

UNIVERSITY OF THE FREE STATE

# ANNUAL REPORT

TO THE MINISTER OF HIGHER EDUCATION,  
SCIENCE AND INNOVATION

2020

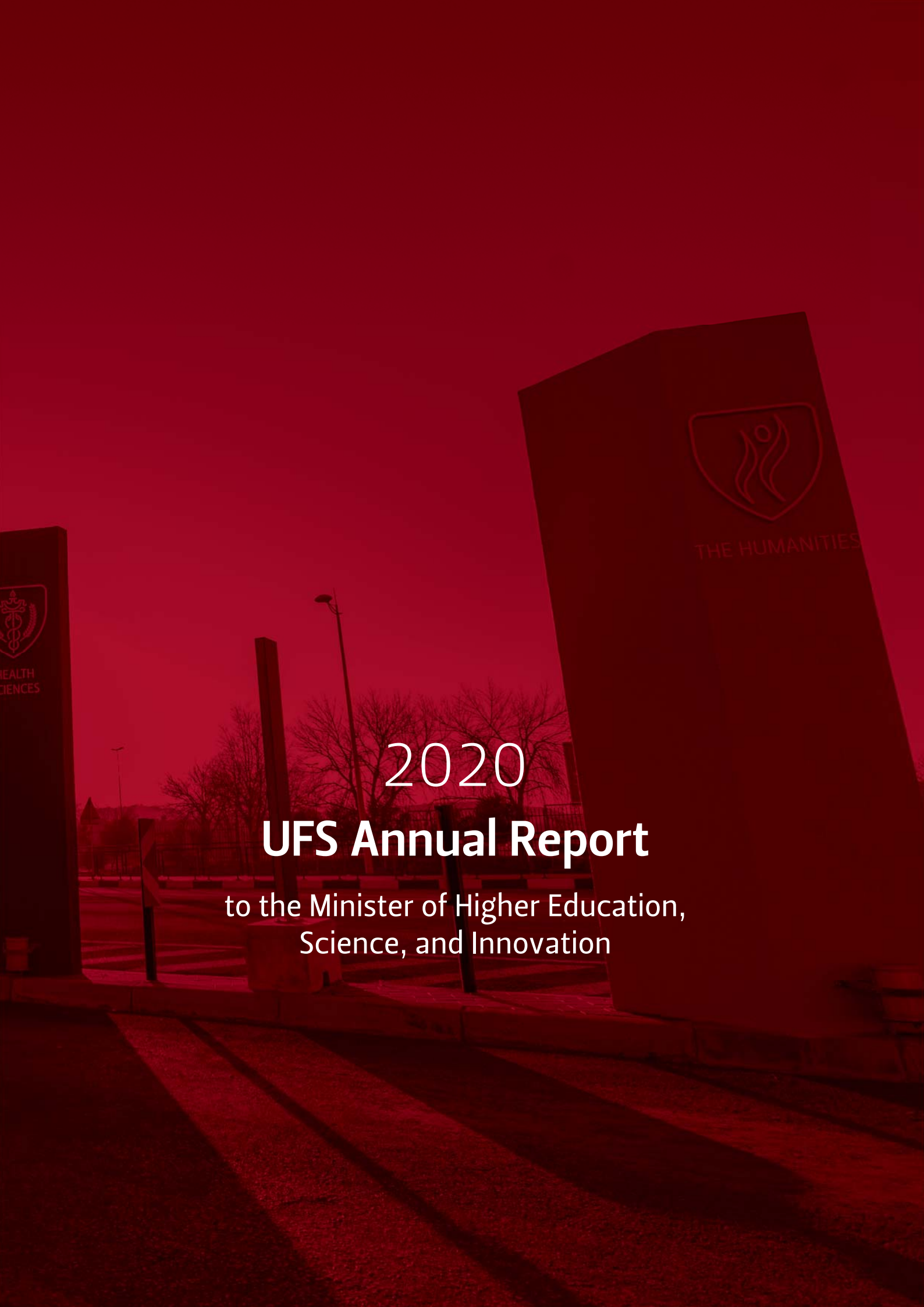
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UNIVERSITY OF THE  
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2020

# UFS Annual Report

to the Minister of Higher Education,  
Science, and Innovation

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PREFACE

## 1.2 Report from the Council Chair



Dr Willem Louw  
Chairperson: UFS Council

Never in the past 116 years of its existence has the character of the University of the Free State (UFS) been tested as during the 2020 calendar year. Largely because of its continued focus on caring and diversity, the year has once again translated into an outstanding university experience for all involved. This was evident from the innovation, sound leadership, and resilience displayed by staff and students, which ensured that the university remained solidly on course in terms of meeting its strategic goals. It was a year in which many of the staff and students' lives were irrevocably affected by the devastating effects of the COVID-19 pandemic. It was also a year of cutbacks and drastic reduction in activities for so many businesses, institutions, and organisations globally. For the UFS it was, however, a year characterised by growth, development, reflection, and opportunity.

The solid, level-headed, visionary leadership provided by the Rector and Vice-Chancellor, Prof Francis Petersen, his management team, and all the governing structures of the UFS, deserves a great share of the credit for what could be accomplished in 2020 amid great challenges. Early reaction and a sustained focus on the risks of the pandemic characterised the UFS response action to COVID-19. It was immensely reassuring to see the carefully considered emergency systems kick into action, marked by centralised decision making and communication, and underscored by sound scientific thinking.

It is this approach that has helped to make 2020 truly a year that demonstrated its theme of '*Visibility and Impact*'. The UFS has remained prominent in its wider environment, assisting the communities it serves with accurate scientific information, and making an impact – not only in the spheres of knowledge creation and application, but also contributing towards higher education in general, stimulating development of new innovative teaching and learning concepts.

The year 2020 marked the halfway mark of the implementation of the *UFS Strategic Plan* with its focus on the institution's commitment to distinguish itself as an institution that will deliver excellent quality graduates and knowledge through academic excellence, diversity, and inclusivity, and through innovative and transformative thought for the region, the continent, and the globe. The key areas of transformation are embodied in the *Integrated*



*Transformation Plan* (ITP), encompassing curriculum review, methodologies to improve student success, advancing knowledge contribution, improving visibility and engagement, and strengthening administrative systems. Despite the obvious challenges posed by the COVID-19 pandemic, the UFS has managed to make great strides during 2020 in delivering on its transformation targets as set out in the ITP.

An all-important goal remains to improve the success and well-being of our students. In the face of the forced, speedy transition to an emergency remote-learning and teaching environment brought about by national lockdown measures, several creative solutions had to be found, while keeping long-term sustainability in mind. The holistic support offered to students consistently sets the UFS apart as a higher education institution and has enabled it to achieve some of the highest success rates in the country, plus to deliver graduates who are widely regarded as highly employable.

From a learning and teaching perspective, it was a year for innovative development of new and existing strategies, resulting in positive indications of sustained student success. Two clear goals crystallised early on in 2020, namely, to finish the academic year and to make sure that no student was left behind. Many initiatives flowed out of these two goals – from procuring laptops for qualifying students, training staff and students to operate in a remote setting, to arranging zero-rated learning portals.

Learning and teaching also required the pivoting of existing student support and success initiatives, ranging from tutor services to language development, allowing them to continue in an online environment, as well as expanding the scope of the services offered to include more holistic support and greater reach.

In many respects, not only has learning and teaching been sustained, but the quality thereof has been enhanced. Important foundational work has been done to enable more flexible approaches that can serve as a building block towards capitalising on digitalisation and moving towards a blended learning and teaching model in future.

All of this contributed to the welcome fact that the overall institutional success rate improved by 5% from 2019 to 2020, with some faculties showing increases of between 9% and 11%. The UFS has made significant progress with success rates over the past ten years, with the general success rate improving by 13% between 2010 and 2020, while the achievement gap between white and African students halved from 16% in 2010 to 8% in 2020. The UFS remains committed to multilingualism and to enabling a language-rich environment to ensure that language is not a barrier to equity of access, opportunity, and success in academic programmes or to the UFS administration. An important and exciting step towards accomplishing this is the establishment of the Academy for Multilingualism, which is in the final stages of implementation and is due to be launched in early 2021. Among its functions will be to facilitate multilingual glossaries, abstract translations, and voice-overs for lessons and tutorials – putting the UFS at the forefront of multilingual learning and teaching.

A further area where significant headway has been made, is the strategic goal of increasing the UFS contribution to local, regional, and global knowledge. Apart from playing a leading role nationally in developing effective digital teaching and learning strategies during 2020, staff and students also continued to realise the UFS vision of being a research-led institution.

From a research perspective, the 2020 reporting period produced significant opportunities, despite the restrictions and challenges of the national lockdown measures. Academics had the opportunity to apply for new sources of funding related to the pandemic and were able to connect with international scholars and attend international conferences through the many virtual meeting platforms used to connect our world during this time.

The total number of research outputs increased by 220 units from the outputs produced in 2019, and the quality thereof enhanced. This is confirmed by the number of outputs published in international journals and by the number of books published by international publishing houses. The number of National Research Foundation (NRF)-rated researchers increased from 171 to 193 in 2020. Not only has the number of rated researchers increased, but the categories of NRF ratings have also improved.

During 2020, the UFS was awarded two A1 ratings, one A2 rating, and a successful P-rating. A total of 33% of the rated individuals were female and 19% were black – a significant increase from the 8% of NRF-rated black academics in 2016. There was also an increase in the number of NRF-rated academics on the Qwaqwa Campus, contributing to the development of a senior academic cohort on this campus. In line with its research strategy, the UFS was able to develop different areas of expertise by increasing its number of SARChI chairs to six.

Achieving financial sustainability continued to be a vital priority, and here the UFS Council exercised its governance and oversight role with long-term sustainability and the wider interests of the broader community firmly in focus. Contributing to the university's commercialisation activities in 2020, was a newly developed *Agribusiness Park* hosting several start-up companies, including a brewery, cheese factory, large-scale mushroom production, and plant growth stimulator production operation. All of this contributed to stimulate entrepreneurial activities and to provide hands-on training opportunities for students.

A number of construction and spatial development projects were initiated or resumed during this year. All these projects were executed within the parameters of an overarching goal to ensure that spaces on campus promote a socially just institution that celebrates freedom of expression and provides a sense of solidarity and belonging for all, as set out in the ITP. One such project that made great progress during 2020, was the revitalisation of the library infrastructure on all three campuses. Apart from physical improvements, the *Library and Information Service* (LIS) also responded to the lockdown by providing information services online to all students and academics. A *Centre for Digital Scholarship* has been established to increase the visibility and accessibility of research and research data.

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. In particular, the UFS strives to continuously demonstrate its social responsibility. One of the most effective vehicles for this continues to be our *Engaged Scholarship Strategy*. This strategy aims to position and apply the knowledge we produce in and through teaching and learning, research, and citizenship in the quest to promote development and innovation, and to advance citizenship and service for the public good. During 2020, the UFS continued to foster its 150 longstanding partnerships with a wide array of stakeholders. Social-distancing restrictions brought about by the COVID-19 pandemic, however, meant that most of the face-to-face community engagement activities could not take place during 2020.

An innovative platform has accordingly been initiated where students could continue to engage with UFS community partners, and at the same time be assessed for their service learning and community engagement projects. *The E-Engagement Scholarship Strategy* also met the university's strategic mandate to be a caring, responsive, and engaged university. Academic staff and students have used this platform to engage with their community partners, offering support, advice, and assistance during a period of great need, thereby once again living up to the 2020 theme of 'Visibility and Impact'.

I am truly inspired by staff and students who, instead of retreating and 'waiting out the storm' of the pandemic, proactively reached out to make a difference in the communities they serve. This was done by grabbing hold of opportunities that presented themselves amid the turmoil and uncertainty, as visibly demonstrated by an institution that found innovative ways to meet its goals despite the challenges.

In the words of Henry Ford:

*"Obstacles are those frightful things you see when you take your eyes off your goal."*

A solid, undeterred focus on its goals – taking into account pressing immediate needs as well as long-term sustainability concerns – is what has made this a successful year of visible innovation and value-creating impact for the UFS.

I am, as always, deeply honoured to be associated with this inspiring institution and thank my fellow Council members for their respective contributions in providing stellar governance to assist the institution to perform in times of significant uncertainty.



Dr Willem Louw  
Chairperson: UFS Council







## 1.2 Report from the Rector and Vice-Chancellor



Prof Francis Petersen  
Rector and Vice-Chancellor, UFS

The year 2020 will probably always be associated with the significant disruption, change, and uncertainty brought about by the COVID-19 pandemic in all sectors of society. Higher education in general and the University of the Free State (UFS) in particular did not escape this impact. But along with all the challenges, several opportunities also presented itself, which we took care to actively make use of.

Our 2020 theme of '*Visibility and Impact*' was determined long before the first COVID-19 infection landed on our shores. We take immense courage from the fact that we still managed to live up to this motto – albeit in a very different way than we had initially envisioned.

Through timeous reaction and a carefully considered, comprehensive, centralised response strategy, we managed to *lessen the impact* – prioritising the health and safety of our staff and students by swiftly moving to an online and blended teaching and learning environment, assisting staff and students to access online resources and ensuring effective communication with all stakeholders.

We were also able to play our part in *making an impact* in the fight against the pandemic. Our *SARChI Research Chair in Vector-borne and Zoonotic Diseases*, ably headed by Prof Felicity Burt, has widely communicated sound scientific facts and advice to combat misinformation and uncertainty; our National Control Laboratory for Biological Products (NCLBP) performed the important task of national vaccine lot release; while our FARMOVS bio-analytical lab was involved in a randomised controlled study to determine the efficacy of Ivermectin as a treatment. The UFS has also shown its commitment to supporting government efforts to fight the pandemic in various ways, such as participating in the *Public Health Emergency Solidarity Trial*, assisting the provincial Department of Health with data management and infrastructure, data forecasting, modelling, and advising on the approaches to be taken to put the necessary systems in place.

And even though our *physical visibility* may have been severely curtailed by the restrictions of the national lockdown, we could find innovative ways to establish an *online visibility* in various fields of academia and management

– making a contribution, tapping into opportunities, and generally making our presence felt not only locally and nationally, but also in the global arena.

Despite a challenging year, governance has been kept firmly on track. We have been guided by the *UFS Strategic Plan* (2018–2022), the *Integrated Transformation Plan* (ITP), our *Seven Vice-Chancellor Strategic Projects*, the *Institutional Multi-Stakeholder Group*, and the *Institutional Risk Register*. In all these aspects, we have managed to stay on course with delivery targets. An excellent relationship continued to exist between the Rectorate and the University Council, with all council committees functioning well. A *Governance Project* was put in place to revise and/or update remits of all council and senate committees and to ensure alignment with faculty committees.

The year 2020 saw us completing a mid-term review of the ITP, which indicated significant progress with implementation over the past two years, plus identified potential areas of growth. We also managed to tighten the institution's policy environment by completing the *Appointment, Promotion and Performance Management policy* for academic staff, which was implemented at the end of 2020.

Early on, the COVID-19 pandemic crystalised a very clear and concrete goal for 2020: To successfully complete the 2020 academic year and not leave any student behind in doing so. In this quest, our efforts were mainly driven by the *Teaching and Learning portfolio*, whose mandate is to focus on student success, curriculum renewal, multilingualism, short learning programmes, and the tracking of institutional plans. Our *COVID-19 Special Executive Group* provided impetus to develop a *Digital Teaching and Learning Strategy*, a *Flexible Human Resources Model*, a *Revised Internationalisation Approach*, as well as collaboration and co-creation with different sectors of the economy.

In the portfolio of *Research and Internationalisation*, the *Differentiated Research Strategy*, the *Internationalisation Strategy*, and the *Innovation Strategy* have been implemented by faculties, but more needs to be done to convert these plans into demonstrable actions. Welcome progress has been made in the field of postgraduate funding, support, and governance, with a doctoral review completed by the Council on Higher Education.

During 2020, our researchers have demonstrated excellence in various areas, achieved international recognition for their efforts, and participated in various international research and funding consortia. We have managed to increase the number of NRF-rated researchers, and are especially proud of Profs Melanie Walker, Willem Boshoff, and Maxim Finkelstein for their A-ratings, and Dr Matteo Grilli for his P-rating.

Our human resources, infrastructure, information and communication technology, housing and residences have all stayed on track with what they had committed to do. Through engagement with the DHET, we managed to get our infrastructure development projects classified as essential services, which meant that construction on our three campuses could continue uninterrupted during 2020. We will refresh our focus in 2021 to continue to deliver an innovative, superior contribution to the Academic Project.

Financial management remained a key priority, and we continued to actively investigate and develop third-stream income opportunities. With 61% of our students funded by the National Student Financial Aid Scheme (NSFAS), we have changed our approach to student funding from merely an administrative focus to an aggressive business one. In this regard, we have maintained a proactive relationship with both the DHET and NSFAS.

We have made good progress in the areas of student application management, automating the student life cycle, student data governance, student appeals and student discipline and have introduced fully online registration for the first time during the 2020/2021 application and registration cycle.

The *Reputation Management Forum* (consisting of the departments of Communication and Marketing, Institutional Advancement, the International Office, Community Engagement, Career Services, Student Recruitment Services, representatives from faculties and the Qwaqwa and South Campuses) has produced a very progressive narrative for the UFS, which will be more broadly communicated and socialised during 2021. We firmly believe that engagement, conversation, clear communication, and decisive action will yield the type of environment in which we all want to work and study, and we will continue with engagement in a sphere of respect, tolerance for different views, with a firm focus on fairness and social justice.

In the portfolio of *Institutional Change, Student Affairs and Community Engagement*, much has been done in relation to student governance and well-being. Faculty councils have been established, student representation

increased in most of our governance structures, student safety (on and off campus) has received much attention, and policies and guidelines related to protest, discipline, engagement, and student wellness have been finalised and implemented. In the areas of violence, gender-based violence, and xenophobia, the *Unit for Institutional Change and Social Justice* (in collaboration with other academic and support service functions) conducted and developed critical conversations, position papers, and policies to guide the institution towards an inclusive and socially cohesive space that embraces the values of Ubuntu and respect.

We have successfully signed off on an *Engaged Scholarship Strategy*, which will be fully implemented in 2021. Our vision here is an engaged university that enjoys academic freedom and institutional autonomy but is engaged with the communities it serves. We must be enquiry-driven, and at the same time community-focused. We must be professionally attuned, but humanely informed, taking our global responsibilities seriously.

The COVID-19 pandemic has proven to us that no institution or individual can take on the economic, environmental, social, and technological challenges of our world on its own.

It also provided an opportunity for us to rethink and re-imagine higher education and the role of the University of the Free State in it, in order to contribute to a more inclusive, cohesive, fairer, and sustainable higher education system for the future.

We will build on the valuable experience gained in 2020, especially around '*Visibility and Impact*', and continue to find innovative ways to circumvent challenges and meet the goals we have set for ourselves.



Prof Francis Petersen  
Rector and Vice-Chancellor, UFS





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



**Table 1: Key performance indicators 2020**

**GREEN**

The UFS has achieved or exceeded the target.  
This category poses no material risk to the institution.

**RED**

The UFS did not achieve the target, either above or below the set target. This category poses a material risk to the institution.

*Explanatory footnotes clarify how each key performance indicator is calculated.*

Goal	Key performance area	Key performance indicator	2020	2020 target	% of 2020 target achieved	over/under 2020 target
1. Improve student success and well-being	1.1. Increase student success and throughput rates and reduce the achievement gap.	UG throughput rate <sup>1</sup>	58,0%	59,0%	98%	under
	1.2. Develop graduate attributes in curricular and co-curricular interventions.	Implementation of <sup>2</sup> graduate attributes project	80%	100,0%	80%	under
	1.3. Improve student safety and health issues.	Student perceptions of UFS support <sup>3</sup> for student well-being <sup>3</sup>	66,0%	71,0%	93%	under
	VSP 2. Towards a world- class digital state-of-the-art library.	Implementation of Library Revitalisation Plan <sup>4</sup>	75%	80,0%	94%	under
2. Renew and transform the curriculum	2.1. Develop curricula that is locally relevant and globally competitive.	External review <sup>5</sup> of department programmes	13%	20%	65%	under
	2.2. Revise the structure of the curricula in terms of pathways and graduate employability.	Graduate employment rate <sup>6</sup>	33,6% <sup>7</sup>	54,0%	62%	under
3. Increase UFS contribution to local, regional, and global knowledge	3.1. Focus resource allocation for research and innovation on UFS areas of strength and distinctiveness.	Differentiated research resource allocation <sup>8</sup>	29,9%	15,0%	199%	over
	3.2. Transform the profile and increase the diversity of UFS researchers.	Share of rated researchers <sup>9</sup> who are black and female <sup>9</sup>	2,6%	2,2%	118%	over
	3.3. Increase research impact and uptake.	Rate of publication in international journals <sup>10</sup>	85,7%	87,0%	99%	under
	VSP 3. Improve the Faculty of Health Sciences.	Implementation of Faculty of Health Sciences Turnaround Plan <sup>11</sup>	77,8%	20,0%	389%	over
	VSP 5. Establish a high- performance culture.	Implementation of new performance management system <sup>12</sup>	33,7%	90,0%	37%	under

- 1 Undergraduate throughput rate: Share of an undergraduate student cohort (headcount) enrolled for the first time in year n - 4 for three-year undergraduate degrees, who graduated within five years or less.
- 2 Implementation of graduate attributes project: Continuation of curriculum mapping (Score from 0%=not implemented to 100%=fully implemented)
- 3 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 the South African Survey of Student Engagement (SASSE).
- 4 Implementation of Library Revitalisation Plan: Score from 0%=not implemented to 100%=fully implemented.
- 5 External review of departments/programmes: Number of academic departments/programmes reviewed.
- 6 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 Graduate Exit Survey (GES).
- 7 Preliminary data, as at 23 April 2021.
- 8 Differentiated research resource: Share of total strategic research funds that have been disbursed to research focus areas in the current year.
- 9 Share of rated researchers who are black and female: Black, female UFS staff members who hold a valid National Research Foundation (NRF) rating as a share of all UFS-employed NRF-rated staff members.
- 10 Rate of publication in international journals: Number of research output units generated from scholarly articles published in internationally indexed journals (indices as specified by the DHET) as a share of the total number of research output units generated from journal articles.
- 11 Implementation of Faculty of Health Sciences Turnaround Plan: Score from 0%=not implemented to 100%=fully implemented.
- 12 Implementation of new performance management (PM) system: Average share of (i) academic and (ii) support staff members with development documents completed/revised on the new PM system during year n.

**ORANGE**

The UFS has partially achieved the target, either above or below the set target, and 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 material risk to the university.

Goal	Key performance area	Key performance indicator	2020	2020 target	% of 2020 target achieved	over/under 2020 target
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>13</sup>	5,1%	5,5%	93%	under
	4.2. Increase opportunities for students to engage in community-based education.	Student participation in service learning <sup>14</sup>	50,0%	62,0%	81%	under
5. Increase the efficiency and effectiveness of governance and support systems	5.1. Revise and update all UFS policies to reflect the transformative drive.	Policy revision rate <sup>15</sup>	0,0%	10,0%	0% <sup>16</sup>	under
	5.2. Increase student participation in university governance structures.	Student participation in governance structures <sup>17</sup>	70,0%	50,0%	140%	over
	5.3. Optimise the student life cycle from recruitment to graduation.	Enrolment management <sup>18</sup>	103,5%	100,0%	103%	over
	5.4. Improve integration of data systems and credibility of management information.	Graduate data error rate <sup>19</sup>	93,0%	83,0%	112%	over
6. Achieve financial sustainability	6.1. Increase non- government-derived sources of income.	Share of income from third-stream sources <sup>20</sup>	12,8%	15,0%	85%	under
7. Advance an institutional culture that demonstrates the values of the UFS	7.1. Operationalise a UFS Institutional Multi- Stakeholder Group (IMG) responsible for the identification of interventions in relation to UFS institutional culture.	Implementation of Universal Access Plan <sup>21</sup>	20,0%	20,0%	100%	on target

13 Academics' participation in engaged scholarship: Average percentage academic staff time spent on public service, calculated as full- time equivalents, as per HEMIS data.

14 Student participation in service learning: Share of undergraduate students who report that they have participated in a community-based project (service-learning), as measured through the SASSE.

15 Policy revision rate: Share of UFS policies that have been revised since 1 January 2018 in accordance with the Framework for Policy Development.

16 The Framework for Policy Development was approved in November 2020 for implementation from January 2021.

17 Student participation in governance structures: Share of Council, Senate, and faculty management subcommittee meetings that have students as members, as per the committee remit, that were attended by currently enrolled students in the reporting year.

18 Enrolment management: Percentage of DHET enrolment plan target for total undergraduate headcount enrolments achieved.

19 Graduate data error rate: Share of graduate records with no credit value errors at the first data run for the final Higher Education Management Information System (HEMIS) submission.

20 Share of income from third-stream sources: Total third-stream income, in South African rand, 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.

21 Implementation of Universal Access Strategy: Score from 0%=not implemented to 100%=fully implemented.



**Table 2: Key performance indicators and enrolment targets, 2016 to 2020**

**GREEN**

The UFS has achieved or exceeded the target. This category poses no material risk to the institution.

**RED**

The UFS did not achieve the target, either above or below the set target. This category poses a material risk to the institution.

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

Goal	Key performance area	Performance indicator (key performance indicators marked with *)
1. Improve student success and well-being	1.1. Increase student success and throughput rates and reduce the achievement gap. 1.2. Develop graduate attributes in curricular and co-curricular interventions. 1.3. Improve student safety and health issues. VSP 2. Towards a world-class digital state-of-the-art library.	All graduates (headcount, HC)
		All undergraduate (UG) graduates (HC)
		Doctoral graduates (HC)
		Master's graduates (HC)
		Postgraduate (PG) below master's level graduates (HC)
		Total success rates
		UG throughput rate*
		Implementation of graduate attributes project*
		Student perceptions of UFS support for student well-being*
		Implementation of Library Revitalisation Plan*
2. Renew and transform the curriculum	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.	Foundation student intake in first year (HC)
		Total distance enrolments (HC)
		External review of departments/ programmes*
		Doctoral enrolments (HC)
		Master's enrolments (HC)
		PG to master's level enrolments (HC)
		Scarce-skills UG graduates in Animal Sciences
		Scarce-skills UG graduates in Engineering
		Scarce-skills UG graduates in Human Health
		Scarce-skills UG graduates in Life and Physical Sciences
3. Increase UFS contribution to local, regional, and global knowledge	3.1. Focus resource allocation for research and innovation on UFS areas of strength and distinctiveness. 3.2. Transform the profile and increase the diversity of UFS researchers. 3.3. Increase research impact and uptake. VSP 3. Improve the Faculty of Health Sciences. VSP 5. Establish a high-performance culture.	Scarce-skills UG graduates in Teacher Education
		Graduate employment rate*
		Differentiated research resource allocation*
		Share of rated researchers who are black and female*
		Research output units per permanent academic
		Total research output units from publications
		Rate of publication in international journals*
		Implementation of Faculty of Health Sciences Turnaround Plan*
		Implementation of new performance management system*

- 22 All graduate numbers that are below DHET target have been marked in red as a result of the research output and teaching output subsidy shortfall, which thus pose a financial risk and academic risk to the UFS.
- 23 □ denotes 'no notable change'.
- 24 As per the graduate attributes project plan, the clarification of the Senate-approved attributes continued during 2020, i.e. the continuation of curriculum mapping of graduate attributes into the curricular and co-curricular spaces. The process will be completed in 2021.
- 25 All enrolment numbers that are either 3% above, or 3% below the DHET target have been marked in red, as enrolment planning and management remain key strategic imperatives to steer the sector towards greater efficiencies. Universities are penalised for not achieving their ministerially approved targets, and hence these targets are of material value to the UFS, as well as to give expression to its Size and Shape strategy
- 26 The UFS' Size and Shape strategy promotes distance education enrolments on the South Campus. The university is in the process of re-establishing the South Campus' purpose and strategic intent, which will have an impact on distance education numbers. The new normal that emerged during the pandemic, gave rise to an adjusted blended learning teaching-and-learning philosophy and approach. This approach will have a lasting impact on the choices made by students, whether they will take up face-to-face learning opportunities or a more flexible mode of delivery. These changes will require the UFS to reconsider its targets as set out in the Size and Shape strategy, as well as its APP for 2022.



# ORANGE

The UFS has partially achieved the target, either above or below the set target, and 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 material risk to the university.

presented (achievements higher than planned).

2016	2017	2018	2019	2020	2020 target	% of 2020 target achieved	over/under 2020 target	5-year trend (if applicable)
6 819	7 978	8 271	8 606	9 609	8 696	110%	over	↗
3 939	5 146	5 412	5 949	7 222	5 763	125%	over	↗
106	127	138	128	106	130	82% <sup>22</sup>	under	↘ <sup>23</sup>
585	493	610	537	448	513	87%	under	↘
2 189	2 212	2 111	1 992	1 832	2 290	80%	under	↘
80,5%	79,5%	79,7%	80,5%	85,0%	82,0%	104%	over	↗
61,8%	58,6%	57,6%	52,6%	58,0%	59,0%	98%	under	↘↗
not applicable	not applicable	50%	100%	80%	100,0%	80% <sup>24</sup>	under	not applicable
64,8%	66,2%	68,8%	72,2%	66,0%	71,0%	93%	under	↘↗
not applicable	not applicable	not applicable	not applicable	75%	80,0%	94%	under	not applicable
2 929	2 837	3 006	2 612	2 602	3 895	67% <sup>25</sup>	under	↘
7 277	6 809	4 330	4 430	3 573	6 270	57% <sup>26</sup>	under	↘
6	12	11	17	13	20	65% <sup>27</sup>	under	↘↗
903	946	986	1 029	1 001	971	103%	over	↗
2 422	2 309	2 355	2 278	2 284	2 411	95%	under	↘
4 174	3 922	3 772	3 450	3 073	3 788	81%	under	↘
34	32	35	74	66	60	110%	over	↗
3	2	16	13	8	12	67% <sup>28</sup>	under	↘↗
334	313	283	231	240	350	69%	under	↘
298	314	366	382	484	400	121%	over	↗
683	823	884	965	1 377	900	153%	over	↗
43,5%	52,0%	50,0%	60,3%	33,6% <sup>29</sup>	54,0%	62% <sup>30</sup>	under	↘↗
not applicable	not applicable	34,9%	45,4%	29,9%	15,0%	199%	over	not applicable
0,8%	1,9%	1,8%	1,7%	2,6%	2,2%	118%	over	↗
1,83	1,64	1,86	1,99	1,97 <sup>31</sup>	1,68	117%	over	↗
927,29	995,22	999,85	1 171,73	1 399,65	927,00	151%	over	↗
74,9%	76,6%	85,9%	81,4% <sup>32</sup>	85,7%	87,0%	99%	under	↗
not applicable	not applicable	not applicable	not applicable	77,8%	20,0%	389% <sup>33</sup>	over	not applicable
not applicable	not applicable	41,0%	49,0%	33,7%	90,0%	37% <sup>34</sup>	under	not applicable

27 The UFS had to amend the external review process and the number of reviews in order to move online during 2020. Despite the pandemic, the UFS managed to complete 13 of the planned reviews

28 All scarce-skills graduate numbers that are below DHET target have been marked in red. Inability to achieve this target does not pose a financial risk to the institution per se, but rather a risk related to the size and shape of the UFS and its impact to address the skills shortage nationally.

29 Preliminary data, as at 23 April 2021.

30 The lower employment rate is a direct consequence of COVID-19, which has led to increasing unemployment. The COVID-19 crisis led to a fall in formal employment, with nine out of ten South African businesses reporting losses in turnover

31 Preliminary (unaudited) data as at 16 March 2021.

32 Unaudited data.

33 The implementation of the Faculty of Health Sciences Turnaround Plan is managed in accordance with sound project management principles, owned by the Dean and his management team. Furthermore, the outcomes and progress of the project are monitored under the auspices of the Rector and Vice-Chancellor through a Steering Committee; even during the COVID-19 pandemic, the Faculty managed to exceed some of the outcomes as presented in Phase 1.

Goal	Key performance area	Performance indicator (key performance indicators marked with *)
4. Support development and social justice through engaged scholarship	4.1. Increase number of academic staff involved in engaged scholarship.	Academics' participation in engaged scholarship*
	4.2. Increase opportunities for students to engage in community-based education.	Student participation in service learning*
5. Increase the efficiency and effectiveness of governance and support systems	5.1. Revise and update all UFS policies to reflect the transformative drive. 5.2. Increase student participation in university governance structures. 5.3. Optimise the student life cycle from recruitment to graduation. 5.4. Improve integration of data systems and credibility of management information.	Policy revision rate*
		Student participation in governance structures*
		Enrolment management*
		Advanced diploma/PGCE enrolments (HC)
		First-time entering UG enrolments (HC)
		Occasional enrolments (HC)
		Proportion of total headcount enrolments in Business/Management
		Proportion of total headcount enrolments in Education
		Proportion of total headcount enrolments in Science, Engineering, and Technology
		Proportion of total headcount enrolments in the other Humanities
		Total enrolments (HC)
		Total PG enrolments (HC)
		Total UG enrolments (HC)
		UG degree enrolments (HC)
		UG diploma/certificate enrolments (HC)
		Total unweighted full-time equivalent (FTE) enrolments
		Weighted FTE enrolments/teaching input units (TIUs)
		Graduate data error rate*
6. Achieve financial sustainability	6.1. Increase non-government-derived sources of income.	Share of income from third-stream sources*
7. Advance an institutional culture that demonstrates the values of the UFS	7.1. Operationalise a UFS Institutional Multi-Stakeholder Group (IMG) responsible for the identification of interventions in relation to UFS institutional culture.	Implementation of Universal Access Plan*

- 34 The framework for the appointment, promotion, and performance of academic staff members was only approved at the Council meeting held in November 2020. Academic staff members are only required to do their performance reviews formally on the PeopleSoft HR platform as of 1 July 2021. Due to the COVID-19 pandemic, staff members had to work remotely, which resulted in a decision that staff would not be expected to conduct the formal performance assessment
- 35 Academics' engaged scholarship activities have been compromised during the pandemic as a result of the physical restrictions imposed during this time. Planned activities could not take place; where possible, online engagements took place.
- 36 The reason for the lower student participation in service learning in 2020 is a direct result of the COVID-19 pandemic. Students could not be placed at the onset of the pandemic. Where relevant, however, the UFS has assisted students to continue providing service remotely.
- 37 The Framework for Policy Development was approved in November 2020, for implementation from January 2021.
- 38 All DHET-derived measures, namely weighted full-time equivalent (FTE) enrolments and teaching input units (TIUs) that are either 3% above, or 3% below the DHET target, have been marked in red. These derived measures have a financial implication, and non-adherence to these culminate in penalties for targets, enforced by the DHET.

2016	2017	2018	2019	2020	2020 target	% of 2020 target achieved	over/under 2020 target	5-year trend (if applicable)
4,8%	4,6%	4,9%	4,7%	5,1%	5,5%	93% <sup>35</sup>	under	↗
59,1%	67,1%	62,8%	62,0%	50,0%	62,0%	81% <sup>36</sup>	under	↗↘
not applicable	not applicable	0,0%	0,0%	0,0%	10,0%	0% <sup>37</sup>	under	not applicable
51,7%	41,4%	41,0%	52,8%	70,0%	50,0%	140%	over	↗
98,4%	105,1%	104,8%	104,4%	103,5%	100,0%	103%	over	↑
79	79	172	487	684	380	180%	over	↗
7 966	8 027	8 992	7 723	7 810	7 900	99%	under	↗↘
1 205	496	632	726	410	303	135%	over	↘
27,1%	28,4%	26,5%	17,1%	16,0%	28,0%	57%	under	↘
27,1%	27,2%	25,0%	27,7%	28,0%	26,0%	108%	over	↑
28,4%	27,5%	27,3%	22,7%	23,0%	29,0%	79%	under	↘
17,4%	16,9%	21,2%	32,5%	33,0%	17,0%	194%	over	↗
36 269	38 102	39 516	41 505	41 667	40 271	103%	over	↗
7 499	7 177	7 113	6 757	4 257	7 170	59%	under	↘
27 565	30 429	31 771	34 022	34 899	32 798	106%	over	↗
22 123	24 330	27 442	29 079	30 519	26 948	113%	over	↗
5 363	6 020	4 157	4 456	3 696	5 470	68%	under	↘
27 178,58	28 898,07	31 463,24	32 557,24	35 366,00	31 981,17	111%	over	↗
58 896,96	61 346,22	67 295,36	67 367,07	71 469,00	68 000,00	105% <sup>38</sup>	over	↗
70,0%	70,0%	70,0%	89,0%	93,0%	83,0%	112%	over	↗
14,3%	14,5%	11,4%	10,5%	12,8%	15,0%	85%	under	↘
not applicable	not applicable	0,0%	0,0%	20,0%	20,0%	100%	on target	not applicable

#### COVID-19 DISCLAIMER

From the explanatory notes, it is evident that the COVID-19 pandemic had material implications for some of the UFS' agreed-upon projects, as stated in the Annual Performance Plan (APP). This phenomenon is visible across the sector nationally, but also globally. It is important to note that during this time, the University of the Free State applied a risk-adjusted approach and managed to sustain the Academic Project through a contextually responsive multimodal teaching and learning plan for the completion of the 2020 academic year. The risk-based approach has assisted the university in investing its resources in those activities that, if not achieved, would have a material impact on the university as a going concern. From the APP performance, it is evident that those outcomes that have not been achieved, are under control and are receiving the requisite attention from the university.







2

ABOUT THE UFS

## 2.1 Strategy

### 2.1.1 Institutional strategy

Widening and Accelerating the Scope of Transformation – the University of the Free State’s (UFS) Strategy from 2018 to 2022 – is the result of an extended consultative process. It presents the strategic goals of the university and distils the key performance areas (KPAs) and the key performance indicators (KPIs). These indicators will be used to measure the UFS progress towards achieving the goals and ultimately its vision.

In 2017, the UFS embarked on a systematic process that included its internal stakeholders and its governance structures. The process started when the rectorate, deans, directors, student leadership, union representatives, and members of Council met with the incumbent Rector and Vice-Chancellor to identify the areas of transformation that the university needed to focus on, as well as the process going forward. The consensus reached was translated into an integrated transformation framework, which noted that transformation in South Africa means the dismantling of the legacy of colonialism and apartheid at political, social, economic, and intellectual levels in order to adopt new practices, modes of organisation, and values capable of delivering social justice. The process culminated in the approval by Council of an Integrated Transformation Plan (ITP). In 2020, with its theme of ‘Visibility and Impact’, the ITP continued to form the bedrock of UFS initiatives and operations.

The implementation of the ITP is also highly participative. It involves 12 (twelve) cross-functional task teams and more than 120 team members. Each team has a convenor, an implementation plan, and is evaluated against a set of deliverables. The convenors of the task teams form an implementation committee that meets monthly. The ITP is governed by an oversight committee, which represents members of Council, rectorate, deans, senior directors, directors, Central SRC, and unions. It is chaired by the Rector on a quarterly basis. The ITP defines areas that require accelerated transformation in and across the core and support functions of the university, as well as in the broader ambit of institutional culture.

From the 12 areas of work developed in the ITP, the Rectorate team synthesised seven strategic goals and identified 20 key performance areas to be monitored at a strategic level. These elements are illustrated in Figure 1 and together they constitute the UFS Strategic Plan 2018–2022.

The vice-rectors responsible for the core business of the university – teaching and learning, research, and engaged scholarship – have developed strategic plans for these areas of work, based on the institutional strategy.

### 2.1.2 Learning and teaching strategy

Developing new approaches to learning and teaching is one of the critical challenges facing higher education globally. In the African context, the need for greater access to higher education was brought into sharp focus during the #FeesMustFall movement in South Africa during 2015 and 2016. In response to the need for greater participation, South African higher education has experienced uncontrolled growth over the last two decades. This has resulted in large classes and concerns around quality. In order to address these challenges, the UFS developed a new five-year Learning and Teaching Strategy (LTS).

The purpose of this strategy is 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 for addressing current learning and teaching challenges; and (iv) provide a framework that can be used to align related policies and implementation plans. In response to the institutional goals of improving student success and well-being and renewing and transforming the curriculum, the UFS has identified six strategic goals within the teaching and learning environment, as well as 22 KPAs, summarised in Figure 2.

## 2.1.3 Research strategy

Given the institutional vision – the UFS as a research-led, student-centred, and regionally engaged university that contributes to development and social justice through the production of globally competitive graduates and knowledge – the academic enterprise should be informed by research and a culture of research engagement at all levels. The UFS believes that it should be regionally relevant, focusing on the needs and strengths of its region and its own competitive advantage.

The Research Strategy responds to the institutional goal of increasing the UFS' contribution to local, regional, and global knowledge, and aims to address fundamental and strategically important questions and making an economic, social, and cultural impact at regional, national, and international levels. The strategy is based on four research goals involving 22 KPAs, as presented in Figure 3. The strategy will be implemented through a range of activities: some are initiatives and programmes that are already in place, others are expansions and extensions of current initiatives, while some are new interventions. All of them aim to ensure research excellence and impact, as well as visibility in the communities it serves.

## 2.1.4 Engaged scholarship strategy

Engaged scholarship involves the various ways in which an institution engages with the diverse community in which it finds existence. It is about linking the best of the research, teaching, and learning skills of staff and students to specific learning and development needs of civil society, the private sector, government, and non-governmental organisations. It involves university citizenship and social responsibility in society as a whole. Engaged scholarship gives effect to the public common good dimension of the university. In turn, the curriculum, engaged research efforts, engaged teaching-learning, and student graduate attributes – especially citizenship and social responsibility – are all enriched through community engagement.

The Engaged Scholarship Strategy is a commitment by the UFS to create and coordinate supportive, enabling environments for engaged scholarship in the context of community engagement through glocal (local to global) knowledge for change and the common good. This function and goal interfaces with all the institutional goals, yet the emphasis will be on how to support development and social justice through engaged scholarship. The Engaged Scholarship Strategy comprises five goals linked to five KPAs, as shown in Figure 4.

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

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



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

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

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

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

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

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

## 2.2 Governance

### 2.2.1 Statement of Council on governance

The UFS is committed to the principles of discipline, transparency, independence, accountability, responsibility, fairness, and social responsibility, as advocated in the King III Report.

The UFS Annual Report 2020 conforms to the 2014 Regulations for Reporting by Public Higher Education Institutions, which apply the principles of the King Code of Corporate Governance for South Africa 2009, i.e., the King III Code. However, the King IV Code (released on 1 November 2016) includes the response of the King Committee to requests received from non-private sector organisations to amend the code in order to be easier to apply to all types of organisations, including the public sector and non-profit institutions. While the Council is currently functioning with cognisance of the new code, it is eagerly awaiting the DHET's revision of the 2014 regulations in order to align its monitoring and reporting system to the King IV Code.

#### 2.2.1.1 Statement on code of ethics

The Council endorses the principles of ethics and leadership based on an ethical foundation. Accordingly, the Council applied the Code of Practices and Conduct and the Code of Ethical Behaviour and Practice during 2020 as set out in the King III Report. In supporting this code, the Council recognises the need to conduct the business of the university with integrity and in accordance with generally accepted practices. The Code of Conduct for the UFS Council and Members of the Council and the Policy of the UFS on Conflict of Interest by the Members of the UFS Council are included in this report as **Appendix 2** and **Appendix 3**. Compliance with these documents is monitored by the Audit, Risk and IT Governance Committee (ARIC) of the Council. As noted, the Council is also familiar with the 2016 King IV Report and subscribes to the principle that the Council should lead ethically and effectively.

#### 2.2.1.2 Statement on conflict management

There was no staff unrest or protest action by outsourced workers during 2020. In addition, no academic days were lost on the South Campus due to student unrest. Only a few hours were lost when students raised concerns regarding the National Student Financial Aid Scheme's (NSFAS) book allowance. The Campus Principal dealt with this matter and a follow-up meeting also took place between the South Campus Executive Committee and students.

During 2020, 10 days were lost on the Qwaqwa Campus due to student unrest. From 11 to 13 March 2020, Qwaqwa students staged a protest relating to the N+2 NSFAS rule, the funding of Postgraduate Certificate in Education (PGCE) students, off-campus safety and security, and private accommodation allowances. In spite of a standoff between private security and students, with the South African Police Service involved as well, there were only minor damage to buildings. On 12 March, the Rector and Vice-Chancellor visited Qwaqwa to receive the students' memorandum; they, however, did not accept the response of the Rector to their demands. The students intensified their protest on 13 March, in response to which UFS management suspended all academic activities and students were ordered to vacate the Qwaqwa Campus. A week later, the President of South Africa announced the Level 5 national lockdown due to the COVID-19 pandemic.

### 2.2.1.3 Statement on co-operative governance

Employee and student participation are essential for effective co-operative governance. The UFS has two recognised labour unions, namely the National Education, Health and Allied Workers' Union (NEHAWU) and the University of the Free State staff union (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 during 2019 to enhance the work relationship with the unions. In addition, 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. Annual negotiations are also conducted in respect of salary adjustments and conditions of service.

Increased student participation in university governance structures was prioritised as a key performance area of the UFS in the Strategic Plan 2018–2022. The Rectorate and Student Affairs continuously engaged with students during 2020 to ensure clear and open communication. The students also established a joint Student Support Services Committee to encourage more student participation in advising the UFS Council on matters related to students and workers. In addition, Student Affairs advocated for increased representation of students in institutional governance bodies. The SRC now holds 15 seats in Senate, in addition to seats allocated to the SRC President and Secretary. These 17 seats include the SRC presidents from each campus (three seats); Faculty Student Council (FSC) chairpersons from the Bloemfontein Campus (seven seats), Qwaqwa Campus (four seats), and South Campus (three seats). Through the establishment of the FSCs, students became more involved in academic governance, participating in faculty board meetings, as well as student appeals committee processes at faculty and institutional level. More information on the participation of students in institutional governance through the Student Representative Council (SRC) during 2020 is noted in section 2.2.5 of this report.

