nelson Mandela Drive Bloemfontein 9301
AUDITOR	SNG Grant Thornton Inc. Registered Auditor Bloemfontein
BANKER	ABSA Bank

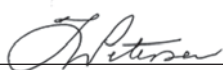
The council is responsible for the preparation, integrity and fair presentation of the consolidated and stand alone financial statements of the University of the Free State. The consolidated and stand alone financial statements, presented on pages 140 to 223, have been prepared in accordance with International 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, SNG Grant Thornton 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 140 to 223 were approved by the council on 23 June 2023 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**

1. 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 140 to 223, which comprise the consolidated and stand alone statement of financial position as at 31 December 2022, the consolidated and stand alone statement of profit or loss and other comprehensive income, the consolidated and stand alone statements of changes in funds, and the consolidated and stand alone statement of cash flow statement for the year then ended, as well as notes to the consolidated and stand alone financial statements, including a summary of significant accounting policies.
2. 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 2022, 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 Regulations for reporting by Public Higher Education Institution, 2014, issued in terms of the Higher Education Act of South Africa, 1997.

#### **Basis for opinion**

3. 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.
4. We are independent of the group in accordance with 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)*.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

6. The Council is responsible for the preparation and fair presentation of the consolidated and stand alone financial statements in accordance with International Reporting and the requirements of the Higher Education Act of South Africa, 1997 and the regulations for reporting by the 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.
7. 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.

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

8. 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.

<b>Report on the audit of the annual performance report</b>
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### **Introduction and scope**

9. 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.
10. 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.

11. 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 objectives presented in the University's annual performance report for the year ended 31 December 2022:

Objective	Pages in the annual performance report
Objective 1 – Improved student success and well being	16

12. 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.
13. We did not identify any material findings on the usefulness and reliability of the reported performance information for objective:
  - Objective 1 – Improve student success and well being.

## Report on the audit of compliance with legislation

### Introduction and scope

14. 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.
15. The material findings on compliance with specific matters in key legislation are as follows:

### Procurement and contract management

16. Some of the 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.
17. Some of the employees conducted business directly or indirectly with the university at which they are 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

18. 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 selected objectives presented in the annual performance report that have been specifically reported in this auditor’s report.
19. Our opinion on the financial statements and my 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.
20. 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 objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
21. 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

22. 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

23. 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 financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.
24. The University of the Free State receives research and other grants from Government Institutions and external funders and these projects require agreed-upon procedures to be performed. On these projects, our engagement was and will be conducted in accordance with the International Standard on Related Services Engagements (ISR4400) applicable to agreed-upon procedure engagements. The procedures we perform will not constitute an audit or a review performed in accordance with International Standards on Review Engagements and consequently, no assurance was/will be expressed

25. Agreed upon procedures were performed (and will be performed) on the following grants received by the university of the Free State:

Entity Name/ Engagement	Purpose of the engagement	Period covered	Status of engagement
DHET - New generation of Academic Programme (NGAP)	Agreeing of expenditure to contracts and supporting documentation	1 April 2022 – 31 March 2023	Report Issued
Foundation Grant	Agreeing of expenditure to contracts and supporting documentation	1 January 2022 to 31 December 2022	Report issued
DHET - Clinical Training Grant (CTG)	Agreeing of expenditure to contracts and supporting documentation	1 April 2022 – 31 March 2023	Report issued
National Research Foundation Grant	Agreeing of expenditure to contracts and supporting documentation	1 January 2022 to 31 December 2022	Report issued
DHET - University capacity development programme (UCDG)	Agreeing of expenditure to contracts and supporting documentation	1 January 2022 to 31 December 2022	Report issued
DHET - Infrastructure Grant	Agreeing of expenditure to contracts and supporting documentation	1 April 2022 – 31 March 2023	Report issued
Nurturing Emerging scholars Programme (NESP)	Agreeing of expenditure to contracts and supporting documentation	1 April 2022 – 31 March 2023	Report issued
Research output grant	Agreeing of expenditure to contracts and supporting documentation	1 January 2022 to 31 December 2022	Report issued
HEMIS	Agreeing of university data reported to DHET	1 January 2022 to 31 December 2022	In progress
South Arican Health Products Regulatory Authority (SAHPRA)	Agreeing of expenditure to contracts and supporting documentation	1 June 2022 to 31 May 2023	In progress
DHET - Financial Data Submission	Agreeing of expenditure to contracts and supporting documentation	1 January 2022 to 31 December 2022	Report issued
Managed Aquifer recharge in South Africa (MARSA)	Agreeing of expenditure to contracts and supporting documentation	1 January 2022 to 31 December 2022	In progress

#### Auditor tenure

26. In terms of the IRBA rule published in Government gazette number 39475 dated 4 December 2015, we report that SizweNtsalubaGobodo Grant Thornton Incorporated has been the auditor of University of the Free State for 1 year.



Herman Leach CA (SA)

**SizweNtsalubaGobodo Grant Thornton Inc.**

Director Registered Auditor

30 June 2022

101 Olympus Drive, 101 Olympus Suite 4, Helicon Heights, Bloemfontein, 9301

## **Annexure – Auditor's responsibility for the audit**

1. As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the consolidated financial statements, and the procedures performed on the reported performance information for Perspective - stakeholder/partners (with its related objectives) and on the University's compliance with respect to the selected subject matters.

### **Consolidated and stand alone Financial statements**

2. In addition to our responsibility for the audit of the consolidated financial statements as described in this auditor's report, we also:
  - identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
  - conclude on the appropriateness of the Council's use of the going concern basis of accounting in the preparation of the consolidated financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists 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 financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated 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 of the Free State to cease operating as a going concern.
  - evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and determine whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

### **Communication with those charged with governance**

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

Group		2022				2021						
		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			3 459 736	482 003	3 941 739	214 452	4 156 191	2 998 298	402 801	3 401 100	142 052	3 543 151
State appropriations – subsidies and grants		6.	1 739 703	166 548	1 906 251	-	1 906 251	1 596 594	78 582	1 675 176	-	1 675 176
Tuition and other fee income		7.	1 452 706	-	1 452 706	212 429	1 665 135	1 268 672	3 067	1 271 739	141 381	1 413 120
Income from contracts		8.	49 364	296 272	345 637	-	345 637	21 963	310 831	332 793	-	332 793
Sales of goods and services		9.	209 268	6 298	215 566	2 023	217 589	91 395	(2 305)	89 090	671	89 761
Private gifts and grants		10.	19 032	11 544	30 576	-	30 576	23 250	11 018	34 268	-	34 268
Miscellaneous income / (expense)		11.	(10 337)	1 341	(8 996)	-	(8 996)	(3 575)	1 608	(1 967)	-	(1 967)
TOTAL EXPENDITURE			2 712 566	478 094	3 190 660	178 171	3 368 830	2 338 355	519 199	2 857 554	127 975	2 985 529
Personnel costs		12.	1 784 494	178 449	1 962 943	50 389	2 013 332	1 598 620	218 959	1 817 579	45 874	1 863 453
Other operating expenses		13.	823 055	296 891	1 119 946	127 781	1 247 727	634 138	289 868	924 006	82 100	1 006 107
Depreciation and amortisation		18.1, 18.2, 18.3	105 017	2 754	107 771	-	107 771	105 598	10 371	115 969	-	115 969
OPERATING SURPLUS / (LOSS) FOR THE YEAR			747 170	3 909	751 079	36 282	787 361	659 943	(116 398)	543 545	14 077	557 622
Other income			602 971	(63 996)	538 974	-	538 974	520 401	30 584	550 985	-	550 985
Interest and dividends		14.	386 066	17 637	403 703	-	403 703	267 315	16 992	284 307	-	284 307
Investment income			231 247	10 976	242 224	-	242 224	253 086	13 468	266 554	-	266 554
Share of net profit / (loss) from associate accounted for using the equity method			(14 342)	(92 609)	(106 952)	-	(106 952)	-	124	124	-	124
Administration cost on financial assets		15.	(22 806)	(518)	(23 324)	-	(23 324)	(21 473)	(666)	(22 139)	-	(22 139)
Interest paid on loans		17.6	-	(999)	(999)	(20 229)	(21 228)	-	(1 602)	(1 602)	(20 228)	(21 830)
Net surplus for the year before market value adjustments on investments			1 327 335	(61 604)	1 265 731	16 053	1 281 784	1 158 871	(88 082)	1 070 789	(6 151)	1 064 638
Revaluation of investments to market value at year end		17.4	(737 043)	(3 318)	(740 361)	-	(740 361)	769 208	3 186	772 394	-	772 394
Net surplus for the year before income tax			590 292	(64 922)	525 370	16 053	541 423	1 928 079	(84 896)	1 843 183	(6 151)	1 837 032
Income tax expense		16.	-	(12)	(12)	-	(12)	-	10 258	10 258	-	10 258
NET SURPLUS / (LOSS)			590 292	(64 934)	525 358	16 053	541 411	1 928 079	(74 638)	1 853 441	(6 151)	1 847 290
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	(8 140)	-	(8 140)	-	(8 140)	(446)	-	(446)	-	(446)
Recognition of post-retirement medical actuarial gains		18.6.3	36 738	-	36 738	-	36 738	7 594	-	7 594	-	7 594
Recognition of post-retirement pension actuarial gains / (loss)		18.6.2	17 093	-	17 093	-	17 093	100 760	-	100 760	-	100 760
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR			635 983	(64 934)	571 049	16 053	587 101	2 035 987	(74 638)	1 961 349	(6 151)	1 955 198

		2022				2021						
University		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			3 459 736	446 191	3 905 927	214 452	4 120 379	2 998 298	326 846	3 325 144	142 052	3 467 196
	State appropriations – subsidies and grants	6.	1 739 703	166 548	1 906 251	-	1 906 251	1 596 594	78 582	1 675 176	-	1 675 176
	Tuition and other fee income	7.	1 452 706	-	1 452 706	212 429	1 665 135	1 268 672	3 067	1 271 739	141 381	1 413 120
	Income from contracts	8.	49 364	280 372	329 737	-	329 737	21 963	238 068	260 031	-	260 031
	Sales of goods and services	9.	209 268	(10 017)	199 251	2 023	201 274	91 395	7	91 401	671	92 072
	Private gifts and grants	10.	19 032	8 978	28 010	-	28 010	23 250	7 122	30 372	-	30 372
	Miscellaneous income / (expense)	11.	(10 337)	310	(10 027)	-	(10 027)	(3 575)	-	(3 575)	-	(3 575)
TOTAL EXPENDITURE			2 712 488	446 582	3 159 070	178 171	3 337 240	2 338 355	405 071	2 743 426	127 975	2 871 401
	Personnel costs	12.	1 784 416	164 230	1 948 645	50 389	1 999 035	1 598 620	143 771	1 742 391	45 874	1 788 265
	Other operating expenses	13.	823 055	282 353	1 105 408	127 781	1 233 189	634 138	261 300	895 438	82 100	977 538
	Depreciation and amortisation	18.1; 18.2; 18.3	105 017	-	105 017	-	105 017	105 598	-	105 598	-	105 598
OPERATING SURPLUS / (LOSS) FOR THE YEAR			747 248	(391)	746 857	36 282	783 139	659 943	(78 225)	581 718	14 077	595 795
	Other income		617 313	(93 211)	524 102	-	524 102	520 401	28 555	548 956	-	548 956
	Interest and dividends	14.	386 066	16 812	402 878	-	402 878	267 315	16 173	283 488	-	283 488
	Investment income		231 247	9 967	241 215	-	241 215	253 086	12 258	265 344	-	265 344
	Share of net profit / (loss) from associate accounted for using the equity method		-	(7 892)	(7 892)	-	(7 892)	-	124	124	-	124
	Net loss on sale of subsidiary	24.3.3.3	-	(55 595)	(55 595)	-	(55 595)	-	-	-	-	-
	Impairment losses relating to investment in associates	24.3.1.3	-	(56 504)	(56 504)	-	(56 504)	-	-	-	-	-
	Administration cost on financial assets	15.	(22 806)	(486)	(23 292)	-	(23 292)	(21 473)	(603)	(22 076)	-	(22 076)
	Interest paid on loans	17.6	-	-	-	(20 229)	(20 229)	-	-	-	(20 228)	(20 228)
	Net surplus / (loss) for the year before market value adjustments on investments		1 341 755	(94 088)	1 247 667	16 053	1 263 720	1 158 871	(50 273)	1 108 598	(6 151)	1 102 447
	Revaluation of investments to market value at year end	17.4	(737 043)	-	(737 043)	-	(737 043)	769 208	-	769 208	-	769 208
	NET SURPLUS / (LOSS)		604 712	(94 088)	510 624	16 053	526 677	1 928 079	(50 273)	1 877 806	(6 151)	1 871 654
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	(8 140)	-	(8 140)	-	(8 140)	(446)	-	(446)	-	(446)
	Recognition of post-retirement medical actuarial gains	18.6.3	36 738	-	36 738	-	36 738	7 594	-	7 594	-	7 594
	Recognition of post-retirement pension actuarial gains / (loss)	18.6.2	17 093	-	17 093	-	17 093	100 760	-	100 760	-	100 760
TOTAL COMPREHENSIVE SURPLUS / (LOSS) FOR THE YEAR			650 403	(94 088)	556 315	16 053	572 368	2 035 987	(50 273)	1 985 714	(6 151)	1 979 562

		GROUP		UNIVERSITY	
		2022	2021	2022	2021
Notes		R ' 000	R ' 000	R ' 000	R ' 000
ASSETS					
Non-current assets					
Property, plant and equipment	18.1	2 029 360	1 773 188	2 026 542	1 723 338
Investment property	18.2	10 673	18 685	10 673	25 879
Intangible assets	18.3	4 845	4 742	4 845	4 742
Financial assets at fair value through profit or loss (FVPL)	17.4	6 483 574	6 291 644	6 460 599	6 266 839
Investment in subsidiary	24.3	-	-	-	116 707
Investment in associates	24.3	175	174	175	174
Student and other loans	17.2	33 189	1 018	33 189	44 905
Retirement benefit surplus	18.6.2	231 239	197 911	231 239	197 911
Deferred tax asset	18.8	-	46 610	-	-
Total non-current assets		8 793 056	8 333 972	8 767 263	8 380 495
Current assets					
Financial assets at fair value through profit or loss (FVPL)	17.4	3 234 520	2 803 426	3 231 155	2 800 233
Inventory	18.4	9 068	7 234	9 068	7 234
Biological assets	18.5	2 957	5 122	735	3 018
Trade and other receivables	17.1	351 269	340 116	350 159	331 962
Cash and cash equivalents	17.3	130 483	282 418	130 287	278 566
Total current assets		3 728 297	3 438 316	3 721 404	3 421 013
Total assets		12 521 353	11 772 288	12 488 667	11 801 507



		GROUP		UNIVERSITY	
	Notes	2022 R ' 000	2021 R ' 000	2022 R ' 000	2021 R ' 000
FUNDS AND LIABILITIES					
Funds and reserves					
Unrestricted funds – Education and general		6 870 013	5 875 081	6 870 013	5 889 424
Unrestricted use funds		1 981 382	1 445 855	1 981 382	1 445 855
Unrestricted designated funds		4 888 631	4 429 226	4 888 631	4 443 569
Restricted funds – Education and general		642 088	470 885	628 213	595 042
Funds for specific purposes		509 761	349 739	509 761	349 739
Trust and endowment funds		132 327	121 147	118 452	245 303
Restricted funds – Residences		145 815	133 968	145 815	133 968
Financial instruments at Fair value through profit and loss reserves		742 532	1 482 893	739 324	1 476 367
Fixed assets fund Property plant and equipment		2 040 033	1 791 878	2 037 215	1 749 223
Total funds and reserves		10 440 481	9 754 707	10 420 579	9 844 023
Non-current liabilities					
Borrowings	17.6	186 527	191 957	186 527	187 736
Post employment medical obligation	18.6.3	454 587	452 523	454 587	452 523
Post employment group life insurance obligation	18.6.4	32 692	24 552	32 692	24 552
Accrued leave provision	18.6.1	190 637	147 189	190 637	147 189
Total non-current liabilities		864 443	816 221	864 443	812 000
Current liabilities					
Trade and other payables	17.5	1003 866	942 063	991 082	894 986
Deferred tax liabilities	18.8	–	8 799	–	–
Deferred income	18.7	203 804	228 274	203 804	228 274
Accrued leave provision	18.6.1	8 760	22 225	8 760	22 225
Total current liabilities		1 216 429	1 201 360	1 203 645	1 145 484
Total funds and liabilities		12 521 353	11 772 287	12 488 667	11 801 507

# UNIVERSITY OF THE FREE STATE

Consolidated Statement of Changes in funds for the year ended 31 December 2022 (all amounts in R'000)

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- 2020												
Net surplus / (loss)		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
Reallocation of financial assets at fair value through profit or loss to designated reserves		1 847 290	260 644	1 667 435	1 928 079	(52 469)	(22 169)	(74 638)	(6 151)	-	-	(6 151)
Reallocation of funds		-	-	(769 208)	(769 208)	-	(3 186)	(3 186)	-	772 394	-	772 394
Other additions (1)		-	-	27 094	27 094	(27 094)	-	(27 094)	-	-	-	-
Fixed asset reallocation		5 020	-	774	774	-	4 246	4 246	-	-	-	-
Recognition of post-retirement group life actuarial gains / (losses)	18.6.4	-	-	(155 327)	(155 327)	(22 588)	(1 182)	(23 770)	(201)	-	179 298	179 098
Recognition of post-retirement medical actuarial gains	18.6.3	(446)	-	(446)	(446)	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	18.6.2	7 594	-	7 594	7 594	-	-	-	-	-	-	-
		100 760	-	100 760	100 760	-	-	-	-	-	-	-
Balance at 31-12- 2021												
Net surplus / (loss)		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
Reallocation of financial assets at fair value through profit or loss to designated reserves		635 895	535 527	83 449	618 976	36 271	(35 406)	865	16 053	-	-	16 053
Reallocation of funds		-	-	737 043	737 043	-	3 318	3 318	-	(740 361)	-	(740 361)
Other additions (1)		-	-	(149 022)	(149 022)	149 118	-	149 118	(95)	-	-	(95)
Fixed asset reallocation		4 188	-	757	757	-	3 430	3 430	-	-	-	-
Recognition of post-retirement group life actuarial gains / (losses)	18.6.4	-	-	(258 514)	(258 514)	(25 372)	39 838	14 465	(4 111)	-	248 160	244 049
Recognition of post-retirement medical actuarial gains	18.6.3	(8 140)	-	(8 140)	(8 140)	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	18.6.2	36 738	-	36 738	36 738	-	-	-	-	-	-	-
		17 093	-	17 093	17 093	-	-	-	-	-	-	-
Balance at 31-12- 2022												
		10 440 481	1 981 382	4 888 631	6 870 013	509 761	132 327	642 088	145 815	742 532	2 040 033	2 928 380

(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

Stand alone statement of changes in funds for the year ended 31 December 2022 (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
<b>Balance at 31-12-2020</b>												
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	-	-	-	-	-	-	-
<b>Balance at 31-12-2021</b>												
Net surplus / (loss)		526 599	535 527	69 107	604 634	36 271	245 303	595 047	133 968	1 476 367	1 749 217	3 359 552
Reallocation of financial assets at fair value through profit or loss to designated reserves		-	-	737 043	737 043	-	-	(94 088)	16 053	-	-	16 053
Reallocation of funds		-	-	(149 022)	(149 022)	149 118	-	149 118	(95)	(737 043)	-	(737 043)
Other additions (1)		4 266	-	757	757	-	3 508	3 508	-	-	-	-
Fixed asset reallocation		-	-	(296 187)	(296 187)	(25 372)	-	(25 372)	(4 111)	-	325 671	321 560
Recognition of post-retirement group life actuarial gains / (losses)	18.6.4	(8 140)	-	(8 140)	(8 140)	-	-	-	-	-	-	-
Recognition of post-retirement medical actuarial gains	18.6.3	36 738	-	36 738	36 738	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	18.6.2	17 093	-	17 093	17 093	-	-	-	-	-	-	-
<b>Balance at 31-12-2022</b>												
		10 420 579	1 981 382	4 850 958	6 832 340	509 761	118 452	628 213	145 815	739 324	2 074 888	2 960 027

(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

# CONSOLIDATED AND STAND ALONE STATEMENTS OF CASH FLOWS for the year ended 31 December 2022

		Group		University	
	Notes	2022 R' 000	2021 R' 000	2022 R' 000	2021 R' 000
Cash flow from operating activities					
Cash generated from operations	20	440 709	1 005 093	373 400	1 015 971
NET CASH INFLOW FROM OPERATING ACTIVITIES		440 709	1 005 093	373 400	1 015 971
Cash flow from investing activities					
Investment income less cost of finance					
Interest income	14	186 461	139 164	186 378	138 959
Administration cost financial assets	15	(23 324)	(22 139)	(23 292)	(22 076)
Purchase of property, plant and equipment and cost of patents	18.1	(402 752)	(298 828)	(379 373)	(286 267)
Inflow of grant income designated for the purchase of property, plant and equipment	18.7	17 935	48 300	17 935	48 300
Purchase of property, plant and equipment and cost of patents relating to grants	18.7	(17 935)	(48 300)	(17 935)	(48 300)
Payments on lease liabilities		717	(879)	-	-
Proceeds on disposal of financial assets	17.4	3 244 936	2 390 012	3 244 936	2 390 012
Purchase of financial assets	17.4	(3 522 927)	(2 993 777)	(3 522 927)	(2 993 777)
Proceeds on disposal of assets	18.1	(21 106)	1 307	(21 858)	281
Proceeds on disposal of trust funds		4 188	5 020	4 188	5 020
Loans granted to related parties		(33 180)	-	10 708	(12 104)
Investment in subsidiary		-	-	-	(20 000)
Loans repaid by related parties		-	-	-	20 000
NET CASH OUTFLOW FROM / (UTILISED IN) INVESTING ACTIVITIES		(566 985)	(780 119)	(501 240)	(779 952)
Cash flow from financing activities					
Repayments on borrowings	20.2	(25 782)	(21 544)	(20 453)	(19 942)
Increase in borrowings	20.2	110	4 221	-	-
NET CASH OUTFLOW FROM / (UTILISED IN) FINANCING ACTIVITIES		(25 672)	(17 324)	(20 453)	(19 942)
Increase / (decrease) in cash and cash equivalents		(151 948)	207 650	(148 292)	216 077
Cash and cash equivalents at beginning of year		282 430	74 768	278 579	62 490
Cash and cash equivalents at end of year	12	130 483	282 430	130 287	278 579

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 23 June 2023.

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 2022.