### 2.2.2 UFS Council

The UFS Council fulfilled its mandate during 2020, as per the Statute and Institutional Rules, including its fiduciary responsibilities with regard to governance, as provided for in the Higher Education Act (Act 101 of 1997), as amended.

The Council convened five times during 2020 (including one special meeting) under the chairmanship of Dr Willem Louw. The different subcommittees of Council are specified in the Institutional Rules. The Council has two joint committees with the Senate, namely the Honorary Degrees Committee and the Naming Committee, in addition to the following subcommittees:

- Executive Committee of Council
- Audit, Risk and IT Governance Committee (ARIC)
- Finance Committee
- Remuneration Committee
- Nominations Committee
- Human Resources Committee



### *The Council's activities during 2020 dealt with, among others, the following:*

- The appointment of Prof BF Mohale as the UFS Chancellor.
- The establishment of the Academy for Multilingualism was approved.
- The establishment of a Short Learning Programme office was approved.
- The effect of COVID-19 on the UFS was considered by the Council.
- The Policy on Short Learning Programmes was approved.
- The enrolment targets were discussed and dealt with by the Council.
- Mr D Noko was appointed as Vice-Chairperson of the Council.
- The reports of the Rector and Vice-Chancellor were dealt with by Council.
- The policy, procedure, and remit of the Naming Committee were approved by the Council.
- The Council approved the Conflict of Interest Policy, as well as the Council Disciplinary Procedure.
- The remit for the Investment Subcommittee of the Finance Committee was approved.
- The revised Policy on Commercial Debtors and Credit Management was approved.
- The 2019 UFS Annual Report was approved for submission.
- The Consolidated Financial Statements for the year ended 31 December 2019 were approved.
- The Whistleblowing Hotline Policy was approved with certain amendments.
- Dr A Laubscher was reappointed to the Council for another term.
- Ms T Sibisi and Mr L von Zeuner were appointed to the Council.
- The Minister reappointed Ms I Poee to the Council.
- The appointment of PricewaterhouseCoopers as external auditors for the 2020 and 2021 financial years was approved subject to approval by the Auditor General's Office.
- The appointment of Dr A Laubscher as the Council representative on the Joint Advisory Committee was approved.
- The UFS Security Policy was approved.
- The Re-admission and Appeals Processes (academic) of the UFS were approved.
- The Policy: Special, Romantic or Sexual Relationships between Students and Staff of the UFS was approved with amendments.
- A new definition of a donor to the UFS was approved.
- The following amended remits were approved: Executive Committee, Audit, Risk and IT Governance Committee, Finance Committee, Human Resources Committee, Remuneration Committee, and the Nominations Committee.
- The amended/new self-assessment form of the Audit, Risk and IT Governance Committee was approved.
- The Mid-Year Performance Report 2020 was approved.
- The Annual Performance Plan 2021 was approved.
- The Performance Management Policy for Support Services was approved.
- Awarding of honorary degrees to Dr S Pityana, Dr W Byanyima, Prof A Ekwamu, Dr D van Niekerk, and Judge Z Yacoob were approved.
- The Language Implementation Plan was approved.
- The Engaged Scholarship Policy, Protocol, and Remit were approved.
- The Governance Framework Policy on the Management of Administrative Data was approved.

The UFS Council members are listed in Table 2 and Table 3.

**Table 3: Members of the UFS Council, 2020**

Membership category	Member
Chairperson	Dr W (Willem) Louw* (2017/01/01-2021/09/30)
Vice-Chairperson	D (David) Noko* (2020/03/20-2024/03/19)
Rector and Vice-Chancellor	1. Prof FW (Francis) Petersen
Vice-Rector (1)	2. Prof RC (Corli) Witthuhn (2020/10/01-2021/09/30)
Appointed by the Minister of Higher Education, Science and Innovation (5)	3. D (Dan) Mosia (2016/09/07-2020/09/06)/KV (Vicky) Tlhabanelo (2020/09/07-2024/09/07)
	4. I (Itumeleng) Poee (2020/07/01-2024/06/30)
	5. Prof M (Millard) Arnold (2018/06/27-2022/07/26)

Membership category	Member
	6. L (Leah) Molatseli (2018/06/27-2022/07/26)
	7. Judge C (Celeste) Reinders (2018/06/27-2022/07/26)
Appointed by the Premier of the Free State (1)	8. Mr KF (Kopung) Ralikontsane (2018/11/15-2022/11/14)
Elected by the Senate (2)	9. Prof PD (Danie) Vermeulen (2021/01/01-2024/12/31)
	10. Prof LC (Loyiso) Jita (2018/02/27-2021/07/03)
Members of the religious community (1)	11. Dr NM (Nthabeleng) Rammile (2020/01/01-2023/12/31)
Elected by the donors (1)	12. R (Rian) Moolman (2018/11/15-2022/11/14)
Elected by the Convocation (4)	13. Dr PD (Pieter) du Toit (2020/02/01-2024/01/31)
	14. HH (Henry) Shimutwikeni (2020/11/24-2024/11/23)
	15. DM (Mandla) Ndlangamandla (2019/11/15-2023/11/14)
	16. ZL (Zama) Sigwebela (2019/11/15-2023/11/14)
Elected by the academic staff who are not members of Senate (1)	17. Dr JH (Henk) Potgieter (2018/01/01-2021/11/28)
Elected by the non-academic staff (support service employee) (1)	18. CM (Charlie) Molepo (2020/01/01-2023/12/31)
Appointed by the Central Student Representative Council (2)	19. K (Katlheho) Lechoo
	20. TK (Thato) Moloi
Appointed by the South African Local Government Association: Free State (1)	21. ZL (Zanoxolo) Futwa ((2017/06/06-2021/06/05)
Chairperson of the Institutional Forum (1)	22. RG (Rantooa) Moji
Appointed by Council (8)	23. Dr SM (Susan) Vosloo (2016/07/01-2020/06/30)/T (Tirelo) Sibisi (2020/07/01-2024/06/30)
	24. LL (Louis) von Zeuner (2020/07/01-2024/06/30)
	25. R (Ryland) Fisher (2019/03/15-2023/03/14)
	26. *D (David) Noko (2019/09/14-2023/09/13)
	27. *Dr (Willem) Louw (2017/09/14-2021/09/30)
	28. Dr A (Anchen) Laubscher (2020/09/01-2024/08/31)
	29. D (David) Abbey (2018/03/23-2022/03/22)
	30. D (Dan) Kriek (2018/03/23-2022/03/22)
In advisory capacity	31. Prof P (Prakash) Naidoo (Vice-Rector: Operations)
	32. Dr EL (Engela) van Staden (Vice-Rector: Academic)
	33. Prof P (Puleng) LenkaBula (Vice-Rector: Institutional Change, Student Affairs, and Community Engagement)
	34. NN (Nikile) Ntsababa (Registrar)
	35. JH (Elna) van Pletzen (Deputy Registrar: Governance and Policy)
	36. CR (Chris) Liebenberg (Senior Director: Finance)
	37. S (Susan) van Jaarsveld (Senior Director: Human Resources)
	38. Dr M (Maria) Madiope (Principal: South Campus)
	39. Dr M (Martin) Mandew (Principal: Qwaqwa Campus)
	40. LC (Lacea) Loader (Director: Communication and Marketing)
	41. P (Pura) Mgolombane (Dean: Student Affairs)

**Table 4: Members of the UFS Council as at 19 June 2021**

Membership category	Member
Chairperson	Dr W (Willem) Louw* (2017/01/01-2021/09/30)
Vice-Chairperson	D (David) Noko* (2020/03/20-2024/03/19)
Rector and Vice-Chancellor	1. Prof FW (Francis) Petersen
Vice-Rector (1)	2. Prof RC (Corli) Witthuhn (2020/10/01-2021/09/30)
Appointed by the Minister of Higher Education, Science and Innovation (5)	3. KV (Vicky) Tlhabanelo (2020/09/07-2024/09/07)
	4. I (Itumeleng) Pooe (2020/07/01-2024/06/30)
	5. Prof M (Millard) Arnold (2018/06/27-2022/07/26)
	6. L (Leah) Molatseli (2018/06/27-2022/07/26)
	7. Judge C (Celeste) Reinders (2018/06/27-2022/07/26)
Appointed by the Premier of the Free State (1)	8. Mr KF (Kopung) Ralikontsane (2018/11/15-2022/11/14)
Elected by the Senate (2)	9. Prof PD (Danie) Vermeulen (2021/01/01-2024/12/31)
	10. Prof LC (Loyiso) Jita (2018/02/27-2021/07/03)
Members of the religious community (1)	11. Dr NM (Nthabeleng) Rammile (2020/01/01-2023/12/31)

Membership category	Member
Elected by the donors (1)	12. Vacant
Elected by the Convocation (4)	13. Dr PD (Pieter) du Toit (2020/02/01-2024/01/31)
	14. HH (Henry) Shimutwikeni (2020/11/24-2024/11/23)
	15. DM (Mandla) Ndlamandla (2019/11/15-2023/11/14)
	16. ZL (Zama) Siqwebela (2019/11/15-2023/11/14)
Elected by the academic staff who are not members of Senate (1)	17. Dr JH (Henk) Potgieter (2018/01/01-2021/11/28)
Elected by the non-academic staff (support service employee) (1)	18. CM (Charlie) Molepo (2020/01/01-2023/12/31)
Appointed by the Central Student Representative Council (2)	19. JS (Jerry) Thoka
	20. SM (Sifiso) Mofokeng
Appointed by the South African Local Government Association: Free State (1)	21. ZL (Zanoxolo) Futwa (2017/06/06-2021/06/05)
Chairperson of the Institutional Forum (1)	22. Prof ND (Niel) Roos
Appointed by Council (8)	23. T (Tirelo) Sibisi (2020/07/01-2024/06/30)
	24. LL (Louis) von Zeuner (2020/07/01-2024/06/30)
	25. R (Ryland) Fisher (2019/03/15-2023/03/14)
	26. *D (David) Noko (2019/09/14-2023/09/13)
	27. *Dr W (Willem) Louw (2017/09/14-2021/09/30)
	28. Dr A (Anchen) Laubscher (2020/09/01-2024/08/31)
	29. D (David) Abbey (2018/03/23-2022/03/22)
	30. D (Dan) Kriek (2018/03/23-2022/03/22)

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

The Audit, Risk and IT Governance Committee (ARIC) of Council fulfilled its mandate during 2020, as laid down by the Institutional Rules and its Charter. The ARIC convened seven times during 2020 under the chairmanship of Mr Derek Foster (an external member of the UFS Council) and Mr Dan Abbey (following the expiry of Mr Foster's term on Council). Two of these meetings were joint meetings with the Finance Committee of Council.

### The ARIC Committee's activities during 2020 included the following:

- The UFS registration and enrolment numbers were discussed.
- The completed Audit, Risk and IT Governance Self-Evaluation 2019 was discussed.
- IT management and governance were discussed.
- The progress report on institutional risk management was discussed and noted.
- The quarterly compliance reports were discussed.
- The feedback on the external audit 2019 was discussed.
- The Internal Audit Report 2019 was discussed.
- The quarterly reports on UFS legal matters were discussed.
- The impact of COVID-19 on the strategic objectives of the UFS was discussed.
- The outline of the UFS Legal Services and Regulatory Compliance Strategy was noted.
- The top institutional risks were recommended (with comments) for approval by the Council.
- The amended remit of the Audit, Risk and IT Governance Committee was recommended (with amendments) for approval by the Council.
- The 2019 UFS Annual Report to the DHET was recommended for approval by the Council.
- The 2020 restructured COVID-19 budget was recommended for ratification by the Finance Committee.
- The consolidated financial statements for the year ended 31 December 2019 was recommended for approval by the Council.
- The Mid-Year Performance Report and the Annual Performance Plan 2021 were recommended (with amendments) for approval by Council.

The ARIC Committee consists of a minimum of four and a maximum of six Council members. Committee members may not be full-time staff members or students. During 2020, the membership of the committee included Derek Foster/Dan Abbey (chairperson), Dr Willem Louw, Dr Nthabeleng Rammile/Zama Sigwebela, Rian Moolman/Judge Celeste Reinders, and Dan Kriek. Mr Foster and Mr Moolman's terms as Council members expired during 2020,



which subsequently influenced the composition and chairmanship of the Audit, Risk and IT Governance Committee. Mr Dan Abbey took over from Mr Foster as ARIC chairperson, and Judge Reinders replaced Mr Moolman. In addition, Dr Rammile was relieved of her duties as member of the ARIC and Mr Sigwebela served as her replacement.

## 2.2.4 UFS Senate

The UFS Senate convened four times during 2020 and exercised its responsibility for the academic and research functions, as prescribed by the Higher Education Act (Act 101 of 1997), as amended. The Senate, in executing its responsibility for the strategic direction of the academic research and community service functions of the UFS, as well as determining policy and rules concerning academic matters, dealt (among others) with the following matters during 2020:

- The Policy on Short Learning Programmes was recommended for approval by the UFS Council.
- The establishment of the Academy for Multilingualism was recommended for approval by Council.
- Management of COVID-19 at the UFS was discussed, specifically in relation to teaching and learning and the UFS Academic Project.
- The Qwaqwa Campus Academic Project Review Proposal was approved with amendments.
- The 2019 Annual Report of the Library and Information Service was noted.
- The Appointments, Performance Management and Academic Framework: Faculty-Specific Criteria was approved and would form part of the preamble of all faculty-specific criteria.
- The UFS 2021 Institutional Calendar was approved.
- The awarding of honorary degrees to four nominees was approved by a majority of votes. It was noted that this matter would be considered by the Council.
- Prof Vermeulen was congratulated as one of the representatives of Senate on Council for the period 1 January 2021 to 31 December 2024.
- Prof Peacock was congratulated as the Senate's representative on the Executive Committee of Senate.
- The report of the Naming Committee was noted.
- The Language Implementation Plan was recommended for approval by the Council.
- The merger of Greek, Latin and Classical studies was recommended for approval to Council.
- The Engaged Scholarship Policy, Protocol and Remit was recommended for approval by the Council.
- The Universal Access and Disability Support Policy was recommended for approval by the Council.

**The following Senate sub-committees fulfilled their mandates as prescribed, and assisted the Senate in the execution of its functions during 2020:**

- Executive Committee of Senate
- Research Committee of Senate
- Research Ethics Committee of Senate
- Central Admissions Committee
- Academic Timetable Committee
- Library Senate Committee

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

## 2.2.5 Student Representative Council

The national COVID-19 lockdown restricted the plans and activities of the Student Representative Council during 2020, many of which had to be cancelled, postponed, or reimagined. Before the national lockdown, the SRC attended to the annual process of assisting students and potential students to gain access to higher education. The first part of the quarter was therefore spent dealing with student exclusions and appeals. Before lockdown, the SRC Arts and Culture also hosted the annual Stagedoor singing competition, and the Residence Life Office and the SRC participated in a Qwaqwa mountain hike. During lockdown, the SRC attended virtual meetings in all governing

bodies where it is represented. In addition, the SRC attended the state-of-campus readiness meeting with DHET Deputy Minister, Buti Manamela, and Rectorate; the SRC Sports hosted a colloquium with three UFS alumni who are doing well in sports, participated in benchmarking research on female rugby with other universities at the University of KwaZulu-Natal (UKZN), and attended meetings with the National Executive Committee (NEC) of University Sport South Africa (USSA), as well as rugby management; the SRC Arts and Culture hosted a live cultural Diversity Fest on Facebook. Finally, the SRC assisted with and participated in various COVID-19 food drives to help students who faced food insecurity during the lockdown.

Student Affairs successfully managed online elections for the Qwaqwa Campus and the South Campus during 2020, as well as for ex officio portfolios and substructures such as residence committees. SRC members for 2019/2020, including the 2020 interim Institutional Student Representative Council (ISRC), are listed in Table 4.

**Table 5: Members of the Student Representative Council, 2019/2020**

Campus	Membership category/portfolio	Member
Bloemfontein Campus	President	1. Katleho Lechoo
	Deputy President	2. Agobakwe Mboweni
	Secretary	3. Nothabo Zungu
	Treasurer	4. Zandile Makalima
	Policy and Transformation	5. Kamohelo Thakheli
	Student Development and First-Generation Students	6. Thobeka Buti
	Commuter Students	7. Karabo Mtsweni
	Ex officio: Associations Student Council	8. Mandilakhe Magalakanqa
	Ex officio: Student Organisations Council	9. Dieketseng Motaung
	Ex officio: Academic Student Council	10. Lebofso Maletse
	Ex officio: Day Residence Council	11. Gert Terblanche
	Ex officio: Campus Residence Council	12. Tyrone Willard
	Ex officio: Postgraduate Student Council	13. Mahlomola Khasemene
	Ex officio: International Student Council	14. Simba Matema
	Ex officio: Student Media and Dialogue Council	15. Karabo Masike
	Ex officio: Universal Access and Social Justice Council	16. Micaula Jewell
	Ex officio: Civic and Social Responsibility Council	17. Nthato Musa
	Ex officio: Arts and Culture Council	18. Motshidisi Rasego
	Ex officio: Sports Council	19. Sphumelele Dube
Qwaqwa Campus	President	20. Lehlohonolo Justice Mokhabi
	Deputy President	21. Theminkosi Phenyane
	Secretary General	22. Nelisiwe Bridget Masango
	Treasurer	23. Ntandoyenkosi Khumalo
	Policy and Transformation	24. Bongiwe Saselihe Khumalo
	Student Development and First-Generation Students	25. Thokozani Sphiwe Zuma
	Commuter Students	26. Thabiso Celimpilo Masuku
	Media and Publicity	27. Simphiwe Sinenhlanhla Dube
	Ex officio: Associations and Religious Affairs Student Council	28. Sicelo Mathews Twala
	Ex officio: Campus Residence Council	29. Thabo Abraham Motaung
	Ex officio: Arts and Culture Council	30. Andile Saviour Maseko
	Ex officio: Academics Council	31. Siyabonga Mpumelelo Mbambo
	Ex officio: Sports Affairs	32. Tshepiso Fortune Tshabalala
	Ex officio: Universal Access and Social Justice Council	33. Siphamandla Joseph Shabangu
	Ex officio: Postgraduate Student Council	34. Thato Karabo Moloi
	Ex officio: International Student Council	35. Mamokete Mokhatla
South Campus	President	36. Phehellang Ralejoe
	Deputy President	37. Nokubonga Mangaliso
	Secretary	38. Mpumelelo Ndzube
	Treasurer	39. Sthembiso 'SK' Khoza
	Policy and Transformation	40. Casles Ndivhuho 'Cass' Phasha
	Commuter Students	41. Sthembele 'Gail' Kunene

Campus	Membership category/portfolio	Member
Institutional Transitional Student Committee, 2020	Chairperson	42. Sthembiso 'SK' Khoza
	Secretary	43. Mpumelelo Ndzube
	Ordinary member	44. Phehellang Ralejoe
	Ordinary member	45. Nokubonga Mangaliso
	Ordinary member	46. Casles Ndivhuho Phasha
	Ordinary member	47. Sthembele Kunene
	CUADS representative	48. Zintle Samela
	Residence representative	49. Katleho 'Chopo' Phitsane

## 2.2.6 Report of the Institutional Forum to Council

The function of the UFS Institutional Forum (IF) is to advise Council on issues affecting the university, including the implementation of the Higher Education Act, 1997, and the national policy on higher education; policies on race, gender equity, and other grounds of discrimination referred to in relevant legislation; the selection of candidates for senior management positions; codes of conduct, mediation, and dispute resolution procedures; and the fostering of an institutional culture that promotes (i) tolerance and respect for human dignity and fundamental human rights, and (ii) a positive environment for teaching, research, and learning. During 2020, the IF met once to discuss the election of a new UFS Chancellor. Overall, the forum supported the recommendations of the committee that facilitated the process for the nomination and election of the Chancellor, but it advised Council to take note of possible conflict of interest before deciding which candidate was best suited for the UFS Chancellor position.

The forum includes 16 members representing the UMC, Council, Senate, academics other than Senate members, support services staff, the ISRC, and the trade unions (as well as one or two designated representatives of other stakeholder groups as nominated by the IF members). The individuals who formed the forum in 2020 are listed in Table 5.

**Table 6: Members of the Institutional Forum, 2020**

Membership category	Member
Two members of the University Management Council (UMC)	1. KB Eister (until Jul 2020)/Dr M Madiope (from Sep 2020)
	2. P Mgolombane
Two Council representatives	3. Dr A Laubscher (until Aug 2020)/Dr NM Rammile (from Sep 2020)
	4. ZL Futwa
Two Senate representatives	5. Prof P Mafora
	6. Prof ND Roos
Two representatives of academic staff, other than Senate members	7. RG Moji (until Oct 2020)/Dr JL Matthee (from Nov 2020)
	8. Dr J Bezuidenhout (until Oct 2020)/Dr M Tlali (from Nov 2020)
Two representatives of support staff	9. A van der Westhuizen (until Oct 2020)/T Kessah (from Nov 2020)
	10. JYJ Burjins
Two representatives of service employees	11. P Lebatsa (until Oct 2020)/Mr TE Moeti (from Nov 2020)
	12. KJ Mtshali
Two representatives from the Institutional Student Representative Council (ISRC)	13. K Lechoo
	14. L Mokhabi
Two representatives of recognised trade unions	15. A Lombard (UVPERSU)
	16. Ad hoc (Nehawu)

## 2.2.7 Data governance and management

Data governance is the oversight function of data management activities and deals with the monitoring and control of these activities. The oversight function is required to maximise the return on investment in data, while minimising the risks associated with processing data.

ICT Services drafted a policy to formalise the accountability and responsibility for the most critical institutional data. The Rectorate and Council approved the Governance Framework Policy on the Management of Administrative Data



in 2020. The Registrar is the policy owner, while the Manager: Records and Archives will be responsible for future policy versions.

Despite facing load shedding, failure of the global networking infrastructure, and increasing digital threats in 2020, the UFS data infrastructure enabled ICT Services to maintain a 100% integrity level in terms of all institutional data. No data was lost during this reporting period. During 2020, various additional data backup and disaster recovery technologies were put in place to reduce the recovery time and ensure that services running on virtualisation platforms could be quickly recovered in a disaster. These mechanisms also included synchronous data replication between data centres, as well as the implementation of Druva inSync cloud. Furthermore, storage requirements have gone down significantly due to newer data deduplication and compression technologies.

The rapid, forced migration from a traditional campus-based academic provider to an online academic institution has highlighted a high level of unpreparedness throughout the university. Apart from causing the unalignment of the institution's business continuity plans to reality, the seriously short time frames for transition to an online institution became the key to survival for both staff and students.

Although several attempts have been made on national level to convince the national mobile data providers to be accommodative in terms of data volumes and associated costs, very few made lasting commitments to the national need regarding data for students. The UFS was the first to enter into formal contracts with all national mobile data providers 'outside' any centrally (nationally) negotiated arrangements. These contracts and the data it provided became the basis for the UFS data provisioning initiative and are maintained at a price point far lower than the current going rate for data provisioning. The UFS was also the first South African university to provide a managed data-provisioning solution to students and staff through the GlobalProtect Virtual Private Network (VPN). The GlobalProtect app has been in operation since early April 2020.

The UFS acknowledges the obligation to ensure the security of all data, information, information systems, equipment, and processes within its ownership and control domain. This obligation is shared by every UFS user, including staff and students who deal with data or information. In November 2020, the UFS received an international award for Advanced Digital Security, following the design and development of a secure, managed data provisioning platform by Mr Louis Marais, outlined in the last paragraph of the preceding section. He was recognised as a major international player in the field of digital security. Furthermore, the University of the Free State was acknowledged internationally in terms of advanced digital security practices. The information security policies have been aligned with ISO 27001, an international standard for managing information security. The policies will be reviewed by an external legal firm in 2021 to ensure alignment with the requirements of South African legislation.

ICT Services procured and established an in-house competency to facilitate effective data integration. This technically comprehensive facility comprises (i) an operational data store, (ii) an enterprise services bus (ESB), and (iii) a corporate data warehouse. The ESB was fully operationalised in 2020. The operational data store serves as a central data repository. It has grown organically in the process of eliminating system-to-system integrations in 2020. The corporate data warehouse is in the planning phase.

## 2.3 Management

### 2.3.1 University Management Committee

The University Management Committee (UMC) is one of the UFS' institutional committees, which convened seven times during 2020. The UMC fulfilled its mandate during 2020 as prescribed by the Institutional Rules. The UMC is accordingly responsible for the strategic management of the UFS with regard to its focus areas, key success factors, academic support services, and portfolios. This includes creating and filling posts, and the promotion of all permanent and full-time support services staff members at remuneration levels equal to those of a professor, associate professor or senior lecturer; establishing or terminating support services departments and finalising all matters that cannot be concluded within certain management lines according to specific approved policy and procedures and fall outside the mandate of the Executive Committee of the Senate and the Senate. The UMC is also responsible for making recommendations to the Senate and Council, i.e., 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. In cases where macro-institutional policy matters/policies affect academic staff, these matters/policies are referred to the Council via the Senate to obtain clarity and for decision-making; otherwise, the policy recommendations are submitted directly to the Council for decision-making.

**During 2020, the UMC executed its mandate in, among others, the following ways:**

- The Policy on Commercial Debtors and Credit Management was recommended to the Finance Committee of Council for approval.
- The appointment of Ms N Morris as the Director: Student Affairs (Qwaqwa Campus) for a period of five years was approved.
- The state of the UFS in the context of COVID-19 was dealt with, including the return of staff after lockdown.
- The Policy of the UFS on Performance Management for Support and Service Staff was recommended to the Human Resources Committee and the Council for approval.
- The Policy of the University of the Free State on the UFS Whistleblowing Hotline was approved.
- The Security Policy of the UFS was recommended for approval by the Council.
- The Governance Framework Policy on the Management of Administrative Data was recommended for approval by the Council.
- The Universal Access and Disability Support Policy was recommended to Senate and Council for approval.
- The contract of the Deputy Registrar: Student Academic Services was extended for five years.
- The Integrated Transformation Plan Sport Strategy was approved.
- The Policy Development Framework was recommended for approval by the Council.

The Rector and Vice-Chancellor, Prof Petersen, served as chairperson of the UMC. The 2020 members of the UMC are listed in Table 6.

**Table 7: Members of the University Management Committee, 2020**

Membership category	Member
Rector and Vice-Chancellor	1. Prof Francis Petersen
Vice-Rector: Research, Innovation, and Internationalisation	2. Prof Corli Witthuhn
Vice-Rector: Institutional Change, Student Affairs, and Community Engagement	3. Prof Puleng LenkaBula
Vice-Rector: Operations	4. Prof Prakash Naidoo
Vice-Rector: Academic	5. Dr Engela van Staden
Registrar	6. Nikile Ntsababa
Dean: The Humanities	7. Prof Heidi Hudson
Dean: Law	8. Prof John Mubangizi
Dean: Economic and Management Sciences	9. Prof Hendri Kroukamp
Dean: Natural and Agricultural Sciences	10. Prof Danie Vermeulen
Dean: Health Sciences	11. Prof Gert van Zyl
Dean: Education	12. Prof Loyiso Jita
Dean: Theology and Religion	13. Prof Rantsoa Letšosa
Dean: Student Affairs	14. Pura Mgolombane
Campus Principal: South Campus	15. Dr Maria Madiope
Campus Principal: Qwaqwa Campus	16. Dr Martin Mandew
Director: Library and Information Services	17. Keitumetse Eister
Senior Director: Finance	18. Chris Liebenberg
Senior Director: Human Resources	19. Susan van Jaarsveld
Senior Director: Research Development	20. Dr Glen Taylor
Senior Director: Information and Communication Technology (ICT) Service	21. Dr Vic Coetzee
Senior Director: Centre for Teaching and Learning (CTL)	22. Dr Francois Strydom
Senior Director: Directorate for Institutional Research and Academic Planning (DIRAP)	23. Liana Griesel
Senior Director: Physical Planning	24. Nico Janse van Rensburg
Senior Director: Housing and Residence Affairs	25. Quintin Koetaan
Senior Director: Protection Services	26. Noko Masalesa
Director: International Affairs	27. Cornelius Hagenmeier

Membership category	Member
Director: Communication and Marketing	28. Lacea Loader
Director: Institutional Change and Social Justice	29. Prof Colin Chasi
Director: Community Engagement	30. Bishop Billyboy Ramahlele
Director: Student Recruitment Services	31. Nomonde Mbadi
Director: Postgraduate School	32. Prof Witness Mudzi
Director: Institutional Advancement	33. Annamia van den Heever
Director: KopsieSport	34. DB Prinsloo
Kopsie Phahamisa Academy Short Learning Programmes	35. Adv Shirley Hyland (from 23 Nov 2020)
President: Campus Student Representative Council	36. Katleho Lechoo (Bloemfontein)
	37. Thato Moloi (Qwaqwa)
In advisory capacity	38. Anita Lombard (UVPERSU trade union)
	39. Zenzele Mdletshe (NEHAWU trade union)
	40. Elna van Pletzen (Deputy Registrar: Governance)
	41. Anban Naidoo (Deputy Registrar: Student Academic Services)
	42. Adv Mbongeni Mateta (Deputy Registrar: Legal Services and Compliance)
	43. Prof Philippe Burger (Pro-Vice-Chancellor: Poverty, Inequality and Economic Development)

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

Council is responsible for the process of risk management. The risk management framework provides the foundations and organisational arrangements within which risk management will operate at the institution. This framework assists the university community to manage risks effectively through the application of a structured risk management approach and process. The risk management framework is informed by the university's strategic objectives and guided by the university's risk management philosophy. The university's risk philosophy is operationalised through a risk management policy and guidelines where the risk management process, governance structures, responsibilities, and accountabilities are outlined.

The governance structure through which Council discharges the risk management duties originates in the Audit, Risk and IT Governance Committee (ARIC). The ARIC assists the Council in discharging its duties to ensure the integrity of annual reporting and reviewing the effectiveness of the financial reporting process, the system of internal control and management of risks, the assurance process, and the process of monitoring compliance with laws and regulations. The Institutional Risk Management Committee has been established as a committee of the Audit, Risk and IT Governance Committee to assist Council in the discharge of 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 to formalise and embed risk management within the university:

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

The IRMC convened four meetings during 2020 to specifically address risk issues. Minutes were kept of all IRMC meetings. The members of the IRMC collectively have the ability and experience to identify and manage risks and are knowledgeable regarding risk management in general.

The membership comprises the following:

- Rector and Vice-Chancellor (Chairperson)
- Rectorate members
- Two deans from faculties (Natural and Agricultural Sciences and Economic and Management Sciences)
- Two senior directors (Human Resources and Facilities Management)



- Chairperson of the Audit, Risk and IT Governance Committee
- Risk Unit (advisory), comprising the Senior Director: Finance, Deputy Director: Finance, and the Chief Officer: Risk Management
- Head of Internal Audit (advisory)

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

During 2020, the focus of the IRMC was on mitigating risks relating to the COVID-19 pandemic. Accordingly, a Special Executive Group (SEG) as the decision-making entity on the pandemic, was established to respond to the risks related to the pandemic. COVID-19 was identified as a risk that negatively impacted the business continuity and the IRMC has decided to manage this risk as a separate item on the risk register. This focused approach has ensured that the related risks were identified, assessed, and mitigated in a coordinated manner. The Special Executive group was chaired by the Rector and Vice-Chancellor, Prof Francis Petersen, and included expertise in the areas of scenario planning, project management, virologists and/or epidemiologists, communication and institutional culture. The COVID-19 risks were elevated from the SEG to the IRMC for monitoring and review.

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

Through the constitution of the SEG and the interactivity of task teams, a dynamic risk assessment approach was established to minimise any negative implications for the institution (see Table 8).

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

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

While risks are escalated to the ARIC through the governance structures, this process does not allow the primary objective owner to abdicate the management and mitigation responsibilities. Risks are documented, assessed, and mitigation plans are constantly updated in an electronic risk management system. Council presents the risks in Table 7 and Table 8 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.

Table 7 shows the institutional risks recommended by the Audit, Risk and IT Governance Committee and approved by Council, with a residual assessment of 'high' and above. As the negative impact of the pandemic on business continuity was the greatest risk that the institution had to mitigate during 2020, the risk assessment is detailed in Table 8.

**Table 8: UFS institutional risks 2020**

No	Description	Classification	Summary of action plans	Action date
1	Share of income from advancement activities stagnates due to economic climate and our ability to raise funds.	High	Alumni strategy has been developed. Third-Stream Income Group established for focused approach. Maintain institutional advancement capacity built in the five-year Kresge Inyathelo advancement initiative. Plan and launch a comprehensive, well-resourced campaign to grow donations (including bequests) from individuals, including high-net-worth individuals and alumni.	2019-2023
2	Ineffective pedagogic relationship between students and lecturers impact student success rates, overall student experience, learning capability of students, and the satisfaction of staff within the work environment.	High	The Khothatsa project recognises strong pedagogical relationship examples. Academic staff development workshops highlight the importance of sound pedagogical relationships. Module evaluations (SASSE) are used institutionally to inform interventions. New Curriculum Renew Institute developed in consultation with the University of Virginia. DIRAP conducted a climate survey, and the findings highlight current language practices as having a negative effect on pedagogical relations: - Most especially Afrikaans on the Bloemfontein Campus - The tension between IsiZulu and Sesotho on the Qwaqwa Campus An updated version of CLASSE, CLASSE PULSE, will be conducted later in 2020.	2019-2023
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.	High	Various strategies are being developed to diversify the sources of research income, e.g. - Faculty programmes to bring the UFS closer to industry - The development of research hubs - Actively marketing our research and technologies to industry through stakeholder engagement workshops, etc. Third-Stream Income Committee established to enable effective management at faculty level. Grant-writing workshops offered through the Postgraduate School to equip staff when applying for funding. Implement a contract management system to actively manage third-stream projects. Implement proposal development and proposal tracking modules on RIMS to improve success rates through tracking.	Reviewed on ongoing basis
4	Inability to reduce the black-white student achievement gap could result in the decreased output of black graduates.	High	New Learning and Teaching Strategy integrates aspects of the UFS student success strategy through the Siyaphumelela project. The Siyaphumelela initiative monitors the impact of practices such as tutorials, academic advising, UFS101, and language development. Each dean to address the achievement gap within the various modules. A case management system has been launched to monitor students at risk and refer them effectively to support. A student tracker and data analytics platform put in place. The aim is to decrease the achievement gap by 1% per annum.	2023
5	Funding for engaged scholarship is not prioritised.	High	Launched a funding strategy for sustainability of engaged scholarship. Explore sources for third-stream funding. Build financially self-sustainable collaborations through partnerships (internal and external). Explore resources from student funding agencies. Gain access to monitor and evaluate the distribution of funding allocated to deans' offices for engaged teaching and learning (credit-bearing service learning) by establishing a network for feedback from faculties. Conduct an As-Is audit from 2016 to 2019 regarding use of allocated funds by 30 Oct 2020.	October 2020 to 2023
6	Cyber (digital/information) security is a key challenge in the effectiveness of ICT in a modern-day, technology-driven organisation.	High	ICT Services has adopted the Critical Security Controls (CIS) framework, which is developed and maintained by SANS. The Critical Security Controls are a recommended set of actions for cyber defence that provide specific and actionable ways to stop today's most pervasive and dangerous attacks. Subdivisions not visible: The most profound controls implemented by ICT during 2020: - Implemented GlobalProtect and dual-factor authentication and is in the process of implementing DKIM (email security), DMARC (email security), and trusted and untrusted network architecture to align with the service orientation. - Pending the outcomes of the current investigation, CASB (cloud security) will be implemented.	Reviewed on ongoing basis
7	Negative impact of COVID-19 on the business continuity of the university.	Medium	Due to the diversity and complexity of this risk, it is further explained in a separate table.	Reviewed on ongoing basis

**Table 9: UFS institutional risk 7 of 2020 – Impact of COVID-19 on the business continuity of the UFS**

Strategic objectives of the UFS									
<p>The COVID-19 pandemic impacts the business continuity of the university and the various functions it serves in society.</p> <p>The objectives of the UFS include the delivery of the Academic Project, which involves teaching, learning, and research to maintain, manage, and develop the physical and digital infrastructure – the engagement with external stakeholders (to foster societal impact), such as alumni, schools, governments, industry, the private sector, commerce, donors, and philanthropic foundations.</p> <p>The COVID-19 pandemic therefore needs to be confronted as a complex, adaptive system, in which each component affects the others with increasing flow-on consequences.</p>									
Key Performance Areas									
<p>The pandemic cuts across all the current strategic objectives of the university, as it threatens business continuity. The effect on each key performance area is assessed and measured differently through task teams established for specific areas. The Special Executive Group as the decision-making entity, chaired by the Rector and Vice-Chancellor, Prof Francis Petersen, acts as the COVID-19 nerve centre, where (eight) task teams are coordinated.</p>									
Special Executive Group Objectives									
Reliable information and communication		Health, safety, and well-being of staff and students		Successful completion of the academic year	'No-student-left-behind'		Explore different pathways to complete the Academic Project		Financial sustainability
Reliable information for decision making	Communication to staff and students	Mental health	Testing, screening, and cleaning	Academic calendar	Vulnerable students, students with disabilities	Improve student success and eradicate digital inequality	Quality assurance of teaching and learning and research	Continuation of research	Secure funding and austerity measures
<p>*Note: The risks identified below is colour coded with the respective objective. Risks are assessed and mitigated individually, but to enable the user to form a complete view of the risk exposure for the institution, the overall risk assessment is given at the end.</p>									

Risks identified							
	Risk name	Risk impact	Likelihood	Impact	Effectiveness of internal controls	Residual risk	Progress on actions
Reliable information and communication	Unreliable information and communication about the pandemic could lead to wrong decision making.	Basing decisions on unsubstantiated information could expose the institution, staff, and students to the consequences of the pandemic.	2	4	2	Low	<ul style="list-style-type: none"> <li>- The Science (COVID-19/SARS-COV-2) Task Team, led by Prof Felicity Burt, a SARChI Research Chair in Vector-borne and Zoonotic Diseases, updates the Special Executive Group weekly on epidemiological information/data with respect to COVID-19.</li> <li>- Regular communication to students, staff, and stakeholders to update them on developments at the university.</li> <li>- The University of the Free State Business Continuity Plan is updated against the background of COVID-19.</li> <li>- The UFS is contributing through research, provision of medical and clinical staff, project management, modelling, forecasting, disaster management, and system thinking skills, as well as support on various personal protective equipment (PPE) measures to the Free State Province and the Free State Department of Health.</li> </ul>
Mental Health	Psychosocial issues giving rise to mental health problems for students and staff.	The impact that the sudden shift to online remote teaching and learning had on student and staff mental health and anxiety, coupled with the socio-economic challenges.	3	2	4	Medium	<ul style="list-style-type: none"> <li>- The UFS has two dedicated units (Employee Wellness and Organisational Development and Student Counselling and Development) that continuously provide a range of services and activities related to wellness, in order to assist and support staff and students. For students, the online #MentalHealth Warriors campaign was launched.</li> <li>- From the report on student support, it was clear that there is also a wide range of other units that provide particular support and resources that can influence how well staff and students will cope (for instance CUADS, CTL, etc.). There are many support divisions that support staff, but these work perhaps more independent from HR.</li> <li>- A Staff and Student Wellness Task Team has been established under the SEG.</li> </ul>



Risks identified						
Testing, screening, and cleaning	Non-compliance with the health and safety regulations by reintegrated students could lead to increased COVID-19 cases (at 12 Oct 2020, the Free State had the highest number of active cases per 100 000 people).	An increasing number of positive cases have been reported among staff and students since the reintegration of students in the 'vulnerable students' category. The students mostly reside off campus and engage in unsafe behaviour while off campus (not wearing masks, unsafe social practices, etc.), but use the library, laboratories, and study facilities. Residence heads reported non-compliance with safety and quarantine procedures in residences and are struggling to convince students to comply.	4	3	3	Medium <ul style="list-style-type: none"> <li>- Create awareness through student bodies about compliance with health and safety regulations.</li> <li>- Expand questions on QR app to include means of transport to access campus, as well as areas where staff and students reside, in order to identify hotspots and assist in contact tracing.</li> <li>- Residence heads to enforce compliance through punitive measures.</li> <li>- Vice-Rector: Operations to engage with Head of Public Policing in the Free State, so that police could hold owners of entertainment venues accountable for inappropriate behaviour.</li> </ul> <p>At 13 Oct 2020:</p> <ul style="list-style-type: none"> <li>-252 staff and students tested positive</li> <li>-128 staff and students in quarantine</li> </ul> <p>COVID-19 monitors on the campuses increase awareness and ensure compliance with COVID-19 regulations.</p>
Testing, screening, and cleaning	Academic platforms that do not implement the COVID-19 safety protocols expose students unnecessarily.	Academic platforms not under the control of the university and not implementing COVID-19 safety protocols, expose students at state facilities or while being transported to the platforms.	4	2	2	Low <ul style="list-style-type: none"> <li>- Students have been provided with more than basic PPE – e.g., visors.</li> <li>- Provide training on using PPE and how to limit exposure.</li> <li>- Supervise students during rotation.</li> <li>- Move students from high-risk areas when identified.</li> <li>- Monitor and follow up on students who have been exposed.</li> <li>- Appointment of monitoring ambassadors.</li> <li>- Regular reporting on cases to campus clinic.</li> <li>- Regular non-punitive reporting.</li> <li>- Academic support for exposed and vulnerable students.</li> <li>- Regular debriefing.</li> <li>- Academic, social, and emotional support to students by formal structures in the faculty.</li> </ul>
Eradicate digital inequality	Lack of connectivity or digital inequality.	Digital inequality between students (connectivity/ not owning the necessary devices, not having frequent and reliable access to data).	3	4	3	Medium <p>Blackboard Risk Profile report (20 April to 14 September 2020)</p> <p>27 107 senior undergraduate students and 7 852 first-time entering undergraduate students taking part in report are not at risk in terms of access and time spent on Blackboard.</p> <p>Blackboard Access Report (31 August to 27 September 2020)</p> <p>The total number of undergraduate students who did not access Blackboard for the second semester add up to 1 186 students.</p> <ul style="list-style-type: none"> <li>- Vulnerable student group is invited back to campus where there is connectivity.</li> </ul>

Risks identified							
Vulnerable students	International students unable to return to campus to complete the academic year.	International students returned to their home countries during lockdown, and according to current regulations are only allowed to return under lockdown Level 1. Currently, about 260 international students do not respond to communication from the institution. At 30 September 2020, 230 students have outstanding tuition fees and are at risk of having their registration suspended and thus being unable to complete the academic year.	4	3	4	High	<ul style="list-style-type: none"> <li>- Rectorate extended the deadline of 31 August 2020 for payment by international students, but 230 international students still face serious financial constraints and are at risk of not completing the academic year due to financial reasons.</li> <li>- Despite concerted communication efforts by International Office staff, 260 students remain disconnected.</li> <li>- The International Office also sought assistance from the Institutional Student Representative Council to try to communicate, but without success.</li> <li>- The Office for International Affairs (OIA) is approaching the Centre for Teaching and Learning and faculties to ascertain the position of international students who cannot be contacted and to support them.</li> <li>- The UFS remains at risk of losing excellent international students through the pandemic, including many postgraduate students.</li> </ul>
Quality assurance of Teaching and Learning	Quality of teaching and learning, including assessments, could be compromised in swift change to online environment.	Staff not adequately capacitated with online teaching methodologies. The lack of physical contact might affect the quality of teaching with learning and assessments. Unsure of how to use tutors online as support.	3	4	3	Medium	<ul style="list-style-type: none"> <li>- #UFSTeachOn successfully implemented.</li> <li>- Blackboard Risk Profile report (20 April to 14 September 2020)</li> <li>Marks for assessment activities of first-time entering and senior undergraduate students average 72% and 73% respectively on PeopleSoft, and 64% for both on Blackboard Grade Centre.</li> <li>While a shift was made to continuous assessment, success rates cannot yet be determined. It should be noted that the marks from assessment activities are well below the 83% success rate target for 2020.</li> </ul>
	Ineffective pedagogic relationship between students and lecturers under COVID-19.	During the COVID-19 pandemic, the pedagogic relationship between students and lecturers may be jeopardized by students' lack of access to devices and data, among others, which could lead to low or no engagement. Emergency remote learning may also negatively impact the morale of academic staff.	2	3	3	Medium	<ul style="list-style-type: none"> <li>- A key purpose of the 2020 #UFSLearnOn campaign was to encourage students to stay in contact with the university through lecturers, tutors, peers, and other support structures.</li> <li>- The survey conducted by CTL asked whether students were in contact with the key role players in their academic success (lecturers, tutors, and peers), and through which channels.</li> <li>- The survey showed that three quarters of the students who completed the survey were in contact with their lecturers to seek support, 86% were in contact with their peers, and almost half were in contact with their tutors.</li> <li>- Contact with lecturers was mainly through email, but almost 70% of students indicated that they also used Blackboard and WhatsApp to engage with their lecturers. WhatsApp also took the lead as main communication channel between students and their tutors and peers.</li> </ul>

Risks identified						
	Dishonesty of students with assessments.	Academic misconduct and dishonesty have increased with the shift to online assessments.	4	2	3	Medium <ul style="list-style-type: none"> <li>- With the creation of low-tech accessible content, the focus is on prevention of dishonesty by improving the instructional design of assessments and capacitating lecturers with training and clear guidelines to combat academic misconduct and dishonesty.</li> <li>- Academic dishonesty and misconduct are detected through 'Turnitin', a plagiarism programme; academics detecting misconduct themselves; or students reporting it.</li> <li>The Directorate for Student Discipline and Mediation (DSDM) reported an increase from 125 to 167 cases of academic misconduct in Jan-Sept 2019 compared to the same period in 2020.</li> </ul>
	Lack of online engagement opportunities with communities.	Service-learning module challenges in terms of engaging with communities for experiential learning. Poor interface between academic work and community engagement. Safety of students during pandemic.	4	3	3	Medium <ul style="list-style-type: none"> <li>- Faculties are working with Community Engagement to create online engagement opportunities with communities.</li> <li>- Online opportunities for engagement with communities are subject to approval of professional bodies, especially Social Work and Psychology.</li> <li>- In the Faculty of Education, practical teaching could continue with the reopening of schools.</li> </ul>
Continuation of research	Decreased contribution to local, regional, and global knowledge generation.	Reduction of research outputs due to cancellation of conferences. Narrowing of national and international funding streams as economic downturn continues and an inability to show the value proposition, results in inadequate growth in research income.	3	4	3	Medium <ul style="list-style-type: none"> <li>-Presentation of researchers on virtual platforms.</li> <li>-Virtual engagement with different partnerships through the Thought-Leader webinars.</li> <li>- Branding, showcasing, and marketing our research.</li> <li>-Surveys of postgraduate students are done quarterly to find out how students are coping during the lockdown, which provides the opportunity to state any problems they might be facing.</li> <li>-Blackboard Collaborate is used as an online platform to reach and deliver research capacity-development webinars.</li> </ul>
Financial sustainability	Improper financial planning around the challenges of the pandemic could lead to cash-flow challenges.	The pandemic paralysed economic activities, and the effects thereof are being experienced by the university. This increases the UFS' exposure to credit risk and hampers the ability to source new income streams in both government and non-government sources. The lockdown and the phased reintegration of students led to students in residences requesting rebates and insourcing to be reprioritised.	3	3	3	Medium <ul style="list-style-type: none"> <li>- Financial – Re-adjusted 2020 budget finalised and various long-term financial scenarios developed.</li> <li>- Subsidy income due in 2020 was received by government.</li> <li>- Rebate to students in residences has been approved by Rectorate and presented to the ISRC for acceptance.</li> <li>- Insourcing negotiations were postponed in order to enable the university to better understand the impact of COVID-19.</li> <li>- The UFS is still awaiting government directives on how future funding will be impacted, and in the meantime, is implementing strict austerity measures to ensure sustainability.</li> </ul>



Overall risk assessment: Impact of COVID-19 on business continuity of the UFS				
Inherent risk (likelihood x impact)		Internal controls in place	Residual risk	
2	4	3	36	Medium
<p>The Department of Higher Education and Training, based on its COVID-19 Responsiveness Multi-modal Teaching and Learning Programme, assessed the risk of the UFS not completing the 2020 academic year as low, but the UFS viewed this risk from a broader perspective and has taken all the above risks and mitigation plans into consideration to determine its own risk assessment.</p> <p>Although the university is managing COVID-19 as meticulously as possible, the university must also collaborate with the Department of Health and the provincial and local government structures, which are also major role players in combating the spread of the virus.</p>				

### 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 of such assets. Such systems are designed to provide reasonable assurance to the university and Council regarding an operational environment that promotes the safeguarding of a public higher education institution's assets, and the preparation and communication of reliable financial and other information.

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

Information systems utilising modern information technology are in use throughout the university. All of these have been developed and implemented according to defined and documented standards to achieve efficiency, effectiveness, reliability, and security. Accepted standards are applied to protect privacy and ensure control over all data, including disaster recovery and 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 operation of internal control systems and reports findings and recommendations to Management and Council through the Audit, Risk and IT Governance Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving systems when identified. The Council, operating through its Audit, Risk and IT Governance Committee, provides oversight of the financial reporting process.

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

The university assessed its internal control systems as at 31 December 2020 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 2020, 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 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: UFS Internal Audit



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







# 3 PERFORMANCE REPORT



## 3.1. Report of Senate to Council

### 3.1.1. Overview of progress during 2020 with regard to the implementation of the UFS Learning and Teaching Strategy 2019-2024

In 2020, the UFS – like other institutions worldwide – had to change its approach to learning and teaching and student support to meet the challenges posed by the global COVID-19 pandemic. The pandemic created an opportunity to reflect on what a ‘new normal’ in a post-COVID-19 world could look like. The key findings of learning and teaching on an institutional level show that the UFS has exceeded its total and undergraduate enrolment target for 2020. As was the case in 2018-2019, this was made possible by returning undergraduate students who continued to exceed enrolment targets over the past few years. However, a cause of concern is the declining postgraduate enrolments, particularly the steady and consistent decline of enrolment in postgraduate qualifications below master’s, and to a lesser extent, a decline in master’s enrolment. Despite lowering the targets for both these study levels, the university did not reach its targets for enrolment in these groups. This raises questions about the navigability of pathways linking undergraduate and postgraduate studies and the need to open discussions to explore ways in which postgraduate studies could be advanced at the UFS. It is clear that our 2020 theme of ‘Visibility and Impact’ is just as applicable in an internal context as it is in an external context, communicating opportunities and contributing to students’ academic pathways, building out the reputation of the institution, and ensuring that it makes a difference in the lives of the communities it serves.

Demographically, the most notable change from 2019 to 2020 is the increase in the number of students entering with an academic point score (APS) of between 30 and 36, and the decrease in the number of students entering with an AP score below 30. It is also positive to note the sizeable increase in the number of undergraduate graduates that the UFS has produced over the past five years, particularly from 2019 to 2020. Of course, an increase in the number of graduates is expected to correspond with the increase in undergraduate enrolments over the past few years. However, if one considers the graduation rate, which is a more substantive way of viewing graduations related to enrolment, the UFS’ undergraduate graduation rate increased from 17% to 20% in 2020.

The UFS has made significant progress with success rates over the past ten years, with the general success rate improving by 13% between 2010 and 2020, while the achievement gap between white and African students halved from 16% in 2010 to 8% in 2020. Between 2019 and 2020, the overall institutional success rate improved by 5%, with some faculties showing increases of between 9% and 11%. The achievement gap between white and African students narrowed by 2% on an institutional level during this time. While it is true that a concerted effort has been made to enable the completion of the academic year, with various adaptations to learning and teaching in 2020, the size of the increase in success rates requires pause for reflection. This is especially important when considering the challenges that many of our students have experienced due to a lack of access to reliable internet and electronic devices, as well as the required digital skills to be successful in an online environment. Therefore, it is critical that the increase in the success rate and the narrowing of the achievement gap between 2019 and 2020 be carefully interrogated to consider the implications for quality and future approaches to learning and teaching.

The number of undergraduate enrolments has increased in all faculties over the past few years, with some peaking in 2020. Generally, with this increase also came an increase in the number of undergraduate graduates. The undergraduate achievement gap between white and African students decreased in all faculties except the Faculty of Natural and Agricultural Sciences in 2020. The reasons for this, together with the increase in undergraduate module pass rates in most departments of all faculties (including the Faculty of Education, which was the only faculty that showed a decrease in success rates on an overall faculty level), also need to be better understood. It is likely that there are lessons to be learned from the learning and teaching approaches taken in 2020 that can be replicated moving forward. However, it is also necessary to distinguish between which practices constituted the ‘emergency’ part of emergency remote teaching, and which practices can be taken forward as good quality practices for a new normal.

Adaptation to existing initiatives, as well as new initiatives emanating from the challenges posed in 2020, have been aligned with the current UFS Learning and Teaching Strategy. New initiatives implemented in 2020 include the No Student Left Behind (NSLB) campaign, laptops distributed to 3 500 students identified through the Student

Vulnerability Index (SVI), and the scaling of virtual academic and support services enabled through a grant received from the Michael and Susan Dell Foundation (MSDF). Teaching and learning during the pandemic also required the pivoting of existing student support and success initiatives, such as the Academic Student Tutorial Excellence Programme (A\_STEP), Academic Advising, Student Transition (UFSS), and Language and Literacy Development. Pivoting at the most concrete level meant adapting the ways in which these services are offered to allow them to continue in a remote online environment. However, in many instances, it also meant expanding the scope of the services offered to include more holistic support and greater reach.

In addition to student success initiatives, which makes up one part of the UFS Learning and Teaching Strategy, some forward-looking approaches to quality learning and teaching include foundational work done to enable more flexible learning and teaching approaches through the #UFSTeachOn campaign – work that serves as a building block towards a blended learning and teaching model in a new normal. The finalisation of the Curriculum Renewal Programme and growing interest in the Excellence in Learning and Teaching Awards, as well as the well-attended annual Learning and Teaching Conference, all point to new opportunities created by the pandemic to enhance the quality of teaching and learning at the UFS.

From a quality enhancement perspective, it is important to highlight the central role that data and data analytics played in ensuring that the remote teaching and learning response retained a quality focus. A total of 39 Blackboard reports ensured in-time monitoring of learning and teaching in 2020. In addition, several research reports were produced in 2020 to inform institutional initiatives, including #UFSLearnOn and #UFSTeachOn.

Finally, the pandemic resulted in the initiation of the strategic Digitalisation Implementation Plan. The plan aims to transform leadership, institutional culture, technology, and how the institution approaches strategic and operational tasks through digitalisation. The consultation process for the development of this plan started in October 2020 with an inclusive Design Thinking workshop focusing on developing a shared vision for UFS 2030. The plan is currently being finalised with the inputs of various stakeholders.

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

#### 3.1.2.1. Overview of indicators

The UFS is on track to improve student success and well-being, as evidenced by the majority of the indicators used to monitor the UFS' performance with regard to Strategic Goal 1.

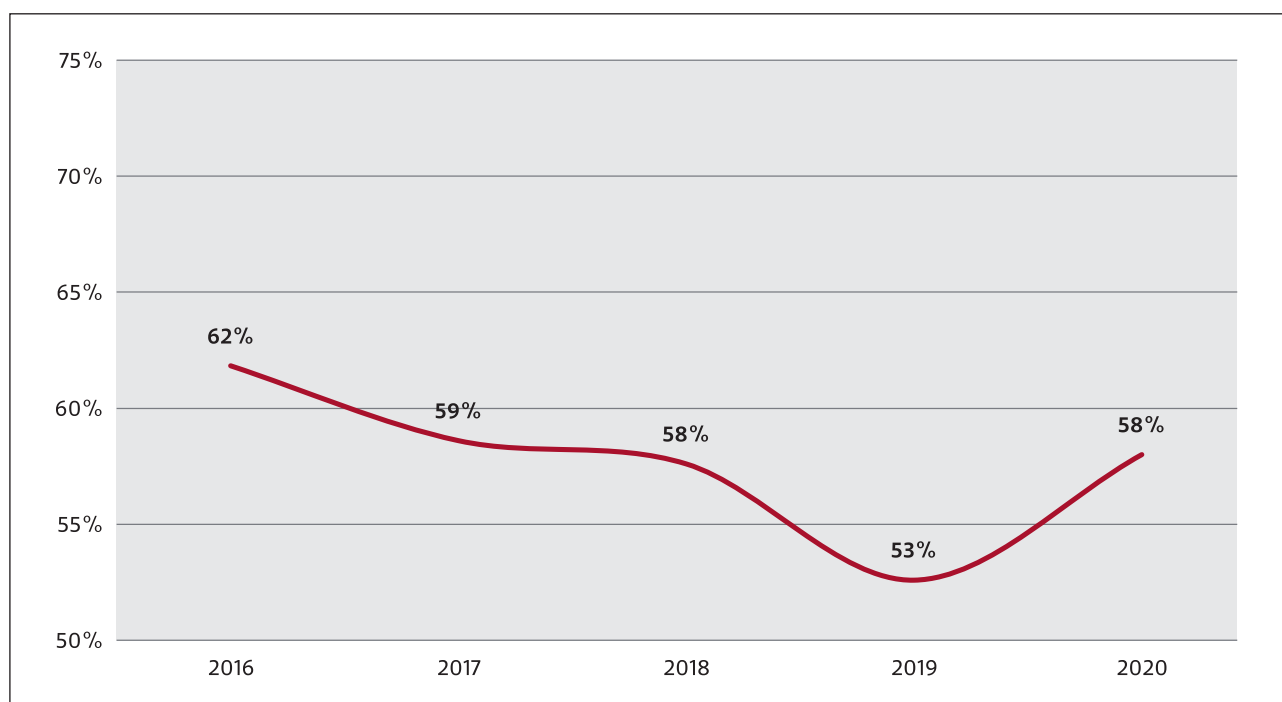
Despite not achieving its 2020 target for undergraduate throughput (under target by 2%; see Table 1), the recent positive increase in this indicator of student success means that the UFS is on track towards achieving its 2021 target (60%). As illustrated in Figure 5, the undergraduate throughput rate has steadily declined since 2016. However, the UFS was able to turn this trend around in 2020, despite immense COVID-related disruption to teaching and learning, as evidenced by a 5,4% increase in this key performance indicator (KPI) during 2020. The key activities that contributed to this success are discussed in section 3.1.2.2.

The UFS did not achieve its postgraduate graduate targets for 2020, and the five-year trends concerning the number of students who graduate from the UFS with doctoral, master's, and other postgraduate qualifications are stable rather than increasing. The UFS Postgraduate School provides an extensive array of support activities to supplement any gaps in knowledge, skills, competencies, or expertise of its postgraduate students through developing an empowering postgraduate and research environment and holistic capacity-building opportunities. The school further provides a hub of different services for postgraduate students. These services include research capacity-building services, a funding office, academic writing development, an information desk, research-skills training courses for postgraduate students running throughout the year, and social activities for postgraduate students. Postgraduate student seminars are arranged on request of research supervisors to provide an opportunity for postgraduate students to present their work to a critical audience consisting of other postgraduate students and staff members. The UFS Library and Information Service forms an integral part of the success of our postgraduate students and therefore offers an interlibrary loan facility to ensure that our students are provided with optimal access to information.

The institution exceeded its 2020 targets in terms of overall success rates (including under- and postgraduates; see Table 1 and Figure 6), as well as its total number of graduates. Figure 7 shows how the number of undergraduate UFS

graduates has increased year on year since 2016. Through the activities discussed in sections 3.1.2.2 and 3.1.2.3, and a focus on multilingualism in the tutorial system, the UFS intends to maintain this trend and not only meet but exceed its 2021 target.

The UFS made good progress during 2020 in supporting both the academic success and individual wellness of its students through the development of graduate attributes in curricula and co-curricula (see section 3.1.2.3), improving its library services (section 3.1.2.5), and prioritising student safety and health (section 3.1.2.4). Institutional research (see Figure 8) indicates a steady improvement in UFS students' perceptions of the extent to which the university supports their well-being. However, positive student perceptions decreased relatively significantly during 2020 and, subsequently, the UFS did not meet its 2020 target of 71% (see Table 1). The devastating impact of the COVID-19 pandemic on the holistic well-being of students worldwide has been widely documented<sup>39</sup> and may be a contributing factor to this decline. It may also indicate that the necessary focus on rapidly transforming the UFS teaching and learning function to meet the urgent needs of students adapting to a new reality themselves, have diverted our attention from the wellness needs of our students. The UFS plans to turn this trend and achieve its 2021 target (75%) by strengthening the relationship between the UFS (specifically Student Affairs and Protection Services) and relevant government services, and by implementing a risk management policy at community service-learning sites. The development of an institutional policy on gender-based violence and a comprehensive first-year student experience strategy, as well as the implementation of the new Advocacy, Awareness and Analysis Strategy, the new policies on Student Mental Health and Universal Access and Disability Support (see section 4.1.2.2.2), will also promote student safety and health during 2021.



**Figure 5: Undergraduate throughput rate, 2016 to 2020 (KPA 1.1)**

<sup>39</sup> See [https://scholar.google.co.za/scholar?hl=en&as\\_sdt=0%2C5&q=COVID-19+wellness+student&btnG](https://scholar.google.co.za/scholar?hl=en&as_sdt=0%2C5&q=COVID-19+wellness+student&btnG) for a sample of literature on the impact of COVID-19 on student wellness.



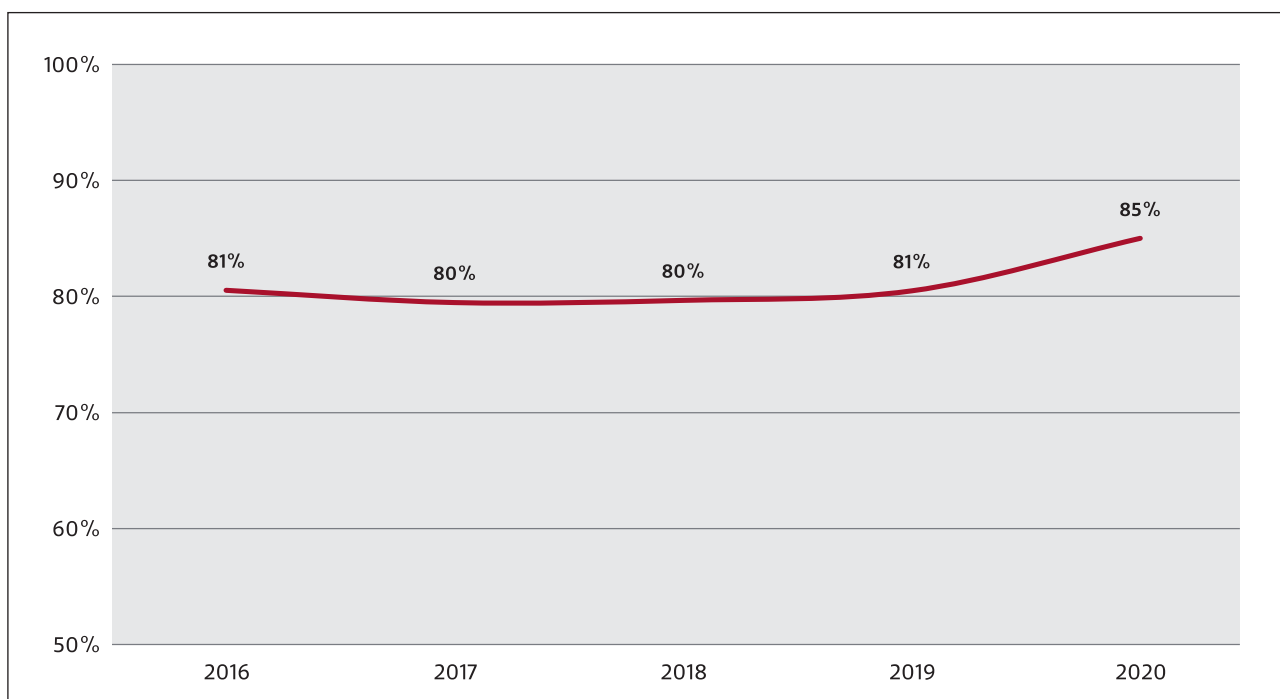


Figure 6: Total success rates (KPA 1.1)

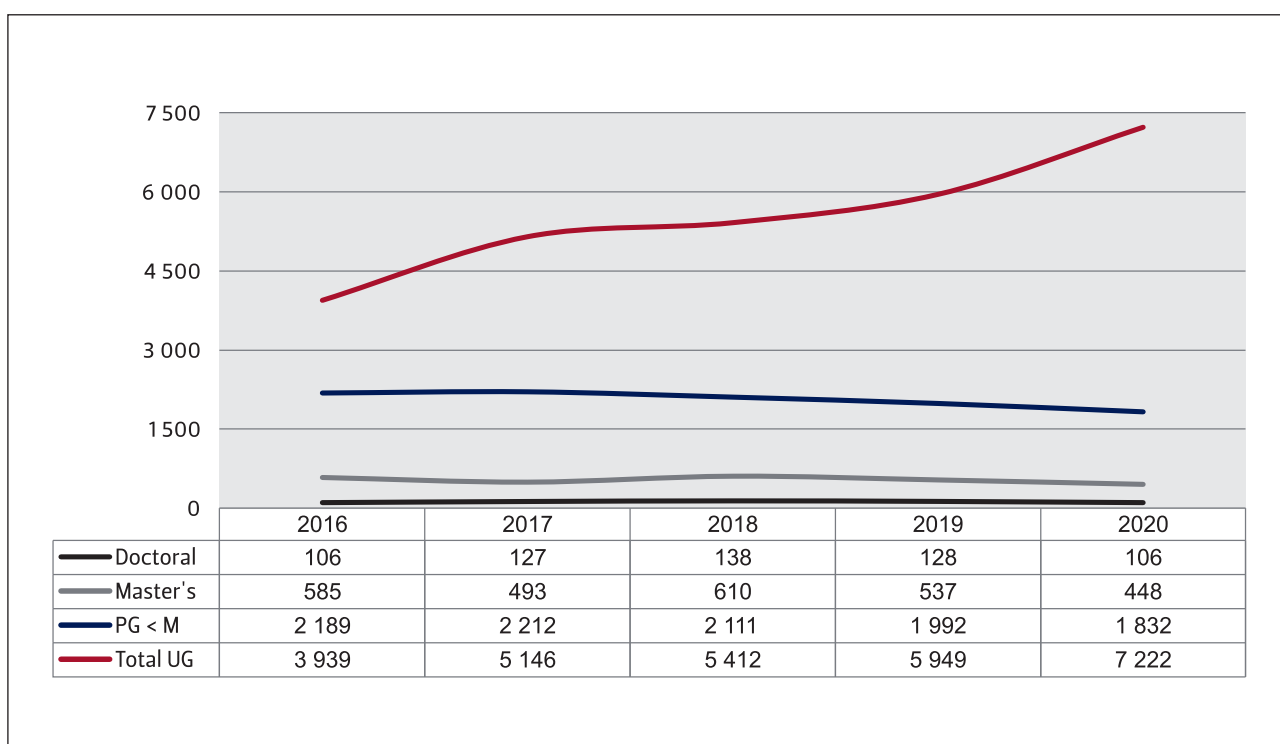


Figure 7: Graduates (headcounts; KPA 1.1)

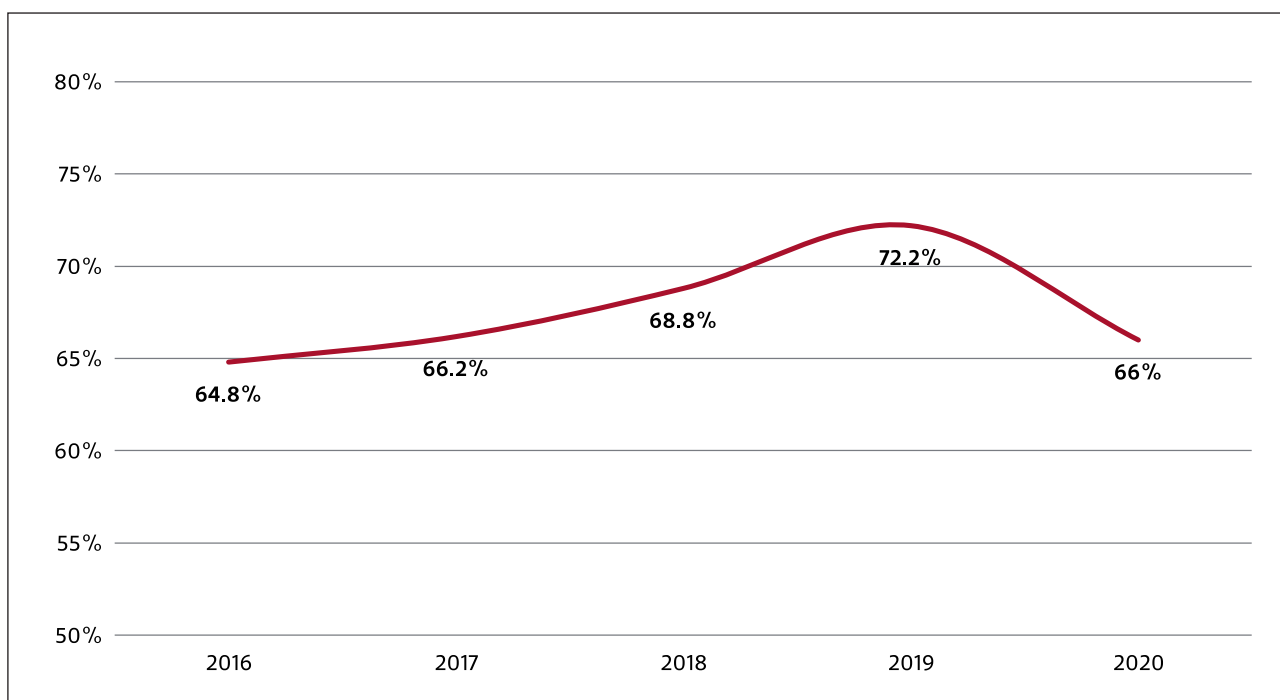


Figure 8: Student perceptions of UFS support for student well-being<sup>40</sup> (KPA 1.3)

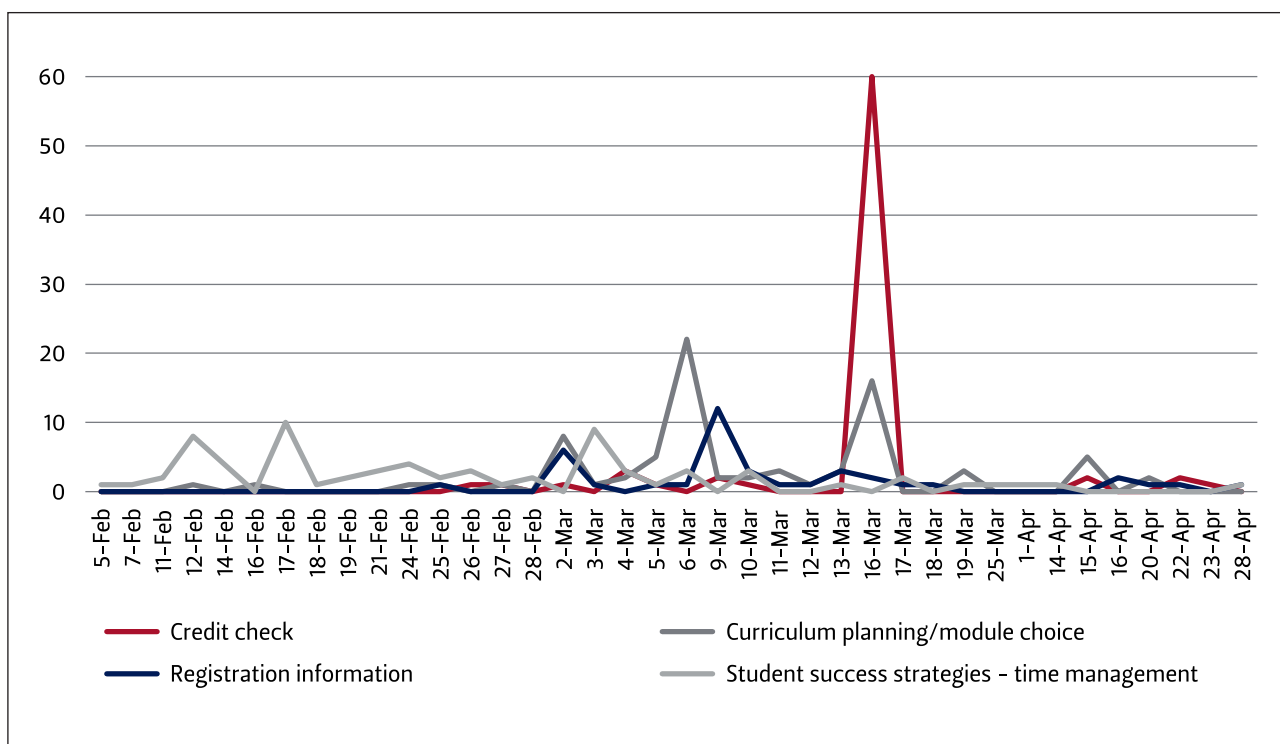
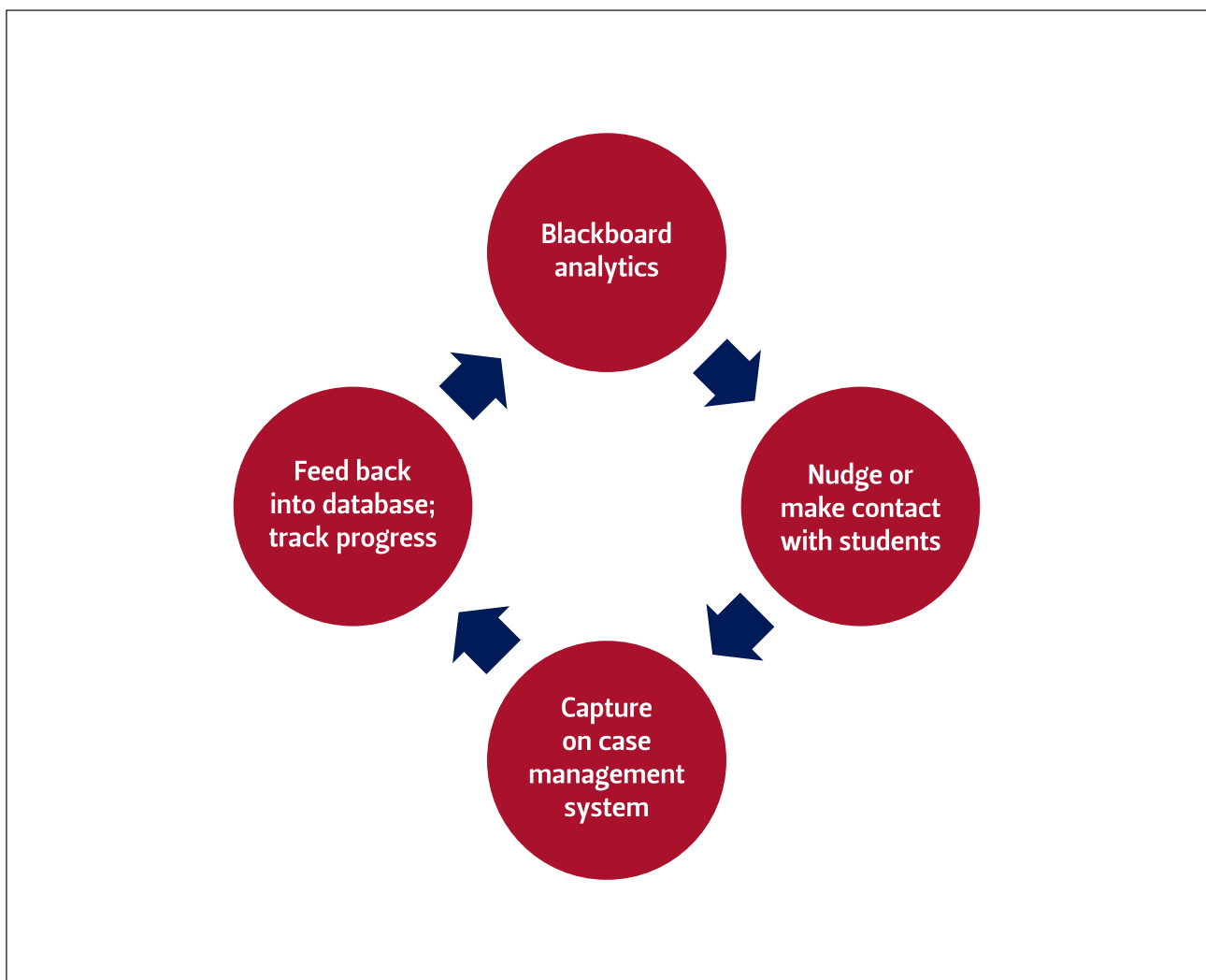


Figure 9: Number of cases captured via student tracking case management system

<sup>40</sup> 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 the South African Survey of Student Engagement (SASSE).



**Figure 10: Tracking of students in 2020**

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

#### **3.1.2.2.1. Tsehetsa Tracking Project**

The Tsehetsa Tracking Project is one of four flagship projects that the UFS is focusing on to advance student success. It is prioritised in the UFS Integrated Transformation Plan (ITP) as a means to advance a learning analytics approach to teaching and learning<sup>41</sup>, and forms part of the university's contribution to the Kresge Foundation-funded Siyaphumelela Network<sup>42</sup>. The Tsehetsa Project focuses on rolling out a student tracking system that will enable early warning and nudging. The project also extends to practices preceding, and behaviours following the tracking of students or high-risk modules. Timeous and correct capturing of data ensure that students at risk can be identified and nudged towards appropriate support structures.

Early in 2020, the UFS Siyaphumelela team collaborated with the Faculty of Economic and Management Sciences (EMS) to pilot a credit tracker that alerted students when they over- or under-enrolled. Figure 9 from the academic advising team's case management system shows a significant increase in students seeking help with credit checks as a direct consequence of the nudge. The success of the pilot has opened doors to scale such tracking interventions to reach students who are possibly at risk earlier.

41 ITP deliverable 1.7: Develop a learning analytics approach to teaching and learning

42 <https://siyaphumelela.org.za/>

After the EMS pilot, the UFS' COVID-19 response changed the Tshehetsa Tracking Project's focus. The university's learning management system, Blackboard, has played a central role in monitoring teaching and learning activity. Over the course of 2020, 39 Blackboard reports guided institutional decision makers. The Blackboard data also played a significant role in identifying where students were not participating in their studies. For example, at one stage, 506 students from the Bloemfontein Campus were not active on Blackboard. This data informed the No Student Left Behind (NSLB) initiative, where students were individually nudged and/or contacted to identify needs and to assist. Parallel to the NSLB initiative, the UFS initiated the Vulnerability Student Index (VSI), which guided institutional decision making in providing students with devices and additional support. Figure 10 illustrates how the tracking of students took place in 2020, starting with how the analysis of Blackboard data resulted in a list of students not participating in their studies, and who were then either nudged or contacted directly by advisers to identify their challenges. These contact sessions were captured on the case management system, which then feeds back into a database that tracks students' post-intervention participation.

### 3.1.2.2.2. Tutorial system

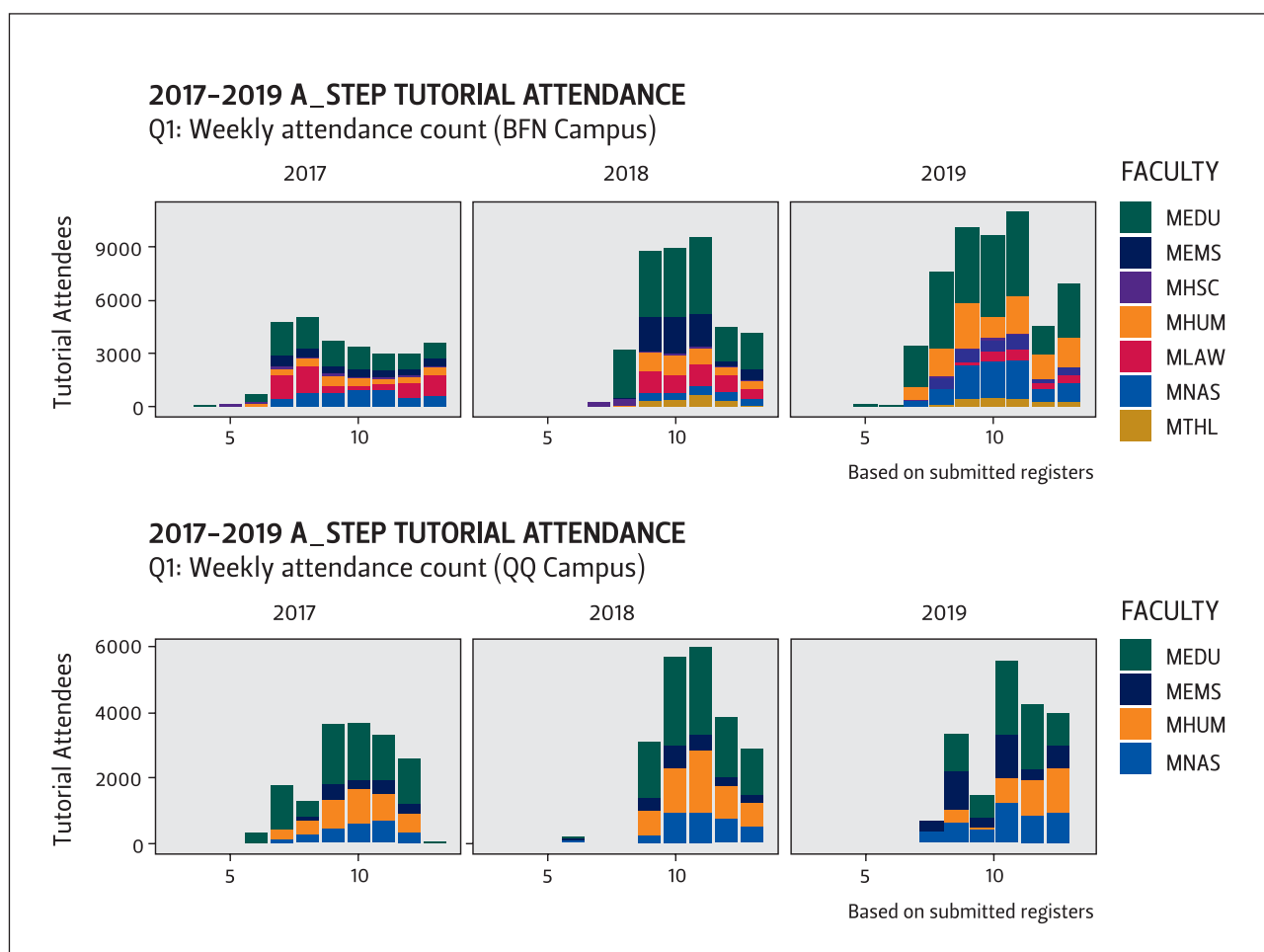
In recent years, the Academic Student Tutorial Excellence Programme (A\_STEP) has continued to improve the quality of student learning<sup>43</sup>. The programme has seen continuous growth both in the number of students reached and their return rate to the tutorial programme. Figure 11 shows that in 2017, 11 449 students attended tutorials offered by the programme. The following year, the number of students increased by 38% to 15 777. In 2019, the tutorial programme increased the number of students reached to 18 336. The growth in the number of students stems from increased module numbers on both the Bloemfontein and Qwaqwa campuses. However, with challenges such as access to electronic devices, poor network and connectivity, high data costs, load shedding, and students' competing academic, domestic, and socio-economic issues as reported in the vulnerable student report, tutorial attendance has experienced a sharp decline during the 2020 academic year. The total number of students who made use of tutorials were 5 080 in the first semester and 4 685 in the second semester of 2020.

Like many academic support programmes, A\_STEP had to pivot its offering to ensure that it continued its mandate of providing quality tutorials at the UFS. A\_STEP has successfully moved over 141 modules to participate in online tutorials in 2020, compared to three modules in 2019. Tutors utilised diverse communication platforms to engage with students, including WhatsApp, Blackboard Collaborate, emails, telephone calls, tutorial call centre, and some face-to-face engagements in the beginning. The different session types were often used concurrently. For example, a tutor could get an email from a student and reply via a WhatsApp voice note, thus leveraging the diverse platforms. Ultimately, efforts to remind students that tutorials are there to support them have succeeded in getting students more engaged with tutorials, and there is a statistically significant link between students who attend more tutorials and their academic performance.

A new addition to tutorials in 2020 was the A\_STEP call centre, which was established as a response to the growing need by students who need tutorial assistance but are unable to access it via web-based platforms because of the cost of data or lack of a stable connection. The Michael and Susan Dell Foundation (MSDF) COVID-19 grant enabled the university to extend tutor contracts beyond the traditional six hours per week. This extension has made it possible for more tutors to conduct one-on-one telephonic tutoring with students who were not able to access the internet or may have fallen behind with their academic obligations. The tutors also used this platform to help students find ways of using platforms such as GlobalProtect for better access to tutorials that took place on Blackboard, as a way of reintegrating students into online peer-led tutorials and other support services. Increasing the number of tutors available to reach out to students seemed to have made a difference. The A\_STEP project report shows a three-fold increase in tutorial engagements with students after the call centre was launched in August 2020. Collectively, the project reached 4 685 students through the call centre, the NSLB campaign, and collaboration with the Faculty of Law.

43 ITP deliverable 1.5.1: Improve the quality of student learning





**Figure 11: A\_STEP tutorial attendance 2017-2019**

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

#### 3.1.2.3.1. Graduate attributes

The UFS is promoting the intentional mapping and integration of graduate attributes into its curricula and co-curricula as part of its ITP<sup>44</sup>. In 2018, the UFS approved eight graduate attributes for inclusion in the curriculum. In 2019, the VALUE (Valid Assessment of Learning in Undergraduate Education) rubrics of the Association of American Colleges and Universities (AAC&U) were contextualised for most of the eight attributes, and new rubrics were created for entrepreneurial mindset and community engagement. The UFS planned to make much headway on the curriculum mapping process at faculty level during 2020, as well as gain a deeper understanding of signature assignments and ePortfolios as tools for assessment and evidence of the development of the attributes. With the impact of the pandemic on travel, institutional finances, shifts in timelines, human resource capacity, and technology, the UFS had to rethink what could realistically be achieved with the graduate attribute project in 2020.

Within the UFS Graduate Attributes Project, it is proposed that the curriculum mapping is conducted in incremental steps to ensure feasibility and sustainability over time:

- Step 1 a: Indicate which attributes are covered in modules at programme level.
- Step 1 b: Within each module, map the learning outcomes and assessment/activities against the UFS graduate attributes.

44 ITP deliverable 1.6.2: Promote the intentional mapping and integration of graduate attributes into curricula and co-curricula

- Step 2 a: Identify gaps and areas that require improvement. Support will then be provided in the form of workshops/webinars.
- Step 2 b: Identify examples of best practice and share it across the institution.
- Step 3: Rethink module evaluation from a curriculum mapping perspective – e.g., ask students how they are learning graduate attributes, and if some outcomes need more reinforcement.
- Step 4: Update curriculum maps on an ongoing basis.
- Step 5: Use curriculum maps to inform the development of graduate attributes within a programme, programme planning, intentional curriculum design and development needs, and orientation of new academic staff.

The curriculum mapping part of the Graduate Attributes Project continued as from September/October 2020, successfully workshopping with the Faculty of Education and the Faculty of the Humanities. These two faculties started mapping the development of graduate attributes by using their module outcomes, assessments, and the UFS VALUE rubrics. There was agreement with teaching and learning managers that Steps 1 and 2 would be prioritised for 2021.

In October 2020, a proposal on ePortfolio development among students was made to the Deans' Forum, which received support. This proposal ranged from integration in the first year in UFSS, to an online learning organisation for second- and third-years, to a module with the outcomes of a professional and market-ready LinkedIn profile, ePortfolio reflecting on the development of graduate attributes, and a business plan to gear students towards entrepreneurship ventures. It was agreed that this content would be developed and piloted in 2021.

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

#### **3.1.2.4.1. Sexual harassment and sexual assault**

The implementation of the sexual harassment and sexual assault policy is a key ITP strategy<sup>45</sup> for improving the safety and health of UFS students. The university adopted two policies in this regard during 2018: the Sexual Harassment, Sexual Misconduct and Sexual Violation Policy of the UFS (adopted June 2018); and the Anti-discrimination, Promotion of Equality and Social Justice Policy and Procedures. The Gender Equality and Anti-Discrimination Office (GEAD) is the key structure supporting the implementation of these policies.

In terms of the Sexual Harassment, Sexual Misconduct and Sexual Violation Policy, the GEAD Office coordinates the functions of the Sexual Assault Response Team (SART). A mid-term review of the ITP indicated that the majority of those who participated in the review were aware of the role of the SART. However, some indicated that they were not aware of the Sexual Harassment, Sexual Misconduct and Sexual Violence Policy of the UFS. This is important to note, as the policy makes provision for the SART to act on various aspects of cases that are reported under the policy.

The GEAD Office promotes gender equality. This work involves advocating for victims and survivors of gender-based violence. The Anti-discrimination, Promotion of Equality and Social Justice Policy mandates the GEAD Office to receive and process incident reports of discrimination and to launch a variety of initiatives to reduce or eliminate discrimination and related injustices. For example, the GEAD Office has undertaken gender and sexuality sensitisation work in campus residences to counter homophobia, and to support the establishment of gender-inclusive housing. In the period of the 16 Days of Activism, the GEAD Office collaborated with the South African Police Service (SAPS), the Performing Arts Centre of the Free State, Free State Rainbow Seeds (a non-profit organisation focusing on men having sex with men), and others. In this context, the GEAD Office has undertaken to sensitise SAPS officials on gender issues that are relevant to receiving, handling, and dealing with members of the LGBTQ community.

With the support of the DHET Social Inclusion Directorate, the GEAD Office instigated and is coordinating the formation of a regional post-school education and training sector (PSET) forum. PSET institutions currently involved in this initiative are the University of the Free State, Sol Plaatje University, the Central University of Technology, the Motheo Technical and Vocational Education and Training (TVET) College, and Maluti TVET College. This initiative is in response to a call for such structures by the National Gender-Based Violence and Femicide Strategic Plan 2020–2030. It is expected that members will adopt and develop this forum as a community of practice in which all parties

<sup>45</sup> ITP deliverable 4A.6: Implement sexual harassment and sexual assault strategy and policy

can share best practices for the management of gender-based violence, for the advancement of gender equality, and for combating discrimination. Where feasible, the forum will enable members to cooperate operationally in ways that may enhance, for example, aspects of how advocacy work is conducted.