#### 3.2 Standards, amendments and interpretations to existing standards effective after 1 January 2023

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 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**

The Council-controlled segment predominantly represents the teaching component of the University. Decision making rights relating to income earned in this segment rest with Council. 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. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

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	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
State subsidy for general purpose assistance	<b>1 739 703</b>	1 483 676	<b>1 739 703</b>	1 483 676
Earmarked grants	<b>166 548</b>	191 500	<b>166 548</b>	191 500
	<b>1 906 251</b>	1 675 176	<b>1 906 251</b>	1 675 176

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:

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.

Revenue is measured based on the transaction price in accordance with the University's fee structure and is recognised as and when the service is provided (during the academic year). As the academic year is consistent with the financial year, a receivable is recognised at year-end for any unpaid student fees relating to that particular year. Where student fees are received in advance, the advance amount received, is included under payables.

Tuition and other fee income is only recognised when the amount can be measured reliably and future economic benefits will flow to the group. Tuition and residence fees charged are applicable to one academic and financial year and are recognised in that year. The University has assessed that the students simultaneously receive and consume the benefits provided within the year, as such revenue is recognised over time. Scholarships, bursaries and other financial aid provided by the University to students for tuition and residence fees are recognised as a reduction of fees.

Also refer to note 22.2.2.1 for the accounting policy on measuring expected credit losses.

		Group		University	
		2022	2021	2022	2021
		R ' 000	R ' 000	R ' 000	R ' 000
Tuition fees	#	1 426 388	1 252 367	1 426 388	1 252 367
Student accommodation		212 429	141 381	212 429	141 381
Income from short learning programmes		26 318	19 372	26 318	19 372
		1 665 135	1 413 120	1 665 135	1 413 120
				# of students	# of students
				2022	2021
Number of students enrolled at the university				41 205	41 306
Number of students utilising hostel accommodation on campus				6 239	4 317

# - 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.

### **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. Revenue from research contracts is measured based on the contract value or the specific milestone values in the contract. In determining the transaction price for the research contracts revenue, the University considers the effects of variable consideration. If the consideration in a contract includes a variable amount, the University estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Progress payments are received over the period of the contracts and recognised as revenue as performance obligations are fulfilled or milestones reached. 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.

**Area of significant management judgement and estimation**

The group uses its judgement to determine what performance obligations in contracts are and if these 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

	Group		University	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
for research	165 585	117 984	165 585	117 984
from third parties	98 581	59 796	98 581	59 796
from the NRF	67 004	58 187	67 004	58 187
for clinical research contracts*	15 900	84 006	-	-
for other activities	164 152	130 804	164 152	142 047
	345 637	332 793	329 737	260 031

\* Clinical research contracts relate to the main business of the Farmovs (Pty) Ltd. Farmovs (Pty) Ltd was a full subsidiary of the UFS until 1 March 2022. Refer to note 24.3.3.3 for more information.

**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 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 or at the point of sale. The amount recognised as income is the invoiced amount. 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	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
Letting of facilities	14 756	10 417	14 756	12 110
Transport income	8 435	2 723	8 435	2 723
Other trade revenue *	25 055	47 777	23 468	53 205
Laboratory income	15 941	12 202	15 941	12 202
Income from self-sustainable University enterprises	8 404	5 263	8 404	5 263
Income from sale of academic notes	3 759	1 548	3 759	1 548
Miscellaneous**	141 240	9 832	126 512	5 022
TOTAL	217 589	89 761	201 274	92 072

\*Other trade revenue relate mostly to entrepreneurial income and page fee income on academic publications.

\*\* Miscellaneous income: R 103 million relate to a prior year provision relating to contracts that were renegotiated.

### 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 and there are no donor requirements to utilise the donation over a period. When donations are received and a specific period of utilisation is prescribed, the donation is recognised over time. 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, based on external valuations, except when it is received in cash.

	Group		University	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
General donations	19 641	23 718	19 641	23 718
Donations for bursaries and scholarships	10 935	10 550	8 369	6 654
	30 576	34 268	28 010	30 372

## 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 or when no future economic benefits are expected from its continued use or disposal. 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.

	Group		University	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
Profit / (loss) on disposal of property, plant and equipment	(8 114)	(3 545)	(8 114)	(3 565)
Gain / (loss) on revaluation of biological assets	(882)	1 578	(1 914)	(10)
	(8 996)	(1 967)	(10 027)	(3 575)

## 12. Personnel costs

### Accounting policy:

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

	Notes	2022			
		Group	University		
			Academic	Other	Total
Salaries and wages					
Salaries and wages		1 986 944	885 898	1 086 748	1 972 647
Current and past service costs: Pension plan	18.6.2	(12 414)	-	(12 414)	(12 414)
Current and past service costs: Post retirement medical fund	18.6.3	38 802	-	38 802	38 802
Total salaries and wages		2 013 332	885 898	1 113 136	1 999 035
		Group	2021		
			Academic	Other	Total
Salaries and wages					
Salaries and wages		1 895 470	833 683	922 565	1 756 248
Current and past service costs: Pension plan	18.6.2	(4 605)	-	(4 605)	(4 605)
Current and past service costs: Post retirement medical fund	18.6.3	36 622	-	36 622	36 622
Total salaries and wages		1 863 453	833 683	954 582	1 788 265

	2022	2021
	Number	Number
Average monthly number of people employed by the University* during the year:		
Full time - Lecturing	1 074	1 080
Full time - Support	1 790	1 660
Part time - Lecturing	1 121	1 085
Part time - Support	1 693	1 552
	5 678	5 377

\* 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.

		2022	2021
		R ' 000	R ' 000
<b>Remuneration of executive management relating to the University</b>			
<b>Name</b>	<b>Designation</b>		
Petersen FW, Prof	Rector and Vice-Chancellor	5 587	5 288
Qhobela, M. Dr	Vice-Rector: Institutional Change, Strategic Partnerships and Societal Impact (from 1 August 2021)	2 866	1 081
Van Staden E, Dr	Vice-Rector: Academic	3 062	2 967
Witthuhn RC, Prof	Vice-Rector: Research and Internationalisation	2 875	2 725
Naidoo P, Prof	Vice-Rector: University Operations	2 978	2 882
Ntshababa N, Mr	Registrar	2 954	2 862
Madiope M, Dr	Dean: South Campus	1 478	1 796
Mgolombane P, Mr	Dean: Student affairs (to January 2021)	-	155
Hlasho, T. Mr	Executive Director: Student affairs (from 1 July 2021)	2 501	1 157
Mandew M, Dr	Qwa-Qwa Campus Principal	2 204	2 089
Sithole P, Prof	Qwa-Qwa Campus Vice-Principal	1 776	1 684
Kroukamp HJ, Prof	Dean: Economic and Management Sciences (to 31 December 2021)	-	1 955
Burger P, Prof.	Dean: Economic and Management Sciences (From 1 January 2022)	2 012	-
Van Zyl GJ, Prof *	Dean: Health Sciences	1 359	1 147
Hudson H, Prof	Dean: Humanities	2 058	2 022
Muganbizi JC, Prof	Dean: Law	1 948	1 924
Vermeulen PD, Prof	Dean: Natural and Agricultural Sciences	2 063	2 109
Jita LC, Prof	Dean: Education	2 633	2 408
Letsosa R.Prof	Dean: Theology	2 050	1 906
<b>Total remuneration of Executive Management</b>		<b>42 404</b>	<b>38 157</b>

\* 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 2022 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	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
<b>Compensation of key management</b>				
Short-term employee benefits	45 200	41 060	38 264	34 494
Post-employment pension and medical benefits	4 139	4 033	4 139	3 663
Total compensation paid to key management personnel	49 339	45 093	42 404	38 157

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.

380	57	380	57
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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	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
Supplies and services	847 155	680 043	877 345	654 293
Cost of maintenance services	128 970	94 490	127 969	92 203
Cost of small alterations	8 353	5 418	8 353	5 418
Research and development expenditure	162 514	164 231	162 514	164 231
Bursaries *	96 828	59 319	53 557	59 319
Auditor's remuneration	3 906	2 606	3 451	2 074
- Audit fee	2 200	2 126	2 068	1 828
- Other special investigations and special reports	1 706	479	1 383	246
Total other operating expenses	1 247 727	1 006 107	1 233 189	977 538

- \* Bursaries, excluding bursaries funded by third party contracts. Bursaries to the amount of R41,573m (2021: R65,637m) 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 R129,777m (2021: R140,757m) were recognised in accordance to IFRS 15 as a discount on tuition fees.

#### 2022 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 (Excl merit bursaries)	76 351	8 232	37 623	18 817	141 024
Undergraduate bursaries (Excl merit bursaries)	22 480	8 000	-	22 458	52 937
Academic Merit bursaries	30 916	-	-	-	30 916
Short learning programs	30	-	-	-	30
	129 777	16 232	37 623	41 275	224 907

#### 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 (Excluding merit bursaries)	62 504	12 138	32 826	2 044	109 512
Undergraduate bursaries (Excluding merit 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

## 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	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
Interest income	320 570	225 008	320 069	224 422
Dividend income	83 132	59 299	82 809	59 066
Total interest and dividend income	403 703	284 307	402 878	283 488

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	23 324	22 139	23 292	22 076
Total administration cost financial assets	23 324	22 139	23 292	22 076

## 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 up to 1 March 2022. After the sale of the the controlling interest in Farmovs, it is consolidated as an associate and income tax remain.

**Income tax expense**

Major components:

**Current**

Local income tax

**Deferred**

Deferred tax

Total income tax expense / (income)

Group	
2022	2021
R ' 000	R ' 000
-	-
12	(10 258)
12	(10 258)

**Reconciliation of tax expense**

Reconciliation between applicable tax rate and average effective tax rate.

Statutory rate	0.00%	28.00%
Fixed assets adjustment	0.00%	0.00%
Exempt portion	0.00%	-28.00%
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	
		2022	2021	2022	2021
	Notes	R ' 000	R ' 000	R ' 000	R ' 000
Financial assets					
Financial assets at amortised cost					
Student and trade receivables	17.1	351 269	340 116	350 159	331 962
Student and other loans	17.2	33 189	1 018	33 189	44 905
Cash and cash equivalents	17.3	130 483	282 430	130 287	278 579
Financial assets at fair value through profit or loss (FVPL)	17.4	9 718 094	9 095 070	9 691 754	9 067 071
Financial liabilities					
Liabilities at amortised cost					
Trade and other payables **	17.5	969 991	908 625	957 207	862 818
Borrowings	17.6	186 527	191 957	186 527	187 736

\*\* 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.

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.

**Subsequent measurement**

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

**Assets carried at amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

**Assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through surplus or deficit, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss. Management is primarily focused on fair value information relating to its investments, which includes equity and debt instruments, and uses that information to assess the assets' performance and to make decisions. The business model is to manage and evaluate investments on a fair value basis, to hold investments for capital appreciation and to preserve the real value of the capital base. As a result, the University's investments have been classified at fair value through profit and loss with net changes in fair value recognised in the Consolidated Statement of Comprehensive Income. This category includes derivative instruments, listed equity investments, collective investment schemes, unlisted equity investments, debt instruments such as government and corporate bonds, and money market deposits. Dividends on listed equity investments are also recognised as other income in the Income Statement when the right of payment has been established. All derivative instruments of the University are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

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.

**Assets carried at amortised cost**

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

For trade receivables and student fees receivables, the University applies a simplified approach in calculating ECLs. Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Financial assets at amortised cost are written off when there is no reasonable expectation of recovering the contractual cash flows.

If, in a subsequent period, the amount of the Expected Credit Loss (ECL) 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.