Achieving the objectives of the GEAD Office in 2020 was particularly challenging, given the difficult realities brought about by the COVID-19 pandemic, the nationwide lockdown, and the resultant changes in UFS institutional arrangements. Nevertheless, GEAD was generally able to provide uninterrupted campus-based services. Where there was a need, it also extended its services to include a programme of online engagements, including a range of webinars.

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

#### **3.1.2.5.1. Library revitalisation**

The UFS Library Revitalisation Plan started as a strategic project under the leadership of the Vice-Chancellor and is being implemented as a key ITP<sup>46</sup> project to provide flexible workspaces and state-of-the-art library services. Implementation continued during 2020 despite the challenges brought about by the COVID-19 pandemic. In fact, the pandemic contributed towards a review of how the services were conducted, thus leading to migration into the virtual and digital platforms in the quest of UFS Library and Information Service (LIS) to meet the needs of its users.

Revamping of physical spaces in our quest to create a world-class library equally continued during 2020 despite the pandemic. This involved the repurposing and redesign of UFS LIS spaces into modern, flexible workspaces that meet differentiated and multi-purpose learning and research needs for undergraduate and postgraduate students. Part of Level 4 in the Sasol Library on the Bloemfontein Campus was repurposed, with four multipurpose spaces created, i.e., a quiet study space for students, two multipurpose spaces (seminars, training, tutorials, etc.), and the digital scholarship centre. The procurement of furniture and equipment was finalised and delivered, making the space fully functional. Planning for the revitalisation of the Medical Library has been finalised, and the entrance area of the library has been upgraded. Office spaces on Level 4 of the library, as part of the master plan, were started late in 2020 and the project proceeded into 2021. The Sasol Library intercom installation process started late in 2020 and proceeded into 2021.

The Digital Scholarship Centre (DSC) was established as planned at the end of March 2020, with a work group including LIS, the Directorate for Research Development, and Information and Communication Technology (ICT) Services. A business plan has been developed for the centre, and a temporary DSC manager as well as an intern has been appointed in January 2020 to ensure that the necessary processes are in place in terms of space, resources, and personnel. Level 8 of the Sasol Library was identified as the ideal location for the centre. However, a temporary space on Level 4 has been utilised since the DSC started its services. An extensive advocacy programme is in progress; the services offered by the centre will become part of postgraduate research support, where programmes for early, middle, and late careers will be facilitated.

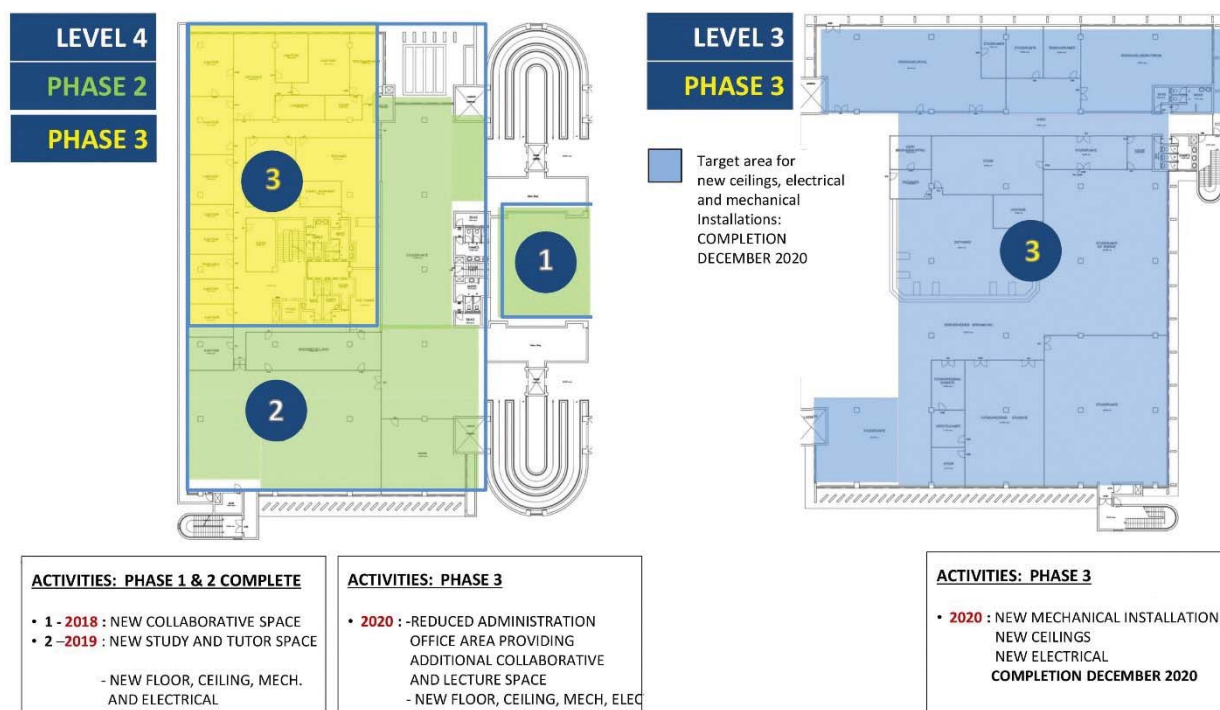
Considerable developments have been achieved by the DSC, including a consolidated link to the university's research support, a website for online presence, a 'libguide', a blog, and social media presence on Facebook, Twitter, and YouTube. These platforms contribute to the digital presence of LIS to support research and digital scholarship endeavours at the university. It also contributes towards visibility and demonstrates how LIS is staying up to date with global trends and developments. By supporting KopsieJournals, the DSC has made it possible for the university to become a member of CrossRef. This enables the university to mint DOIs for digital content (on OJS and figshare), which benefits our researchers in terms of accessibility and visibility of their research. Included in this subscription is a similarity checker, iThenticate, which will be installed on OJS to assist with a more seamless process to check for possible plagiarism.

The need for digital and virtual presence has become more important than ever before due to COVID-19 restrictions; LIS moved swiftly to put the necessary processes in place. An information technology specialist was appointed to ensure that the infrastructure projects proceeded seamlessly. The LIS webpage was transformed, with resources and services grouped on one page to facilitate access for users. A range of software packages was acquired to improve

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46 ITP deliverable 2.12: Devise a strategy to provide library services and flexible workspaces

resource accessibility, e.g., a full package of Springshare products; the link to library resources was moved to this platform. Some of Springshare's uses include booking an appointment with a librarian, requesting a book from the library, evaluation of our services, as well as developing tutorials for the teaching and learning programmes of the library. LIS also acquired a full package of QR codes to ensure that users are provided with links to different services, which also allows access to usage statistics. For the research data management processes of the university to proceed as part of the DSC project, LIS, in collaboration with ICT Services, acquired a Figshare repository for research data preservation and accessibility. The platform was launched during the Open Access Week. Besides hosting research data, this platform is also used for uploading and making open educational resources available.



**Figure 12: UFS Library Revitalisation Plan (phases 1 to 3)**

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

#### 3.1.3.1. Overview of indicators

Although the UFS is not fully on track with this target, much has happened during the COVID-19 pandemic in terms of preparations towards decolonising and democratising the curriculum. It is noted that, while curriculum reform is a continuous process, the UFS has commenced with self-reflection on its arrangements in 2020. Faculties concluded their self-evaluation reports regarding the decolonisation of curricula. The external review to test the UFS arrangements through a panel of experts, is scheduled for 2021. The aim of the review is to assess our current curriculum practice against the key drivers of curriculum transformation, namely:

- Responsiveness to social context
- Epistemological diversity
- Renewal of pedagogy and classroom practices
- An institutional culture of openness and critical reflection

The UFS quality assurance arrangements are primarily based on departmental reviews, and although the pandemic has impacted face-to-face reviews, the university continued to review its planned programmes virtually. Unfortunately, the UFS had to reprioritise the number of reviews by reducing it to 13 external reviews, as demonstrated in Figure 13, as well as one internal curriculum review (see section 3.1.3.2.2). During this time, the



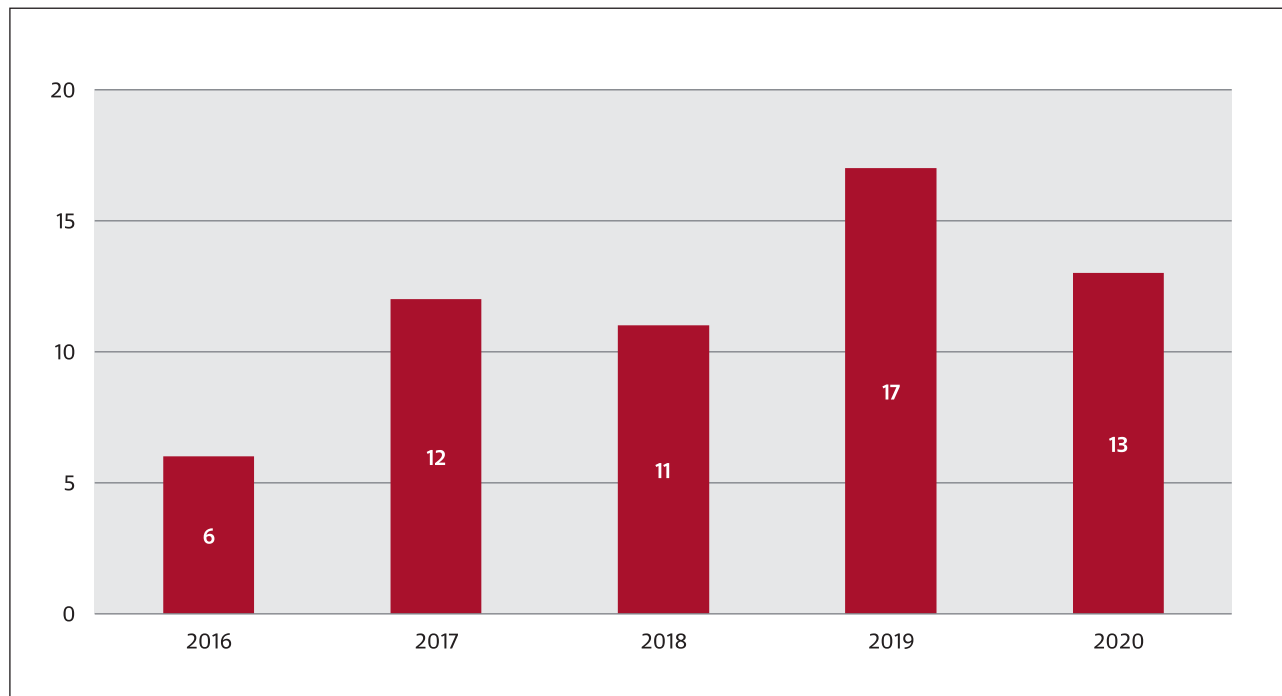
virtual platform demonstrated that virtual reviews can be conducted as successfully as face to face at a reduced cost. The university will continue to employ this practice in 2021.

Figure 14 shows that the UFS has not achieved its distance education enrolment target and foundation provisioning for 2020. It is envisaged that the blended learning methodology applied during 2020 to respond to the challenges faced by higher education will demonstrate the advantage of balancing both traditional and online teaching approaches. This approach will influence the Size and Shape strategy of the university and the purpose of our campus structure so as to give expression to new modes and sites of delivery.

As depicted in Figure 15, the graduate employment rate shows a drop from 60% to 34%. Only 29% of the 2 060 graduates who completed the 2020 survey reported that they were already working at the time of graduation, compared to 57% in 2019, and 44% in 2018 and 2017. This drop may be partially attributed to the fact that employment in South Africa decreased by 6% (or 594 000 jobs) from December 2019 to December 2020<sup>47</sup>. Delays in filling vacant posts due to economic uncertainty brought about by the pandemic may also be a contributing factor. However, the UFS has prioritised the employability of its graduates and, to this end, will be investigating current graduate employment as well as the future world of work, focusing on changes in human resourcing, work environment, and skills requirements associated with the pandemic.

The concept of scarce skills features prominently in South Africa's national development discourse. Figure 16 shows how the UFS responds to these scarce skills; from the data, it is evident that the UFS is doing well in Animal Sciences, Physical Sciences, and Teacher Education. Concerted effort is required to meet the targets for Engineering and Health Sciences. In this regard, the new addition of Engineering to the UFS PQM and the turnaround plan of the Faculty of Health Sciences will contribute to the broadening of access to these critical skills.

Regarding the performance of postgraduate enrolments, Figure 17 shows that the institution has exceeded its 2020 doctoral target; it furthermore demonstrates a slower growth in both master's, postgraduate diplomas, and honours. Funding remains a key impediment at this level, and the UFS is exploring all possibilities to retain and secure funding for deserving honours students.



**Figure 13: Number of external quality reviews of departments/programmes (KPA 2.1)**

<sup>47</sup> For more information, please visit Statistics South Africa at <http://www.statssa.gov.za>

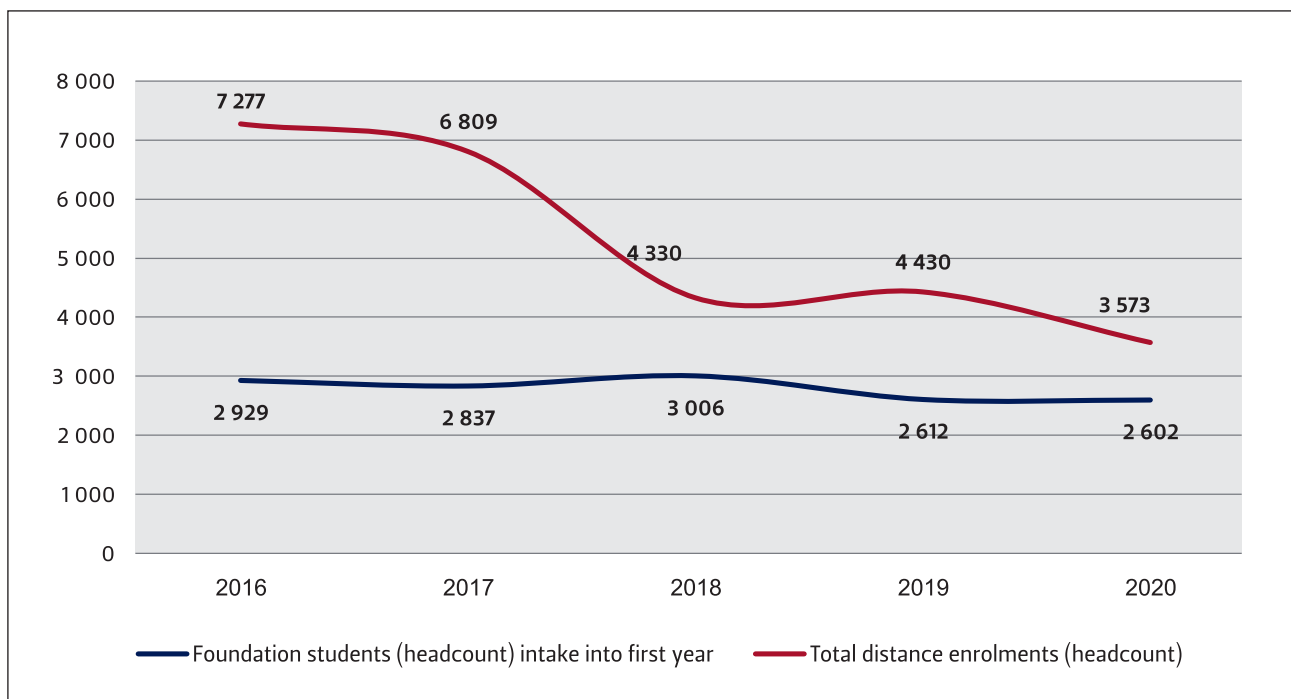


Figure 14: Access student enrolments (KPA 2.1)

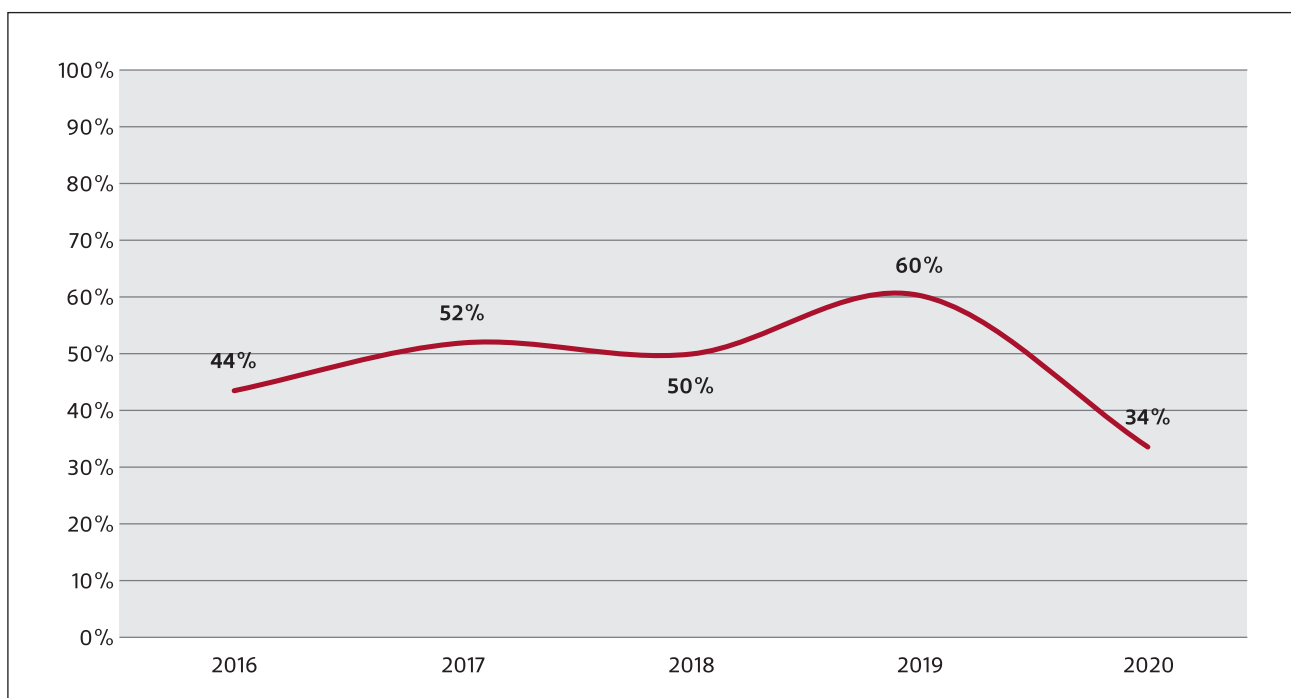


Figure 15: Graduate employment rate (KPA 2.2)

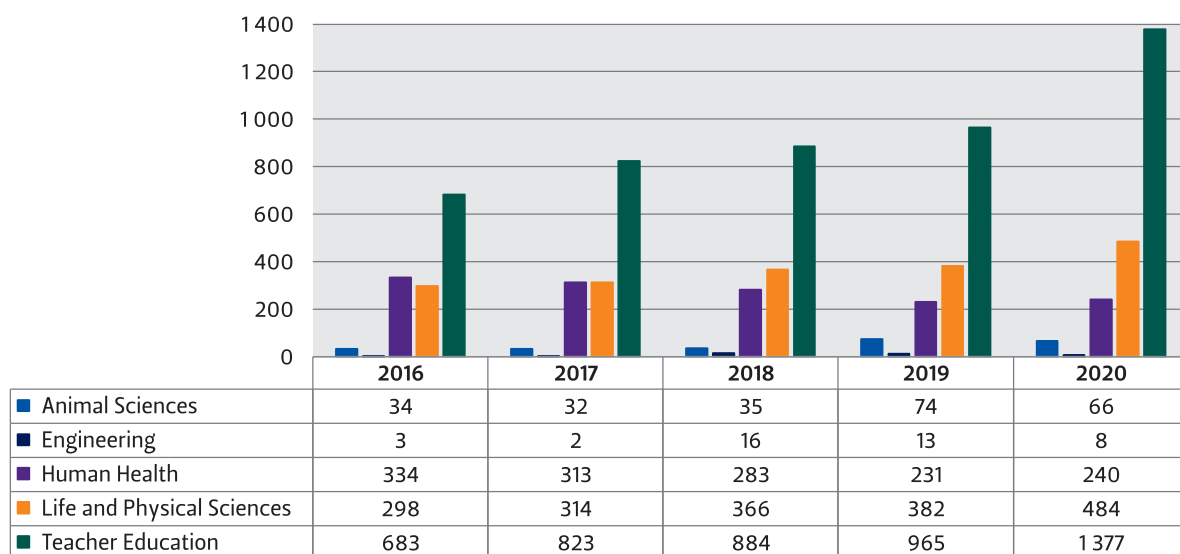


Figure 16: Undergraduate scarce-skills graduates (headcount) (KPA 2.2)

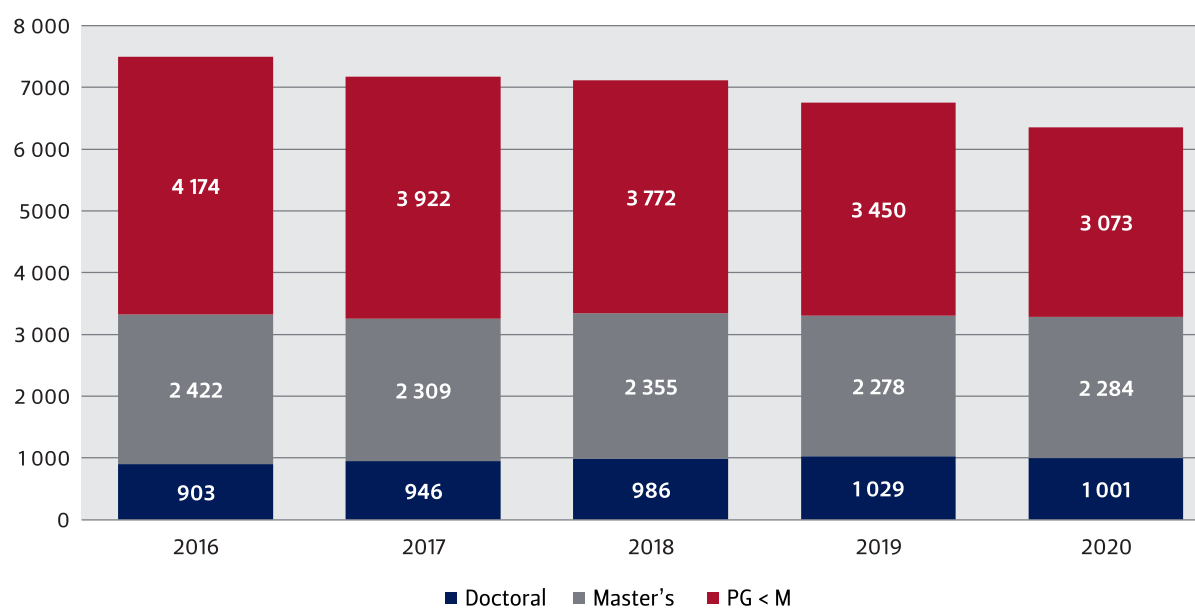


Figure 17: Postgraduate enrolments (headcount) (KPA 2.2)

### 3.1.3.2. Develop curricula that is locally relevant and globally competitive (KPA 2.1)

#### 3.1.3.2.1. Decolonisation

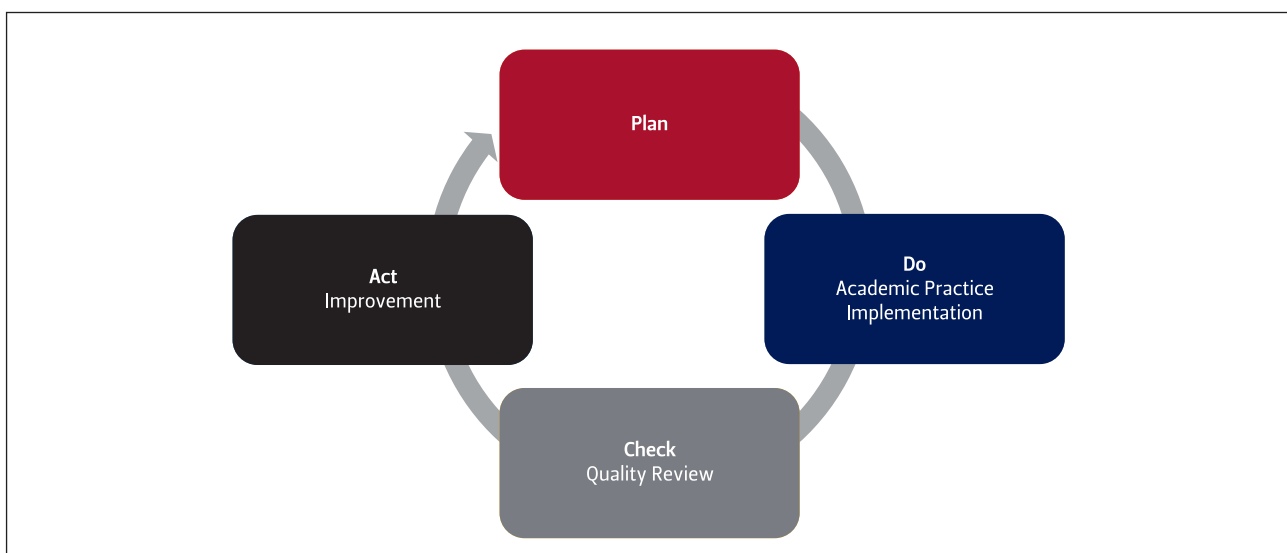
Through the ITP<sup>48</sup>, the UFS took the initiative to respond to the student demand to decolonise higher education by instituting a decolonisation review. The university started off by clarifying the definitions of colonisation and decolonisation in the higher education context as guiding definitions, which also inform the necessity of this review. Decolonisation raises questions about how universities in South Africa produce knowledge and how this knowledge production relates to existing forms of privilege since this is central to addressing colonial legacies at a university. The institutional decolonisation review is meant to respond to these questions in the context of the UFS.

The decolonisation review was initiated in 2019 but came to a halt in 2020 due to the COVID-19 pandemic, as the institution focused on the successful completion of the academic year. The work done in 2019 included the drafting of the review plan, applying for funding, and obtaining approval for the project through the Academic Committee of Senate. Additionally, faculties drafted their respective self-evaluation reports in relation to decolonisation-related projects or initiatives. Various seminars, conferences, and conversations on decolonisation of the curriculum formed an integral part of the self-evaluation process. These documents will inform the basis of engagement between faculties and the review panel in 2021.

#### 3.1.3.2.2. Academic quality

The responsibility to quality-assure the academic and academic support processes and offerings of the UFS, primarily remains in the hands of the faculties/academic departments/support service units and the governance structures thereof. To live up to its commitment to high-quality processes and offerings, the UFS employs a variety of mechanisms and processes to ensure that it systematically and consistently maintains and improves quality and effectiveness of its processes and offerings across the different faculties, academic departments, and support service divisions/units. Quality maintenance and improvement at the UFS is positioned within the context of the following strategic considerations:

- Strategic positioning as contained in the strategic plan documents of the institution
- Commitment in drawing on methodologies and practices that can improve student experience and success
- Renewing and transforming curriculum in line with the strategic priorities of the institution and of higher education nationally
- Achieving impactful engaged scholarship that supports development and social justice as well as meaningful academic scholarship
- Ensuring efficiency and effectiveness of the structures of academic governance and resources.



**Figure 18: UFS quality-management process**

48 ITP deliverable 1.2: Assess the curriculum with respect to decolonisation and relevance



The UFS draws on a variety of internal and external mechanisms to guarantee maintenance and improvement of the quality and credibility of its academic offerings, systems, and processes. The different mechanisms executed under the realm of quality reviews are summarised in Table 10 according to the different process categories.

**Table 10: UFS quality maintenance and improvement mechanisms**

Regular/continuous processes	Module-end processes	Periodic processes	External processes
<ul style="list-style-type: none"> <li>Module and programme development and approval</li> <li>Internal peer feedback</li> <li>Internal moderation</li> <li>Evidence screening and approvals (manuals, study guides, textbooks, etc.)</li> <li>Documentation and review of quality policies, processes, procedures, and guidelines</li> </ul>	<ul style="list-style-type: none"> <li>External examining and moderation</li> <li>Student survey feedback</li> <li>Yearbook/course catalogue confirmation and update</li> </ul>	<ul style="list-style-type: none"> <li>Programme review</li> <li>Department/faculty/centre/support service unit review</li> <li>Institutional audits</li> </ul>	<ul style="list-style-type: none"> <li>Council on Higher Education (CHE) audits and accreditation</li> <li>Professional bodies accreditation</li> <li>Self-evaluation and peer quality enhancement reviews (published, agreed review strategy and cycles)</li> </ul>

During 2020, the UFS quality-assurance arrangements has taken the primary form of departmental reviews. The most recent version of the UFS Guidelines for Departmental Evaluation (and a similar document for programme evaluation) proposes a broad scope of analysis that includes not only the three core functions of higher education, but also the administrative and support functions provided by, and to, the department under review. The review process includes an internal self-evaluation and external evaluation that constitute the basis for a quality improvement plan. This approach, with clear influences from the initial institutional audit processes of the HEQC, managed to review more than 100 departments, schools, centres, and units within a cycle of approximately five years, which is a considerable achievement. During this time, the UFS managed to evaluate 14 programmes as presented in Table 11. One of these – Social Work – was an internal review of the curriculum.

**Table 11: UFS quality reviews 2020**

	Faculty	Department/Center	Next Date
1	The Humanities	Hebrew	2 Mar 2020
2	Natural and Agricultural Sciences	Animal, Wildlife and Grassland Sciences	9 Mar 2020
3	The Humanities	Afrikaans and Dutch, German and French	9 Mar 2020
4	Natural and Agricultural Sciences	Centre for Sustainable Agriculture, Rural Development and Extension	16 Mar 2020
5	The Humanities	Department of Communication Science	4 May 2020
6	The Humanities	Department of Criminology	11 May 2020
7	Natural and Agricultural Sciences	Centre for Environmental Management	20 Jul 2020
8	Natural and Agricultural Sciences	Microbial, Biochemical and Food Biotechnology	27 Jul 2020
9	Natural and Agricultural Sciences	Consumer Science Centre for Sustainable Agriculture, Rural Development and Extension	27 Jul 2020
10	Natural and Agricultural Sciences	Geology	3 Aug 2020
11	Economic and Management Sciences	Centre for Development Support	11 Aug 2020
12	The Humanities	Political Studies and Governance	1 Sep 2020
13	South Campus	Open and Distance Learning	5 Oct 2020
14	The Humanities	Social Work (Curriculum Review)	5 Oct 2020

These reviews endeavour to support academics in the development of institutional knowledge, which is used to steer the university towards its strategic objectives. The following principles govern the practice of quality assurance at the UFS:

- Quality as conformance to the minimum standards
- Quality as a process aiming for consistent improvement (quality assurance culture)
- Quality as meeting the institutional goals and priorities and the educational needs (fitness for purpose)
- Quality as education that empowers and transforms students (transformation)
- Quality as cost-effectiveness of academic provisioning (value for money)

These reviews are intended to assist departments in quality-assuring their academic, organisational/ administrative, and financial operations/aspects with reference to the strategic priorities of the department and the institution.

Through the departmental external reviews, academic departments are able to reflect on their academic practice, and to monitor and evaluate their operations against the expectations of the institution and higher education. The findings of the review are meant to inform further development and improvement of the operations of the department. Reviews also assist in determining best practices and achievements. Through the reviews, the departments are able to perform the following responsibilities:

- To maintain compliance with the determined minimum standards of the academic programmes/modules, and to evaluate and monitor the quality and effectiveness of academic processes.
- To ensure and enhance quality of students' learning experiences.
- To ensure quality of the academic information associated with the department.
- To establish and develop functional quality assurance and management systems.

Module evaluation surveys are periodically administered at the end of the module for the students to provide feedback on the delivery of the module. During 2020, 360 module evaluations have been conducted. Based on the feedback of the module evaluation, the lecturer develops the improvement plan for the module. The copy of the improvement plan is submitted to the HOD, and the lecturer uses the improvement plan to review and improve the module in terms of, among others, student engagement and satisfaction.

The practice of internal peer review of teaching is ongoing and involves an academic staff member who intentionally invites collegial feedback on his/her teaching and learning practice for purposes of improvement. The lecturer may wish to engage in a peer-review exercise as a routine strategy used to improve teaching and learning; or possibly, if it is a requirement for probation, promotion, teaching-award nominations, etc. The internal peer-review process is initiated by the lecturer who identifies and approaches another colleague(s) to peer assess the teaching practice in terms of aspects such as the teaching and learning strategies, instructional materials, learning and assessment activities, and students' satisfaction and performance. The reviewer may be the teaching and learning manager, another colleague in the department or another department, a dedicated mentor, or the HOD.

The department, lecturers, and module coordinators as the designers and/or custodians of the modules, have the responsibility to ensure high quality and rigorous compliance with standards of assessment in accordance with the assessment policy of the UFS. They ensure that all assessments are reliable, valid, authentic, and sufficient to accurately measure the extent to which the students are achieving the expected standards and intended learning outcomes. The departments also ensure that the assessment-associated processes and procedures are consistently followed across all modules/academic staff of the department, and that they are fairly applied to all students, so that it may not in any way disadvantage/advantage some students as compared to others.

During 2020, DIRAP, in collaboration with the Vice-Rector: Research, facilitated the doctoral external review to engage in a critical self-evaluation. The review process involves internal self-evaluation, which is followed by external peer review as a benchmarking exercise to ensure academic credibility and quality of all academic inputs, processes, and outputs. The review was all-inclusive, progressive, and the UFS is awaiting the final outcome of the review so as to respond and develop its improvement plan, which will focus on the effectiveness and quality provisioning of its doctoral offerings.

External programme accreditation is an ongoing process and a form of quality assurance that professional bodies/statutory boards/councils and the Higher Education Quality Committee (HEQC) of the Council on Higher Education (CHE) employ for purposes of quality assurance and promotion. Accreditation (institutional, programme, and professional practice accreditation) may be understood as the mechanism through which the institution can guarantee that it meets the expected minimum standards of the programmes they offer in consideration of the aims of higher education and of global, regional, and local practice. With regard to CHE/HEQC accreditation, the CHE applies set criteria that indicate the minimum standards as a framework for programme accreditation. By undergoing professional body accreditation, the institution exposes its programmes/academic offerings to professional scrutiny and judgement to ensure that the graduates of the institution are able to register with the professional bodies when they enter the profession. The UFS accredited three new programmes and a number of new modules during 2020.

The UFS quality assurance arrangements enable the institution to take seriously the university's desire to be known for its commitment to academic excellence. The systematic engagement with the evidence of academic processes

will create a critical frame of mind at the university that will help to improve the quality of teaching and learning and research.

#### **3.1.3.2.3. Institute for Curriculum Enhancement**

Renewing and transforming the curriculum is a key strategic goal of the UFS. However, the development of quality, globally competitive, and locally relevant curricula require an intentional approach. Therefore, in October 2019, the UFS embarked on the development of the Curriculum Renewal Programme (CRP). The programme was developed with input from the University of Virginia's Centre for Excellence in Teaching. The CRP is aimed at empowering academic staff with globally benchmarked curriculum development skills. The institute will allow staff to reflect on the best blended learning approach for their module, how to enhance student motivation, how to improve assessment quality, and how to develop engaging learning environments. Staff will also have the opportunity to reflect on the implication of decoloniality for their teaching and to engage with the integration of graduate attributes.

The CRP will be implemented from May 2021 to further the transformation of the UFS curriculum.

#### **3.1.3.2.4. Qwaqwa programme and qualification mix**

The Qwaqwa Programme and Qualification Mix (PQM) Review project constitutes a signature deliverable of the ITP<sup>49</sup>. Senate approved the PQM Position Papers of the faculties. The position papers propose that niche programmes, with articulation into postgraduate programmes, be developed and offered by the campus.

The Faculty of the Humanities will develop and offer BA programmes with specialisation in Literature and Languages, Tourism and Heritage Studies, and History and Africa Studies, as well as a BSocSci programme in Gender and Peace Studies. Economic and Management Sciences will offer BCom programmes in Supply Chain and Logistics, and in General Management. The Faculty of Natural and Agricultural Sciences will offer undergraduate BSc programmes in Physics and Electronics, Chemistry and Polymer Science, and Chemistry and Material Science, in addition to a BSc (Hons) in Geospatial Sciences, and a Bachelor of Indigenous Knowledge Systems.

In spite of the disruptive and onerous conditions imposed by the pandemic, the UFS was able to conceptualise a Curriculum Development Skills (CDS) programme to facilitate the development of the new proposed PQM. In order to optimise the quality of the new PQM, staff involved in the PQM process require certain curriculum development skills and knowledge. The CDS programme is designed to equip staff in the three faculties with the skills required to develop the new PQM. The faculty-based PQM development teams need to be empowered in three respects. First, they need to understand the process (rules, regulations, requirements, etc.) in order to have their adjusted or new programmes approved. Second, some programmes will only be adjusted and tweaked. Thirdly, new programmes have been proposed and need to be planned, designed, and developed entirely from scratch.

The university has availed R250 000 from the University Capacity Development Programme grant (from the academic staff development and CRI funding streams). These financial resources are to fund a CDS project that is tailor-made for the approved PQM. The CDS project plan was finalised in November 2020 and has been designed to be rolled out over a period of three years, commencing in 2021, with a specific focus for each year.

The focus for year 1 will be on 'Holistic Programme and Module Management', consisting of two legs, i.e., 'Complete Programme Design Workshops' and 'Adjustments to Existing Programme Workshops'. The theme for year 2 will be 'Designing a Learning-centred, Inclusive and Aligned Curriculum'. Year 3 will evaluate the impact and effectiveness of the changes made to specific modules, providing individual development support to each participant, and finally adjusting the module to enhance student learning and success.

The Faculty of Education in Qwaqwa will not offer a new PQM per se, as it is obliged to remain within the DHET 'Minimum Requirements for Teacher Education Qualifications' (MRTEQ) framework. However, the faculty will, resources and funding permitting, endeavour to develop the following drivers to rejuvenate, enrich, and develop the curriculum: Rurality and Education; Entrepreneurial Education; Fit-for-purpose Life Skills and Career Guidance; Education Innovation; and Teaching Schools.

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49 ITP deliverable 10A.4: Develop and implement unique strategies for Qwaqwa's selective undergraduate courses

In 2020, the faculty began operationalising the approved drivers by integrating the Rurality and Education driver and the Education Innovation driver as curriculum material as it applied to disciplines in modules. With regard to the Entrepreneurial Education driver, entrepreneurial education material has been developed to be integrated into the Teaching Practice modules taken by all the students. As for the Fit-for-purpose Life Skills and Career Guidance driver, the curriculum has been developed and integrated into three Life Skills modules that target all students. The teaching of the material will be piloted in 2021. With regard to the Teaching Schools driver, a sub-committee has been formed and is currently studying existing Teaching Schools models in South Africa. A proposal will be formulated to be presented to the faculty by the end of 2021.

### 3.1.3.2.5. Open and distance learning and foundation programmes

As a dual-mode university, the UFS has established the South Campus as the Open, Distance and e-Learning (ODEL) hub of the university. The South Campus Programme and Qualification Mix (PQM) includes the Advanced Certificate in Teaching (ACT, delivered in both 100% online mode and in a blended distance learning mode) and a Grade R Teaching Diploma (accredited in December 2020). The foundation programmes offered on the South Campus include the Higher Certificates in the Humanities and Economic and Management Sciences; University Preparation Programmes in Natural and Agricultural Sciences and Education; and two Extended Programmes in Natural and Agricultural Sciences (first year of study) and Economic and Management Sciences (first and second year of study).

As the need and capacity for e-learning changed, so has the focus and responsibilities of the campus. Given the growing trend of 100% online delivery modes of teaching at many conventional universities, the South Campus is well positioned to assist UFS staff and students in acquiring online competencies to function in an ever-changing environment. Therefore, the South Campus went on a strategic drive in 2020, and what emanated from this process was a new strategic direction for the South Campus that feeds into the UFS Strategic Plan, the ITP<sup>50</sup>, and recommendations made by external reviewers. The South Campus strategy was developed following the finalisation of an external review (October 2020). The review report guided the South Campus strategic direction, and a new strategy was presented to Rectorate and the Deans' Forum in 2020. In support of its new direction, the South Campus has been positioned as the driver for the UFS digitalisation strategy, and a high-level task team has been created to investigate the current multi-campus management model.

As part of the strategy, the South Campus went through a reorganisation and streamlining process during 2020, with the assistance of the Organisational Development and Employee Wellness division. Assessment links were sent to 84 staff members as part of the South Campus reorganisation project, staff profiling was completed, professional development plans were compiled, and training of all staff members is underway.

In July 2020, the South Campus sought approval from Rectorate for the establishment of an ODeL Advisory Committee and subsequent approval of the terms of reference. The overall purpose of the advisory committee is to help align the strategic direction of the ODeL campus with the current UFS Strategic Plan, as well as national and international trends in distance education design and delivery. As such, the committee advises the UFS South Campus on planning for ODeL at the university; on priorities, directions, and new frontiers for ODeL; and strategies to achieve the UFS goals for distance education and access.

The South Campus continually participates in various committees to ensure that it provides input and guidance on processes and policies that impact the campus staff and all distance-learning students. To this end, for example, the South Campus is represented in all ITP work streams, and the Campus Principal is a Senate representative for administrative staff in the Institutional Forum (IF) and a team leader for the Institutional Staff and Wellness task team.

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

#### 3.1.3.3.1. Research skills in the undergraduate curriculum

The ITP<sup>51</sup> aims to align the research capacity pipeline from undergraduate programmes to postgraduate research training by developing research skills at undergraduate level, and by increasing its postgraduate student numbers.

<sup>50</sup> ITP deliverable 10B.6: Develop a strategy around ODL and foundation programmes for South Campus

<sup>51</sup> ITP deliverable 2.2.1 Align the research capacity pipeline from UG programmes to postgraduate (PG) research training:



The development of research skills in the undergraduate curriculum is therefore an integral part of the UFS Graduate Attributes Project (see section 3.1.2.3). The following graduate attributes are aligned with research skills development: critical thinking, problem solving, written communication, and oral communication. These attributes are mapped in the curriculum, and in the co-curricular space.

#### **3.1.3.3.2. Postgraduate students**

Offering appropriate support is critical to both attracting and retaining postgraduates. To this end, the UFS Postgraduate School (PGS) offers workshops and seminars to enrich and empower postgraduate students for research and to improve their employability. The workshops presented are supplementary to research training taking place within academic programmes; thus, it is vital for students who do not have the opportunity to attend formal research capacity-development opportunities in their departments. The presentations include training and capacity building on academic writing, research software, advanced methods in qualitative and quantitative research, ethics, conducting literature reviews, article writing, grant proposal writing, referencing, copyright, research proposal writing, theory and theoretical frameworks, and testing conceptual frameworks in different fields. The presenters are drawn from diverse disciplines and universities.

In order to offer relevant support, the UFS recognised the importance of tracking and monitoring postgraduate students throughout their period of study at the UFS. The aim is to ensure that any bottlenecks in the postgraduate journey are identified early and that solutions are implemented. A pilot project has been initiated to design and implement the Graduate Research Management (GRM) system within PeopleSoft Campus Solutions to track, monitor, and evaluate postgraduate students online from registration to graduation. The pilot project's conclusion recommended that the GRM system be adopted and utilised across all postgraduate programmes within the UFS, with a strong focus on administrative business processes.

#### **3.1.3.3.3. Postgraduate School top-30 programme**

As part of the strategy to increase postgraduate student numbers, 30 postgraduate students have been identified and became part of a communal engagement platform where emerging scholars have the opportunity to gain knowledge and skills. The structured, but informal professional career development of this group was the focus. The programme continued during 2020 despite the COVID-19 lockdown regulations through online sessions with presenters from the UFS, the universities of Pretoria and the Witwatersrand, and Future Smart. Topics included online assessment of the essential components of career selection; leadership and strategic thinking; career building and portfolio developing; mentoring and coaching in academia; focusing and planning your research; and scientific communication.

#### **3.1.3.3.4. Postgraduate supervision**

The Postgraduate School (PGS) presents a number of courses annually, aimed at equipping supervisors with information on the various supervision models and on becoming successful supervisors. The PGS recognises the importance of other supervision models – such as cohort supervision – to enhance the supervision capacity and relationship between student and supervisor. The PGS workshops focus on the mentoring and coaching approach to research supervision, the relationship between student and supervisor, supervision agreement, and the supervisor's roles and responsibilities. A supervisor-student agreement must be completed before any supervision can take place. This agreement between the student and the supervisor is in line with principles of academic freedom and integrity, keeping in mind individual responsibility and reasonable autonomy. Both student and supervisor are expected to take ownership of this agreement in a spirit of mutual accountability.

In 2020, the supervision training programme covered the following aspects: roles and responsibilities of the supervisor; introduction to supervision skills; optimising the supervision experience; thesis examination; negotiating supervisory agreements; the science of supervision; and the policy on master's and doctoral studies. Further topics covered in the research capacity-development workshops included plagiarism, fraudulent publishing; qualitative, quantitative research, research methodologies; proposal writing; and literature review. Software training included SPSS, EvaSys, TurnItIn, MS Excel, MS Publisher, MS PowerPoint, and MSWord.

### 3.1.4. Overview of progress during 2020 with regard to the implementation of the UFS Research Strategy 2015 to 2022

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

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

Although recording research publication outputs for 2020 has not been finalised, all indications are that the total number of outputs continued to increase by around 220 units from the 2019 output. The UFS is not only increasing the number of research outputs, but also the quality of the outputs. This is confirmed by the number of outputs published in international journals and the number of books published by international publishing houses. The number of NRF-rated researchers increased from 171 to 193 in 2020. Not only did the number of rated researchers increase, the categories of NRF ratings (A, B, C, P and Y) also improved. During 2020, UFS academics received two A1 ratings, one A2 rating, and a successful P-rating. In 2020, 33% of the ratings were represented by females and 19% of the NRF-rated scientists and scholars were black – a significant increase from the 8% black NRF-rated academics in 2016. The institution is also proud of the increase in the number of NRF-rated academics on the Qwaqwa Campus, which is contributing to the development of a senior academic cohort on this campus. As part of the UFS research strategy, it was possible to develop different areas of expertise by increasing the number of SARChI chairs at the UFS to six. Furthermore, additional research expertise was developed, and investments were made in Indigenous Knowledge Systems (IKS), Astrophysics, Philosophy, History, and the Afromontane Research Unit (ARU) on the Qwaqwa Campus, among others.

A proud initiative of the commercialisation activities in 2020 was the agribusiness development on the UFS Paradys Experimental Farm, where novel projects with potential commercial value are developed for successful commercialisation. The start-up companies include a brewery, cheese factory, large-scale mushroom production, and plant-growth stimulator production grouped within a newly developed agribusiness park. Staff from the Department of Business Management are also getting involved, applying their expertise in the development of entrepreneurs and entrepreneurial activities. The academics from the Faculty of Economic and Management Sciences are involving their senior undergraduate and postgraduate students in developing the agri-processing business park as part of their curriculum and training.

During 2020, new opportunities were created for the internationalisation of research activities. Academics have joined international online discussions, working groups, conferences, and meetings. Even though it was impossible to travel around the globe, they were perhaps more connected globally than in the past. The Office for International Affairs has not only led the internationalisation of research, but also a European Union (EU)-funded project on the internationalisation of the curriculum. This project allowed students at the UFS to join students around the world for classes presented by global academics in a programme that addresses transformation and decolonisation of the undergraduate curriculum.

The Library and Information Service (LIS) is dedicated to supporting the research activities at the UFS and is in the process of revitalising the library infrastructure on all three university campuses. The dynamic LIS staff responded to the lockdown during 2020 by providing information services online to all students and academics. They reacted rapidly to the challenges that the pandemic caused, by leading a university project to provide e-textbooks on the LIS platforms to undergraduate students. During 2020, LIS established the Centre for Digital Scholarship and

completed a policy on the management of research data that was recently approved by Council and which will be implemented in 2021 to increase the visibility and accessibility of research and research data. The Centre for Digital Scholarship is also responsible for housing the academic journals published as part of the KovsieJournals group of publications. The Online Journal System (OJS) provides a platform for these journals that makes it easily accessible. Journal editors are supported in compiling these publications through software such as iThenticate, which assists in identifying non-original content in the submitted journal articles.

In spite of the challenges presented by the global pandemic, the UFS has been able to implement various initiatives to support the research activities of staff and students. 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. Thanks to the commitment and hard work of dedicated academic and support staff during 2020, the UFS has succeeded in building its research reputation.

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

#### 3.1.5.1. Overview of indicators

The UFS differentiated research strategy and its increased strategic investment in key priority areas yielded the required result, namely, to position the UFS as a research-led university. To give expression to this vision, the university has implemented three strategies to increase its contribution to local, regional, and global knowledge through its research function. The strategies include focusing resource allocation for research and innovation, transforming the profile and diversity of researchers, and improving the impact and uptake of research. To this end, the UFS has made progress in achieving its intended outcomes.

Several interrelated activities have contributed to this progress, and key among these are addressed in section 3.1.5.3. The work of the Postgraduate School is noteworthy in assisting with the efforts to transform the profile and increase the diversity of UFS researchers by offering training in research skills. Furthermore, the number of deliberate interventions, including the appointment of 15 lecturers from designated groups under the New Generation of Academics Programme (nGAP), the establishment of the Employment Equity Fund, and the Professoriate Mentoring Programme demonstrated the intent and progress made to fast-track the employment equity profile of black academic staff. The introduction of employment equity representatives supported these interventions, as they form part of selection committees and are responsible for observing and advising panels on employment equity matters.

These interventions translated into many achievements in 2020. Figure 19 shows that although a substantial drop in investment from 45% in 2019 to 30% in 2020 resulted from the austerity measures introduced in 2020, the prioritised investment in the research focus areas has increased the overall research performance of the UFS successfully.

Commendable progress has been made in increasing the share of rated researchers who are black and female, as shown in Figure 20. This 18% increase emanates directly from the concerted effort and investment to transform the profile and increase the diversity of UFS researchers. This steep increase contributed to the overall research output per capita of 1.97 – a 17% increase above target – as demonstrated in Figure 22. This increase in research outputs ultimately contributes to promoting the uptake and impact of UFS research outputs, both locally and on the continent. Furthermore, the increase across all the NRF-rating categories to 193 in 2020, demonstrates the value generated from its financial investment, and its dedication to build capacity and promote sustained growth in the research focus areas.

Implementing the Faculty of Health Sciences Turnaround Plan forms an integral part of UFS strategic goal to produce local, regional, and global knowledge. During 2020, the Faculty of Health Sciences Turnaround Plan demonstrated notable progress of 85% for Phase 1 of its implementation plan. The faculty has now commenced prioritising its activities for Phase 2 and Phase 3 of the plan.

Concerted efforts are required to establish a performance culture. As shown in Figure 23, only 34% of staff signed performance agreements. The COVID-19 pandemic has impacted staff morale and productivity, and the availability and accessibility of resources resulted in a decision by UFS management that no performance evaluations should be done during 2020.

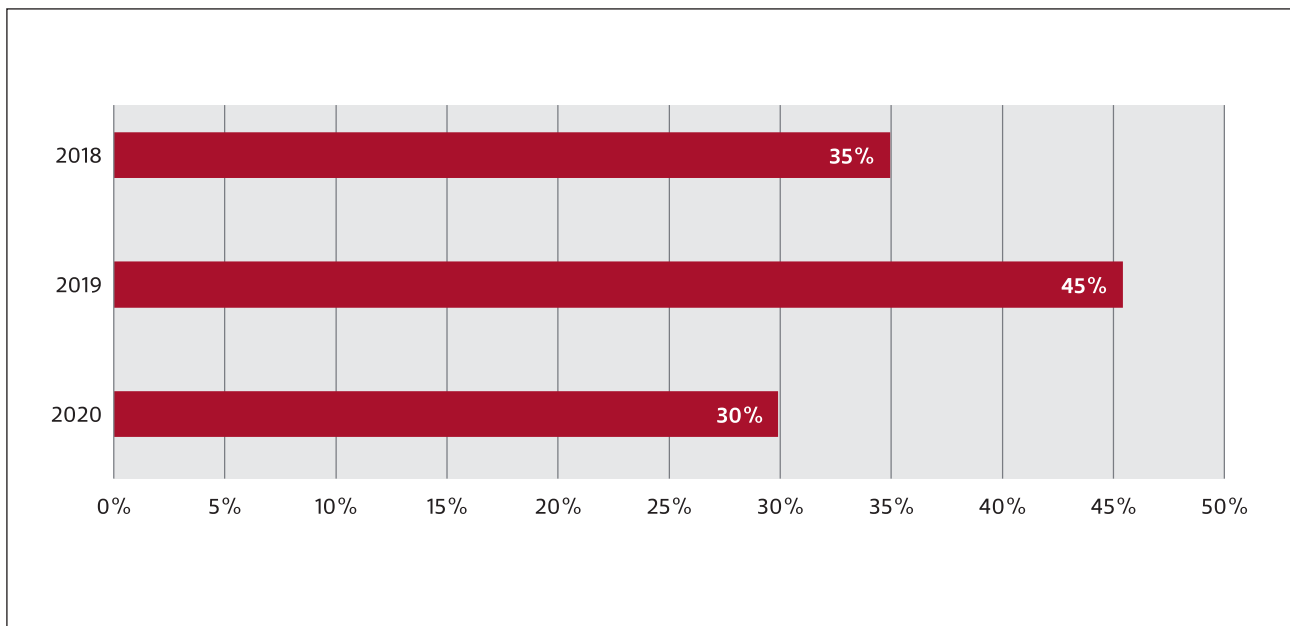


Figure 19: Differentiated research resource allocation (KPA 3.1)

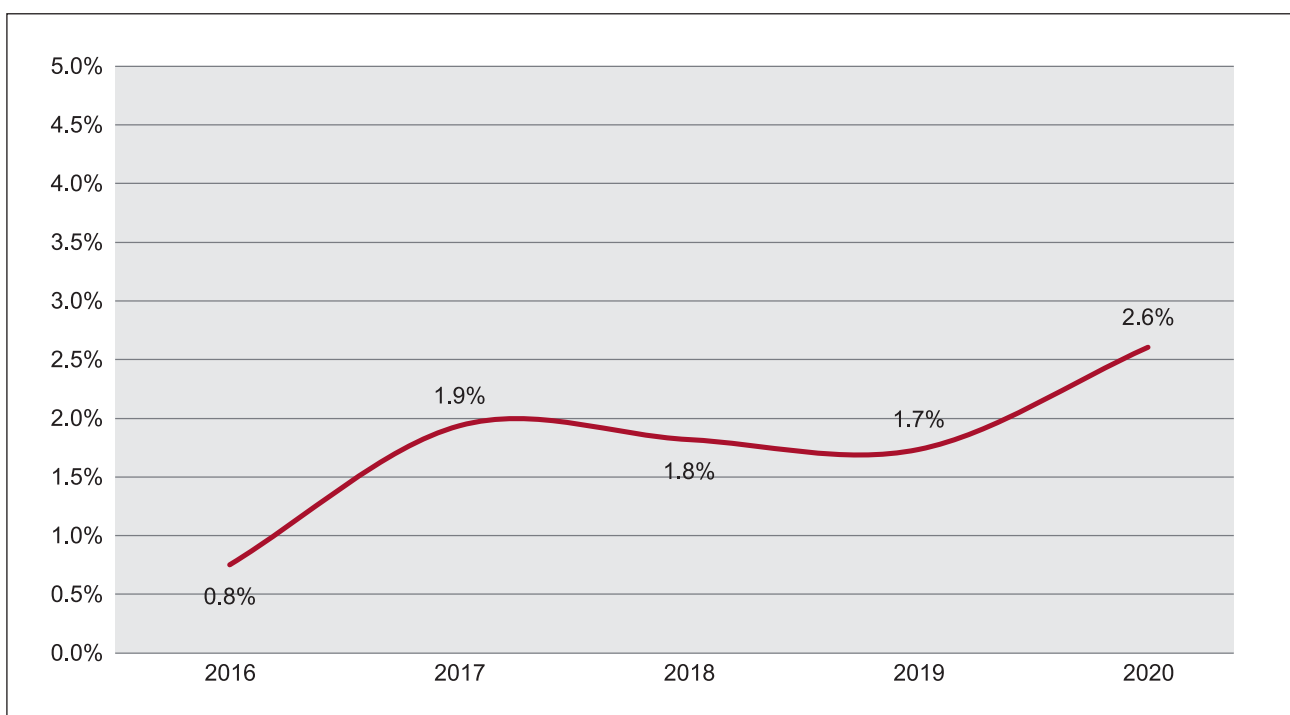


Figure 20: Share of rated researchers who are black and female (KPA 3.3)



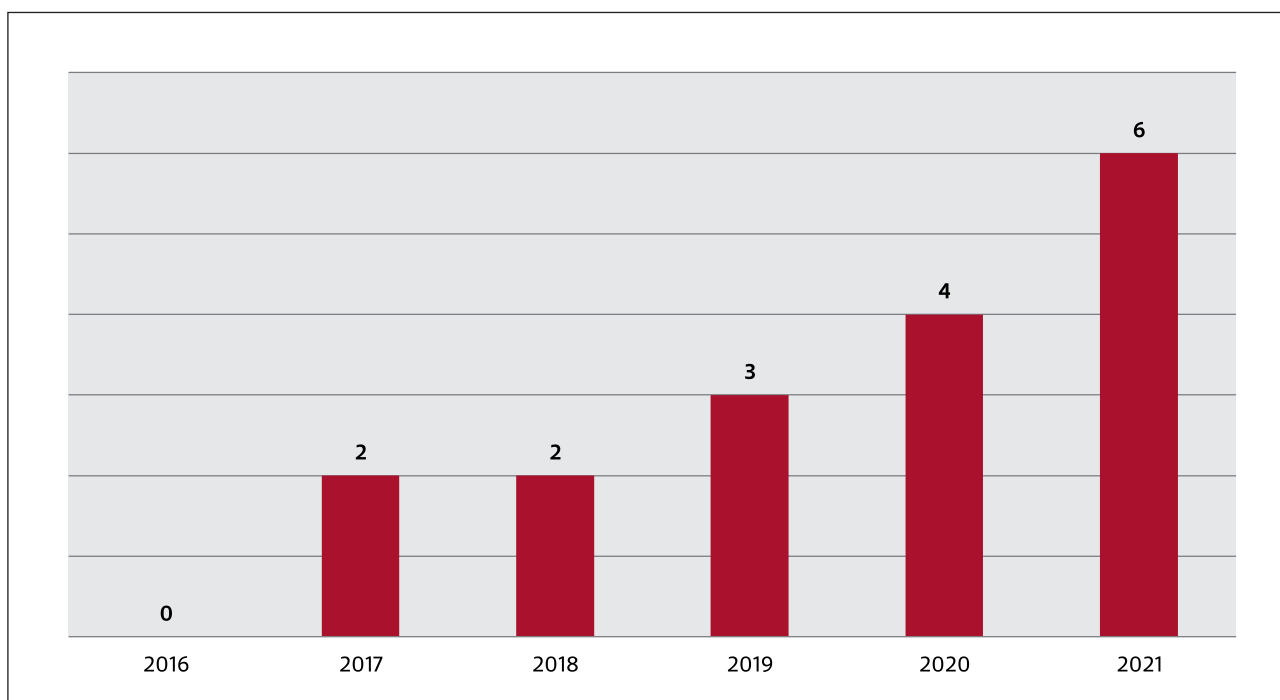


Figure 21: Number of rated researchers who are black and female (KPA 3.3)

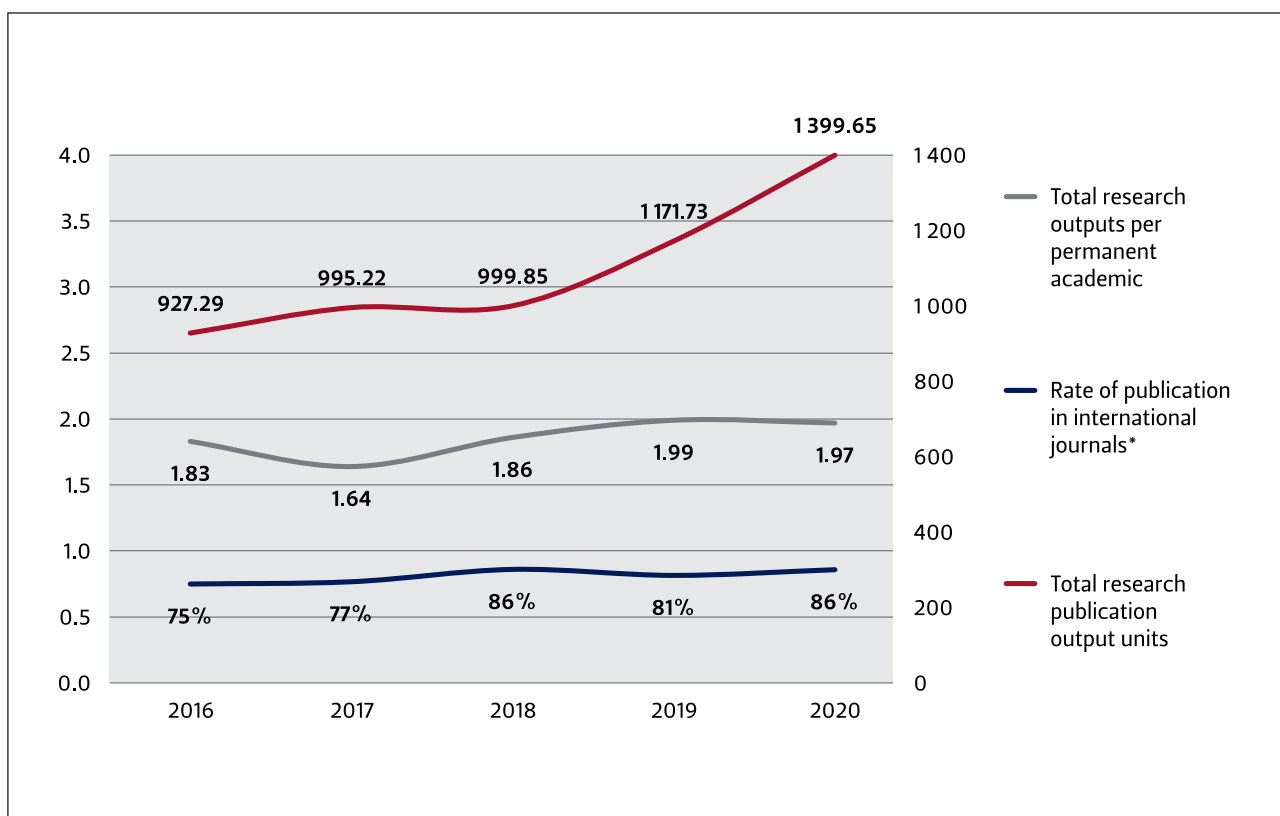
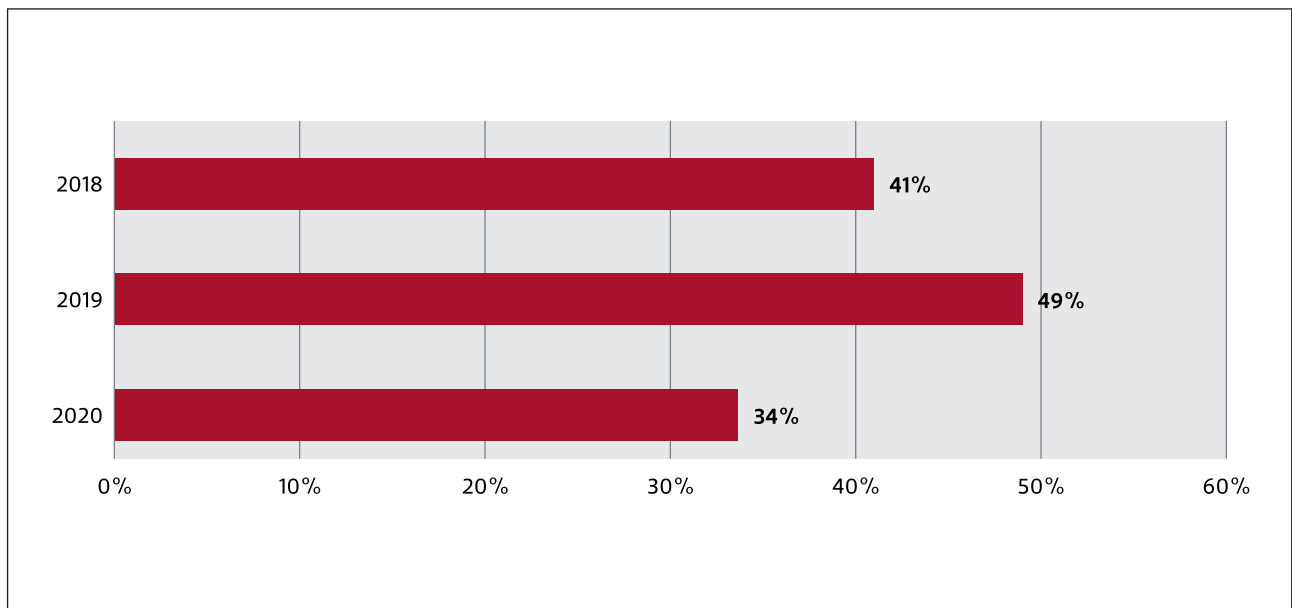


Figure 22: Research outputs (KPA 3.3)



**Figure 23: Implementation of new performance management system (Goal 3, VSP 5)**

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

#### 3.1.5.2.1. Research hubs

The UFS has developed a differentiated research strategy in line with the ITP<sup>52</sup> implementation, which has clearly highlighted the need for the university to increase strategic investment in areas that it considers as having the capacity, novelty, and leading ability in selected fields of research. Emanating from this strategy, senior management already started in 2018 to identify several areas – or research hubs – where the UFS was considered to be a national and international force in certain disciplines of research. In 2020, in line with the UFS theme of ‘Visibility and Impact’, the institution’s research impact and effective communication around it, were prioritised. A template has been developed that facilitates the current status of research in these particular niche areas and demonstrates aspects of sustainability, relevance, and impact. Furthermore, it also requires a futuristic approach to maintain sustainability.

The UFS has disproportionately invested in six SARChI chairs, the Indigenous Knowledge Systems (IKS) research group, and the Afromontane Research Unit on the Qwaqwa Campus. In 2020, the SARChI chair, funded through the NRF by the South African Cities Network (SACN), was operationalised. This is a multi-disciplinary chair that will encompass cross-departmental, cross-faculty, as well as cross-institutional collaboration. Other areas that received additional funding included the Medical Physics group, Astrophysics, Cardiothoracic Surgery, Philosophy, and History (International Studies Group).

On average, an additional investment ranging between 1 million and 10 million rand was invested in 2020 per research activity area. The majority of postdoctoral fellowship, doctoral, master’s and honours bursaries were allocated to these research areas to create and maintain critical mass and influence institutional culture. Through assistance provided by the Directorate: Research Development, a number of these hubs or research focus areas have been able to successfully increase their collaboration with national and international institutions and also access significant grant funding.

In 2020, approximately thirty-eight percent (38%) of the discretionary research allocation (excluding budget items designated for other causes, i.e., implementation of management systems, publication awards, and NRF-rating incentives) was dedicated to these research areas, which exceeded the target (15%) set for 2020.

<sup>52</sup> ITP deliverable 2.6: Develop a strategy for research focus areas

### 3.1.5.2.2. Afromontane Research Unit

The Afromontane Research Unit (ARU) is one of the research hubs in which the UFS is making a strategic investment. Despite the challenges of 2020, the ARU has possibly had its best year since it was founded in 2015 – confirming its role as the flagship research group of the Qwaqwa Campus, as a strategic research hub at the UFS, and as a continental leader in African mountain research.

Given the uncertainty inherent to the COVID-19 pandemic, no new internal UFS funds were allocated to ARU projects in 2020, and only unspent funds remaining from 2019 rolled over to 2020. However, several large, multi-national projects have received successful funding in 2020, covering a wide variety of disciplines and capacity-development initiatives, including R8 million from the United States Government for the Mountain-to-Mountain programme in partnership with Appalachian State University (USA); R1,25 million through an EU instrument, Horizon BiodivERsA, for the South African component of the RangeX project; and a R1,8 million Water Research Commission award for a collaborative project on threats of extreme weather events. The ARU also benefited from a R4,5 million University of Pretoria NRF award as a partner on a project for predicting the impacts of climate change.

A very encouraging development was the founding of a Qwaqwa Campus Risk and Vulnerability Science Centre (RVSC) in 2020, as part of the Department of Science and Innovation's (DSI) Global Change focus theme. The award amounts to R8,4 million (2020–2022), renewable on a three-year cycle. The RVSC has been embedded under the ARU as the potential future Sustainability Science Hub, as per the ARU Strategic Plan. The thematic focus of the RVSC is the Sustainable Development of Phuthaditjhaba as a Sustainable African Mountain City. Although 2020 was the founding year for the RVSC, four existing ARU students could be moved onto RVSC support immediately. The RVSC has enabled the ARU to purchase equipment and create two new positions for the RVSC to be filled in 2021.

The individual research groups of ARU Champions continue to grow in size and productivity, evident in the increasing student throughput and continued scholarly publications. Ten postgraduates graduated in 2020 (up from two in 2019), including four doctorates; eight graduations are expected in 2021. Despite COVID-19, research outputs did not taper as much as expected, with a paper pipeline of 42 papers in 2020 (27 published/accepted, one accredited conference proceeding, and 14 submitted manuscripts) – down by only five compared to 2019 – plus one ARU flagship book. Quality remained high, with an average IF per paper of 2.298. In addition, members of the ARU participated in the development of three special journal issues and four book projects.

Research and strategic partnership collaborations were greatly strengthened in 2020, with the ARU strengthening its internationalisation and local partnerships with, e.g., the Maloti-Drakensberg Transfrontier Programme (MDTP), BirdLife South Africa, the British Ecological Society, Bokong Nature Reserve in Lesotho, the Okinawa Institute of Science and Technology in Japan, the Centre for Biological Control, Centre for Invasion Biology, the International Mountain Society, the Global Mountain Safeguard programme (GLOMOS), Global Mountain Biodiversity Assessment, Mountain Research Initiative, Mountain Invasion Research Network (MIREN), and the Centre for Mountain Studies.

ARU activities, intellectual development, partnerships, funding, and opportunities continued to develop and mature in 2020, with the ARU emerging as a global player. Halfway through the current ARU Strategic Plan period, the ARU is well on its way to achieving its vision, mission, and objectives, and can proudly position itself among similar-modelled research groups in Southern Africa and abroad.

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

#### 3.1.5.3.1. Postgraduate School

The PGS assists with transforming the profile and increasing the diversity of UFS researchers by offering training in research skills. The focus is on enabling emerging and established academic scholars with the needed research skills to develop and increase their research output. These research capacity-development workshops help staff to complete their own higher degrees and provide them with the requisite research skills needed not only for their own personal development, but also for them to supervise their students effectively. This effort is also mirrored in our efforts to diversify the presenters at our research capacity-development workshops.

During the first three months of 2020, 40 face-to-face workshops took place on the Bloemfontein Campus, with additional off-campus workshops in Kimberley and Maseru (Lesotho). Only one workshop was presented on the Qwaqwa Campus due to a student protest action. The implementation of the COVID-19 lockdown in March 2020

compelled the PGS to move all its research capacity-development workshops to online platforms (mostly Blackboard Collaborate, Zoom, Skype, and Microsoft Teams) to reach our postgraduate students. The transition to the online offering of our research capacity workshops was seamless for the PGS, because face-to-face presentations coupled with live streaming via Black Collaborate already started in 2019; thus, the staff members were familiar with the webinar processes and procedures. The rest of the scheduled workshops for Lesotho, Zimbabwe, Namibia, Lesotho, Gauteng, KwaZulu-Natal, and the Northern Cape were postponed due to the lockdown.

From April to November 2020, 71 webinars were presented. These live webinar sessions reached local, regional, and internationally registered postgraduate students and staff pursuing postgraduate qualifications, irrespective of location. About 35% of the 2 676 webinar attendees were doctoral students, 31% were master's students, and 10% were honours students. Topics covered during the webinars included (inter alia) academic writing, plagiarism, grant proposal writing, various research methodologies, research supervision, and research ethics.

### 3.1.5.3.2. National Research Foundation rating

The UFS, being a research-led institution, focuses strongly on its ability to benchmark its research and staff on a national and international basis. One of these processes, which is also one of its strategic goals, is to encourage research staff (scholars) to apply for NRF rating, which benchmarks them against peers in their discipline. This contributes significantly to the transformation of scholarly activities at the UFS, as it also considers the level of collaboration and interaction that scholars have with both national and international scholars in their disciplines. With this strategy, it seeks to encourage interaction with leading researchers from different cultures and backgrounds.

The UFS cohort of rated researchers increased from 171 in 2019 to 193 in 2020, with 142 researchers in the A, B and C categories (established according to the NRF's criteria) and 51 researchers under the age of 40 years, who are regarded as emerging researchers. There was an improvement in the number of rated researchers and across all the NRF-rating categories in 2020.

The UFS has selected to increase diversity and equity among its NRF-rated researchers, particularly through targeted recruitment and appointments and focused research capacity development and support. The university, therefore, continues to identify, develop, and support black and female researchers to apply for rating. At the same time, emerging researchers are supported in the development of their portfolio for future rating eligibility through further studies as well as exposure to potential collaborators at national and international webinars/seminars, and through placements abroad in leading research institutions. Attempts are made to lighten their lecture loads, provide equipment or develop infrastructure where needed, provide research leave, and open up funding opportunities for these groups of researchers.

The sustained improvement in rated researchers over the years can be attributed to a number of interventions such as an incentive scheme for rated researchers, early career interventions, targeted individual mentorship and career planning targeted at the designated groups, mock evaluations, workshops, partnerships, and feedback, to name a few actions that have contributed to this achievement.

### 3.1.5.3.3. Employment equity

The ITP<sup>53</sup> has identified the need to revise the UFS employment equity strategy. At the beginning of March 2020, a new one-year Employment Equity Plan was implemented with specific targets and objectives to improve the equity profile of the UFS. As reported in Table 12, the UFS achieved the targets set for 2020. The UFS recognises that inequalities in racial, gender, and ability composition interfered with the provision of employment opportunities in the past and created barriers to the full and equal participation of the majority of the population in economic life, both outside and inside the university. To address these imbalances, the UFS has introduced the following deliberate interventions.

New Generation of Academics Programme (nGAP): Since the inception of the nGAP programme in 2016, fifteen lecturers from designated groups have been appointed in four faculties – seven in Natural and Agricultural Sciences, three in Economic and Management Sciences, and two each in Health Sciences and the Humanities. Various support initiatives have been established to support nGAP staff members – inter alia through the appointment of mentors

53 ITP deliverable 5.7: Revise employment equity (EE) strategy, with equity targets agreed at faculty and departmental level:



and the provision of training. A job satisfaction questionnaire and a post-induction questionnaire are distributed to all the nGAP appointees to identify gaps in the support they are receiving from their mentors and line managers. Figure 24 illustrates the active lecturers in terms of race and gender.

**Employment Equity Fund:** The Employment Equity Fund has been utilised as from 2020 on the basis of a shared funding model between the Employment Equity Strategic Fund and faculties. The fund contributes R7,5 million over a three-year period to fund eight positions operating under the auspices of the Qhubeka Development Programme. Faculties must contribute the difference between the total remuneration package of the lecturer and the Employment Equity Fund contribution. The faculty/department must manage the remuneration as part of their salary funding allocation from year four of the programme.

**Transformation of the Professoriate Mentoring Programme:** The programme currently consists of 52 members divided into two groups: the Future Generation Professoriate Group (FGP; 25 members), and the Emerging Scholar Accelerator Programme (ESAP; 27 members). The main objective of the programme is to accelerate and fast-track the employment equity profile of black academic staff. The majority of FGP members are Africans with permanent residence status (52%), and 12% are white males. A very small group of candidates from the designated group hold senior lecturer and associate professor positions, which poses a challenge for the selection of more candidates from the designated groups. Candidates from the designated groups who were nominated or applied and who graduated with their doctorates a few years ago were considered for inclusion in the ESAP for support and mentoring and to qualify for future selection for the FGP programme.

**Employment equity representatives:** In March 2020, the UFS Employment Equity Committee Forum decided that employment equity representatives would be appointed in the different faculties and support service departments. Twenty-five representatives were elected through a democratic process including every staff member. They form part of selection committees and are responsible for observing and advising panels on employment equity matters in the various faculties and support service departments. Training was provided to the employment equity representatives and their work commenced as from October 2020.

The ITP<sup>54</sup> deliverables include a new talent management strategy for the university and the Integrated Talent Management Strategy was approved in 2020. The new strategy brings together relevant data points, not only for talent overall, but also in areas such as workforce planning, segmentation, recruiting, retention, and leadership. Additionally, it evaluates talent effects such as critical talent retention, top talent acquisition, productivity, and business outcomes such as innovation, growth, and profitability. The Integrated Talent Management strategy is tied to the university's business results and is applicable to a feedback cycle of informed improvement.

Furthermore, an Integrated Succession Management programme has been developed to provide the university with a consistent supply of developed, experienced, and motivated staff members who are ready to fill key positions when available. The benefits of implementing succession management for the university includes the following:

- Identification of potential succession gaps.
- Both the university and employee benefit from the opportunity to invest in the development initiatives by serving the purpose of staff career enhancement and the university meeting its strategic business objectives.
- A more diverse portfolio of potential successors as a natural outcome of an objective, unbiased identification process.
- Higher-quality decisions around promotion and developmental investments are made due to the effective use of workforce data.
- Recruitment of top talent due to the university's commitment to invest in its employees – reinforcing the university as a place where employees can grow and develop.
- Reducing recruitment time and costs. Less time and expense needed to source talent to fill vacancies because of available talent.
- A 'future-proofed' workforce is available that is better prepared for future needs and challenges.
- Greater organisational stability and resilience, which creates a competitive advantage and drives organisational value.

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54 ITP deliverable 5.7: Revise employment equity (EE) strategy, with equity targets agreed at faculty and departmental level:

Table 12: UFS employment equity profile 2020

UFS category	Designated							Non-designated			Total	%
	African Male	Coloured Male	Indian Male	African Female	Coloured Female	Indian Female	White Female	White Male	Foreign Male	Foreign Female		
Top Management	1	1	1	1	0	0	2	0	0	0	6	0,19
Senior Management	9	1	0	1	0	0	4	8	0	0	23	0,73
Middle Management	2	1	1	5	2	0	14	18	4	0	47	1,49
Junior Management	12	3	0	18	6	1	47	34	1	1	123	3,89
Senior Administrative	62	14	2	71	22	1	131	44	2	1	350	11,1
Academic Management	1	0	0	0	1	0	1	2	0	0	5	0,16
Professor	2	2	0	0	0	0	19	52	9	2	86	2,72
Associate Professor	7	0	0	2	0	0	26	23	9	2	69	2,18
Sr. Lecturer/Researcher	11	4	1	10	2	1	81	64	28	11	213	6,74
Lecturer/Researcher	55	10	2	50	14	6	152	77	26	13	405	12,8
Jr. Lecturer/Researcher	9	4	1	26	8	2	34	12	4	3	103	3,26
Assistant	159	4	0	201	17	3	106	43	26	15	574	18,2
Administrative Staff	177	38	2	305	115	9	238	54	10	9	957	30,3
General Worker	108	11	0	72	4	0	1	4	0	0	200	6,33
<b>All Categories</b>	<b>615</b>	<b>93</b>	<b>10</b>	<b>762</b>	<b>191</b>	<b>23</b>	<b>856</b>	<b>435</b>	<b>119</b>	<b>57</b>	<b>3 161</b>	
%	19,5	2,94	0,32	24,1	6,04	0,73	27,1	13,8	3,76	1,8		

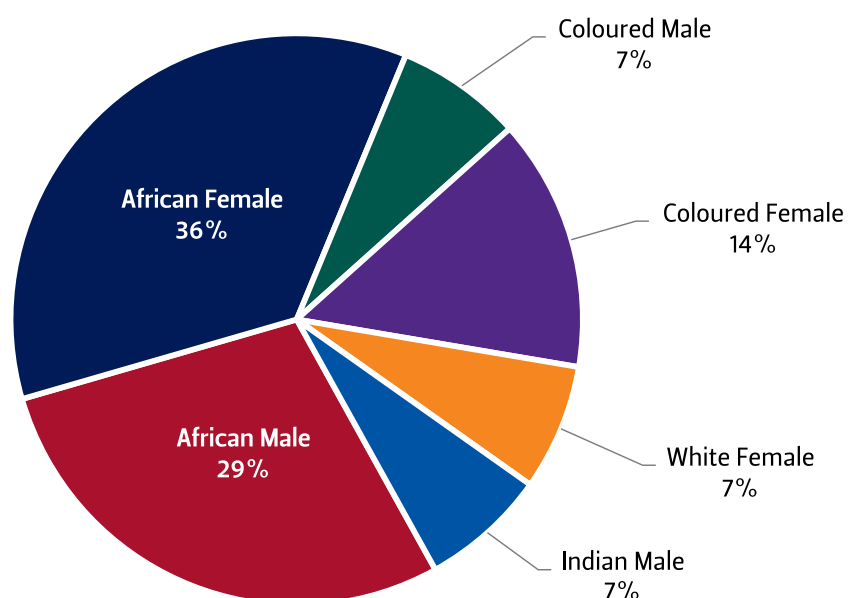


Figure 24: Active lecturers in the New Generation of Academics Programme by race and gender, 2020

#### 3.1.5.3.4. Inclusive capacity building

The implementation of the ITP<sup>55</sup> included the establishment of a ‘fit-for-purpose’, inclusive staff learning environment that can address staff members’ real needs and enables change management and a culture of leadership at the UFS. To this end, the UFS has initiated the Engaged Leadership Programme (ELP) – a short learning programme customised specifically for staff members in the higher education environment. The programme follows a blended learning approach, combining virtual platforms such as LinkedIn Learning as pre-work, while the true learning happens once a month in a group coaching session facilitated by an external executive coach/ industrial psychologist. Habit changes were embedded in a group reflection session in between the sessions as well as an in-depth, detailed research-based Reflection Journal including session notes.

The ELP was facilitated online with a total of 75 participants attending the training in 2020. The majority of participants indicated that the main reason for registering and attending the programme was to improve their existing competence. A total of 42 participants provided feedback on the effectiveness of the ELP in 2020, all of whom indicated that they would recommend the programme to other employees. These participants indicated that the top three new competencies/habits/skills/behaviours they have learned due to this programme are inclusive leadership, mindfulness, and self-awareness. The feedback on the reflection sessions as well as the evaluations that the participants completed indicate that they enjoyed the practicality of this programme, self-reflection, as well as the opportunity to build networks with other colleagues. All delegates commented during their final reflection how grateful they were to the university for providing them with this learning opportunity as well as creating an engaging culture within their departments.

#### 3.1.5.4. Increase research impact and uptake (KPA 3.3)

##### 3.1.5.4.1. Research successes, strengths and achievements

Publicly communicating UFS research successes, strengths, and achievements is a strategy of the ITP<sup>56</sup> that aims to extend the research capacity pipeline from postgraduate research training to academic staff development. Once again, this approach ties in with the 2020 theme of ‘Visibility and Impact’. Despite the impact of COVID-19 and the associated lockdowns on the higher education sector, the UFS achieved a number of successes during 2020.

In terms of scholarly publications, the productivity of UFS researchers remained stable during 2020, while the impact of these publications improved, as evidenced by an increase in the rate of publication in internationally indexed journals (based on preliminary data; see section 3.1.5.1).

In addition to scholarly communication, the following is a list of some of the most notable research achievements in 2020, which were widely publicised via the Department of Communication and Marketing:

- The Director of Pharmacology at the UFS has been appointed as Chairperson of the World Health Organisation’s (WHO) Regional Expert Advisory Committee on Traditional Medicines for COVID-19. The committee is also supported by the African Union (AU), the Centers for Disease Control and Prevention (CDC-Africa), and the European and Developing Countries Clinical Trials Partnership (EDCTP).
- The Indigenous Knowledge Systems unit at UFS Pharmacology explored claims for cannabis and related medicinal products such as CBD in relation to diabetes, hypertension, Alzheimer’s disease, pain management, and cancer.
- The research project titled ‘3D Printed laryngoscope for endotracheal intubation’ – a collaboration between the UFS Department of Anaesthesiology, the Research Chair in Medical Product Development through Additive Manufacturing, and the Faculty of Engineering, Built Environment and Information Technology at CUT – received R400 000 in funding. This is one of nine collaboration projects between researchers from the UFS and CUT that were approved for funding between 2019 and 2020.
- The US Embassy and Consulates in South Africa allocated R8 million to the Mountain-to-Mountain research project between the UFS and the Appalachian State University.
- The NRF awarded the UFS’ sixth South African Research Chairs Initiative (SARChI) chair, the Research Chair in City-Region Economies in the Department of Economics and Finance and the Centre for Development Support at the UFS.

55 ITP deliverable 5.2.2: Review proposed human resources (HR) initiatives – inclusive capacity building

56 ITP deliverable 2.2.2: Align the research capacity pipeline from PG research training to academic staff development:

- The International Society for the Study of Rural Crime (ISSRC) awarded the Joseph F Donnermeyer New Scholar Award to an early-career researcher and lecturer from the UFS Department of Agricultural Economics for his research on the economic impact of stock theft in South Africa.
- Eighteen scientists from the UFS were named on a global list of leading scientists by Stanford University in the United States, placing the UFS researchers in the elite group of most cited scientists in various disciplines.
- Two UFS staff members from the Department of Plant Sciences and the Centre for Environmental Management were nominated for the 2019/2020 National Science and Technology Forum (NSTF)-South32 Awards for their outstanding work and contributions to science over the years.
- A new biosafety Level (BSL) 3 laboratory allowed UFS scientists to further advance their research on and surveillance of infectious pathogens, with the ultimate benefit being the improved quality of health for the communities of the Free State and beyond.
- The NRF awarded a rare B1-rating for international recognition and research leadership in the arts to a Senior Professor in the UFS Department of Fine Arts.
- A group of scientists from the UFS ARU, Nanjing Forestry University (China), and the Department of Botany at the Smithsonian Institution in Washington DC found a new grass species in the Drakensberg Mountain Centre (DMC), which they named *Festuca drakensbergensis*.
- A postdoctoral fellow in Pharmacology at the UFS was awarded a medal for the best oral e-poster presentation (Postdoctoral Fellow category) at a UNESCO/UNITWIN Network web seminar, for an outstanding research presentation on *Employment of old options to control novel Coronavirus: Pros and Cons*.
- The Department of Science and Technology has approved a Biogeochemical Research Infrastructure Platform for the UFS. The UFS will be the node for Mineral Biogeochemistry, which will be housed in the new Centre for Mineral Biogeochemistry in the Department of Geology on the Bloemfontein Campus.
- An unprecedented total of five postdoctoral fellows from the UFS International Studies Group (ISG) have been selected for the prestigious African Humanities Programme (AHP), presented by the American Council of Learned Societies and funded by the well-known Carnegie Corporation of New York.
- The UFS Biocatalysis and Structural Biology Research Group collaborated with the Keiskamma Trust and nine other institutions on the SciArt project, funded through a Global Challenges Research Fund (GCRF) and START (Synchrotron Techniques for African Research and Technology) grant.
- A team associated with the Centre for Environmental Management at the UFS became the first to isolate the SARS-CoV-2 virus from wastewater and developed a viable virus risk forensic service, which generated interest in this technology from a range of role players in North America, Africa, the Middle East, and Southeast Asia, to the South African government.

### 3.1.5.5. Improve the Faculty of Health Sciences (VSP 3)

#### 3.1.5.5.1. Faculty of Health Sciences Turnaround Plan

The improvement of health sciences at the UFS was first prioritised as a strategic project led by the Vice-Chancellor, and subsequently formalised as a strategy in UFS performance planning. Through the continued implementation of the Faculty of Health Sciences (FHS) Turnaround Plan, the faculty and the university have demonstrated continued commitment to reposition the faculty nationally and internationally during 2020, in line with the 2020 theme of 'Visibility and Impact'.

The Turnaround Plan recorded excellent progress during 2020, as illustrated in Table 13, which is remarkable given the profound impact of the COVID-19 pandemic on the global health sector. All seven strategic projects were doing well and most have recorded progress above their projected targets by the end of 2020.

A decision was made to pursue a special-purpose vehicle (SPV) as part of the establishment of a consortium to manage research and generate third-stream income. The purpose of the SPV is to function on a commercial level; academic research spin-offs, including patents and product manufacturing; strategic contracts and ventures with industry; technology transfer; and an academic scope environment to do in-service training, for example, training in simulation units. There were positive engagements with both external and internal stakeholders during 2020 regarding collaboration on key projects. For example, an agreement was reached with Clinvet regarding research collaboration. There are also agreements with FARMOVS.



Good progress has also been made in terms of the UFS' relationship with its health-sector partners. The Vice-Chancellor signed a memorandum of understanding (MOU) with the Free State Department of Health (FSDOH). Agreements were organised in seven work streams, namely finance, medico-legal, human resources, definitions and terminology, intellectual property, ICT, and governance. Capitalising on partnerships and improved relationships with the FSDoH and National Health Laboratory Service (NHLS) for collaboration in research and training were completed. However, discussions regarding the South African Health Products Regulatory Authority (SAHPRA) and the UFS-National Control Laboratory (NCL) have stalled because of the COVID-19 pandemic. Despite these challenges, a new contract was negotiated and awarded.

Alignment of the ICT system continued, with a focus on the clinical placement system specifications and priorities. Progress has been made in respect of migration to 12 FHS databases, including the research database. The process of requesting proposals from service providers to assist with the migration was also launched in 2020. Concerning the FHS Image Library project, positive feedback and some requests for enhancements were received, all of which were implemented by the developer. The three image libraries went live on 12 November 2020.

Faculty buy-in for the Community-based Education (CBE) strategy increased during 2020 as the FHS rolled out student rotations to the Eastern Free State and Botshabelo. The faculty utilised an FSDoH feasibility study and other expert feedback to draft a plan for expansion to Ladybrand. This expansion plan proposes the establishment of a teaching and learning platform in Ladybrand – Matsopa Local Municipality in the Thabo Mofutsanyana District Municipality, and expansion of current academic activities in Botshabelo – Mangaung Local Municipality of the Motheo District Municipality.