### 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	
		2022 R ' 000	2021 R ' 000	2022 R ' 000	2021 R ' 000
Student debtors					
Gross student debtors		250 888	261 375	250 888	261 375
Less: Allowance for credit losses	22.2.2.1	(54 518)	(42 760)	(54 518)	(42 760)
Closing net carrying amount		196 370	218 615	196 370	218 615
Pre-paid expenses		13 184	1 169	13 184	1 169
Current tax receivable		-	-	-	-
Other trade receivables		103 990	89 443	102 880	80 940
Accrued interest on investments		37 725	30 889	37 725	31 238
Closing net carrying amount		154 900	121 502	153 789	113 347
Total trade and other receivables		351 269	340 116	350 159	331 962

#### 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 classified as financial assets measured at amortised cost. 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	
		2022 R ' 000	2021 R ' 000	2022 R ' 000	2021 R ' 000
Student loans		26 502	26 524	26 502	26 524
Less: Allowance for credit losses	22.2.2.2	(26 492)	(26 492)	(26 492)	(26 492)
Student loans – net		10	32	10	32
Loans to third parties		–	986	–	986
Loans to related parties	24.4	33 180	–	33 180	43 888
		33 189	1 018	33 189	44 905

### 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:

Current student loans for students still studying – not yet repayable	1	13	1	13
Current student loans for students who completed their studies – repayable	26 501	26 511	26 501	26 511
	26 502	26 524	26 502	26 524

### Loans to related parties

The loan to Farmovs, a fully owned subsidiary of the University during 2021, 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	23 983	24 789	23 983	24 789
	23 983	24 789	23 983	24 789

The fair value of the student loans are based on the cash flows discounted using a rate based on the prime rate of 10.5% (2021: 7.25%). 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	
	2022	2021 (restated)	2022	2021 (restated)
	R ' 000	R ' 000	R ' 000	R ' 000
Current assets				
Cash and cash equivalents	130 483	282 430	130 287	278 579

#### 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 2022 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 3.72% (2021: 2.15%).

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	
	2022 R ' 000	2021 R ' 000	2022 R ' 000	2021 R ' 000
Opening net carrying amount	9 095 070	7 308 764	9 067 071	7 285 662
Additions	8 942 645	6 353 049	8 940 986	6 351 340
Disposals	(7 579 260)	(5 339 138)	(7 579 260)	(5 339 138)
Fair value movements through profit and loss.	(740 361)	772 394	(737 043)	769 208
Closing net carrying amount	9 718 094	9 095 070	9 691 754	9 067 071

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	6 291 644	5 034 946	6 266 839	5 014 912
Additions	3 950 273	3 081 693	3 948 785	3 080 108
Disposals	(3 005 800)	(2 605 740)	(3 005 800)	(2 605 740)
Fair value movements through profit and loss	(752 543)	780 745	(749 225)	777 559
Closing net carrying amount	6 483 574	6 291 644	6 460 599	6 266 839

### Current financial assets at fair value through profit and loss

Opening net carrying amount	2 803 426	2 273 818	2 800 233	2 270 750
Additions	4 992 373	3 271 356	4 992 201	3 271 232
Disposals	(4 573 461)	(2 733 397)	(4 573 461)	(2 733 397)
Fair value movements through profit and loss	12 182	(8 351)	12 182	(8 351)
Closing net carrying amount	3 234 520	2 803 426	3 231 155	2 800 233

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 payables:

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.

	Notes	Group		University	
		2022 R ' 000	2021 R ' 000	2022 R ' 000	2021 R ' 000
Trade payables		79 838	238 730	67 214	224 467
Finance lease liabilities		-	(717)	-	-
Other payables and provisions	17.5.1	141 931	189 997	141 771	156 467
Third party payments relating to payroll deductions		25 183	6 021	25 183	6 021
Student deposits		12 494	9 382	12 494	9 382
Tuition fees creditors		56 654	58 390	56 654	58 390
Agency funds *		687 766	440 274	687 766	440 274
<b>Total trade and other payables</b>		<b>1 003 866</b>	<b>942 076</b>	<b>991 082</b>	<b>894 999</b>

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 third parties. The balance of transactions is repayable to the third parties after transactions are finalised. E.g. Bursaries managed on the behalf of third parties. The majority of the funds relate to NSFAS.

### 17.5.1 Trade payables classified as non-financial liabilities included in other payables and provisions above

Taxes	33 874	33 450	33 874	32 181
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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	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
<b>Non-current portion of borrowings</b>				
Development Bank of South Africa	66 448	66 516	66 448	66 516
FirstRand Bank	120 078	121 220	120 078	121 220
Other loans	-	4 221	-	-
<b>Current portion of long term borrowings</b>				
Current portion	-	-	-	-
	186 527	191 957	186 527	187 736

Borrowings are from FirstRand Bank and the Development Bank of South Africa. Both are denominated in South African Rand. The borrowings from the Development Bank of South Africa, was entered 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. The loan from FirstRand Bank 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.

	2022	2021
	R ' 000	R ' 000
<b>Maturity of borrowings (Future cash flows)</b>		
Within 1 year	23 046	21 438
Between 2 and 3 years	51 407	47 820
Between 4 and 5 years	59 407	55 263
Between 6 and 7 years	68 652	63 863
After 7 years	124 016	159 583

### 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 progress 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					
2022	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
<b>At 1 January 2022</b>						
Cost	1 599 611	35 264	409 015	722 675	27 047	2 793 612
Accumulated depreciation	(406 075)	(19 170)	(227 306)	(345 648)	(22 225)	(1 020 424)
Net carrying amount	1 193 535	16 093	181 709	377 028	4 822	1 773 188
<b>Year ended 31 December 2022</b>						
Additions	143 318	9 532	51 769	100 026	189	304 835
Buildings under construction	112 330	-	-	-	-	112 330
Disposals	(13 638)	(230)	(28 811)	(12 461)	(2 341)	(57 482)
Depreciation charge	(21 342)	(2 168)	(31 548)	(50 522)	(42)	(105 621)
<b>At 31 December 2022</b>						
Cost	1 832 518	42 582	376 771	796 648	16 782	3 065 300
Accumulated depreciation	(418 315)	(19 354)	(203 651)	(382 577)	(14 154)	(1 038 051)
Net carrying amount	1 414 203	23 228	173 120	414 071	2 628	2 027 250

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

Government grants to the amount of R 498,771 m were applied against the cost of the relevant asset when the asset was procured or constructed, in accordance with IAS 20.



	University					
2022 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
<b>At 1 January 2022</b>						
Cost	1 574 174	34 943	350 899	709 760	24 880	2 694 656
Accumulated depreciation	(396 827)	(18 946)	(191 885)	(343 834)	(19 826)	(971 318)
Net carrying amount	1 177 348	15 997	159 014	365 926	5 054	1 723 338
<b>Year ended 31 December 2022</b>						
Additions	143 272	9 532	51 210	100 026	157	304 197
Buildings under construction	112 330	-	-	-	-	112 330
Disposals	-	(143)	(7 131)	(1 812)	(142)	(9 228)
Depreciation charge	(21 275)	(2 159)	(29 998)	(50 333)	(330)	(104 094)
<b>At 31 December 2022</b>						
Cost	1 829 776	42 582	376 710	796 121	16 782	3 061 972
Accumulated depreciation	(418 101)	(19 354)	(203 616)	(382 315)	(12 043)	(1 035 430)
Net carrying amount	1 411 675	23 228	173 095	413 806	4 739	2 026 542

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

	Group					
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
<b>At 1 January 2021</b>						
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)
Opening net carrying amount	1 099 841	15 638	190 722	280 903	6 185	1 593 290
<b>Year ended 31 December 2021</b>						
Additions	42 640	2 540	31 768	140 471	625	218 044
Buildings under construction	80 147	-	-	-	-	80 147
Disposals	(178)	(123)	(1 379)	(688)	(1 007)	(3 374)
Depreciation charge	(28 915)	(1 963)	(39 401)	(43 659)	(981)	(114 919)
<b>At 31 December 2021</b>						
Cost	1 599 611	35 264	409 016	722 675	27 047	2 793 612
Accumulated depreciation	(406 075)	(19 170)	(227 306)	(345 648)	(22 225)	(1 020 424)
Net carrying amount	1 193 535	16 093	181 710	377 028	4 822	1 773 188

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

Government grants to the amount of R 513,551m 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
<b>At 1 January 2021</b>						
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)
Opening net carrying amount	1 084 488	15 486	165 011	276 408	5 013	1 546 406
<b>Year ended 31 December 2021</b>						
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	(28 874)	(1 906)	(30 486)	(42 698)	(584)	(104 547)
<b>At 31 December 2021</b>						
Cost	1 574 174	34 943	352 683	709 760	24 880	2 696 440
Accumulated depreciation	(396 827)	(18 946)	(191 885)	(343 834)	(19 826)	(971 318)
Net carrying amount	1 177 348	15 997	159 014	365 926	5 054	1 723 338

\*\* 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 during 2021, as all expenses are paid by the tenant. A discount rate of 11% (2022 and 7% for 2021) 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	
	2022 R ' 000	2021 R ' 000	2022 R ' 000	2021 R ' 000
<b>Non-current assets</b>				
Cost at the beginning of the year	30 002	30 002	52 743	52 743
Accumulated depreciation beginning of the year	(11 317)	(10 717)	(26 864)	(26 264)
Opening net carrying amount	18 685	19 285	25 879	26 479
Depreciation charge	6 920	(600)	22 467	(600)
Derecognition of investment property	(14 932)	-	(37 673)	-
Cost at the end of the year	15 070	30 002	15 070	52 743
Accumulated depreciation end of the year	(4 397)	(11 317)	(4 397)	(26 864)
Closing net carrying amount	10 673	18 685	10 673	25 879

### Amounts recognised in profit or loss for investment properties

Rent received on investment property	240	669	240	2 363
Direct operating expenses relating to Thakaneng Bridge	2 879	2 693	2 879	2 693

Investment property consists mainly of the Thakaneng Bridge on campus, where various shops are let to small businesses, as well as buildings let to Farmovs (Pty) Ltd, which was a subsidiary of the UFS up to 1 March 2022

### Fair value

Fair value of investment property	58 844	9 239	58 844	155 588
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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	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
Not later than 1 year	4 310	4 623	11 955	12 476
Later than 1 year and not later than 5 years	4 611	5 630	19 548	28 892
Later than 5 years	478	94	478	94
Total future cash flows	31 981	38 871	31 981	41 462
Lease income already accrued due to straightlining of leases	(806)	(976)	(759)	(8 191)
Future receivables	31 223	37 895	31 223	33 271

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			
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
Non-current				
<b>At 1 January</b>				
Cost	7 026	8 488	7 026	8 488
Accumulated depreciation	(2 284)	(2 454)	(2 284)	(2 454)
Opening net carrying amount	4 742	6 034	4 742	6 034
Additions	519	637	519	637
Disposals	(1 479)	79	79	(1 479)
Depreciation charge	(495)	(450)	(495)	(450)
<b>At 31 December</b>				
Cost	7 754	7 026	7 754	7 026
Accumulated depreciation	(2 910)	(2 284)	(2 910)	(2 284)
Net carrying amount	4 845	4 742	4 845	4 742

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	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
<b>Current assets</b>				
Inventories comprise the following items:				
Sundry – mostly stationery, cleaning material, furniture and fuel	6 935	5 412	6 935	5 412
Food	2 133	1 821	2 133	1 821
	<b>9 068</b>	<b>7 234</b>	<b>9 068</b>	<b>7 234</b>

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	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
<b>Current assets</b>				
Biological assets comprise the following:				
Opening net carrying amount	5 122	5 930	3 018	3 018
Livestock purchased	132	16	-	-
Livestock sold	(1 414)	(2 413)	(370)	-
Market value adjustment	(882)	1 589	(1 914)	-
Closing net carrying amount	<b>2 957</b>	<b>5 122</b>	<b>735</b>	<b>3 018</b>

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					
		2022			2021		
		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	(8 760)	(190 637)	(199 397)	(22 225)	(147 189)	(169 414)
Defined pension benefits	18.6.2	-	231 239	231 239	-	197 911	197 911
Post-employment medical benefits	18.6.3	-	(454 587)	(454 587)	-	(452 523)	(452 523)
Post-employment group life insurance	18.6.4	-	(32 692)	(32 692)	-	(24 552)	(24 552)
Total employee benefit obligations		(8 760)	(446 677)	(455 437)	(22 225)	(426 353)	(448 577)

### Statement of Comprehensive Income charge for:

		Group and University	
		2022	2021
		R'000	R'000
Pension benefits		(12 414)	(4 605)
Post employment medical obligations		38 802	36 622
		26 388	32 017

### Other Comprehensive Income gain / (loss) for:

Post employment group life benefit	(8 140)	(446)
Pension benefits	17 093	100 760
Post employment medical obligations	36 738	7 594
	45 691	107 908

Only one subsidiary of the UFS, Farmovs (Pty) Ltd, contained employee benefits during 2021, 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. Also refer to note 24.3.1.3 for sale of share in Farmovs (Pty) Ltd, resulting in minority interest from 1 March 2022. 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	
	2022 R ' 000	2021 R ' 000	2022 R ' 000	2021 R ' 000
Opening net carrying amount	169 414	199 397	169 414	195 249
Leave payouts	(4 609)	(10 834)	(4 609)	(10 834)
Accrued	34 593	(19 149)	34 593	(15 001)
Closing net carrying amount	199 397	169 414	199 397	169 414
Current portion of leave obligations	(8 760)	(22 225)	(8 760)	(22 225)
Non-current portion of leave obligations	(190 637)	(147 189)	(190 637)	(147 189)

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:

	2022	2021
Discount rate	6.30%	5.80%
Future salary increases, excluding merit promotions	7.30%	6.80%

### 18.6.2 Retirement benefit surplus/ (obligations)

	University	
	2022 R ' 000	2021 R ' 000
<b>Pension benefits</b>		
The amounts recognised in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:		
Present value of obligation	1 477 637	1 569 948
Fair value of plan assets	1 771 641	1 805 498
(Funded) / unfunded obligation according to actuarial valuation	(294 004)	(235 550)
Effect of write down to asset ceiling	62 765	37 639
Liability/(assets) in the statement of financial position	(231 239)	(197 911)
<b>Change in defined benefit obligation</b>		
Defined benefit obligation at beginning of year	1 569 948	1 570 823
Interest cost	150 549	148 156
Current service cost	6 496	5 943
Benefit payments	(174 326)	(173 420)
Employee contributions	2 074	2 360
Actuarial (gain)/loss	(77 104)	16 086
Defined benefit obligation at end of year	1 477 637	1 569 948

**Change in defined benefit asset**

	University	
	2022	2021
	R ' 000	R ' 000
Asset at fair value at beginning of year	1 805 498	1 737 832
Employer contributions	3 821	4 465
Employee contributions	2 074	2 360
Interest income on defined benefit assets	173 924	164 227
Actual return earned in excess of interest income	(39 350)	70 034
Benefit payments	(174 326)	(173 420)
Asset at fair value at end of year	1 771 641	1 805 498

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	6 496	5 943
Interest cost	150 549	148 156
Interest income	(173 924)	(164 227)
Interest on asset ceiling	4 465	5 523
	(12 414)	(4 605)

**(Gain) / loss recognised in other comprehensive income**

Adjustment to asset ceiling	20 661	(46 812)
Return on plan assets in excess of interest	39 350	(70 034)
Actuarial (gain)/loss	(77 104)	16 086
Total (gain) / loss	(17 093)	(100 760)

The principal actuarial assumptions used for accounting purposes were:

	2022	2021
Discount rate	11.20%	10.10%
Future price inflation	6.30%	5.80%
Future salary increases, excluding merit promotions	7.30%	6.80%
Future pension increases (Cat A and B)	5.04%	4.64%
Future pension increases (Cat C)	2.52%	2.32%
Net discount rate – pre-retirement	3.63%	3.09%
Net discount rate – post-retirement (Cat A and B)	5.86%	5.22%
Net discount rate – post-retirement (Cat C)	8.47%	7.60%

**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 2020. 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 2021, the discount rate (10.10% 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 8 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 2022. As such, the discount rate was set by determining the level of the South African zero coupon bond yield curve as at 31 December 2022 at a term of 8 years. The discount rate is 11,20% per annum at this term.



- **Long-term price inflation rate:** We have assumed a long-term future inflation rate of 6.30% (2021:5.80%) 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. 11.20% (2021:10.10%) 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 2022. The corresponding yield from this curve (at a term of 8 years) is 4.40% (2021: 3.80%) per annum at the valuation date.

Excluding an allowance for an inflation risk premium, implies an expected future inflation rate of 6.80% (2021: 6.30%) per annum (11.20% less 4.40% 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 6.30% per annum has been assumed as at 31 December 2022 (i.e. 11.20% less 4.40% less 0.50%).

At the previous valuation date an inflation rate of 5.80% 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. 7.30% per annum (6.80% 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 5.04% per annum. (being 80% of the assumed inflation rate of 6.30% per annum). The net discount rate applied to Category A and B members in retirement is thus 5.86% per annum (calculated as  $1.1120 \div 1.0504 - 1$ ). A pension increase assumption of 2.32% per annum was used at 31 December 2021, implying a net post retirement discount rate of 5.22% 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 2.52% per annum (being 40% of the assumed inflation rate of 6.30% per annum) would lead to a net discount rate of 8.47% (calculated as  $1.1120 \div 1.0252 - 1$ ). A pension increase assumption of 3.06% per annum was used at 31 December 2020, implying a net post retirement discount rate of 7.60% 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 3.63% per annum (calculated as  $1.1120 \div 1.0730 - 1$ ). This is higher than the 40% of Earnings Yield basis (3.27% 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 3.09% to 3.63% per annum, and the net post-retirement discount rate has increased from 5.22% to 5.86% 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 2022 is set out below:

Asset class	Category A & B in-service members	Category C in-service members	Pensioners	Liability weighted average
SA equities	16.5%	31.7%	0.0%	2.5%
SA property	5.9%	6.6%	1.6%	2.3%
SA nominal bonds	35.1%	16.0%	0.0%	5.4%
SA inflation-linked bonds	0.0%	0.0%	69.5%	58.8%
SA cash	3.6%	1.6%	2.2%	2.4%
International equities	27.5%	32.2%	17.5%	19.0%
Other	11.4%	11.9%	9.2%	9.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>69.5%</b>	<b>100.0%</b>

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%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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 2022	R'000 2021	R'000 2020	R'000 2019	R'000 2018
Present value of obligation	1 477 637	1 569 948	1 570 823	1 653 504	1 637 961
Fair value of plan assets	1 771 641	1 805 498	1 737 832	1 805 524	1 779 524
(Funded)/unfunded obligation	(294 004)	(235 550)	(167 009)	(152 020)	(141 563)

#### 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 31 December 2020) 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:

	2022	2021
	R'000	R'000
Actuarial gain \ (loss) due to changes in financial assumptions	145 232	(13 713)
Actuarial gain \ (loss) due to experience differing from assumptions	(68 128)	(2 373)
<b>Total actuarial gain \ (loss) arising</b>	<b>77 104</b>	<b>(16 086)</b>

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 financial assumptions is due to the weakening of both the pre-retirement basis and post-retirement bases from the previous valuation date. The net pre-retirement discount rate has increased from 3.09% per annum to 3.63% per annum and the net post retirement discount rate for pensioners has increased from 5.22% per annum to 5.86% per annum. The net effect of these changes has resulted in an actuarial gain.

### Fund liability position

#### Category

	2022	2021
	R'000	R'000
In-service member liability	226 743	273 445
Pensioner liability	1 250 894	1 286 503
Combined liability	1 477 637	1 559 948
Current service cost	2 790	6 496

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 5.26% p.a (for DB active members) and on the IAS19 valuation basis of 5.86% p.a. At the previous valuation date the net post retirement discount rates were 5.73% p.a. and 5.22% p.a. respectively.

The results above reflect a net increase of R92 312 000 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 2022 are:

	2022
	R '000
Employer contributions:	4 609
Member contributions:	2 427

**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 2022.

	1% increase 8.30% p.a. R'000	1% decrease 6.30% p.a. R'000	Base liability 7.30% p.a. R'000
Defined benefit asset	1 771 641	1 771 641	1 771 641
In-service member liability	(226 663)	(226 851)	(226 742)
Pensioner liability	(1 250 894)	(1 250 894)	(1 250 894)
<b>Funded /(Unfunded) status</b>	294 084	293 896	294 005
% 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	2 852	2 729	2 790
% change	2.2%	-2.2%	0.0%

#### 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 2022.

	1% decrease 10.20% p.a. R'000	Base liability 11.20% p.a. R'000	1% increase 12.20% p.a. R'000
Defined benefit asset	1 771 641	1 771 641	1 771 641
In-service member liability	(244 037)	(226 742)	(212 734)
Pensioner liability	(1 330 152)	(1 250 894)	(1 180 031)
<b>Funded /(Unfunded) status</b>	197 452	294 005	378 876
% change in defined benefit liability	6.5%	0.0%	-5.7%
% change in funded status	-32.8%	0.0%	28.9%
One-year service cost	3 136	2 790	2 502
% change	12.4%	0.0%	-10.3%

#### 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 2022.

	Lower mortality PA(90) - 3 R'000	Base liability PA(90) - 2 R'000	Higher mortality PA(90) - 1 R'000
Defined benefit asset	1 771 641	1 771 641	1 771 641
In-service member liability	(230 140)	(226 742)	(223 322)
Pensioner liability	(1 285 835)	(1 250 894)	(1 215 608)
<b>Funded /(Unfunded) status</b>	255 666	294 005	332 711
% change in defined benefit liability	2.6%	0%	-2.6%
% change in funded status	-13.0%	0%	13.2%
One-year service cost	2 842	2 790	2 735
% change	1.9%	0.0%	-2.0%

### 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 631 in respect of 2023.

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 R4,631*, 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 R4,631*, 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 R4,631*, 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. However Discovery Health has deferred the 2023 contribution increase to 1 April 2023. Medical scheme contributions were applied effective from 1 January 2023. We have allowed for the expected increase of Discovery Health contributions on 1 April 2023 for Discovery Health. 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:

	2022	2021
Discount rate	11.93%	11.27%
Health care cost inflation	9.11%	8.74%
Consumer price inflation (CPI)	7.11%	7.24%
Salary inflation	7.61%	7.74%
Real discount rate (With respect to salary inflation)	4.01%	3.28%
Normal retirement age	65	65
Expected average retirement age	63.2	63.2
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	10.2	12.1
Subsidy-weighted average lifetime of remaining members	17.8	24
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 2022, at the appropriate term. The discounted mean term of the liabilities is 10,2 years. They have therefore used a discount rate of 11,93% which is the nominal yield at a term of 10,2 years, taken from the South African government zero coupon bond yield curve as at 31 December 2022.