The FHS committee system was restructured, resulting in the number of committees being reduced from more than 70 to 37. Appointing members to the new committees for 2021 proceeded effortlessly. Support for FHS operations has been enhanced in the form of a new post (Faculty Deputy Director Administration), and the appointment of an intern and research fellow in the School of Health and Rehabilitation Sciences to assist with the development of databases for evidence-based decision-making within the school. With regard to teaching and learning, the faculty has developed a strategy that is in line with the UFS strategy. The stated vision of this strategy is to assist students to reach their highest potential by providing the necessary support and ensuring renewal and transformation of the curriculum by addressing the incorporation of decolonisation and internationalisation in the Health Sciences curriculum. As part of this process, the FHS conducted a decolonisation self-evaluation which feeds into the institutional decolonisation review (also see section 3.1.3.2.1). Notable changes have been made to the curriculum due to the environment of COVID-19 in 2020. The shift towards blended learning remains in place and has beneficial aspects. Finally, existing interprofessional education (IPE) projects were also extended during 2020.

Support programmes have been successfully implemented for different staff cohorts to support research productivity and quality, as evidenced by the 10 new scholarly articles published in the latter part of 2020, with a total of 26 articles for the year. Research themes were identified and linked to a staff member. Four types of research collaborations were established in the faculty, namely interfaculty collaborations, FHS and government departments, contract research collaborations, and international collaborations. The faculty is implementing a plan to attract good researchers, as well as several developmental programmes aiming at capacitating and mentoring junior academics regarding supervision. Operational capacity was increased through the postgraduate coordinator, who played a vital role in supporting master's supervisors. Improved postgraduate completion time and graduation rates in 2020 present further evidence of the success of these programmes: 14 master's and 5 doctoral (PhD) students obtained their degrees. The School of Health and Rehabilitation Sciences successfully managed 13 of its 14 master's students through evaluation committee meetings and HSREC approval within the first 12 months after registration.

In 2020, the project on people, processes, and power included an FHS Staff and Student Climate study, succession planning, and alignment with the new institutional staff performance management processes (also see section 3.1.5.6.1). The climate study findings highlighted a number of good practices and provided several recommendations that the faculty considered. In addition to the faculty-based study, the School of Clinical Medicine has completed a second survey focusing on school-based climate. Succession management in the faculty has been strengthened by identifying six staff members who will form part of FHS succession planning. Performance planning discussions

with permanent FHS academic staff took into account the new institutional performance management system and the revision of promotion criteria for academics.

**Table 13: Implementation of the Faculty of Health Sciences Turnaround Plan – 2020 progress**

Strategic priority/project		Progress to completion	
		March 2020	December 2020
1	Consortium to manage research and generate third-stream income	55%	82%
2	Relationship with health-sector partners	72%	84%
3	ICT systems alignment	58%	75%
4	Enhance/expand community-based education and IPE platform	39%	59%
5	Faculty structures, operations, and teaching and learning support	46%	78%
6	Research priorities	49%	78%
7	People, processes, and power	41%	79%
Overall progress		51%	77%

### 3.1.5.6. Establish a high-performance culture (VSP 5)

#### 3.1.5.6.1. Staff appointment, promotion, and performance management

The implementation of a new UFS performance management (PM) system continued during 2020 as part of the ITP<sup>57</sup>. Included in this process is the amendment of the UFS PM cycle, and the implementation of a new UFS policy for the appointment and performance management (PM) of academic staff during 2019/2020. An appropriate change management strategy, aligned with the university's strategic objectives, was designed to facilitate the implementation of specifically the new PM system for academics (i.e., migration for academic employees to the PeopleSoft HR system), which included the development of academic performance workbooks for each faculty, as well as information sessions. Moreover, an academic career framework with faculty-specific criteria was developed during 2020 and submitted for approval in 2021.

However, the impact of the COVID-19 pandemic on staff morale and productivity as well as the availability and accessibility of resources resulted in a decision by UFS management that no performance evaluations should be done during 2020. UFS staff members had to hastily close their on-campus offices and start working remotely (from home) during 2020. In most cases, this shift was a necessity rather than a choice. This unavoidable shift to a vastly different world of work has severely influenced the professional and personal lives of UFS staff members, which unsurprisingly impacted staff performance (both positive and negative) and staff members' and line managers' ability to manage performance. However, staff members were encouraged to have frequent performance discussions with their line managers to address any concerns and ensure satisfactory performance. Given the centrality of communication in a successful transition to remote working, line managers were equipped to adapt their management approaches to ensure continuous performance monitoring. For example, the UFS Department of Human Resources provided high-impact performance management tools and support to employees and leadership and conducted 24 information sessions in departments and faculties.

Despite the institutional hiatus on performance evaluation during 2020, a total of 857 performance plans were created on the new system for the 2019/2020 cycle. In addition, 26 individual development plans (IDPs) were created and signed off by the line managers in 2020.

<sup>57</sup> ITP deliverable 5.2.4: Review proposed human resources initiatives – performance management system

## 3.2. Report on Engaged Scholarship

### 3.2.1. Overview of progress during 2020 with regard to the implementation of the UFS Engaged Scholarship Strategy 2018 to 2022

Engaged scholarship has emerged as a fundamental strategic pillar of the UFS scientific agenda, which aims to position and apply knowledge we produce in and through teaching and learning, research, and citizenship, in the quest to foster development, innovation, and advancing citizenship and service for the public good.

The university conducted an evaluation and impact study on the UFS community-engaged scholarship activities during 2020 (see Figure 25), consistent with the 2020 theme of 'Visibility and Impact'. The study included activities from 2017 to 2020 and found that 44% of the UFS' 285 engaged activities involved engaged citizenship, 33% engaged research, and 23% engaged teaching and learning. The 285 engaged activities resulted in 425 community impacts, which entailed 185 impacts related to engaged citizenship, 128 related to engaged research, and 112 related to engaged teaching and learning. The UFS presented 77 service-learning-infused modules across its seven faculties. During 2020, the university also continued to foster its 150 longstanding partnerships, of which 11 are flagships. These partnerships have allowed structured collaborative learning, enquiry, and co-creation of knowledge. The engagement focused on addressing pressing development challenges to bring positive societal change.

However, the COVID-19 pandemic forced the UFS to re-imagine its practice, platforms, and partnerships for engaged scholarship. This required a paradigm shift from working face to face to creating a blended e-community engagement environment. The implementation of the Engaged Scholarship Strategy was challenged. Most of the face-to-face community engagement activities could not take place during 2020 due to physical distancing restrictions. Therefore, an E-Engaged Scholarship Strategy has been developed as an adapted virtual participatory learning environment, in collaboration with our community, business, and government partners.

This E-Engaged Scholarship Strategy has made information accessible to communities through dialogue on engaged learning, training, and research for citizens in order to actively develop their own lives and that of their surrounding communities. The UFS has demonstrated its social responsibility by making its expertise and infrastructure available to community-engagement programmes to develop a common good for society. It moved from working in silos of community engagement, teaching and learning, and research towards the integration of science and society at the interface of an e-engaged scholarship space.

The Directorate of Community Engagement (DCE) has further established a virtual Knowledge for Change (K4C) hub in partnership with North-West University as the northern hub of the South African K4C hub. This hub falls under the mentorship of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) Chair for Social Responsibility and Community-based Research. Knowledge for change initiatives has been aligned with and driven by the United Nations' Sustainable Development Agenda 2030, the government's National Development Plan, and the African Union Agenda 2063. The local knowledge-sharing challenges brought about by the pandemic have been reframed into an opportunity for the co-creation of action-oriented knowledge, underpinned by 'glocal' (local to global) partnership development for social change. A pilot case study of a community-university research partnership has been launched to engage in a community-based participatory research project to support one of the UFS flagship partnerships, moving from the status of a non-profit organisation to becoming a social enterprise. The action-oriented knowledge that was co-created in this case study was innovatively disseminated through a digital story at a UFS-hosted symposium titled, 'Engaged scholarship through digital storytelling for the common good'. In addition, the study will be published in an upcoming book on engaged scholarship. The university is fortunate to have a Common Good First Digital Storytelling lab, which has enabled us to establish pilot Wi-Fi hotspots at flagship partnership sites, facilitating e-engaged scholarship.

The DCE has initiated an innovative platform on which students can continue to engage with UFS community partners, and at the same time be assessed for their service learning and community engagement projects. The E-Engagement approach also met the university's strategic mandate to be a caring, responsive, and engaged university. Academic staff and students were scheduled to engage with community partners through radio broadcasts and virtual mode platforms. Informative content that has been researched, prepared, and presented by students in a pre-recorded format, has addressed significant issues brought about by the surge of COVID-19,

creating a breeding ground for some of the societal ills, such as gender-based violence (GBV). Master's students from the UFS Department of Psychology produced and pre-recorded podcasts on community psychology. Their topics covered grief and self-compassion. The Department of Nutrition and Dietetics presented topics on a healthy lifestyle and diet. Fourth-year students from the School of Nursing engaged new mothers concerning post-natal care, and the School of Clinical Medicine addressed the warning signs of burnout and preventative measures. The initiative has unlimited potential to ensure national development through student engagement, since universities create development sites that can be transferred further into the community.

In addition to the already approved Engaged Scholarship Strategy, the Engaged Scholarship Policy, Remit and Partnership Protocol has been reviewed and approved. The presentation of a short learning programme (SLP) on engaged scholarship was piloted in an online space during 2020, enabling a blended approach. An alternative approach for the roll-out of the strategy has been applied, given the restrictions raised by the COVID-19 pandemic. Information sessions on engaged scholarship were presented at faculty board meetings and the establishment of a new governance structure for engaged scholarship was launched. Issues around engaged scholarship will be discussed in a Senate Engaged Scholarship Committee, a Faculty Engaged Scholarship Committee for each faculty, and Campus Engaged Scholarship Committees on the Qwaqwa Campus and the South Campus. With regard to annual performance management, the work of engaged scholarship is encompassed in the UFS performance policy.

By being a research-led, student-centred, and regionally engaged university that contributes to development and social justice through the production of globally competitive graduates and knowledge, the UFS strives to continuously demonstrate its social responsibility. The directorate serves as the secretariat of the Higher Education Regional Development Initiative in Central South Africa (HERDIC-SA). This regional collaboration is made up of the University of the Free State, Central University of Technology, Sol Plaatje University and five other TVET colleges. In 2020, only working groups of HERDIC-SA were able to meet, because the lockdown made it difficult for the larger group to meet.

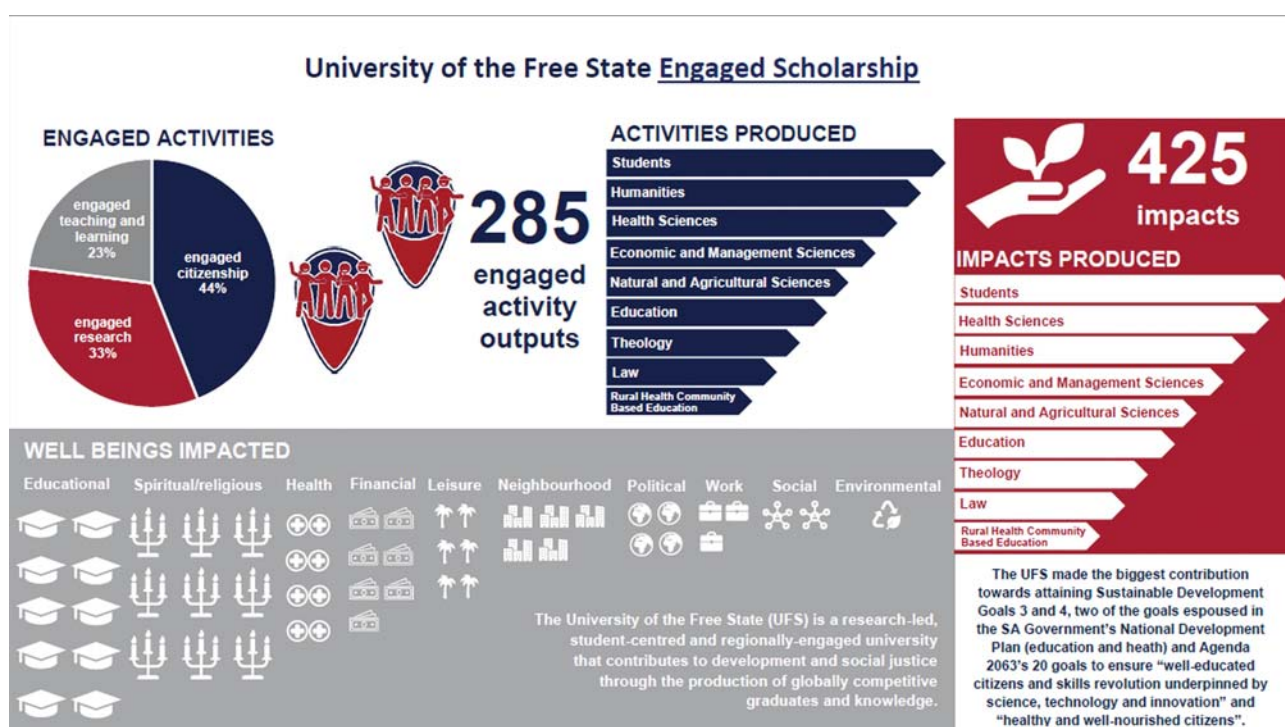


Figure 25: UFS Engaged Scholarship

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

### 3.2.2.1. Overview of indicators

The outbreak of the COVID 19 pandemic had severe restrictions on movement and physical distancing, which inevitably impacted the way the UFS interacted with communities. The UFS interventions to promote engaged scholarship, as stated in the previous section, are worth noting. However, these interventions did not translate into an increased participation rate for both staff and students.

Figure 26 shows that the self-reported student participation in service-learning has dropped to 50%. This relates to the challenges posed by the COVID-19 pandemic. However, this did not obstruct the creativity of the portfolio to develop alternative interventions to assist staff and students to participate in engaged scholarship activities.

In reviewing different metrics to determine academics' participation rate, it became evident that the rate was less than planned. It is important to apply consistency in this regard, and the HEMIS time allocation remains a reliable proxy for reporting purposes. Furthermore, the implementation of the academic staff workload model is underway, and it is expected that there will be synergy among these indicators.

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

#### 3.2.2.2.1. Engaged scholarship

Unfortunately, the envisioned short learning programme (SLP) on engaged scholarship could not be presented in 2020 due to the COVID-19 lockdown. However, the presentation thereof in an online space was piloted during 2020 and will be rolled out in 2021, enabling a blended approach. Although the SLP was not presented, an alternative approach for the roll-out of the UFS Engaged Scholarship Strategy was applied. Information sessions on engaged scholarship were presented at faculty board meetings to increase awareness and knowledge of engaged scholarship among academic staff. The establishment of a new governance structure for engaged scholarship has been launched, including the establishment of a Senate Engaged Scholarship Committee, Faculty Engaged Scholarship Committees, and Qwaqwa Campus and South Campus Engaged Scholarship Committees. Through this structure, issues around engaged scholarship will be highlighted, discussed, and addressed at institutional, campus, and faculty levels.

### 3.2.2.3. Increase opportunities for students to engage in community-based education (KPA 4.2)

#### 3.2.2.3.1. Service learning

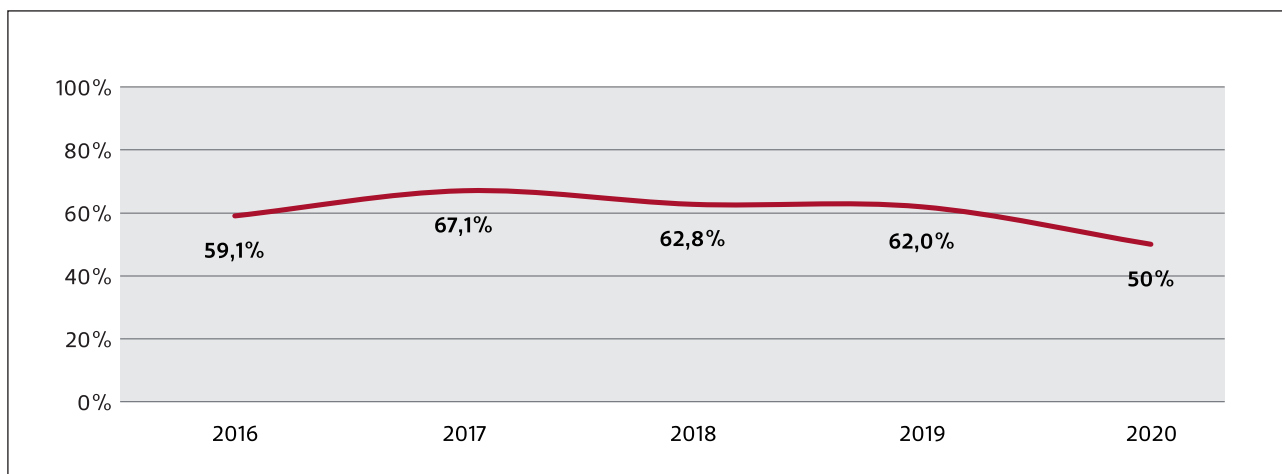
The UFS was not able to prioritise the institutional review of all 68 of its service-learning modules during 2020. However, monitoring service-learning provision at the UFS has been improved and revised to account for this impact of the COVID-19 pandemic.

Since 2014, an average of 60% of students reported that they had at least some modules with a service-learning component (see Figure 27). The students who reported having modules with a service-learning component decreased substantially in 2020, which is most probably due to the dramatic changes in the learning environment and delivery modes.

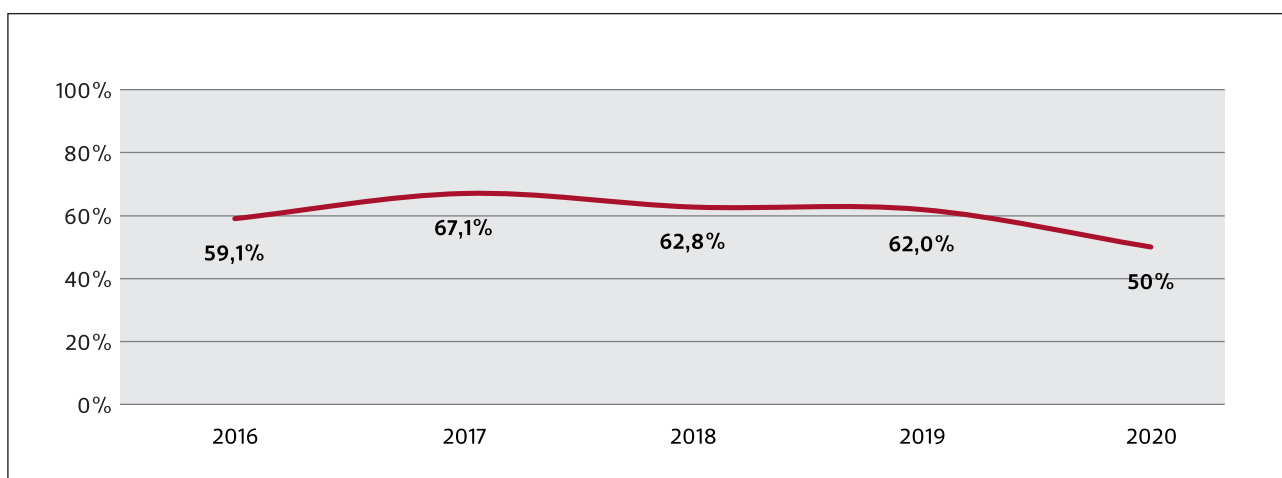
Due to the online learning environment of 2020, the UFS asked an additional question to the students who reported that some of their modules included a service-learning component (see Figure 28). More than three-quarters of students said that they took part in online service learning during 2020. Some students took part in service learning in other formats. Most of them took part in a face-to-face format, such as hospital work and home visits for family medicine, practical teaching at schools and community projects; others only participated before lockdown, and a few took part in service learning both online and face to face. Almost 20% of those whose modules included service learning did not participate.

Over time, monitoring data within faculties shows students indicating that they have had no modules with a service-learning component in the respective years. The vast majority of service learning and/or community engagement occurs in the Faculties of Health Science, Education, and the Humanities. Theology represents only a very small sample each year. Faculties with the least service-learning components in their modules are Natural and Agricultural Sciences and Law.

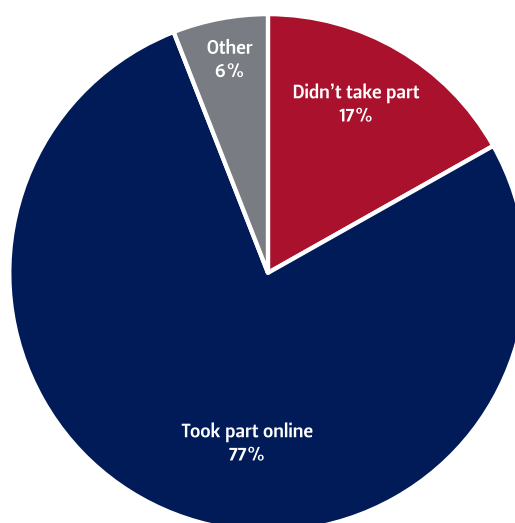




**Figure 26: Self-reported student participation in service-learning (KPA 4.2)**



**Figure 27: South African Survey of Student Engagement – About how many of your modules/subjects have included a community-based/community-engagement project (service-learning)?**



**Figure 28: South African Survey of Student Engagement – How did you take part in service learning during 2020?**

## 3.3. Report of the Vice-Chancellor on Management and Administration

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

#### 3.3.1.1. Overview of indicators

This section covers an array of activities to promote an agile university characterised by greater efficiency and effectiveness. It is important to note that such agility depends, among others, on the size and shape of our PQM, the swiftness of decision making, the relevancy of the policies, and well-structured and aligned systems and processes. These interventions also find expression in the enrolment plan, which establishes indicative targets for the size and shape of the UFS, including overall growth and participation rates, as well as equity and efficiency goals. Therefore, this KPA addresses matters concerning the policy universe, student participation in governance structures, how the student life cycle is managed from recruitment to graduation, and finally, the credibility of management information.

Against this backdrop, it is important to record that good progress has been made during 2020 to establish a well-governed policy environment. In 2020, the following policies were approved by Council:

- Policy on Short Learning Programmes
- Policy, Procedure, and Remit of the Naming Committee
- Policy on Commercial Debtors and Credit Management
- Whistleblowing Hotline Policy
- Security Policy
- Policy on Special, Romantic or Sexual Relationships between Students and Staff of the UFS
- Performance Management Policy for Support Services
- Engaged Scholarship Policy, Protocol and Remit
- Governance Framework Policy on the Management of Administrative Data

A framework for policy development and revision was also developed and approved, including a database of UFS policy documents. This database will serve as data source for monitoring the rate at which the UFS reviews its policies in future. Although 103 policies have been identified and revised to date, the database is still being developed, and the UFS anticipates the addition of a significant number of existing and new policies.

As part of the university's transformation agenda, it is evident that substantial progress has been made to increase student participation in the governance structures of the UFS, as shown in Figure 29; participation increased from 52% to 70% in 2020, outstripping the target of 50%.

During 2020, the UFS spent time to review its enrolment planning processes involving campus and faculty consultation. This process was followed by reviewing the online registration process towards the end of 2020. Enrolment planning should not be viewed in isolation of enrolment management. The latter is the only proxy to our subsidy income, and the UFS must take care to remain within the prescripts of the DHET. The UFS operates within a stable enrolment plan and has a fiduciary responsibility to manage its size and shape. Table 1 and Figure 30 show that the UFS has over-enrolled by 3% regarding undergraduate headcounts and is very closely aligned to its target for first-time entering undergraduate students. Of concern is the under-enrolment in postgraduate qualifications and a shift away from critically scarce skills areas such as business management and sciences engineering and technology.

These numbers culminate in the teaching input units of the university, which in itself determine the allocation of the state subsidy to the UFS. The university cautiously manages its enrolment numbers to adhere to the ministerially approved targets and engages with the DHET on over-enrolment.

Great successes were recorded for 2020, with a graduate data error rate of 93%; this share of graduate records with no credit value errors demonstrate the ability of system owners to detect data errors and the ability to correct them immediately.

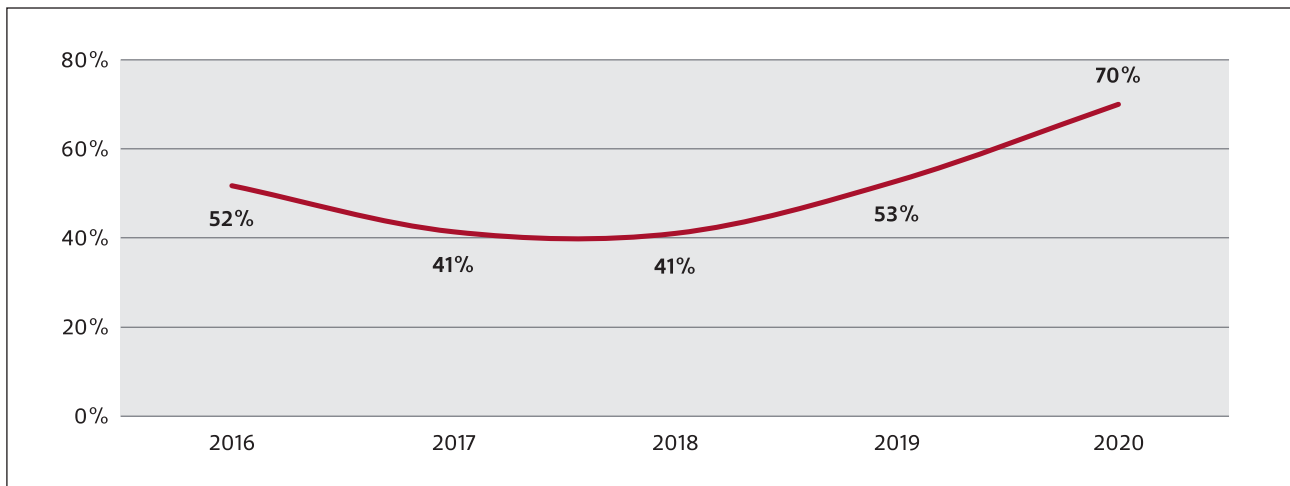


Figure 29: Student participation in governance structures (KPA 5.2)

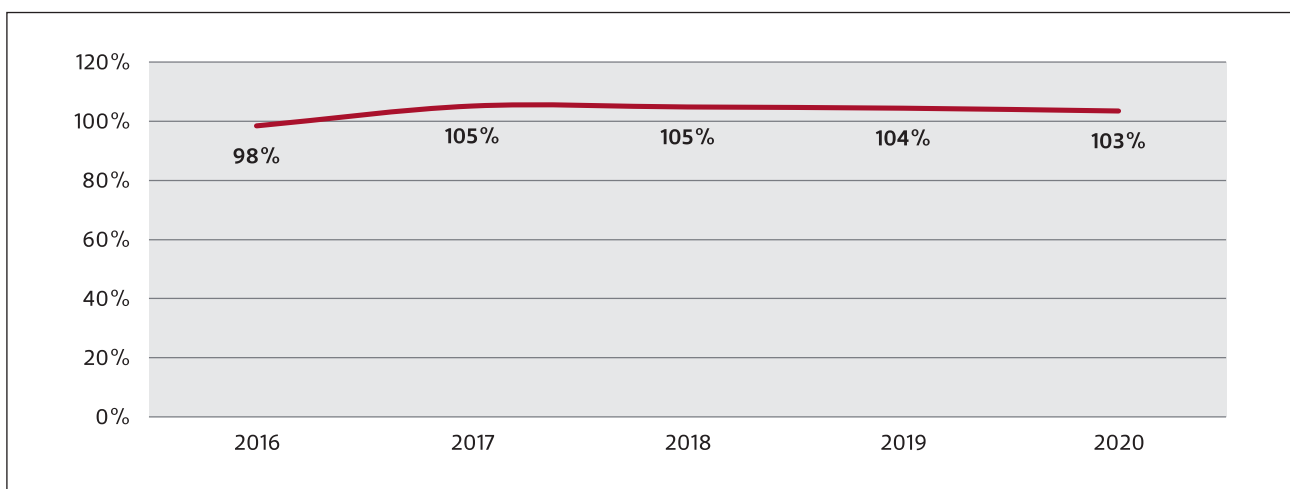


Figure 30: Enrolment management (KPA 5.3)

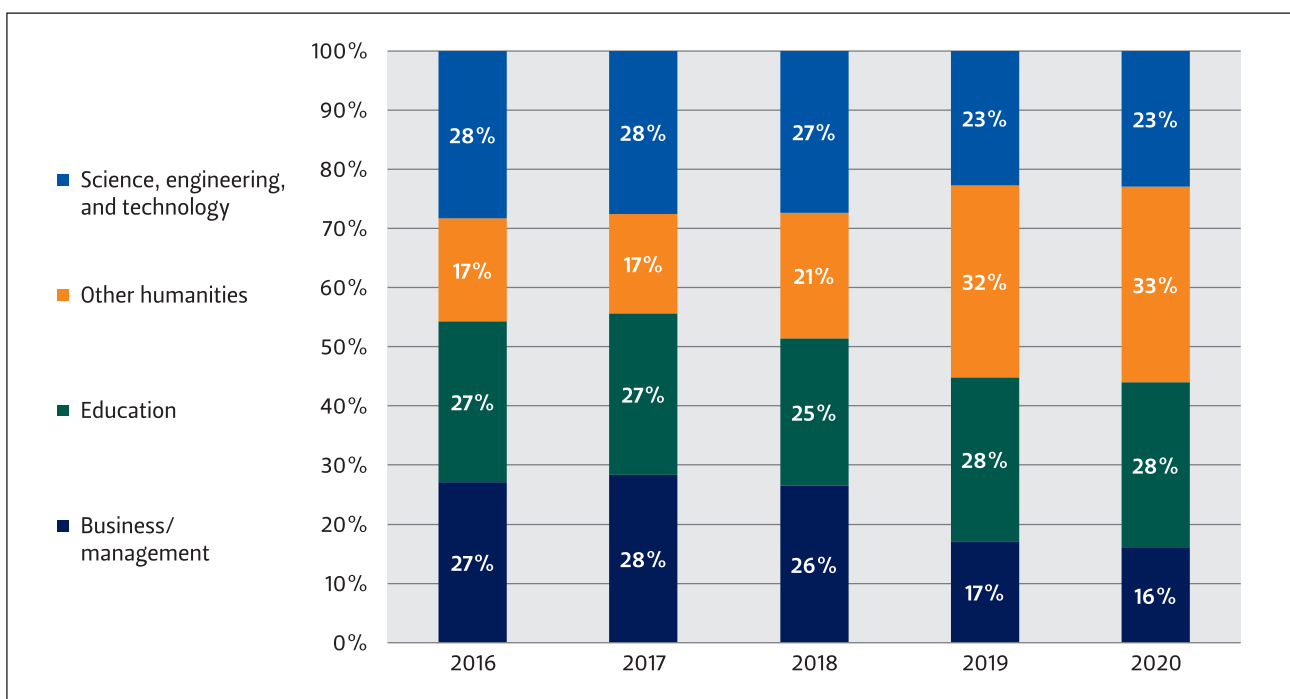


Figure 31: Share of total enrolments in major fields of study (headcount) (KPA 5.3)

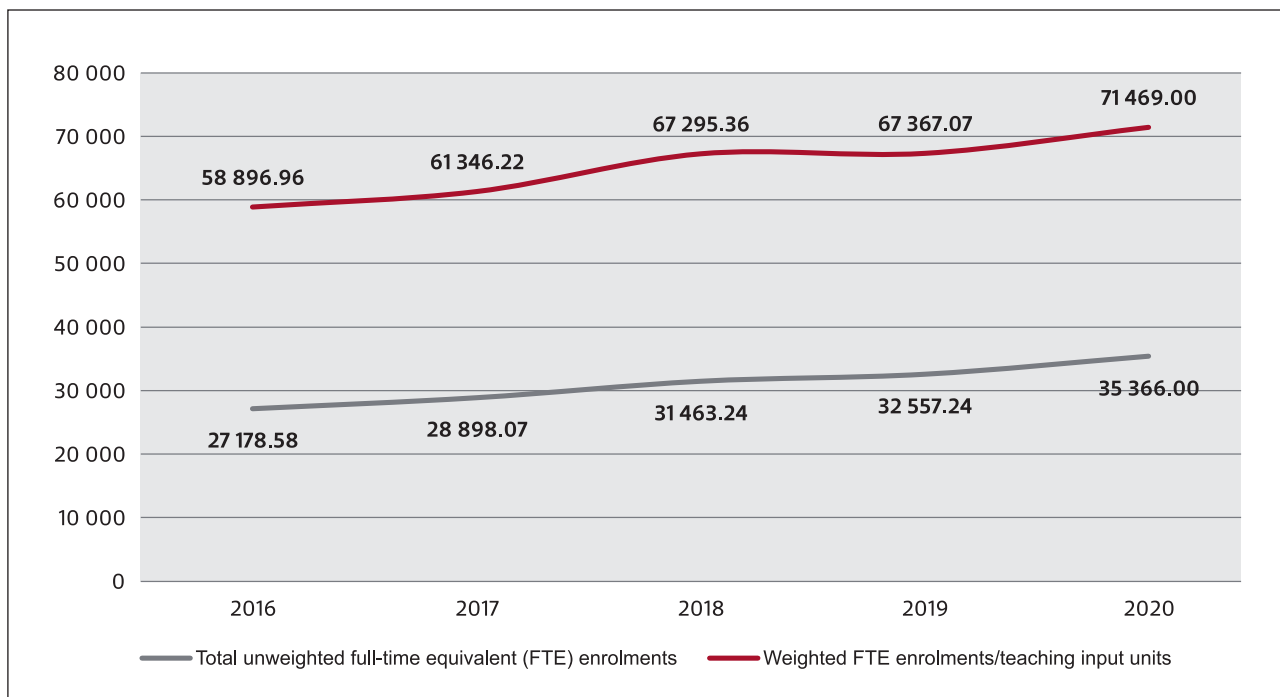


Figure 32: Full-time equivalent enrolments (KPA 5.3)

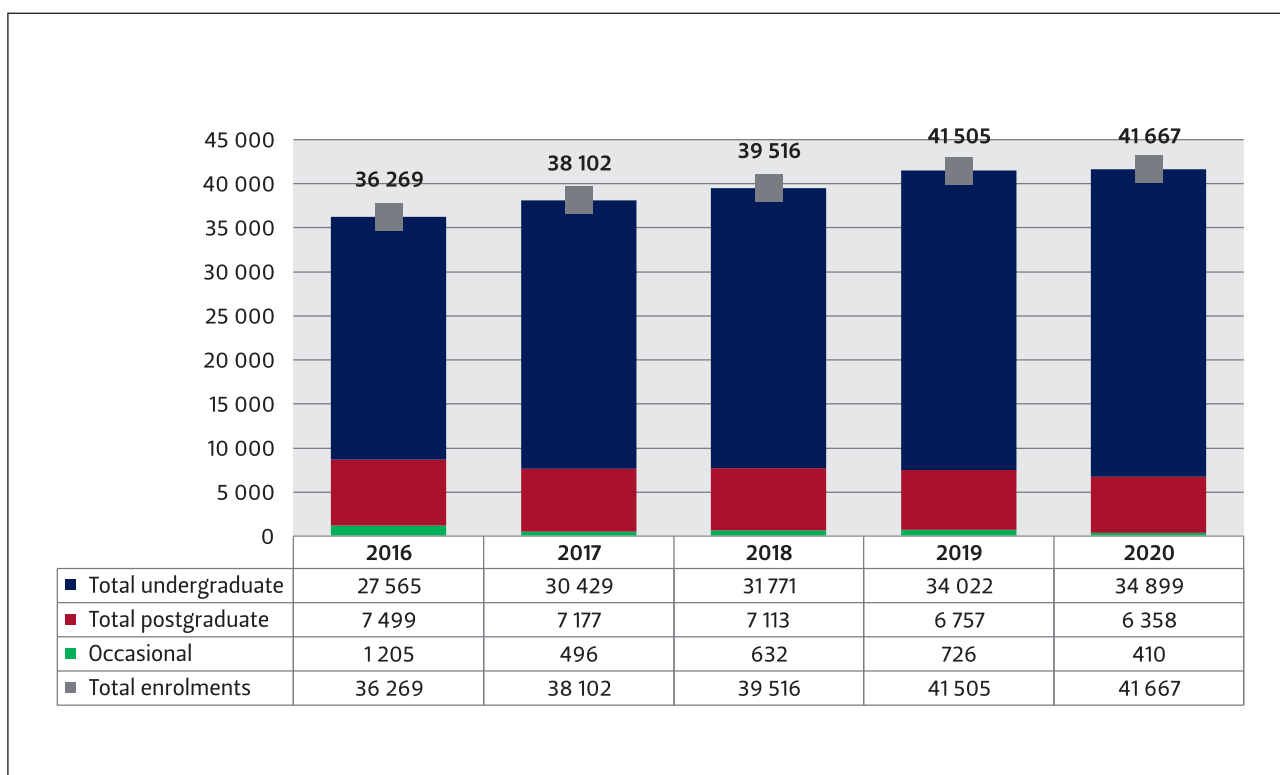
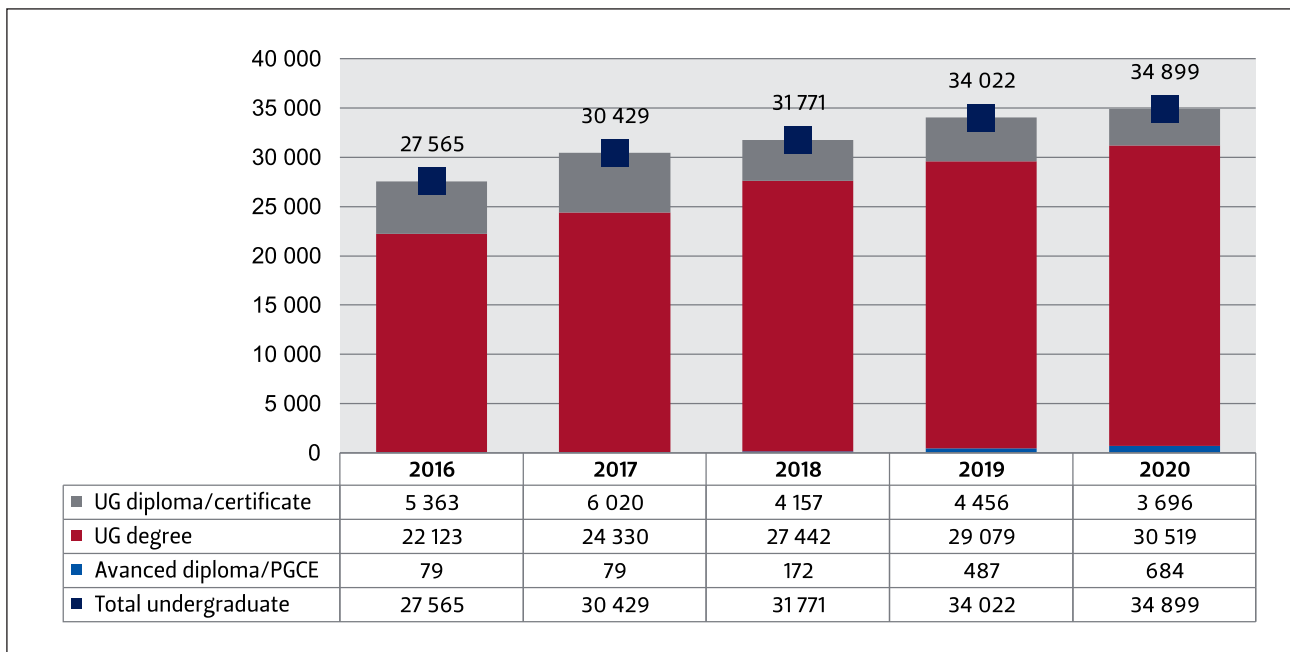
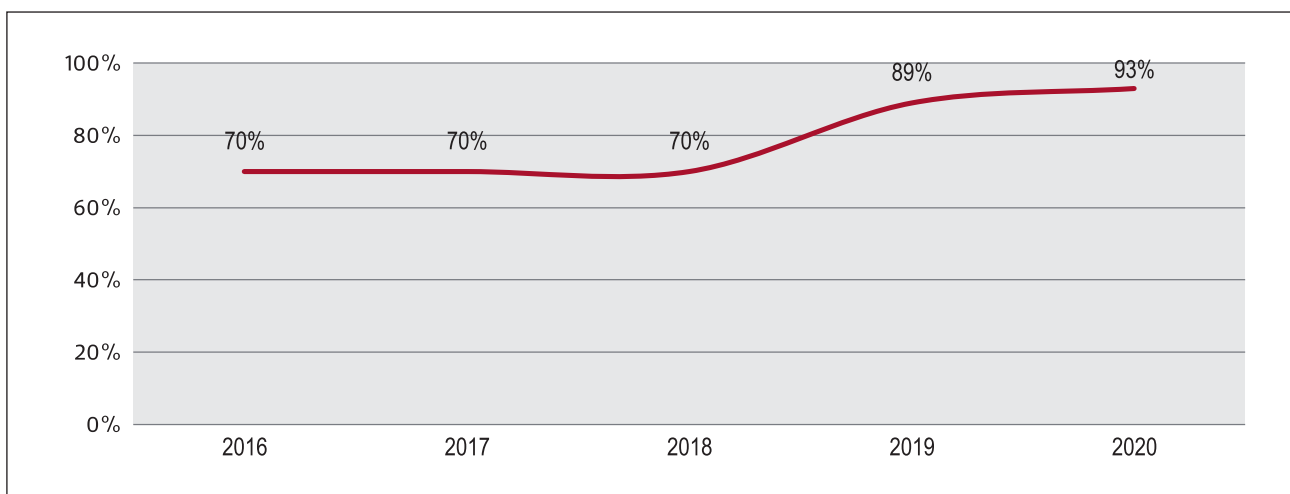


Figure 33: Enrolments (headcount) (KPA 5.3)



**Figure 34: Undergraduate enrolments (headcount) (KPA 5.3)**



**Figure 35: Graduate data errors (KPA 5.4)**

### 3.3.1.2. *Revise and update all UFS policies to reflect the university's transformative drive (KPA 5.1)*

#### 3.3.1.2.1. Governance structures

As part of the ITP<sup>58</sup>, the UFS aims to streamline committee structures and reporting lines across the three campuses; ensure that King IV recommendations and best practices are implemented; and clarify the roles, responsibilities, expectations, and outcomes with regard to statutory governance structures. To this end – during 2020 – the UFS Statute was revised; the remits of five Council committees (i.e. Human Resources, ARIC, Finance, Investment, Remuneration, Nominations, and Executive Committee of Council) were revised, taking into account King IV, and approved by Council; the remit of the Student Support Services Committee of Council has been drafted and approved by Council; the ARIC self-assessment form has been revised and the new form was approved by Council; the Naming Committee was reconstituted as a joint Committee of Council and Senate; the process for the reconsideration of the UFS Delegations Framework has commenced; and Council approved the Disciplinary Procedure for Council.

<sup>58</sup> ITP deliverable 10A.7: Strengthen the governance and accountability structures at Qwaqwa



During 2020, the UFS also embarked on an intensive consultative process to reimagine, redevelop, and implement a new multi-campus management model. Through this process, the UFS seeks to identify complementarity among the campuses and develop a narrative that celebrates the specific purpose of each campus, aligned to the UFS strategic objectives, allowing each to contribute maximally to the UFS strategic intent, regionally, nationally, and globally. This process involves a detailed analysis of structures, processes, and systems that compose the current management model and will culminate in the implementation of a revised multi-campus management model for the UFS that is context-relevant and fit-for-purpose; responsive to the governance structures, processes, and systems of the university and each campus; and will advance the UFS' strategic objectives.

#### **3.3.1.2.2. Compliance**

The Department of Legal Services and Regulatory Compliance was established in October 2019 when the Deputy Registrar: Legal Services and Compliance was appointed. The appointment followed the approval of a compliance strategy, which was subsequently approved by the Rectorate in September 2020. Furthermore, Rectorate has approved the purchase of compliance tools and/or software that will support the compliance function at the UFS.

Focused attention is being given to the signing of agreements and the development of the delegation of authority (DoA) framework. A recommendation was made to the Rectorate and ARIC that the Rector and Vice-Chancellor or his delegate Rectorate official should sign all the agreements that bind the UFS. This recommendation was approved and implemented.

During this reporting period, attention was given to the procurement of goods and services as well as compliance with the UFS Procurement Policy. This enables the UFS, as a public institution, to comply with the letter and spirit of section 217 of the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996); procurement imperatives as clearly stipulated in the Preferential Policy Framework Act, 2000 (Act No. 5 of 2000); and the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

#### **3.3.1.2.3. Policy development and review**

The revision and critical alignment of all UFS policies to reflect the university's transformative drive is a key strategic priority for the institution, and therefore a key focus of the ITP<sup>59</sup>. A new policy – the Framework for Policy Development and Review – was approved by Council during 2020. The purpose of this framework is to ensure that all policies and related procedures, guidelines, and rules are developed, written, presented, formally approved, implemented, monitored, and reviewed, using a standard framework and format. Furthermore, it will ensure that all the UFS policies reflect the university's transformative drive; are useful, necessary, current, and relevant; are consistent with the vision, mission, and core values of the university; channel actions, behaviour, decisions, and practices in directions that promote good strategy execution; are developed, reviewed, and maintained in a logical and consistent manner; and provide an inclusive and single point of reference for principles that guide the policy development and review process. In order to ensure adequate capacity for the implementation of the new Framework for Policy Development and Review, the UFS has appointed a new Institutional Regulatory Officer.