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 7,61% per annum implies that a real discount rate of 4,01% per annum ( $= 1,1193 \div 1,0761 - 1$ ) was used in the valuation. A real discount rate of 3,28% 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 2022, the implied Consumer Price Inflation rate amounted to 7,11% 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 2% p.a. We have therefore assumed a health care cost inflation rate of 9,11% (CPI + 2%) per annum. In the previous valuation the health care cost inflation assumption was 8,74% 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. The University applied a salary inflation of 6,4% for 2022/2023. Since it is unlikely that future salary increases will consistently be lower than CPI, the actuaries have assumed the future salary inflation to be CPI plus 0,5% per annum, consistent with the previous valuation. They have therefore assumed a salary inflation rate of 7,61% (CPI + 0,5%) per annum. In the previous valuation the health care cost inflation assumption was 7,74% p.a.

**Consumer price Inflation (CPI)**

The 10,2 year real yield taken from the South African government zero coupon bond yield curve was 4,50% per annum as at 31 December 2022.

The long-term inflation rate of 7,11% implied from the government bond yields is derived as follows:

- Nominal 10,2 year zero rate: 11,93%
- Real 10,2 year zero rate: 4,50%

Implied price inflation: 7,11%  $[(1,1193 \div 1,0450) - 1]$

In the previous valuation the inflation assumption was 7,24% 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.

	2022				2021			
	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	454 587		59 112		452 523		71 286	
Mortality rate + 1	468 802	-3.10%	57 240	-3.20%	438 531	-3.10%	59 811	
Mortality rate -1	440 397	3.10%	60 986	3.20%	466 548	3.10%	63 564	
Discount rate +1%	413 777	-9.00%	57 387	-2.90%	407 869	-9.90%	58 785	
Discount rate -1%	503 150	11.70%	61 075	3.30%	506 505	11.90%	65 158	

	2022 R'000	2021 R'000	2020 R'000	2019 R'000
The value of unfunded obligations at year end:	454 587	452 523	423 495	491 175

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:

	2022 R'000	2021 R'000
Present value of unfunded obligations		
Unfunded obligations in terms of active members	136 760	168 900
Unfunded obligations in terms of continuation and widowed members	317 827	283 623
Liability in the Statement of financial position	454 587	452 523

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	452 523	423 495
Current service cost	11 977	9 009
Interest cost	49 710	48 025
Benefits paid	(22 885)	(20 412)
Actuarial (gain)/loss	(36 738)	(7 594)
Closing net carrying amount	454 587	452 523

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

	2022	2021
	R'000	R'000
Current service cost	11 977	9 009
Benefits paid	(22 885)	(20 412)
Interest cost	49 710	48 025
Total included in staff cost	38 802	36 622

The amounts recognised as Other comprehensive income are as follows:

Recognition of previously unrecognised actuarial loss / (gain)	(36 738)	(7 594)
Total included in other comprehensive income	(36 738)	(7 594)

#### 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)
Actuarial gain \ (loss) due to change in demographic profile of the membership	18 021	-
Actuarial gain \ (loss) due to actual health care inflation cost compared with that expected	(98)	(1 196)
Actuarial gain \ (loss) due to changes in actuarial assumptions	18 815	11 441
Total actuarial gain \ (loss) arising	36 738	7 594

#### Actuarial assumptions

The real discount rate has increased from 3,28% p.a. to 4,01% p.a. in respect of salary inflation and from 2,33% p.a. to 2,58% p.a. in respect of health care inflation. The combined impact of the change in actuarial assumptions resulted in an actuarial gain of R 18 815 000.

#### Health care inflation

The actual average inflation of the subsidised contribution was slightly higher than expected for in-service members and slightly lower than expected for continuation members. This resulted in an actuarial loss of R 98 000.

#### Experience adjustments

A new salary system was used. Although the total membership has remained fairly constant, there were discrepancies relating to the post-employment subsidies provided in the 2021 data and therefore the membership eligible for post-employment subsidisation and the corresponding subsidised amount. As a result, the number of members eligible for post-employment subsidisation is lower by 324 in-service members and higher by 92 continuation members. The overall impact of the above resulted in an actuarial gain of R 18 021 000.

#### 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.

#### 18.6.4. 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 2022.

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:

	2022	2021
Discount rate	11.20%	10.10%
Long term price inflation	6.30%	5.80%
Salary inflation	7.30%	6.80%
Take up rate	70.00%	70.00%
Net discount rate pre-retirement	3.63%	3.09%
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 2021, the discount rate (10.10% 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 8 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 2022. As such, the discount rate was set by determining the level of the South African zero coupon bond yield curve as at 31 December 2022 at a term of 8 years. The discount rate is 11.20% per annum at this term.

#### Long-term price inflation

We have assumed a long-term future inflation rate of 6.30% (2021:5.80%) 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.

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. 11.20% (2021:10.10%) 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 2022. The corresponding yield from this curve (at a term of 8 years) is 4.40% (2021: 3.80%) per annum at the valuation date.

Excluding an allowance for an inflation risk premium, implies an expected future inflation rate of 6.80% (2021: 6.30%) per annum (11.20% less 4.40% 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 6.30% per annum has been assumed as at 31 December 2022 (i.e. 11.20% less 4.40% less 0.50%).

At the previous valuation date an inflation rate of 5.80% 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 3.63% (3.09% in 2021) 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 increased from 3.09% per annum to 3.63% per annum between 1 January 2022 and 31 December 2022.

**Demographical assumptions**

- Employees are assumed to retire at their normal retirement age, 65 at December 2022;
- 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 2022

Recognition of obligation

Actuarial (gain)/loss

Balance as at 31 Dec 2022

DB obligation	Cost / (credit) recognised in P&L	(Gain) /loss recognised in OCI
R' 000	R' 000	R' 000
(24 552)	-	-
(8 140)	-	(8 140)
(32 692)	-	(8 140)

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)

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 2022.

In-service employee liability

Retiree liability

Total defined benefit liability

% change in defined benefit liability

1% decrease 6.3% p.a.	Base liability 7.30% p.a.	1% increase 8.3% p.a.
R'000	R'000	R'000
13 218 084	14 580 194	16 165 165
18 111 716	18 111 716	18 111 716
31 329 800	32 691 910	34 276 881
-4.2%	0%	4.8%

**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 2022.

In-service employee liability

Retiree liability

Total defined benefit liability

% change in defined benefit liability

1% decrease 10.20% p.a.	Base liability 11.20% p.a.	1% increase 12.20% p.a.
R'000	R'000	R'000
17 025 368	14 580 194	12 606 030
18 991 178	18 111 716	17 315 433
36 016 546	32 691 910	29 921 463
10.2%	0%	-8.5%



#### 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 2022.

	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	14 809 628	14 580 194	14 341 607
Retiree liability	18 494 979	18 111 716	17 719 884
<b>Total defined benefit liability</b>	<b>33 304 607</b>	<b>32 691 910</b>	<b>32 061 491</b>
% change in defined benefit liability	2%	0%	-2%

#### 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 2022.

	Higher take- up rate 90%	Base liability 70%	Lower take-up rate 50%
	R'000	R'000	R'000
In-service employee liability	13 703 190	14 580 194	14 580 194
Retiree liability	18 111 716	18 111 716	18 111 716
<b>Total defined benefit liability</b>	<b>31 814 906</b>	<b>32 691 910</b>	<b>32 691 910</b>
% change in defined benefit liability	-2.7%	0%	0.0%

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	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
<b>Current Liability</b>				
Opening net carrying amount	228 274	295 169	228 274	295 169
Grants received during the year	134 899	128 137	134 899	128 137
Grants accrued	24 910	-	24 910	-
Grants realised	(184 279)	(195 032)	(184 279)	(195 032)
Closing net carrying amount	203 804	228 274	203 804	228 274

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 grant is earmarked for the construction of assets. The value of these assets are 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	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
<b>Deferred tax liability</b>				
Property, plant and equipment	-	(2 665)	-	-
Right-of-use assets	-	(6 134)	-	-
<b>Total deferred tax liability</b>	-	(8 799)	-	-
<b>Non-Current deferred tax</b>	-	(8 799)	-	-
<b>Deferred tax asset</b>				
Leave provision	-	461	-	-
Provision for impairment on debtors	-	59	-	-
Lease liability	-	7 973	-	-
Property, plant and equipment	-	-	-	-
Bonus provision	-	811	-	-
Assessed loss	-	31 964	-	-
Work in progress	-	5 343	-	-
<b>Total deferred tax asset, net of valuation allowances recognised</b>	-	46 610	-	-
<b>Net deferred tax</b>	-	37 812	-	-
<b>Reconciliation of deferred tax asset / (liability)</b>				
<b>At the beginning of the year</b>	-	27 553	-	-
Movement in Capital allowance	-	(422)	-	-
Temporary difference on finance lease	-	1 972	-	-
Temporary difference on right of use assets	-	-	-	-
Temporary difference on lease liabilities	-	(247)	-	-
Temporary difference on bonus provision	-	143	-	-
Temporary difference on Leave provision	-	83	-	-
Temporary difference on provision for bad debt	-	38	-	-
Temporary difference on WIP	-	4 352	-	-
Temporary difference on assessed loss	-	4 340	-	-
	-	37 811	-	-

## 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 2022	Notes	R'000 Level 1	R'000 Level 2	R'000 Level 3	R'000 Total
<b>Financial and non-financial assets</b>					
Financial assets at fair value through profit or loss (FVPL)	17.4	9 718 094	-	-	9 718 094
Biological assets	18.5	-	-	2 957	2 957
<b>Total financial and non-financial assets</b>		<b>9 718 094</b>	<b>-</b>	<b>2 957</b>	<b>9 721 051</b>
<b>Financial and non-financial liabilities</b>					
Interest bearing borrowings	17.6	-	-	-	-
<b>Total financial and non-financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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
<b>Financial and non-financial assets</b>					
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
<b>Total financial and non-financial assets</b>		9 095 070	-	5 122	9 100 192
<b>Financial and non-financial liabilities</b>					
Interest bearing borrowings	17.6	-	-	-	-
<b>Total financial and non-financial liabilities</b>		-	-	-	-

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:

	2022	2021
Total fair value of non-current interest-bearing borrowings:	207 426	148 813

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 2022 and 31 December 2021:

	Group		University	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Opening net carrying amount	5 122	5 930	3 018	3 018
Selling	(1 414)	(2 413)	(370)	-
Additions	132	16	-	-
Revaluation	(882)	1 589	(1 914)	-
Closing net carrying amount	2 957	5 122	735	3 018

## 20. Cash flow information

### 20.1 Cash generated from operations

	Notes	Group		University	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Reconciliation of net surplus to cash generated from operations:					
Surplus for the year before market value adjustments on investments		1 376 256	1 074 896	1 263 720	1 102 447
(Income)/loss from associate		(2)	(124)	116 705	(124)
Surplus for the year without associate		1 376 254	1 074 772	1 380 425	1 102 323
Adjustments for:					
Depreciation	18.1	107 771	115 969	105 017	105 598
Dividends	14	(83 132)	(59 299)	(82 809)	(59 066)
Interest received	14	(320 570)	(225 008)	(320 069)	(224 422)
Administration cost financial assets	15	23 324	22 139	23 292	22 076
Interest expense		21 228	21 830	20 229	20 228
(Profit)/loss on sale of assets	11	67 823	3 545	8 114	3 565
(Profit)/loss on sale of financial assets		(868 153)	(265 003)	(867 236)	(263 908)
Deferred income accrued		24 910	-	24 910	-
Purchase of property, plant and equipment and cost of patents relating to grants	18.7	17 935	48 300	17 935	48 300
Changes in working capital (excluding the effects of acquisitions and disposals):					
- Inventories		(1 835)	809	(1 835)	809
- Deferred tax		37 812	(10 258)	-	-
- Biological assets		2 165	808	2 283	-
- Trade and other receivables		(11 153)	43 353	(18 197)	36 925
- Student loans		22	-	22	-
- Trade and other payables		61 073	347 967	96 083	337 024
- Deferred income		(67 315)	(115 196)	(67 315)	(115 196)
- Retirement benefit surplus		(16 235)	(9 070)	(16 235)	(9 070)
- Post-employment medical obligation		38 802	36 622	38 802	36 622
- Accrued leave obligation		29 983	(27 186)	29 983	(25 835)
- Post-employment group life obligation		-	(3)	-	(3)
Cash generated from operations		440 709	1 005 093	373 400	1 015 971

### 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		191 957	187 450	187 736	187 450
New loans		-	4 221	-	-
Interest accrued		21 228	21 830	20 229	20 228
Cash flow payments		(26 658)	(21 544)	(21 438)	(19 942)
Net liabilities as at 31 December	17.6	186 527	191 957	186 527	187 736

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	203
22 Financial risk management	203 – 211
23 Capital Management	212

## 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
<b>Market risks:</b>				
- 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.