The Registrar's Office also made good progress during 2020 to establish a comprehensive database (baseline register) of UFS policy documents. Although 103 policies have been identified and revised to date, the database is still expanding and the UFS anticipates the addition of a significant number of existing and new policies. The database is built on documents obtained from various sources, many from meeting minutes containing more than one policy. In addition, since policies serve at more than one management structure for approval, many versions of a particular policy are available. Scrutinising and cross-referencing all the possible sources of policy information is a time-intensive undertaking. As of the end of 2020, most policies identified through electronic information sources had been captured. In 2021, the UFS will begin the process of searching through its paper-only resources for policy information. The database includes cross-referenced information on all the versions of a particular policy, including review and approval dates, information on the format, and relevancy. In the process, the UFS is also recording information on aspects that could inform the process of policy development and revision and challenges encountered that may inform future standard operating procedures for record management.

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<sup>59</sup> ITP deliverable 9A.2: Develop a guiding framework for policy development, formulation, and implementation  
ITP deliverable 7.2: Align all policies that refer to Universal Access (UA)

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

#### 3.3.1.3.1. Student governance

In 2018, the UFS adopted a new constitution for the UFS Institutional Student Representative Council (ISRC), which recognises governance structures across all three UFS campuses. The implementation of the ISRC Constitution continued in 2020 and includes the establishment of a Bloemfontein Campus Student Representative Council (CSRC) consisting of 19 portfolios, a Qwaqwa Campus CSRC (17 portfolios), and a South Campus CSRC (12 portfolios). Registered student associations and organisations, faculty student councils (FSCs), and residence committees (RCs) are recognised as substructures of the CSRC and ultimately find expression through the constituted CSRC portfolios. Standing committees to be established after the annual election process of each CSRC are the Executive, Finance, Policy, Projects, Media, Appeals, and Disciplinary committees.

CSRC elections are conducted annually. Procedurally, an elections logistics committee must be constituted to ensure that elections are executed in an unbiased manner, and that a chief election administrator is appointed to manage the operations of the elections and declare the final results. The Qwaqwa CSRC election took place online from 1 to 4 December 2020, Qwaqwa Campus CSRC ex officio elections took place on 2 December 2020, and South Campus CSRC elections took place from 1 to 4 December 2020.

Each CSRC is recognised as the highest student governing structure for its campus and is accountable to the Campus Student Parliament (CSP). The composition of the CSP includes the Speaker, Deputy Speaker, Secretary, CSRC Executive Committee members, as well as various representatives from ex officio student councils. The ISRC is accountable to the Institutional Student Parliament (ISP), which is composed of the Speaker, Deputy Speaker, Secretary, all CSP office-bearers, all ISRC members, as well as various representatives from ex officio student councils per campus.

FSCs were successfully established on the Bloemfontein and Qwaqwa campuses in 2019, and currently there are active FSCs in all seven faculties on these two campuses. The South Campus is still in the process of establishing the FSC.

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

#### 3.3.1.4.1. Academic administration

During 2020, Student Academic Services continued with its strategic planning and self-reflection process, which is a foundation for developing a long-term vision, mission, strategy, and strategy execution plan for the future. Key areas of the strategic plan are already being implemented, with the integration of graduations and transcript services into Examination Administration and Student Record Administration divisions. Two positions were formulated, graded, advertised, and filled. Strategic planning will continue into 2021.

As part of the ITP<sup>60</sup>, a decision was made to reduce the number of projects selected for 2020 and instead focus on fewer projects that would be more manageable and would reduce the risk of non-delivery. These projects included the upgrade of the enterprise resource planning (ERP) on PeopleSoft Campus Solutions to version 9.2; the Online Applications Project and the Online Registration Project (see section 3.3.1.4.3); and Syllabus Plus (see section 3.3.1.5.1). There were other minor projects, but these were managed via operations, while the key projects were prioritised. The foundation of these projects were the project charters. All institutional stakeholders were widely consulted in order to ensure buy-in and thorough planning for each project.

The ERP upgrade was a large-scale project that included task teams representing all users of the ERP across the institution. The project was formally signed off by Rectorate, who had full oversight. This was necessary, as it was the largest upgrade of the ERP since 2004 when PeopleSoft Campus Solutions was implemented. It included full testing across all functions.

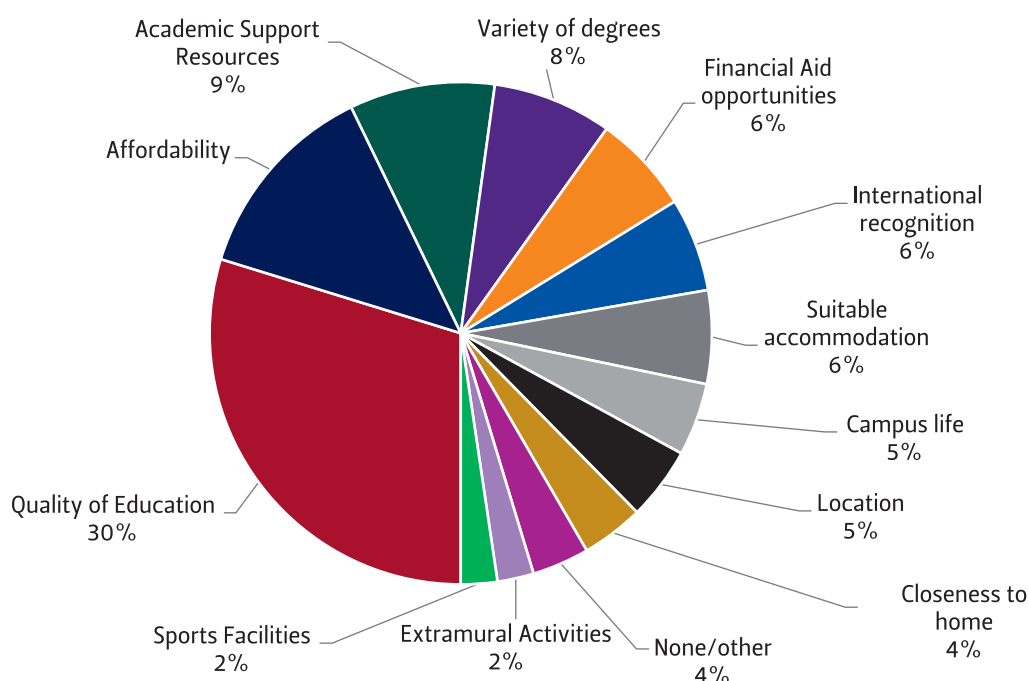
The documentation of the existing architecture was continued in 2020, using the operations to bring burning issues to the fore. The Online Registration Project was used as a vehicle to raise issues and ensure prioritisation and focus for the future.

<sup>60</sup> ITP deliverable 9B.2: Map student life-cycle processes to people, governance, technology and data ITP deliverable 9B.3: Benchmark, design and implement changes to all structures and solution(s) to achieve desired

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

### 3.3.1.4.2. Student recruitment

The ITP<sup>61</sup> prioritised the design of a project to implement a student recruitment solution. In addition, the COVID-19 pandemic compelled the UFS, like many other institutions, to pause, reflect, reset, and reimagine the future of student recruitment. Within the battle for market dominance, the victorious institutions are those that can adapt speedily to the changing landscape to create and maintain traction within the tertiary education environment. Constant engagement is crucial to remain 'top of mind' for prospective students and parents (as well as schoolteachers and principals). It was essential to find a space between the audience insight and the context we operate in to determine opportunities. A recent study highlighted the learner as our primary audience and enabled the department to conceptualise our student recruitment solution. The common drivers among prospective students' choice of a university are illustrated in Figure 36.



**Figure 36: Audience insight – factors of an ideal university**

With this in mind, UFS Student Recruitment Services (SRS) pursued the following recruitment goals during 2020:

- Recruit excellent first-year students according to the three-tier model, which includes specific promotion, advertising, marketing, and relationship building.
- Promote the UFS as a global player to international students to globalise and diversify our classrooms.
- Promote the UFS' postgraduate programmes, highlighting the university's centres of excellence and highly acclaimed academic staff, and the support to students from the Postgraduate School.
- Track recruitment and marketing activities to ensure relevance and awareness of the UFS among prospective students.

Due to the nature and complexity of postgraduate recruitment, SRS acts as a conduit, creating market awareness of the programmes offered by the university through the UFS Prospectus and advertisements in traditional and

61 ITP deliverable 9B.3: Benchmark, design and implement changes to all structures and solution(s) to achieve desired

electronic media channels. The UFS is also utilising an international electronic platform hosted by Educations.com to profile both undergraduate and postgraduate programmes.

The COVID-19 pandemic compelled SRS to be innovative and agile with its offerings to prospective students. The department harnessed the strengths, energy, dedication, and commitment of the team to find new ways of engagement and to respond to the fast-changing environment. Through agility and speed, the team devised new plans to recruit prospective undergraduate and postgraduate students, i.e.:

- Initial COVID-19 intervention plan
- 'Wheels Keep Turning' emailer
- WhatsApp groups and the 'Kovsie2B' WhatsApp chatbot
- eNews Channel Africa video
- 'Applications Open' campaign
- Infographic
- 'Caring' campaign
- 'Home Ground Advantage' campaign
- 'Science and COVID' campaign
- Communique to school principals
- Online presentations on schools' digital platforms
- Virtual schools' presentation using Prezi
- 'Let's Connect' virtual question-and-answer sessions on Zoom, Blackboard Collaborate, and Instagram
- Virtual question-and-answer session with the Rector and Vice-Chancellor
- Virtual question-and-answer session for postgraduate studies
- Virtual Open Day with follow-up question-and-answer sessions on Kovsie2BChatFriday@5
- Kovsie2Career, linking careers with UFS programmes

The guiding principles of all our engagements are caring for our future students, accessibility to the marketer and UFS information, and a high level of professionalism.

### 3.3.1.4.3. Enrolment management

Student-enrolment management includes the processes of application, admission, and registration. The number of online applications continued to grow during 2020 to more than 120 000 for the 2020/2021 cycle. This is probably due to improved access to higher education funding via NSFAS, and because application to study at the UFS is free.

As in 2020, SAS focused on improving communication with student applicants, and made changes to the automated decision-making process in order to reduce the time it takes to make a decision and communicate it to the prospective student. As part of the ITP, the UFS has also implemented two phases of improvements to the Online Application system.

The Online Registration Project was the largest of the projects within the ITP. To ensure execution, a project manager post was developed, graded, and filled. A decision document was also developed that indicated the future of online registration with regard to the technology that must be used. A project management office was established, and two academic representatives were nominated and approved by Rectorate to improve buy-in and integration of the project. Lastly, five critical task teams were created, and task team leads were appointed to ensure focus on key deliverables of the project.

To ensure that enrolment management targets are carefully monitored and managed, the Senate Central Admissions Committee met on average once a month with feedback given by all stakeholders. During the peak of registration, the critical stakeholders met daily in order to ensure oversight.

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

#### 3.3.1.5.1. Syllabus Plus

With regard to timetabling, the UFS continued with the implementation of Plan B for Syllabus Plus during 2020. Plan A – i.e., full implementation – requires a full project plan and dedicated project resources. Plan A was deferred

due to the COVID-19 pandemic restricting international travel, as the initial phase of Plan A was to conduct an analysis, including visits to international institutions and the service provider for benchmarking purposes. In the interim, Plan B ensures that faculties can collaborate by using the software as a visual tool for timetabling and to assure the quality of the data being imported into PeopleSoft. At the same time, the foundation is being laid for critical aspects such as course catalogue data and enrolment management, among others. A two-day workshop was conducted during 2020 with members and nominees of the Academic Timetable Committee. The workshop was used as a reflection forum, with recommendations being made. These recommendations were reported and approved at the ECS.

### 3.3.1.5.2. Information system management policy framework

UFS ICT Services drafted a policy to formalise accountability and responsibility for the most critical institutional data, and the new Governance Framework Policy on the Management of Administrative Data was approved in 2020. The Registrar is the policy owner, while the Manager: Records and Archives will be responsible for future policy versions.

### 3.3.1.5.3. Data on gender equality and discrimination

The UFS is currently in the process of reviewing its operations, contributing to the effective functioning of the anti-discrimination, promotion of equality and social justice policy and procedure. Consultations are taking place with accredited software providers for the procurement of a software licence that will be used to create a reporting system for issues involving gender equality and discrimination. The outbreak of the COVID-19 pandemic has inevitably hindered this process, consequently resulting in the slow progress.

From the two tables below, it is evident that the number of offences dropped from 2019 to 2020, except for offences related to protection orders. Gender-related incidents reported (i.e., sexual assault, sexual harassment, and gender-based violence) on the Bloemfontein Campus have decreased, most notably, by almost 30% from 2019 to 2020. However, reported offences involving the contravention of protection orders increased greatly in 2020. A number of factors may have contributed to this: improved advocacy and awareness may play a role in increased reporting; and, given that these incidents involve off-campus residences, COVID-19 lockdown regulations may have contributed to increased domestic incidents due to confinement of students in their accommodation.

**Table 14: Number of offences reported in 2019**

Nature of offence	Number of offences reported						Total
	Bloemfontein	Status	South	Status	Qwaqwa	Status	
Sexual Assault	14	12 resolved 1 pending further investigation 1 pending hearing	1	Resolved	1	Resolved	16
Sexual Harassment	5	Resolved	1	Pending further investigation			6
Discrimination	1	Resolved					1
Gender-based Violence	2	Resolved					2
<b>Total</b>	<b>22</b>		<b>2</b>		<b>1</b>		<b>25</b>

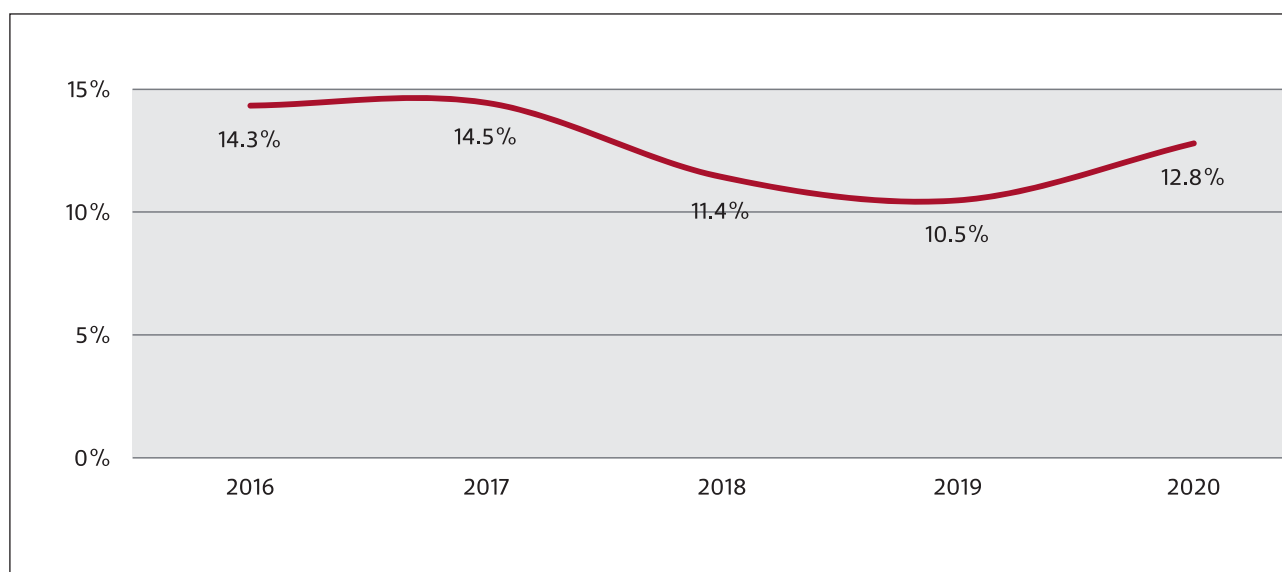
**Table 15: Number of offences reported in 2020**

Nature of offence	Number of offences reported						Total
	Bloemfontein/ Unclassified	Status	South	Status	Qwaqwa	Status	
Sexual Assault	11	11 resolved	1	Resolved	2	Resolved	14
Sexual Harassment	3	Resolved	1	Resolved			4
Discrimination	1	Resolved					1
Gender-based Violence	1	Resolved					1
Contravention of Protection Order	20	Resolved					20
<b>Total</b>	<b>36</b>		<b>2</b>		<b>2</b>		<b>40</b>



## 3.4. Statement of Council on sustainability

This section of the Annual Report 2020 provides an oversight and review on the financial sustainability of the UFS during 2020. The university, similar to all public higher education institutions, did not come out unscathed from the effects of the COVID-19 pandemic on which readers of the consolidated and standalone financial statements for 2019 have been alerted. This is done through an oversight of performance in 2020, with applicable trends sighted and a review of the results itself to create an understanding of the going concern status of the UFS being the basis on which the consolidated and standalone financial statements were compiled. This section further derived all data from the financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations and were prepared in the manner prescribed by the Minister of Higher Education, Science and Innovation in terms of the Higher Education Act no 101 of 1997, as amended by Act 54 of 2000. The financial statements comply with the IFRS as issued by the International Accounting Standards Board (IASB). The aforementioned, read with the consolidated financial statements, concludes with the financial executive's statement on the 2020 financial results.



**Figure 37: Share of income from third-stream sources (KPA 6.1)**

### 3.4.1. Achieve financial sustainability (Goal 6)

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

##### 3.4.1.1.1. Third-stream income

Although the UFS did not realise the targeted third-stream income of 15%, a growth in income from 10,5% in 2019 to 12,8% in 2020 (see Figure 37) demonstrates the university's commitment to promoting financial sustainability. The novel COVID-19 pandemic has had its own set of challenges to retain financial prudence. The latter required the university to review its budget and revisit its priorities to ensure that the Academic Project is not compromised. In order to give expression to the Academic Project, the 12,8% income from third-stream sources significantly assisted in funding the core activities of the university.

Key income drivers that impacted the lower-than-expected third-stream income are the decline in short learning programmes and sales of goods and services. As stated, the increase in performance since 2019 reaffirms that the strategies and institutional gravitas are well positioned to continue building public trust.

### 3.4.1.1.2. Short learning programmes (SLPs)

The need to generate income from sources other than government subsidy and tuition fees is highlighted in the ITP<sup>62</sup> in terms of reviewing institutional policies involving third-stream income, a key strategy of which is the implementation of a new short learning programme (SLP) policy. Subsequently, the Kopsie Phahamisa Academy was established as the coordinating office for all short learning programmes (SLP) at the UFS, and the new Policy on Short Learning Programme Provisioning of the UFS (UFS SLP Policy) was approved by Council in March 2020. The primary purpose of the Kopsie Phahamisa Academy is to implement the UFS SLP policy. The purpose of the policy is to provide a framework for ensuring the academic integrity and quality of the SLPs offered by the UFS; outline good practice in relation to the approval and registration of SLPs on the UFS SLP Catalogue (guided by the 2016 Good Practice Guide for the Quality Management of Short Courses offered outside of the Higher Education Qualifications Sub-Framework of the Higher Education Quality Committee [HEQC] of the Council on Higher Education [CHE]); to formalise SLP governance and coordination processes; and to stipulate approaches to the distribution of income derived from SLPs.

The Kopsie Phahamisa Academy initiated the implementation of the policy through an internal audit of all the current SLPs approved at the UFS. Due to the historic informal management of the SLPs, variation in the offerings were identified. It appeared from the audit that all SLPs had been approved by the Academic Committee of Senate, thus the quality management was in place. However, the manner in which the programmes are being managed, offered, and certified, needed substantial formalisation. The formalisation of the SLP offering now lies in the fact that all SLP(s) are being registered on PeopleSoft Campus Solutions; participants must be registered on PeopleSoft and must have a cost centre (entity) on PeopleSoft Financials from which it operates. Any SLP not offered and managed in the above manner will not be certified.

The need to ensure that staff were aware of the new SLP policy, procedures, and processes was vital in the smooth transition and execution of the policy. A SharePoint has been created on the Intranet on which all the relevant and needed documents are available to staff. The Kopsie Phahamisa Academy drafted templates, guidance documents, and a variety of other material to assist staff on the SLP journey, from identifying an SLP opportunity to the certification of that programme. This SharePoint has been viewed by more than 500 staff members. Furthermore, a website has been created for the promotion of SLPs at the UFS. The website currently advertises 77 SLPs and deals with 350 monthly queries regarding interest in the various SLPs offered by the UFS.

The SLP offerings at the UFS did not escape the impact of the national COVID-19 lockdown. Contracts were postponed, studies were cancelled in the hope of saving money, and programmes could not go ahead in light of the need to ensure that the formal academic calendar could be recovered. Despite the above, the UFS offered 62 programmes to 2 485 participants; approved 23 new programmes; and finalised 30 new contracts and tenders, signalling the need for lifelong learning. The Kopsie Phahamisa Academy has been in consultation with all academic entities to develop an SLP plan specifying income and profit targets, as well as strategies to achieve the targets. These SLP plans are aimed at enhancing existing SLP offerings and capitalising on niche areas to develop high-demand and high-quality SLPs.

These activities supported the development and quality assurance of a number of new SLPs in 2020. The Library and Information Service (LIS), for example, has started the process of registering three SLPs on Information Literacy, Digital Literacy, and Research Literacy. The LIS has also acquired the Assistant Librarian SLP, which it plans to roll out as a way of generating third-stream income. The FSCHR has commenced collaboration with UFS Protection Services to develop an SLP on the Right to Protest, which is to be presented to members of UFS Protection Services and private security firms contracted by the UFS, to ensure that they are familiar with the Guidelines to Operationalise the Right to Protest at the UFS. Some South Campus staff members have creatively presented a few SLPs online, ranging from learning and teaching methodology and pedagogy (e.g., learning how to harness social media, and how to teach online) to disciplinary content (e.g., Grade 7 Mathematics and Grades 8 to 12 Euclidean Geometry).

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62 ITP deliverable 8.5: Review policies around high-level opportunities for third-stream income:

### 3.4.1.2. Financial report

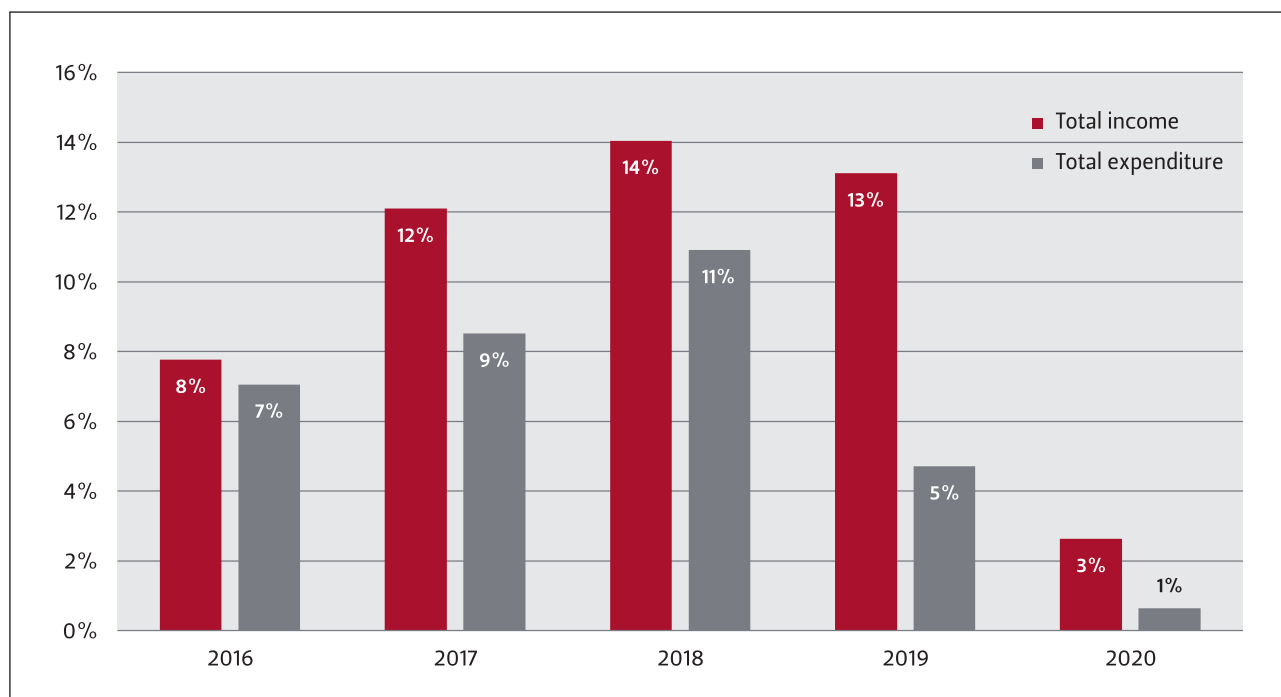
When the first three-week lockdown was announced by the South African government on 23 March, the full scope and impact of all the restrictive measures that would subsequently be imposed worldwide, could not be foreseen in the least. The UFS financial management team found itself in uncharted waters – in effect presented with a clean canvas on which to paint a picture of the university operating within the pandemic, drawing on all that was known and unknown about the virus and anticipating how it would affect all spheres of higher education nationally, as well as the university's relations internationally.

The University of the Free State, like all other higher education institutions, had to take into account the impact of COVID-19 on the South African economy, resulting in a steep decline in the GDP, huge increases in government debt, large numbers of job losses, and the challenges faced by the government in terms of sound governance, transparency, and corruption during this time.

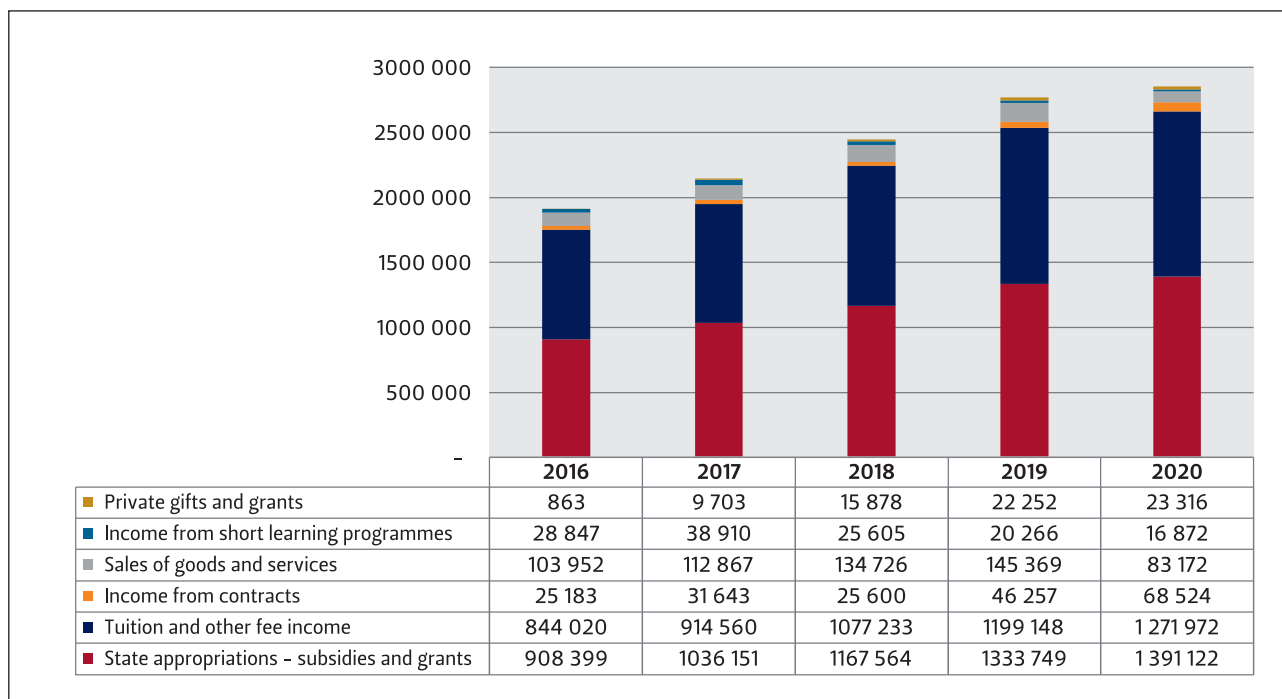
The UFS financial response to COVID-19 manifested mainly in a revised COVID-19 budget. This included cost-curtailling measures and an increased credit risk loss. Cost-curtailling measures included a 6% reduction in operational budgets, a moratorium on the peromnes level grading of posts, no performance bonuses, and not allowing events and actions that may contravene lockdown regulations. The university saved R50 million as a result of the aforementioned measures, which provided an opportunity to earmark R25 million to hedge currency risks and R25 million proportionately allocated to operational budgets. The UFS increased the provision for the increased credit risk loss to 13% of fees charged.

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

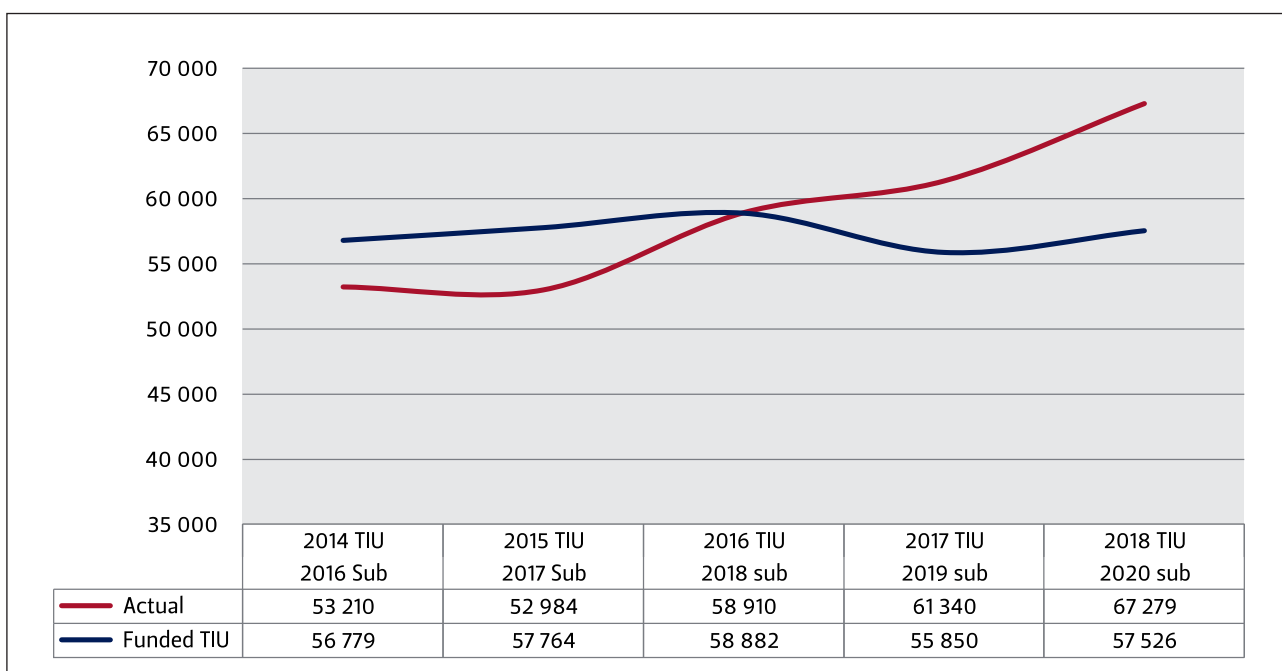
Total Council-controlled income grew by only 3% as per Figure 38 compared to the average of 11.75% in the immediately preceding four years; this will be elaborated on per revenue component below. Total Council-controlled expenditure increased by 1% compared to the average of 8% in the immediately preceding four years and is 300 basis points less than the 5% growth in 2019. The impact of COVID-19 and the UFS' response thereto will be further explained in the relevant paragraphs below.



**Figure 38: Year-on-year changes in total Council-controlled income versus expenditure**



**Figure 39: Council-controlled income**



**Figure 40: Funded teaching input units versus actual teaching input units**

#### 3.4.1.2.1. Council-controlled income

Council-controlled income includes state appropriations, fees, sales of goods and services, private gifts, and other income. Figure 39 presents the total income per revenue category.

#### 3.4.1.2.2. State appropriations

Total state appropriations increased by R57,3 million compared to 2019. This presents an increase of 4% from 2019 and is mainly the result of a 3% increase in subsidised teaching input units as per Figure 40.

The ratio of state appropriations to total income remained at 48% in comparison to previous years.

### 3.4.1.2.3. 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 41. Tuition fees charged to students dependent on NSFAS funding increased from R237 million in 2017 to R778 million in 2020. This increase represents a growth of 328% in four years, from 25% of tuition and other fee income in 2017 to 61% in 2020.

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 were still in the system in 2020, were allocated an amount equal to the annual national agreed-upon increment.

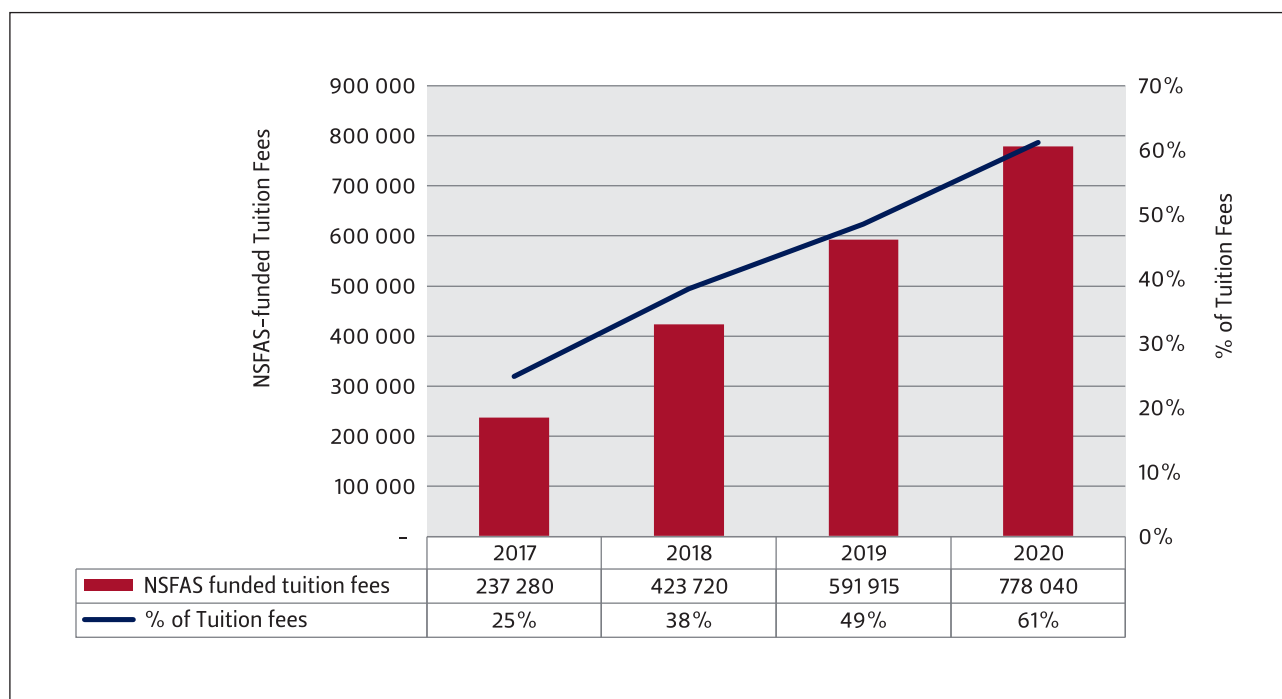
### 3.4.1.2.4. Council-controlled expenditure

Council-controlled expenditure consists mainly of personnel costs, operational expenditure, and depreciation and amortisation, as per Figure 42.

The UFS has responded to the challenges presented by the COVID-19 pandemic by instituting austerity measures, which included a 6% reduction in the operational budgets allocated at the beginning of 2020. Further cost-curtailement measures included strict limitations on expenses such as accommodation, expensive consumables, gifts for staff, ICT projects, infrastructure projects, international travel – including travel within the SADC, software licences, staff job-grading requests, strategic pillars and strategic funds, the use of consultants, and not paying performance bonuses. The changes in the ratio of expenditure to income, as further elaborated on below, should be considered in the context of the cost-curtailement measures introduced.

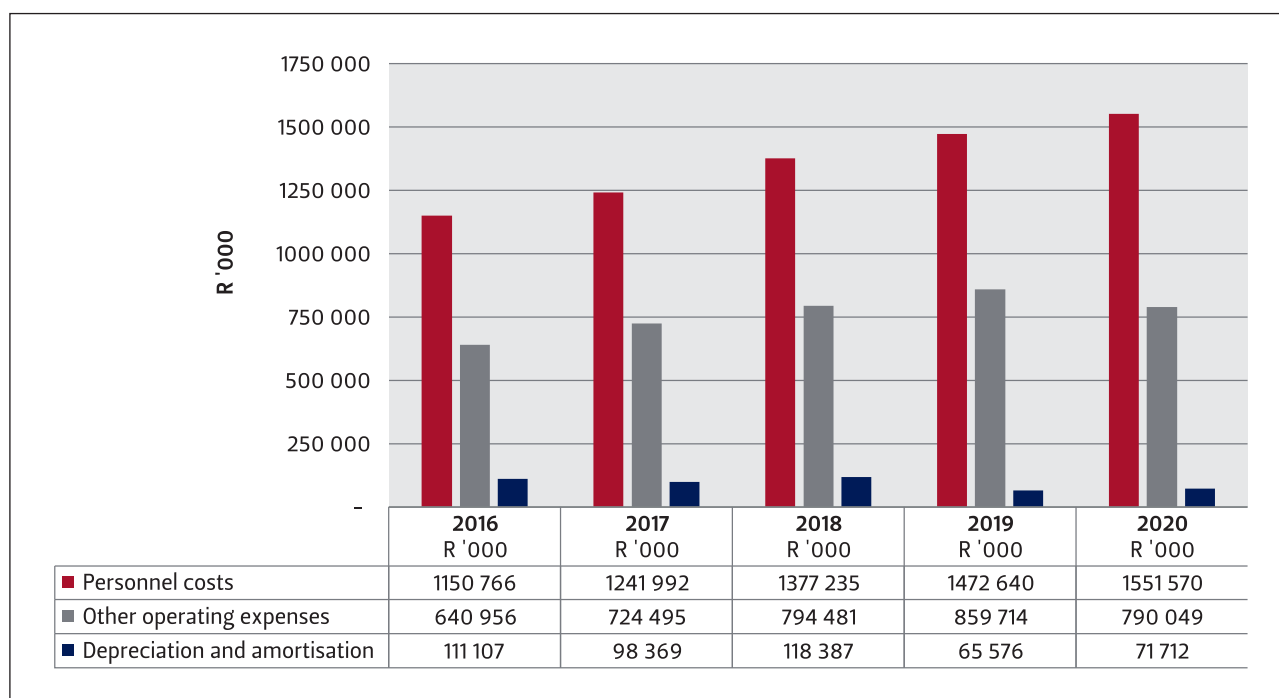
Personnel costs varied between 60% and 55% from 2016 to 2020, which is within the upper limit of the national benchmark of 62%. The UFS was able to retain staff as a result of the austerity measures introduced to maintain personnel costs.

Operational expenditure gradually decreased to 28%, mainly as a result of the cost-curtailement measures introduced.



**Figure 41: Tuition and other fee income from NSFAS-funded students**





**Figure 42: Council-controlled expenditure trends**

**Table 16: Year-on-year change**

Year-on-year change %	2016/17	2017/18	2018/19	2019/20
State appropriations - subsidies and grants	14%	13%	14%	4%
Tuition and other fee income	8%	18%	11%	4%
Other income	22%	5%	16%	-18%

**Table 17: Income as a percentage of Council-controlled income**

Income: Total Income	2015/16	2016/17	2017/18	2018/19	2019/20
State appropriations - subsidies and grants	48%	48%	48%	48%	49%
Tuition and other fee income	44%	43%	44%	43%	45%
Other	8%	9%	8%	8%	6%

**Table 18: Expenditure as percentage of total income**

Expenditure as % of total Income	2016	2017	2018	2019	2020
Personnel costs	60%	58%	56%	53%	55%
Other operating expenses	34%	34%	33%	31%	28%
Depreciation and amortisation	6%	5%	5%	2%	3%

### 3.4.1.2.5. Specifically funded activities

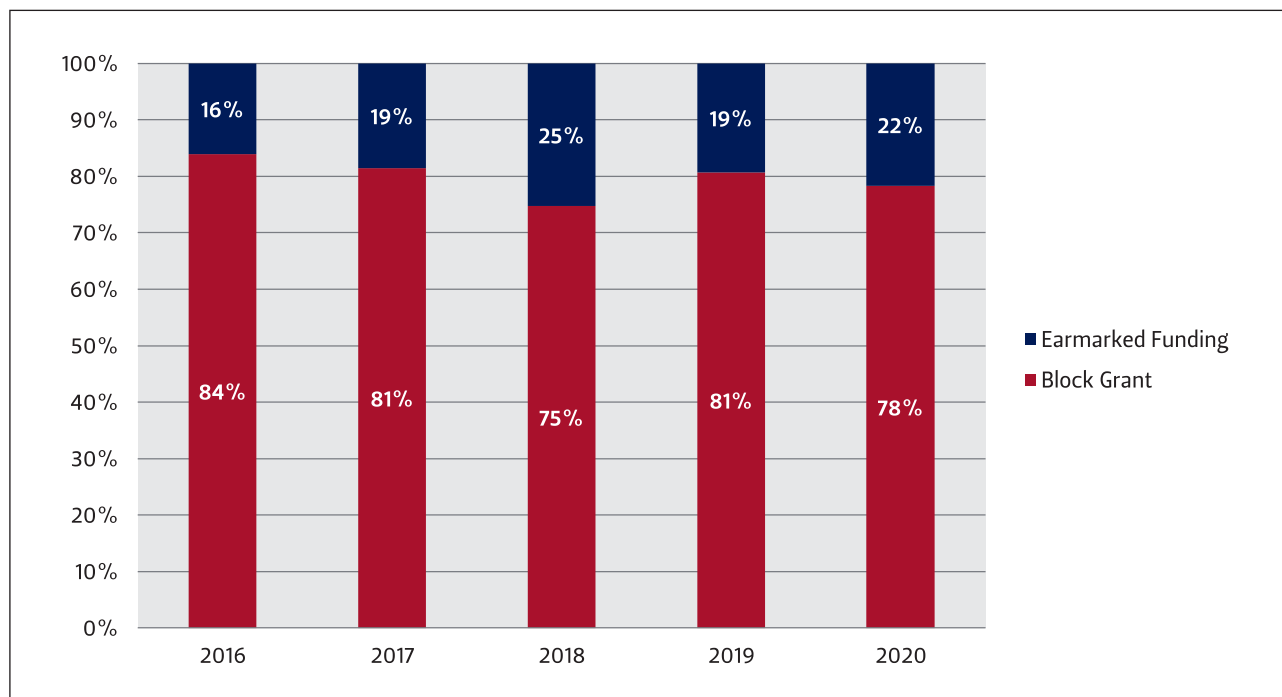
Specifically funded activities, which are by nature restricted in use, include all activities associated with grants other than the institutional subsidy, research contracts, and other contracts.

### 3.4.1.2.6. Income from contracts for research and other activities

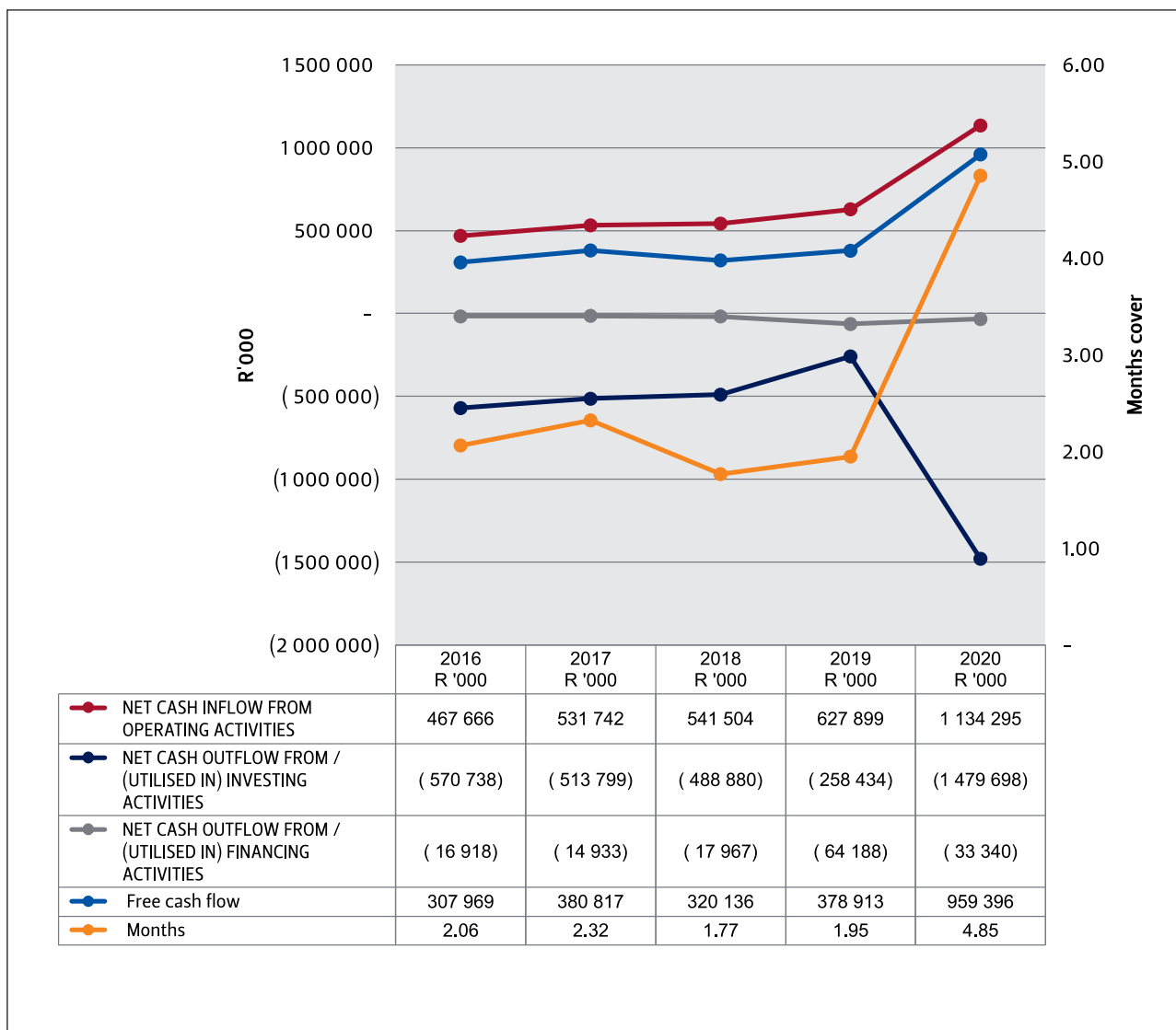
The UFS is a research-led, student-centred, and regionally engaged university. In order to enhance financial sustainability, one of its KPIs is to increase non-government-derived sources of income. Income from contracts for either research, teaching and learning, or other activities such as engaged scholarship,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

Restricted in use, income and its associated expenditure may only be incurred in line with the accompanying terms and conditions as defined by the funder. Therefore, consideration was given to contract income to include both Council-controlled and restricted income. Income from contracts increased from the previous year by 3% (R7,9 million) to R287,6 million in 2020. These increases mainly comprise contracts from other activities – 4% (2019–2020), and an increase in income from contracts for research by 2% (2019–2020).