	Group		University	
	2022 %	2021 %	2022 %	2021 %
Foreign investment exposure to foreign currencies (Also refer to 17.4)				
US Dollar	33%	33%	33%	33%
	R '000	R '000	R '000	R '000
Sales revenue for the year dominated in foreign currency (ZAR amount).	11 092	81 734	11 092	19 220
Trade receivables dominated in foreign currency as at 31 December (ZAR amount)	3 070	6 790	3 070	886

#### 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.

	Group	University
	R '000	R '000
	±10%	±10%
Possible variances in foreign currency rates:		
Foreign Investments	319 962	326 319

### 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 2022 and 2021 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	2022		2021	
			R'000	% of borrowings	R'000	% of borrowings
Fixed rate borrowings	17.6		(186 527)	100%	(191 957)	100%
FirstRand Bank		10.13%				
Development Bank of South Africa		12.04%				
Variable rate borrowings*	17.3	Prime	-	0%	-	0%

\* 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 2022, 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			
		2022		2021	
		R'000	% of investment portfolio	R'000	% of investment portfolio
Listed national shares	17.4	1 765 339	18%	2 111 909	23%
Foreign shares	17.4	3 199 617	33%	3 263 185	36%

#### 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.

	2022 R '000 ±10%
Possible variance in price risk:	
Shares (listed)	176 534
Foreign shares	319 962

### 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 2022, 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 2022 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 2022 and 31 December 2021 was determined as follows for both student and trade receivables.

#### Student receivables

The University is exposed to credit risk regarding student receivables. The University requires students to pay a minimum deposit on registration in respect of fees in order to mitigate the risk. Outstanding fees are monitored on a regular basis and action is taken in respect of long outstanding amounts.

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 UFS require that all student debt has to be settled as follows within the year in which it is incurred:

- 31 March: All first-semester fees and 50% of year programs fees need to be settled.
- 30 June: All year program fees for international students need to be settled in full.
- 31 August: All second-semester fees and year program fees need to be settled in full.

A student not complying with the settlement terms above is considered to be a defaulting student.

All receivables deemed impaired, are written off and handed over to third-party collectors.

Any student whose account has been written off as bad debt will only be readmitted to the UFS once the total amount that was written off has been settled in full.

The expected loss rate for these students are adjusted, based on past trends that take into consideration 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

Student not classified as high risk  
Students not registered, who did not obtain a qualification and received NSFAS.  
Students not registered, who did not obtain a qualification and did not receive NSFAS.

2022	% deemed irrecoverable	R '000 deemed irrecoverable
R '000		
163 901	0%	-
17 347	43%	7 421
69 639	68%	47 097
250 888		54 518

#### Gross student receivables

Student not classified as high risk  
Students not registered, who did not obtain a qualification and received NSFAS.  
Students not registered, who did not obtain a qualification and did not receive NSFAS.

2021	% deemed irrecoverable	R '000 deemed irrecoverable
R '000		
188 177	0%	-
15 863	13%	2 053
57 335	71%	40 708
261 375		42 760

The closing loss allowances for student and other receivables as at 31 December 2022 reconcile to the opening loss allowances as follows:

#### Student receivables loss allowance

Opening loss allowance  
New allowance / (Allowance reversal) for credit losses  
(Receivables written off) / recovered during the year.  
Closing net carrying amount

Group	University
2022	2022
R ' 000	R ' 000
42 760	42 760
75 828	75 828
(64 070)	(64 070)
54 518	54 518

**Other receivables (excluding tax receivable) – 2022**

When commercial customers fail to meet contractual obligations, they are considered to be a defaulting customer.

The University mitigate credit risk relating to commercial customers by ensuring that legal agreements are in place for all projects and grants. Outstanding fees are monitored on a regular basis and action is taken in respect of long outstanding amounts. When a third party defaulted, the account is handed over to third-party debt collectors.

Writing of irrecoverable debt, will only be considered where the collecting agent/attorney had declared and provided proof that the account is irrecoverable or the account has prescribed to government debt prescription guidelines.

	Group				
	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
31 December 2022					
Expected loss rate – University	0%	0%	1%	0%	23%
Gross carrying amount	125 832	5 200	5 849	1 428	16 592
<b>Loss Allowance</b>	<b>1 028</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>3 816</b>
					<b>4 903</b>

**Other receivables (excluding tax receivable) – 2021**

	Group				
	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
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
<b>Loss Allowance</b>	<b>1 855</b>	<b>48</b>	<b>248</b>	<b>-</b>	<b>870</b>
					<b>3 021</b>

	Group		University	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
Trade Receivables loss allowances				
Opening loss allowance	3 021	2 422	2 672	2 422
(Reversal) / New allowance for credit losses	2 578	592	2 578	592
Receivables written off during the year	(347)	(1 601)	(347)	(1 950)
<b>Closing net carrying amount</b>	<b>4 903</b>	<b>3 021</b>	<b>4 903</b>	<b>2 672</b>

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** (2021 – R0,013mm) 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** (2021 – R26,511m) are past due.

The age analysis of these loans are as follows:

	Group		University	
	2022 R ' 000	2021 R ' 000	2022 R ' 000	2021 R ' 000
Current	-	-	-	-
30 Days	-	-	-	-
60 Days	-	-	-	-
90 Days	-	-	-	-
120 Days and longer	26 501	26 511	26 501	26 511
	26 501	26 511	26 501	26 511

As at 31 December 2022, student loans of **R26,492m** (2021: R26,492m) 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** (2021 – R26,492m) was raised.

Movement on the allowance for credit losses for students who completed their studies, which are past due are as follows:

	Group		University	
	2022 R ' 000	2021 R ' 000	2022 R ' 000	2021 R ' 000
Opening net carrying amount	26 492	28 656	26 492	28 656
(Reversal) / Allowance for new credit losses	-	-	-	-
Loans written off during the year	-	(2 164)	-	(2 164)
Closing net carrying amount	26 492	26 492	26 492	26 492

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 on 1 October 2018. FARMOVS (Pty) Ltd was a fully owned subsidiary up to 1 March 2022. The loan is subordinated for a period of 24 month subsequent to 6 July 2021 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. Impairment of the loan was considered, but deemed unnecessary due to the subordination of the loan.

### 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.

	Group		University	
	2022	2021	2022	2021
	R ' 000	R ' 000	R ' 000	R ' 000
National bonds and unlisted debt	1 518 618	916 549	1 518 618	916 549
Listed national shares	1 765 339	2 111 909	1 753 643	2 099 245
Foreign shares and bonds	3 199 617	3 263 185	3 188 338	3 251 044
Futures	920	353	920	353
Current investments **	3 233 599	2 803 072	3 230 235	2 799 879
	9 718 094	9 095 070	9 691 754	9 067 071

\*\* 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	
	2022	2021	2022	2021
	%	%	%	%
National bonds and unlisted debt	16%	10%	16%	10%
Listed national shares	18%	23%	18%	23%
Foreign shares and bonds	33%	36%	33%	36%
Futures	0%	0%	0%	0%
Current investments	33%	31%	33%	31%
	100%	100%	100%	100%

### Listed National bonds and unlisted debt maturity

0 - 1 year	21.06%	7.25%	21.06%	7.25%
1 - 3 years	4.07%	11.13%	4.07%	11.13%
3 - 7 years	26.59%	14.42%	26.59%	14.42%
7 - 12 years	27.89%	28.81%	27.89%	28.81%
12+ years	20.39%	38.38%	20.39%	38.38%
	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 2022					
Borrowings	23 046	51 407	59 407	192 668	186 527
Trade and other payables	1 003 866	-	-	-	1 003 866
	1 026 912	51 407	59 407	192 668	1 190 392

	Group				
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
At 31 December 2021					
Borrowings	21 438	47 820	55 263	223 445	191 957
Trade and other payables	942 076	-	-	-	942 076
	963 514	47 820	55 263	223 445	1 134 032

	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 2022					
Borrowings	23 046	51 407	59 407	192 668	186 527
Trade and other payables	991 082	-	-	-	991 082
	1 014 128	51 407	59 407	192 668	1 177 608

	University				
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
At 31 December 2021					
Borrowings	21 438	47 820	55 263	223 445	187 736
Trade and other payables	894 999	-	-	-	894 999
	916 437	47 820	55 263	223 445	1 082 735

### 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	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Current portion of financial assets	3 234 520	2 803 426	3 231 155	2 800 233
Cash and cash equivalents	130 483	282 430	130 287	278 579
Total	3 365 002	3 085 856	3 361 442	3 078 812
Current liabilities	528 663	1 201 373	515 879	1 145 497
Total current liabilities	528 663	1 201 373	515 879	1 145 497
Net position	2 836 339	1 884 484	2 845 563	1 933 315

#### Farmovs (Pty) Ltd

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 2022 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
		2022	2021		
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	Associate	49.50%	100%	Note 24.3.1	Clinical research company
Sun Media Bloemfontein (Pty) Ltd	Non-controlling interest	17.0%	17.0%	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
Moraband investments (Pty) Ltd	Non-controlling interest	40.0%	0.0%	Note 24.3.1	Commercialisation of research
Freefarm Innovations (Pty) Ltd	Controlling interest	50.0%	0.0%	Note 24.3.1	Agricultural research, Dormant
Nova Logix (Pty) Ltd	Non-controlling interest	24.5%	0.0%	Note 24.3.1	Commercialisation of research, Dormant

All of the above entities are wholly owned, except for Farmovs (Pty) Ltd, SunMedia Bloemfontein (Pty) Ltd, Moraband Investments (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 was material to the group. It was a wholly owned subsidiary up to 1 March 2022. It 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 in 2021)

	2022	2021
	R '000	R '000
<b>Assets</b>		
Property, plant and equipment	2 818	2 872
Biological Assets	2 222	2 104
Investments	26 340	27 999
Receivables and prepayments	1 083	1 399
Bank and cash	190	1 500
Total assets	32 653	35 874
<b>Funds and liabilities:</b>		
Accumulated profit / funds available	19 888	23 132
Trade payable	12 765	12 743
Total funds and liabilities	32 653	35 874

### 24.2.2 Statement of financial position of Farmovs Pty Ltd.

Figures disclosed only for the period during which the UFS retained controlling interest in Farmovs (Pty) Ltd. (1 January 2021 to 1 March 2022)

	2022	2021
	R '000	R '000
<b>Assets</b>		
Property, plant and equipment	-	45 706
Deferred tax	-	37 812
Receivables and prepayments	-	22 136
Current tax receivable	-	-
Cash and cash equivalents	-	2 351
<b>Total assets</b>	-	108 004
<b>Funds and liabilities:</b>		
Intercompany loans	-	43 888
Accumulated profit / (loss)	-	(19 509)
Finance leases	-	28 474
Trade and other payables	-	50 931
<b>Total funds and liabilities</b>	-	103 784

## 24.3 Investment in associates and subsidiaries

### 24.3.1 Investment in associates

		Group		University	
		2022	2021	2022	2021
		R '000	R '000	R '000	R '000
<b>Unlisted</b>					
- Sun Media Bloemfontein (Pty) Ltd	24.3.1.1	-	-	-	-
- Verisol (Pty) Ltd	24.3.1.2	175	-	175	-
- Farmovs (Pty) Ltd	24.3.1.3	-	-	-	-
- Moraband (Pty) Ltd	24.3.1.4	8	-	8	-
<b>Total investment in associates</b>		183	-	183	-

#### 24.3.1.1 Sun Media Bloemfontein (Pty) Ltd

	Group		University	
	2022	2021	2022	2021
	R '000	R '000	R '000	R '000
Opening net carrying amount	-	50	-	50
Profit/(loss) in associate	-	(50)	-	(50)
Closing net carrying amount	-	-	-	-
Revenue of the associate	361	324	361	324
Assets and liabilities of the associate:				
Assets	162	169	162	169
Liabilities	197	185	197	185
Equity	(35)	(16)	(35)	(16)

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 its 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	
	2022	2021	2022	2021
	R '000	R '000	R '000	R '000
Opening net carrying amount	174	-	174	-
Profit/(loss) in associate	2	174	2	174
Closing net carrying amount	175	174	175	174
Revenue of the associate (2021: 10%)	4	-	4	10
Assets and liabilities of the associate: (2021: 10%)				
Assets	182	183	182	183
Liabilities	3	5	3	5
Equity	184	189	179	178

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.

### 24.3.1.3 Farmovs (Pty) Ltd

Opening net carrying amount	-	-	-	-
Investment in associate	56 504	-	56 504	-
Impairment losses recognised	(56 504)	-	(56 504)	-
Closing net carrying amount	-	-	-	-
Revenue of the associate (2022: 49.5%)	112 659	-	112 659	-
Profit / (Loss) of the associate (2022: 49.5%)	(7 892)	-	(7 892)	-
Assets and liabilities of the associate: (2022: 49.5%)				
Assets	85 116	-	85 116	-
Liabilities	64 707	-	64 707	-
Equity	20 408	-	20 408	-

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 (4 000 000 subscription shares) to the University on 31 December 2021 for R20 m. On 1 March 2022, the University sold 50.5% of it's shares to Avacare Shared Service CMA (Pty) Ltd.

### 24.3.2 Investment in subsidiary

		Group		University	
		2022	2021	2022	2021
		R '000	R '000	R '000	R '000
Unlisted					
- Farmovs (Pty) Ltd	24.3.2.1	-	-	-	116 707
Total investment in subsidiary		-	-	-	116 707
24.3.2.1 Farmovs (Pty) Ltd					
Opening net carrying amount		-	-	116 707	96 707
Sale of subsidiary		-	-	(116 707)	20 000
Closing net carrying amount		-	-	-	116 707

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. On 1 March 2022, the University sold 50.5% of it's shares to Avacare Shared Service CMA (Pty) Ltd.



### 24.3.3 Loss of control over subsidiary during the reporting period

#### 24.3.3.1 Background

Farmovs (Pty) Ltd is a clinical research organisation involved in pharmaceutical contract research and operates principally in South Africa. On 1 March 2022, the University sold 50.5% of its shares to Avacare Shared Service CMA (Pty) Ltd.

No other business interest in subsidiaries were disposed during 2021.

Details of the consideration and the net carrying amounts of the net assets at the date of disposal were as follow:

#### 24.3.3.2 Consideration

	2022 R
Consideration received in cash	5 050 000
Consideration not yet received. (Included in Accounts Receivable)	5 050 000
<b>Total purchase consideration</b>	<b>10 100 000</b>

#### 24.3.3.3 The carrying amount of the net assets and liabilities at the date of disposal were as follow:

Property, plant and equipment	36 968 523
Deferred tax	37 799 384
<b>Total Non-current assets</b>	<b>74 767 908</b>
Cash and cash equivalents	2 590 451
Inventory	2 410 203
<b>Total Current assets</b>	<b>5 000 653</b>
Finance leases	2 487 783
Trade and other payables	(36 816 798)
Current tax payables	(698 998)
<b>Total Current liabilities</b>	<b>(35 028 013)</b>
Intercompany loans	(22 174 667)
<b>Total Non-current liabilities</b>	<b>(22 174 667)</b>
Accumulated profit / (loss)	107 523 069
<b>Total net assets</b>	<b>130 088 950</b>
<b>Sale of 50.5% net assets</b>	<b>65 694 920</b>
<b>Consideration received</b>	<b>10 100 000</b>
<b>Loss with sale of 50.5% interest in subsidiary.</b>	<b>55 594 920</b>

#### 24.3.3.3 Consideration – Cash inflow

Inflow of cash due to sale of 50.5% of shares in subsidiary, net of cash acquired	
Cash consideration received	5 050 000
Less: Cash and cash equivalents disposed off	(2 590 451)
<b>Net inflow of cash and cash equivalents</b>	<b>2 459 549</b>

## 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	
	2022	2021	2022	2021
	R '000	R '000	R '000	R '000
<b>Balances:</b>				
Intercompany loans receivable	33 180	43 888	-	-
Trade receivables from entity	21 430	8 389	-	-
Trade payables to the entity	136	272	36	-
<b>Transactions:</b>				
Rent received	9 262	1 693	-	-
Purchases of goods and services	880	10 995	508	814
Interest received	-	-	-	-
Other income	3 519	5 748	-	-

	Lila Theron Farm		Kovsie Alumni Trust	
	2022	2021	2022	2021
	R '000	R '000	R '000	R '000
<b>Balances:</b>				
Trade receivables from entity	12 521	11 902	-	-
<b>Transactions:</b>				
Distribution from entity to the UFS	78	2 761	2 607	2 532
Admin fees income	94	95	22	303

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	221
26. Events after reporting date	221
27. Contingent liabilities	221
28. Summary of significant accounting policies not disclosed in individual notes above	222 – 223

## 25. Commitments

### Capital commitments

Group	University	Group	University
2022	2022	2021	2021
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

90 062	90 062	90 929	90 929
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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.

## 27. Contingent liabilities

At year-end a possible contingent liabilities ranging between R5 million and R10 million exist. The University's management consider the likelihood of the actions against the University being successful as unlikely.

## 28. Summary of significant accounting policies not disclosed in individual notes above

### 28.1 Foreign currency translation

#### 28.1.1 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.

### 28.2 Principals of consolidation

#### 28.2.1 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.

#### 28.2.2 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.

#### 28.2.3 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.

#### 28.2.4 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.

#### **28.2.5 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.

### **28.3 Funds and reserves**

#### **28.3.1 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.

#### **28.3.2 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. Council retains an oversight role with regard to ensuring that expenditure is in accordance with the mandate received from funders and University policies.

#### **28.3.3 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.

#### **28.3.4 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 2022 (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
<b>Non-current investments</b>									
Government stocks/bonds	853 185	916 549	1 808 619	(1168 307)	(19 054)	(38 243)	1 493 497	1 518 618	-
Shares (listed)	1 849 199	2 111 909	1 057 125	(1 256 473)		(147 223)	1 649 852	1 765 339	227 127
Other	2 099 035	3 263 185	1 084 529	(581 020)	20 129	(567 077)	2 602 544	3 199 617	-
<b>Current investments</b>									
Futures	498	353	175 109	(195 384)	-	20 842	(19 777)	920	-
Other	2 810 259	2 803 072	4 817 264	(4 378 077)	-	(8 660)	3 249 446	3 233 599	176 576
<b>TOTAL</b>	<b>7 612 177</b>	<b>9 095 070</b>	<b>8 942 645</b>	<b>(7 579 260)</b>	<b>1 075</b>	<b>(740 361)</b>	<b>8 975 562</b>	<b>9 718 094</b>	<b>403 703</b>

This statement is unaudited and does not form part of the consolidated or stand alone financial statements



TYPE OF BORROWING	TOTAL R'000	AMOUNTS PAYABLE WITHIN ONE YEAR R'000
Banking institutions	(186 527)	-
<b>TOTAL</b>	<b>(186 527)</b>	<b>-</b>

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:

<b>“Annexure”</b>	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
<b>“Chairperson”</b>	means the chairperson for the time being of the Council;
<b>“Code of Conduct”</b>	means this official code of conduct of the UFS and related regulations pertaining to the Council and members of the Council;
<b>“Conflict of Interest Policy”</b>	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;
<b>“Council”</b>	means the Council of the UFS, the function and composition of which is set out in the official UFS Statute;
<b>“Council Committee(s)”</b>	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;
<b>“Disciplinary Procedure”</b>	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;
<b>“Exco”</b>	means the Executive Committee of the Council, constituting part of the Council Committees;
<b>“Higher Education Act”</b>	means the Higher Education Act 101 of 1997, as amended from time to time;
<b>“Institutional Forum”</b>	means the institutional forum contemplated in paragraph 27 of the Statute and section 31 of the Higher Education Act;
<b>“Registrar”</b>	means the officer contemplated in paragraph 11 of the Statute and section 26(4)(b) of the Higher Education Act;
<b>“Secretariat”</b>	means the official secretariat of the UFS that is responsible for meeting administration;
<b>“Senate”</b>	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.

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**REGISTRAR**

This Code of Conduct was approved by the Council on 19 June 2020.

## Appendix 3:

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:

<b>“Affected Member”</b>	has the meaning ascribed thereto in paragraph 7.3.1.1 ( <i>Conflict of Interest Policy</i> ) below;
<b>“Annexure”</b>	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;

<b>“Disclosure Statement”</b>	has the meaning ascribed thereto in paragraph 6.2.4 ( <i>Responsibility of Council members and members on Council Committees</i> );
<b>“Exco”</b>	means the Executive Committee of the Council, constituting part of the Council Committees;
<b>“Higher Education Act”</b>	means the Higher Education Act 101 of 1997, as amended from time to time;
<b>“Indirect”</b>	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 <b>“Indirectly”</b> shall have a similar meaning;
<b>“Institutional Forum”</b>	means the institutional forum contemplated in paragraph 27 of the Statute and section 31 of the Higher Education Act;
<b>“Joint Venture”</b>	means a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control;
<b>“Member”</b>	means a member of the Council;
<b>“Registrar”</b>	means the officer contemplated in paragraph 11 of the Statute and section 26(4)(b) of the Higher Education Act;
<b>“Related Party”</b>	has the meaning ascribed thereto in paragraph 7.1.1 ( <i>Conflict of Interest Policy</i> );
<b>“Related Party Transactions”</b>	has the meaning ascribed thereto in paragraph 7.1.2 ( <i>Conflict of Interest Policy</i> );
<b>“Senate”</b>	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 a 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 <b>C2021/002</b>
Coordinating EXCO member	Registrar
Contact person	Deputy Registrar: Governance and Policy
Status	Council Policy
Approved by	Rectorate: 2020-05-13 ECC: 2020-05-28  <b>Rectorate: 2021-08-11</b> <b>ECC: 2021-08-19</b>
Date finally approved	Council: 2020-06-19  <b>Council: 2021-09-17</b>

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."*







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