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



**Figure 43: UFS block grant versus earmarked funding**



**Figure 44: Sum of cash flows and free cash flows**

#### 3.4.1.2.7. Earmarked grants

Earmarked grants are grants received from the Department of Higher Education and Training for a specific strategic intent. Included in earmarked grants are the following:

Clinical training grant, infrastructure and efficiency grant, university capacity-development grant, foundation provision grant, and the 'new generation of academics' grant.

Figure 43 demonstrates the allocation of the earmarked funds received from the DHET in relation to the block grant allocation.

#### 3.4.1.2.8. Cash flows

The UFS generated sufficient levels of cash through its operational activities to maintain investment activities and service debt. The university received a payment of R350 million from NSFAS in late December 2019 – 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 the free cash flows of all revenue streams is the cash that the university produces through its operations, less the cost of expenditure on assets. The university receives its first subsidy payment in April of each

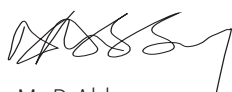
year; therefore, it must utilise free cash to cover the first quarter of the academic year, together with the first payments made by students to enrol within an academic year. The free cash flows steadily declined from 3 months in 2015 to 2.4 months in 2019. This increased to 4.85 months in 2020, mainly as a result of austerity measures implemented. If no other payments in terms of student fees are received or subsidies being paid late, it will result in the UFS having to use reserves to bridge possible cash shortfalls. We do, however, caution against the positive increase in free cash flows should austerity measures be relaxed.

### *3.4.1.3. Statement from the financial executive on the financial results*

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

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

The governance and management of the UFS provides assurance for financial sustainability, and the UFS has received unqualified audit reports in all of the periods included in this report.



Mr D Abbey

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













4

# STATEMENT OF COUNCIL ON TRANSFORMATION

## 4.1. Overview of progress during 2020 with regard to the implementation of the UFS Integrated Transformation Plan (VR: A)

The University of the Free State (UFS) has developed its Integrated Transformation Plan (ITP) through an extensive consultative planning process starting in January 2017. The document was discussed and approved by the various institutional structures, including Senate and Council, by the end of 2017. Full-scale implementation commenced in January 2018.

The ITP implementation plan provides for a task team or work-stream approach, which means that stakeholders across campus (students and staff) can join and take part in discussions of the various work streams. The work streams have specific deliverables outlined for each to achieve within clear timelines. The following discussion outlines the progress made by each work stream on their respective deliverables.

### 4.1.1. Integrated Transformation Plan work streams

#### 4.1.1.1 Teaching and Learning

The deliverables of the Teaching and Learning (T&L) work stream focus on promoting evidence-based teaching excellence and deep curriculum transformation. This involves engaging with cutting-edge methods that enable scholars and students to pursue global standards of excellence in ways that speak to concerns in South Africa. In 2020, 20 departmental reviews were conducted. The faculties prepared and submitted their self-evaluation reports (SER) in preparation of the institutional decolonisation review taking place in 2021. The implementation of the Learning and Teaching Strategy was initiated in 2020 after approval at the end of 2019. As part of the institutionalisation of the graduate attributes, the work stream facilitated workshops with the faculties in 2020 to finalise the rubric after approval by the Academic Committee of Senate and the Executive Committee of Senate. The audit of the programme catalogue to clarify module progression rules and pathways was completed in 2020.

#### 4.1.1.2 Research, Internationalisation, and Innovation

The university has made considerable progress in relation to research as a core function of the institution, and the deliverables under this work stream illustrate how the university continues to build on that success in 2020. The transformation of the professoriate programme, which was designed as a pipeline to provide the needed support and training towards developing young academics as they progress on their career path, was rolled out in 2020 with the initial cohort of 52 young academics across faculties. The faculties have ensured a full-fledged roll-out of the student-supervisor agreements for all postgraduate students. All business plans of research hubs served at the Research Committee of Senate for approval by the end of 2019, and implementation has been successfully initiated in 2020. The implementation of the commercialisation strategy was initiated in 2020 after approval by Rectorate, Senate, and Council at the end of 2019. Finally, the implementation plan of the strategy towards a 'World-Class Digital State-of-the-Art Library' was initiated in 2020.

#### 4.1.1.3 Engaged Scholarship

Engaged scholarship is the heterogeneous way in which a university interacts with the diverse community in which it exists. The ITP took the engaged scholarship approach in a shift from the community engagement approach. The deliverables below illustrate progress made in 2020. The Engaged Scholarship Strategy was approved by Senate and Council at the beginning of 2020 after a comprehensive consultation process. The work stream initiated the development of an interactive database and information management system for engaged scholarship (IDIMSES) in 2020; however, the roll-out of the database was delayed by the effects of the pandemic. In 2020, the work stream focused on consultation with stakeholders on the draft Protocol for Partnership Collaborations (faculties, Student Affairs, research portfolio, etc.). The promotion of access to research grants for engaged scholarship that advances development goals was implemented through the training of mentors for engaged scholarship. In addition, a short learning programme (SLP) for Engaged Scholarship has been approved in 2020 by the Academic Committee for roll-out in 2021.

#### *4.1.1.4 Student Experience*

The ITP deliverables outlined an institutional response towards humanising the student experience both inside and outside the classroom. The work stream used the climate survey findings in 2020 to create interventions for off-campus students' safety and food security among students. The findings of the institutional culture study conducted by DIRAP led to interventions targeting the improvement of the student experience, such as race relations, gender, and language. The advocacy and awareness strategy has been developed, and the focus shifted towards consultation across campuses in 2020. The Sexual Harassment and Sexual Assault Policy was approved in 2019, and the work stream continued with the establishment of the Sexual Assault Response Team in 2020. The draft sport strategy, emphasising non-traditional sports and maximum inclusivity – with a focus on historically excluded demographics (also paying attention to issues such as transport, safety, and universal access) – was under consultation across campuses in 2020.

#### *4.1.1.5 Student Accommodation and Residence Culture*

The residences at the institution accommodate less than 20% of the students, while it is well known that residences play a huge role in academic success. The university responded to this challenge in various ways. The Department of Housing and Residence Affairs (HRA) took on the task of accrediting off-campus residences where most students are staying, with the intention of influencing landlords to provide better quality accommodation to students. In 2020, 6 671 beds were accredited, and 4 029 beds were provisionally accredited. The placement policy was reviewed in 2020 and changes made included creating more spaces for first-year students on campus. In response to the safety concerns of off-campus students, a Panic-Button App business plan was approved by Rectorate in 2019 and implementation started in 2020. The app is meant to alert security to deploy a team in the area. An ITP officer has also been appointed in 2020 to assist with the ongoing process of creating gender-neutral housing.

#### *4.1.1.6 Staff Experience and Composition*

The ITP highlights employment equity and institutional culture as core challenges. The deliverables were crafted in response. The Department of Human Resources (HR) has continued with the successful implementation of initiatives, such as talent management across campuses, the mentoring programme, the staff recognition programme, adaptation of the recruitment and selection process, implementation of a new performance evaluation system, etc. The findings of the institutional culture study were also utilised in establishing relevant initiatives to improve staff experience. Additionally, the development programme for next-generation academics – the New Generation of Academics Programme (nGAP) – was approved in 2019; in 2020 the focus was on implementation. Finally, the Employment Equity strategy was approved at the end of 2019, and HR focused on implementation in 2020.

#### *4.1.1.7 Names, Symbols, and Spaces*

The ITP deliverables under this work stream guide the institution in a systematic way to identify symbols and spaces that need transformation, and to ensure that any changes promote a socially just institution that celebrates freedom of expression and provides a sense of solidarity and belonging for all. In order to reconstitute the Naming Committee and expand its terms of reference, the focus in 2020 was on consulting the relevant stakeholders to review the remit of the Naming Policy. A workshop was also held in this regard. The relocation of the MT Steyn statue from the Bloemfontein Campus was completed in early 2020. The conceptual framework for naming, renaming, acquisition, and de-acquisition of artwork, and the reconfiguration of areas and spaces was approved in May 2020 and implementation began immediately thereafter.

#### *4.1.1.8 Universal Access*

The work stream focuses on improving the application of principles of universal design and universal access in order to improve the institutional culture with regard to people with disabilities. In 2020, the work stream started engagements with administrators of HEMIS to try and establish an integrated data platform for all students and staff with disabilities. The Mental Health policy was approved for implementation in 2020. The Universal Access Disability Support policy for students with disabilities was approved in 2020 and implementation was initiated. CUADS continued in 2020 to support HR by contributing to the HR On-boarding Programme and the New Academic Staff Orientation programme by conducting the orientation part regarding students with disabilities, universal



access, and universal design. The draft Advocacy and Awareness strategy, and the protocol for universal access to physical spaces and structures were under consultation throughout 2020.

#### *4.1.1.9 Financial Framework (Size and Shape)*

The COVID-19 pandemic further complicated the work of this stream, but there has been progress in relation to the deliverables. The financial model at departmental level was reviewed across the institution and an 'intangibles' criterion was factored in by the end of 2020. This was in addition to ongoing strengthening of 'cross-subsidisation' within faculties, intended to focus on the relevance of programmes. The intended institutional size and shape was reviewed, and a New-enrolment Plan was submitted in 2020 for DHET approval. The review of the model for the allocation of strategic funding was completed in 2020 and considered eight areas: 1) Building and refurbishment, 2) Community, 3) Expensive apparatus replacement, 4) IT Infrastructure, 5) Language Policy, 6) Research, 7) Professional Development, 8) Teaching and Learning Excellence. These were linked to all other institutional strategic projects.

#### *4.1.1.10 Governance and Policy*

These ITP deliverables are meant to guide the university towards a well-established standardised framework, competencies, and insights to develop a suite of crisp and clear operational policies and procedures that should be placed on the university's intranet. A review was initiated in 2020 for the extent of duplication, relevance, availability, and completeness of current policies and the extent to which they are up to date, accessible, and comprehensible. The development of a guiding framework for policy development, formulation, and implementation was initiated in 2020. Given the necessary comprehensive level of consultation, the COVID-19 pandemic negatively affected progress.

#### *4.1.1.11 Systems and Administration*

The work stream is responsible for moving the university from processes and systems that are primarily manual to automation, and also dealing with dispersed accountability through a number of deliverables. The stabilisation of student life-cycle processes from recruitment to graduation included Plan B implementation of Class Timetabling. The ongoing testing of Plan B solutions in 2020 has identified more requirements and data quality issues; the broader institutional project in this regard is set for 2021 after appointing a Steering Committee, Project Manager and crafting a Project Plan. There was further collaboration with ICT on exam timetabling in 2020 to analyse issues with existing process and technology challenges regarding additional timetable reconfigured technology design to produce an improved timetable for 2020 to 2021.

#### *4.1.1.12 Multi-campus Model: Qwaqwa Campus*

The UFS has three campuses, of which the Qwaqwa Campus is one. The following discussion illustrates how the campus is responding to its challenges. A number of infrastructure projects have been initiated as part of the ITP drive, for example, the 24/7 Study Centre was completed in 2020, the construction of the new multi-purpose building to house a Student Services Centre and the Faculty of Economic and Management Sciences was ongoing, and the construction of a new residence was ongoing in 2020. A decision was also taken to build a second water reservoir in order to improve water availability on campus. This was in response to a water crisis in the greater Qwaqwa area and unreliable supply from the municipality. The Qwaqwa Campus PQM was under review, and in 2020, the faculty PQM position papers in relation to relevant qualification changes were approved. Attention is given to niche areas in relation to the campus and its geographical location. A number of steps have been taken in 2020 to strengthen governance and accountability structures on the Qwaqwa Campus, including approving the Qwaqwa Campus Management Committee (QCMC) as part of the University Management Committee (UMC), the Qwaqwa Campus Academic Committee (QCAC), the Community Engagement Committee, and the Qwaqwa Campus Research Committee (QCRC). All are aligned to institutional structures, which are mostly located on the Bloemfontein Campus.

#### *4.1.1.13 Multi-campus Model: South Campus*

The South Campus is one of the three UFS campuses and therefore faces its own challenges, which require contextual solutions. The deliverables respond to those challenges. The South Campus achieved most deliverables in 2018 and 2019. The approved policies successfully initiated the implementation phase in 2020. These include the South Campus business model for online learning, the South Campus research strategy, and the marketing plan for



ODL on the South Campus. In addition, a review of the Advanced Certificate in Teaching and the general operations of the campus was initiated in October 2020.

#### 4.1.1.1.4 Mid-term review

The ITP was reviewed by an external panel of experts at the end of 2020. The purpose of the mid-term review was to provide feedback on how the ITP has been implemented since 2018, in order to facilitate adjustments to the process that would improve the ability of the ITP to achieve its goals. The main challenges highlighted by work streams during the mid-term review included the limited integration of their work across work streams. There was a need for improved communication of the ITP and its implementation across the various layers/levels of staff at the university. The student voice was found wanting in these work-stream engagements. Finally, it is also important to note that the COVID-19 pandemic impacted negatively on most initiatives and this affected completion timelines. Having noted the above challenges, the outline above per work stream shows that work streams were able to achieve their set deliverables, apart from a few instances where the COVID-19 pandemic prolonged the process, for example in the case of consultation processes.

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

#### 4.1.2.1 Overview of indicators

**The aim of establishing the multi-stakeholder group is to advance an institutional culture that demonstrates the values of the UFS. In 2020, despite the challenges facing the university with regard to the pandemic, the IMG continued to function in full, actively pursuing the 2020 objectives of 'Visibility and Purpose'. Although the implementation of the universal access plan is the only indicator for 2020, this does not do justice to the overall performance of Goal 7.**

The UFS has subjected itself to an external mid-term transformation review. This review aimed to establish how far the UFS had progressed towards realising the deliverables specified in the ITP, how effective the implementation process was, and to what extent the UFS community supported the implementation process. The review was conducted by a panel of experts consisting of Professors Barney Pitso, Sabelo Ndlovu-Gatsheni, and Crain Soudien. Subsequently, a series of sessions were held with the UFS community to unpack the recommendations; 2021 marks the incorporation of some of these recommendations to position the UFS towards realising its set transformation goals.

The operationalisation of the UFS Institutional Multi-Stakeholder Group (IMG) marks a number of advances during 2020, as expressed in section 4.1.2.2. The Key achievements include the development of a structure for the Integrated Sport Strategy to give the UFS the competitive edge by establishing a winning legacy within the UFS community; the awareness campaign among key stakeholders regarding the *Guidelines to Operationalise the Right to Protest at the UFS*; and the ongoing culture study on both the staff and student experience designed to generate empirical evidence that would inform change initiatives within the institution and policy decisions at university management level.

Although limited progress has been shown with regard to the implementation of the plan to facilitate universal access, the interventions concerning the UFS' institutional culture are monitored.

#### 4.1.2.2 Operationalise a UFS Institutional Multi-Stakeholder Group (IMG) responsible for the identification of interventions in relation to the UFS' institutional culture (KPA 7.1)

##### 4.1.2.2.1 Sport

COVID-19 allowed the UFS to re-address and re-position KopsieSport to play a significant role in the return to sport as part of the Integrated Sport Strategy. KopsieSport used gap analysis to identify where to adjust and improve the university's current capabilities as well as resource management related to sport. As an outcome, KopsieSport redefined their value chain to let sport significantly contribute to the impact of the implementation of the Integrated Sport Strategy as part of the unique selling point of the UFS to the modern tertiary milieu.

KovsieSport provided the structure for the Integrated Sport Strategy to give the UFS the competitive edge by establishing a winning legacy within the UFS community that brought the students together. Not only did sport add value to the brand of the UFS, but also underlined the characteristic of performance excellence, which is one of the cornerstones of the ITP.

In its process of addressing the Integrated Sport Strategy, KovsieSport focused on how to create and deliver value propositions to the high-performance athletes in order to grow the sport product range for the broader student community. Putting plans together to ensure reliable performance deliverables for all participants (including off-campus students and students with disabilities) and supporters will add value and build the UFS footprint in the broader community. As part of the re-positioning to align KovsieSport with the Integrated Sport Strategy, new initiatives were implemented, with social media playing a major role in changing the perpetuation of sport at the UFS. A number of commercial activities and plans have been developed and will in the near future bear fruit as a third-stream income through joint ventures.

At operational level, player development received attention to ensure that all players are equal when they compete, that product development is directed in such a way that all players will be equally exposed to competition, and that support programmes are developed to ensure that players will be able to overcome challenges and obstacles to not only succeed on the sports field, but also academically as well as in terms of their well-being. By creating an environment where a winning legacy can thrive through excellent performance, KovsieSport endeavours to create and establish an active recreational culture that will add value to the broader well-being of the student community as stipulated in the Integrated Sport Strategy.

Inbound activities such as the recruitment of prospective students, under- and postgraduate student retention, relationships with relevant stakeholders, and support of support staff were re-addressed to ensure that the necessary transformation within UFS sport will be realised. This process was part of the 2020 KovsieSport gap and capability analysis, KovsieSport performance deliverance strategy, and KovsieSport relevance and functionality focus within the Integrated Sport Strategy and the ITP<sup>39</sup>. Recruiting top sports students for the UFS is usually a challenging task, but with the COVID-19 lockdown, it has become a completely novel challenge. One of the important issues regarding sport students' choice of a university is the facilities, opportunities, and exposure available to them. In this regard, the UFS has embarked on innovative ways to manage recruitment objectives during the COVID-19 lockdown. In the 'new normal', the building of trust relationships with school coaches and agents as well as the use of social media and the internet became non-negotiable. Local Bloemfontein schools were invited to form part of training sessions before the lockdown started. Parents were contacted regularly.

The impact of the COVID-19 pandemic on high-performance sport was dramatic. The influence on both recruitment and training was severe, and drastic measures were implemented to keep the UFS high-performance initiative relevant and active during 2020. We experienced that a high-performance sports student will follow the coach of choice – champions attract champions. Therefore, current high-performance sports students also play a role in the recruitment process, often starting very early in the prospective student's career. Social media also plays a significant role. High-performance coaches and sports students applied their initiative during 2020 to proceed with their sports activities during lockdown. Availability (or the lack thereof) of facilities, as well as national lockdown regulations, has had a severe impact on coaching and training activities. Lockdown Level 5 was extremely difficult and frustrating for coaches and sports students. At Level 4, some sporting activities that do not require specific facilities outside the scope of lockdown regulations (e.g., running) could be resumed. Managing training programmes required innovative training regimes, body training, 'out of the box' sessions, personal challenges via social media and other virtual communication platforms. Coaches also used online platforms to meet periodically to evaluate the process. Since October 2020 (lockdown levels 2 and 1), all high-performance teams could return to campus for training purposes, as allowed by the fixtures of the different sporting codes. This was implemented on a phased-in basis according to the directive from the Minister of Sport for the specific lockdown level.

39 ITP deliverable 7.8: Develop and implement a protocol for universal participation in sport activities

#### 4.1.2.2 Student advocacy and awareness

The Guidelines to Operationalise the Right to Protest at the UFS were adopted by Senate and the Rectorate in October 2019. These guidelines are a key deliverable of the ITP<sup>40</sup>, intended to enable access to opportunities for students to build civic awareness. In the course of 2020, the Free State Centre for Human Rights (FSCHR) embarked upon a process of familiarising the UFS community with the guidelines, starting with academic staff and student governance and management structures (i.e., all faculty board meetings, South Campus management meetings, and induction sessions for new members of the Student Representative Council).

The focus for 2021 will be to complete the faculty-level process by also presenting the guidelines for discussion to the Qwaqwa Campus management; to deepen this process of familiarisation by presenting follow-up workshops at departmental level where requested in the various faculties and also presenting the guidelines for discussion to faculty student councils; to extend the process of familiarisation to support staff; and to develop material to make the guidelines known and easily accessible to the broader UFS community on the various virtual platforms.

The implementation of an advocacy, awareness, and analysis strategy inclusive of matters of universal access (UA), is particularly important since it relates to more than one ITP<sup>41</sup> deliverable. Therefore, the UFS has approved a new Advocacy, Awareness and Analysis Strategy (which includes universal access and disability advocacy and awareness) and developed a plan for implementation during 2020. With regard to universal access, the UFS firstly developed a Student Mental Health Policy, followed by a Policy on Universal Access and Disability Support for students with disabilities. Student mental health was given precedence because it is an ITP priority (to implement a universal access strategy, *including impairments such as clinically diagnosed psychological disorders*), which became more critical in the COVID-19 context.

The implementation of the strategy includes multiple stakeholders, i.e., the Arts and Dialogue Office, Student Leadership and Development, Centre for Universal Access and Disability Support, Student Counselling and Development (SCD), Gender Equity and Anti-Discrimination Office, and the Unit for Institutional Change and Social Justice. In line with the ITP, the implementation process aims to improve uptake of Student Affairs programmes among staff and students, and to improve utilisation of available ICTs for student engagement. The latter became a particularly urgent matter during 2020, reflecting the UFS 2020 theme of 'Visibility and Impact'.

During 2020, curricular learning and teaching required a delivery mode revolution in order to adequately respond to the COVID-19 lockdown restrictions. Similarly, co-curricular initiatives such as awareness and advocacy activities had to adopt virtual modes of delivery in order to adequately equip students and staff to manage times of uncertainty. Student Affairs staff across all three campuses had the opportunity to attend quarterly virtual Tipping Point sessions, focused on building resilience and adapting to change. Session themes included African spirituality versus Western psychology, institutionalising universal access, and the pedagogy of discomfort. SCD has launched a Student Toolkit and raised awareness regarding mental health and wellness through its Well-being Warriors editions provided digitally in all accessible formats. Due to this necessary shift in focus towards providing support to students on different virtual platforms during the 'new normal' presented by the COVID-19 pandemic, the face-to-face critical conversations and dialogues originally planned for 2020 were not implemented. Instead, a virtual conversation series was developed to exchange knowledge and build relationships for future collective support between the UFS, the Central University of Technology, and Motheo TVET College. The residence dialogues were adapted to adhere to social distancing regulations, and to enable more effective support during the lockdown period through WhatsApp in order to accommodate low data usage.

A Student Toolkit on Mental Health, a Red Couch Manual for staff assisting students with mental health conditions, and a Universal Access Checklist for events (including tips for virtual platforms) were developed as part of the implementation of these policies. The implementation of the Student Mental Health Policy commenced in 2020 and an implementation plan for the Policy on Universal Access and Disability Support for students with disabilities will be executed upon approval of the policy by Council in 2021.

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40 ITP deliverable 3.5: Enable access to opportunities for students to build civic awareness

41 ITP deliverable 4A.2: Design and roll out a student experience advocacy programme

ITP deliverable 7.3: Develop and implement a UA strategy

ITP deliverable 7.6: Develop and implement a comprehensive UA advocacy and awareness strategy

ITP deliverable 7.7: Develop and implement a protocol for UA to physical spaces and structures

#### 4.1.2.2.3. Student experience

The UFS institutional culture study is a specified deliverable in the ITP<sup>42</sup> and a collaborative empirical research project supervised by the Vice-Rector: Academic, involving (inter alia) DIRAP, UFS Human Resources, the Centre for Teaching and Learning, and the Unit for Institutional Change and Social Justice. The study was designed as an institutional research project to generate empirical evidence that would inform change initiatives within the institution, and policy decisions at university management level. Research reports were produced in 2020, focusing on the following four research themes relevant to the student experience:

- The UFS climate survey – students: The findings of the climate survey have provided university management with evidence on how to improve the campus environment in 2020. The proposed changes included improving the involvement of students in decision-making committees, introduction of an online system for reporting and tracking students' reported issues in residences regarding their fixings and fittings, accelerating the implementation of the Language Policy because of the effect that language continues to have on students' sense of belonging, and enhancing the representation of distance students on the relevant committees of the university.
- Student language preferences and implications for Language Policy implementation: The findings presented in the report on this theme provided the Language Committee and the policy implementation task team with empirical evidence on student language preferences across campuses. In other words, informed decisions on necessary initiatives. The findings were also useful for the structuring of the implementation plan of the Language Policy, particularly the Multilingual Academy.
- Names, symbols, and spaces as tools for transforming higher education institutions: The research report informed the engagements across university campuses towards a framework for the naming and renaming of buildings, streets, and spaces. This involved the proposed recommendation to take lessons from the successful process of relocating the MT Steyn statue from the Bloemfontein Campus.
- Race, gender, ethnicity, and sexual orientation in a multi-campus institution: The findings of the research report included the need to evaluate ways of improving the diversity of the student profile on the Qwaqwa Campus, mitigating against the reduction of white student numbers in residences, continuation of the implementation of gender-inclusive residences, and increasing multilingual and multi-cultural engagements and events across campuses.

The relevant departments in the institution engaged with these findings and formulated initiatives to resolve these challenges.

In addition, the Unit for Institutional Change and Social Justice produced two documents relating to increasing violence during protests at the UFS during 2020. The first was a research report that captured the changes that have occurred in UFS student protests in the period 2015–2019, as well as a review of available literature, which provided insight into the changing nature of protest at the UFS, and some possible drivers behind these changes have been identified. The second followed from this report and captured a holistic and engaged approach to protests, with special reference to the unit. The next phase of the project entails a more detailed and nuanced report on the specific question of violence in protests at the UFS and the measures taken to address this, as well as what more needs to be done in this regard.

#### 4.1.2.2.4. Staff experience

The institutional culture study includes both student and staff experiences. Research reports related to the following areas of staff experience were presented and discussed among UFS decision-makers during 2020:

- The UFS Climate Survey: The findings of the climate survey in relation to the staff experience ITP work stream provided university management with evidence on how to improve the experiences of staff members across UFS campuses in 2020. The proposed changes included the need for the institution to revisit the implementation of its succession planning strategy, enhance the level of staff consultation on institutional matters to increase

42 ITP deliverable 4A.5: Conduct an institutional culture study on student experience

staff involvement in decision-making processes, ensure equitable facilities maintenance across campuses, enhance diversity training, and continuously evaluate the impact of such training on staff.

- Intergenerational relationships, mentoring, and academic experiences: This report provided findings that included the need for departments and faculties to create opportunities for early-career academics to receive career advising from experienced academics formally and informally. Faculties and departments are to have more team-building activities to promote interaction and collegiality. The revisiting of the workload model should ensure that it promotes growth as well as excellence in teaching, research, and engaged scholarship. It should also improve the dissemination of information on matters relating to training, workshops, and faculty activities.
- Staff recruitment, employment, and promotion: This research report was only completed at the end of 2020 and engagements with the faculties was planned to happen at the beginning of 2021.
- Recommendations regarding staff experience were highlighted in other reports, namely the report on Names, Symbols, and Spaces as Tools for Transforming Higher Education Institutions, and the report on Race, Gender, Ethnicity, and Sexual Orientation in a Multi-campus Institution. The recommendations relating to staff experience were presented to the Department of Human Resources (HR). There were ongoing engagements between HR, the research team, and other relevant departments in the institution, such as the Unit for Institutional Change and Social Justice (UICSJ).









# 5

## CONCLUSION

## 5 Conclusion

The UFS annual report covers the period from 1 January 2020 to 31 December 2020 and highlights the overall performance for the calendar year. The report is an overview of the core business of the UFS. The *Regulations for Reporting by Public Higher Education Institutions* was used to compile the report. This report is presented in sections that is fit for purpose for the UFS and deals with important cross-over themes of governance, risk management, financial sustainability, and transformation, as well as performance relating to the strategic goals of the institution.

Undoubtedly, 2020 has been a year of great challenges and remarkable achievements. The UFS has responded effectively to the impact of COVID-19 and managed to capitalise on many opportunities arising from the pandemic. In the end, it managed to very effectively live up to its 2020 theme of 'Visibility and Impact'. The level of commitment towards sound governance and the progress made regarding the three core pillars, namely learning and teaching, research, and engaged scholarship, is commendable.

Therefore, this report highlights the achievements for 2020, which are aligned to the strategic intent and vision of the university. In addition, based on the critical reflection of its performance and the associated risks of material value, the university has identified the areas that require future attention and investment to ensure full accountability to its stakeholders.

These interventions will assist in building a culture that is responsive, agile, and committed to excellence, and will bring the UFS closer to its vision of being a research-led, student-centred, and regionally engaged university that contributes to development and social justice through the production of globally competitive graduates and knowledge.

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# FINANCIAL STATEMENTS

**Report**

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CHAIRMAN OF THE COUNCIL	Dr. W. Louw
RECTOR AND VICE-CHANCELLOR	Prof. F.W. Petersen
POSTAL ADDRESS	PO Box 339 Bloemfontein 9300
STREET ADDRESS	Nelson Mandela Drive Bloemfontein 9301
AUDITORS	PricewaterhouseCoopers Inc. Bloemfontein
BANKERS	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 120 to 210, have been prepared in accordance with International Financial Reporting Standards and the requirements of the Minister of Education as prescribed by the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and include amounts based on judgements and estimates made by management. The council also prepared the other information included in the annual report and is responsible for both its accuracy and consistency with the consolidated and stand alone financial statements.

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

The consolidated and stand alone financial statements have been audited by the independent accounting firm, PricewaterhouseCoopers Inc., who were given unrestricted access to all financial records and related data, including minutes of meetings of the council and all its committees. The council believes that all representations made to the independent auditors 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 120 to 210 were approved by the council on 18 June 2021 and signed on its behalf by:



Rector and Vice-Chancellor  
Prof FW Petersen Date: 21/6/21



Chairman of the Council  
Dr W Louw Date: 21/6/21



Digitally signed by CR  
Liebenberg  
Date: 2021.06.21  
07:41:10 +02'00'

Senior Director: Finance



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

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

#### **Opinion**

We have audited the consolidated and stand alone financial statements of the University of the Free State and its subsidiaries (the group) set out on pages 129 to 210, which comprise the consolidated and stand alone statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, stand alone statement of profit or loss and other comprehensive income, consolidated statement of changes in funds, stand alone statement of changes in funds and consolidated and stand alone statement of cash flows for the year then ended, as well as notes to the consolidated and stand alone financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and stand alone financial position of the group as at 31 December 2020, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act and the Regulations for reporting by Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act of South Africa, 1997.

#### **Basis for opinion**

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

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

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

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

The Council is responsible for the preparation and fair presentation of the consolidated and stand alone financial statements in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa, 1997 and the Regulations for reporting by Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act of South Africa, 1997, and for such internal control as the Council determines is necessary to enable the preparation of consolidated and stand alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand alone financial statements, the Council is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern

PricewaterhouseCoopers Inc.,

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Chief Executive Officer: L S Machaba

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Reg. no. 1998/012055/21, VAT reg.no. 4950174682



and using the going concern basis of accounting unless the accounting authority 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

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

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

## Report on the audit of the annual performance report

### Introduction and scope

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

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

We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the University's annual performance report for the year ended 31 December 2020:

Objectives	Pages in the annual performance report
Improve student success and well-being	16
Increase UFS contribution to local, regional and global knowledge	16
Achieve financial sustainability	17

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

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

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

- Objective 1 – Improve student success and well-being;
- Objective 3 – Increase UFS contribution to local, regional and global; and
- Objective 6 - Achieve financial sustainability

## Report on the audit of compliance with legislation

### Introduction and scope

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

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

#### Procurement and contract management

A member of staff or employee did not in writing notify the public higher education institution concerned of any conflict or possible conflict of interest before such public higher education institution procured any goods or services from such member of staff or an organisation within which such member or employee held an interest, in contravention of section 34(4)(b) of the Higher Education Act.

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

### Other information

The Council is responsible for the other information. The other information comprises the information included in the document titled "*University of the Free State Annual Report to the Minister of Higher Education, Science and Innovation 2020*". The other information does not include the consolidated and stand alone financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

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

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

If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

## Internal control deficiencies

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

## Other reports

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

## Audit-related services and special audits

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

Entity name / engagement	Purpose of the engagement	Status of engagement	Period covered
Department of Higher Education and Training - Infrastructure Grant	Agreeing of expenditure to contracts and supporting documentation.	Report issued	1 April 2020 to 31 March 2021
Department of Higher Education and Training - Financial data submission	Agreeing of financial data to the consolidated and stand alone financial statements.	Report issued	1 January 2020 to 31 December 2020
National Research Foundation Grants (Other NRF - Awards)	Agreeing of expenditure against grant contracts and supporting documentation.	Report issued	1 January 2020 to 31 December 2020
National Research Foundation Grants (SKA - Awards)	Agreeing of expenditure against grant contracts and supporting documentation.	Report issued	1 January 2020 to 31 December 2020
Department of Higher Education and Training - Published research articles / Research Output Certificates (ROC)	Agreeing of research outputs of published articles to supporting documentation and personnel records.	Report issued	1 January 2020 to 31 December 2020
Department of Higher Education and Training - Clinical Research Funding	Agreeing expenditure on the grant to supporting documentation.	Report issued	1 April 2020 to 31 March 2021

Department of Higher Education and Training - Clinical Enrolment Headcount	Agreeing of student statistics to the underlying financial systems and data.	Report issued	1 January 2020 to 31 December 2020
Department of Higher Education and Training – University Capacity Development Grant	Agreeing of expenditure to supporting documentation.	Report issued	1 January 2020 to 31 December 2020
Department of Higher Education and Training - Foundation Programme	Agreeing of expenditure to supporting documentation.	Report issued	1 April 2020 to 31 March 2021
Department of Higher Education and Training – Full Time Equivalent Student Statistics	Agreeing of student statistics to the underlying financial systems and data.	In progress	1 January 2020 to 31 December 2020
Department of Higher Education and Training – New Generations of Academics Programme (nGAP)	Agreeing of expenditure to supporting documentation.	Report issued	1 April 2020 to 31 March 2021
Department of Higher Education and Training - COVID-19 Responsiveness Grant	Agreeing of expenditure to supporting documentation.	Report issued	1 April 2020 to 31 March 2021
National Student Financial Aid Scheme (NSFAS) and the Department of Higher Education and Training (DHET) - Historic Debt Claim for 2019	Agreeing of information on the historic debt claim to supporting documentation.	Report issued	1 January 2019 to 31 December 2019

*PricewaterhouseCoopers Inc.*  
PricewaterhouseCoopers Inc.

Director: L Rossouw

Registered Auditor

Bloemfontein, South Africa

21 June 2021

## Annexure – Auditor's responsibility for the audit

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

### Consolidated and stand alone Financial statements

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

- identify and assess the risks of material misstatement of the consolidated and stand alone financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- conclude on the appropriateness of the Council's use of the going concern basis of accounting in the preparation of the consolidated and stand alone financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the University of the Free State and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand alone financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated and stand alone financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause the University to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the consolidated and stand alone financial statements, including the disclosures, and determine whether the consolidated and stand alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

### Communication with those charged with governance

We communicate with the 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.



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 31 December 2020 (all amounts in R'000)

Group	Notes	2020					2019				
		Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff Restricted	TOTAL	Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff Restricted	TOTAL
TOTAL INCOME		2 837 183	466 944	3 304 126	180 315	3 484 441	2 751 102	419 940	3 171 041	170 710	3 341 751
State appropriations – subsidies and grants	6.	1 391 122	167 950	1 559 072	-	1 559 072	1 333 749	98 957	1 432 706	9 574	1 442 280
Tuition and other fee income	7.	1 271 972	(3 022)	1 268 949	179 180	1 448 130	1 219 414	(12)	1 219 402	159 656	1 379 058
Income from contracts	8.	68 524	294 885	363 409	-	363 409	46 056	297 153	343 209	-	343 209
Sales of goods and services	9.	83 172	(4 577)	78 594	1 135	79 729	132 150	7 296	139 446	1 478	140 924
Private gifts and grants	10.	23 316	12 908	36 224	-	36 224	22 252	16 897	39 149	2	39 151
Miscellaneous income	11.	(922)	(1 201)	(2 123)	-	(2 123)	(2 520)	(352)	(2 872)	-	(2 872)
TOTAL EXPENDITURE		2 413 331	384 042	2 797 373	116 099	2 913 472	2 397 161	422 340	2 819 501	149 372	2 968 873
Personnel costs	12.	1 551 570	198 318	1 749 888	44 618	1 794 507	1 472 640	194 064	1 666 704	42 457	1 709 161
Other operating expenses	13.	790 049	176 689	966 738	71 481	1 038 219	858 945	222 952	1 081 897	106 914	1 188 812
Depreciation and amortisation	18.1; 18.2; 18.3	71 712	9 035	80 747	-	80 747	65 576	5 324	70 900	-	70 900
OPERATING SURPLUS /(LOSS) FOR THE YEAR		423 851	82 902	506 753	64 216	570 969	353 941	(2 401)	351 540	21 338	372 878
Other income		485 382	25 529	510 911	1	510 912	377 187	25 623	402 810	1	402 811
Interest and dividends	14.	237 910	7 769	245 679	1	245 680	245 390	19 923	265 314	1	265 315
Investment income		247 472	17 779	265 251	-	265 251	131 797	5 896	137 692	-	137 692
Share of net profit /(loss) from associate accounted for using the equity method		-	(20)	(20)	-	(20)	-	(197)	(197)	-	(197)
Administration cost on financial assets	15.	(17 839)	(1 957)	(19 796)	-	(19 796)	(15 238)	(733)	(15 971)	-	(15 971)
Interest paid on loans	17.6	-	(4 621)	(4 621)	(20 232)	(24 854)	-	(860)	(860)	(21 027)	(21 888)
	17.4	891 395	101 852	993 247	43 985	1 037 232	715 889	21 629	737 518	312	737 831
		(955)	(123)	(1 078)	-	(1 078)	233 480	1 007	234 486	-	234 486
Net surplus for the year before income tax		890 439	101 729	992 168	43 985	1 036 153	949 369	22 636	972 005	312	972 317
Income tax expense	16.	-	9 903	9 903	-	9 903	-	13 025	13 025	-	13 025
NET SURPLUS		890 439	111 632	1 002 071	43 985	1 046 056	949 369	35 661	985 030	312	985 342
OTHER COMPREHENSIVE INCOME											
Items that will not be reclassified to profit or loss	18.6.4	(1 332)	-	(1 332)	-	(1 332)	(3 985)	-	(3 985)	-	(3 985)
	18.6.3	106 705	-	106 705	-	106 705	76 610	-	76 610	-	76 610
	18.6.2	(22 116)	-	(22 116)	-	(22 116)	(51 811)	-	(51 811)	-	(51 811)
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR		973 697	111 632	1 085 329	43 985	1 129 313	970 182	35 661	1 005 843	312	1 006 155



## UNIVERSITY OF THE FREE STATE

2020										2019			
University	Notes	Council controlled	Specifically funded	Student & staff	SUB -	TOTAL			Council controlled	Specifically funded	SUB -	TOTAL	
		Unrestricted	Restricted	Restricted	TOTAL	Unrestricted	Restricted	Restricted	Unrestricted	Restricted	TOTAL	Restricted	TOTAL
TOTAL INCOME		2 837 183	394 204	180 315	3 411 702	2 764 521	348 935	170 710	2 764 521	348 935	3 113 456	170 710	3 284 166
State appropriations - subsidies and grants	6.	1 391 122	167 950	-	1 559 072	1 333 749	98 957	9 574	1 333 749	98 957	1 432 706	9 574	1 442 280
Tuition and other fee income	7.	1 271 972	(3 022)	179 180	1 448 130	1 219 414	(12)	159 656	1 219 414	(12)	1 219 402	159 656	1 379 058
Income from contracts	8.	68 524	219 080	-	287 604	46 257	233 393	-	46 257	233 393	279 649	-	279 649
Sales of goods and services	9.	83 172	124	1 135	84 430	145 369	2 701	1 478	145 369	2 701	148 071	1 478	149 549
Private gifts and grants	10.	23 316	10 073	-	33 389	22 252	13 895	2	22 252	13 895	36 147	2	36 149
Miscellaneous income	11.	(922)	-	-	(922)	(2 520)	-	-	(2 520)	-	(2 520)	-	(2 520)
TOTAL EXPENDITURE		2 413 331	271 154	116 099	2 800 584	2 397 930	319 601	149 372	2 397 930	319 601	2 717 530	149 372	2 866 902
Personnel costs	12.	1 551 570	128 343	44 618	1 724 532	1 472 640	125 394	42 457	1 472 640	125 394	1 598 034	42 457	1 640 492
Other operating expenses	13.	790 049	142 811	71 481	1 004 340	859 713	194 207	106 914	859 713	194 207	1 053 920	106 914	1 160 834
Depreciation and amortisation	18.1; 18.2; 18.3	71 712	-	-	71 712	65 576	-	-	65 576	-	65 576	-	65 576
OPERATING SURPLUS / (LOSS) FOR THE YEAR		423 851	123 050	64 216	611 118	366 592	29 334	21 338	366 592	29 334	395 926	21 338	417 264
Other income		485 382	22 801	1	508 184	378 878	23 098	1	378 878	23 098	401 976	1	401 977
Interest and dividends		237 910	6 325	1	244 236	247 081	17 975	1	247 081	17 975	265 056	1	265 058
Investment income		247 472	16 495	-	263 968	131 797	5 319	-	131 797	5 319	137 116	-	137 116
Share of net profit / (loss) from associate accounted for using the equity method	14.	-	(20)	-	(20)	-	(197)	-	-	(197)	(197)	-	(197)
Administration cost on financial assets	15.	(17 839)	(1 928)	-	(19 767)	(15 238)	(683)	-	(15 238)	(683)	(15 921)	-	(15 921)
Interest paid on loans	17.6	-	-	(20 232)	(20 232)	-	-	(21 027)	-	-	-	(21 027)	(21 027)
Net surplus for the year before market value adjustments on investments		891 395	143 923	43 985	1 079 302	730 231	51 749	312	730 231	51 749	781 980	312	782 292
Revaluation of investments to market value at year end	17.4	(955)	-	-	(955)	233 480	-	-	233 480	-	233 480	-	233 480
NET SURPLUS		890 439	143 923	43 985	1 078 347	963 711	51 749	312	963 711	51 749	1 015 460	312	1 015 772
OTHER COMPREHENSIVE INCOME													
Items that will not be reclassified to profit or loss													
Recognition of post-retirement group life actuarial gains	18.6.4	(1 332)	-	-	(1 332)	(3 985)	-	-	(3 985)	-	(3 985)	-	(3 985)
Recognition of post-retirement medical actuarial gains	18.6.3	106 705	-	-	106 705	76 610	-	-	76 610	-	76 610	-	76 610
Recognition of post-retirement pension actuarial gains / (loss)	18.6.2	(22 116)	-	-	(22 116)	(51 811)	-	-	(51 811)	-	(51 811)	-	(51 811)
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR		973 697	143 923	43 985	1 161 604	984 524	51 749	312	984 524	51 749	1 036 273	312	1 036 586

	Notes	GROUP		UNIVERSITY	
		2020 R ' 000	2019 R ' 000	2020 R ' 000	2019 R ' 000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	18.1	1 593 290	1 499 796	1 544 622	1 441 591
Investment property	18.2	19 285	19 606	26 479	27 534
Intangible assets	18.3	6 034	5 865	6 034	5 865
Financial assets at fair value through profit or loss (FVPL)	17.4	5 034 946	4 562 752	5 014 912	4 544 387
Investment in subsidiary	24.3	-	-	96 707	96 707
Investment in associates	24.3	50	201	50	201
Student and other loans	17.2	1 018	2 636	52 801	39 630
Retirement benefit surplus	18.6.2	88 081	95 641	88 081	95 641
Deferred tax asset	18.8	37 902	18 934	-	-
Total non-current assets		6 780 606	6 205 431	6 829 687	6 251 556
<b>Current assets</b>					
Financial assets at fair value through profit or loss (FVPL)	17.4	2 273 818	1 210 338	2 270 750	1 207 434
Inventory	18.4	8 043	8 167	8 043	8 167
Biological assets	18.5	5 930	7 463	3 018	3 018
Trade and other receivables	17.1	383 470	268 023	368 887	242 836
Cash and cash equivalents	17.3	74 768	448 853	62 490	441 233
Total current assets		2 746 029	1 942 844	2 713 187	1 902 687
<b>Total assets</b>		<b>9 526 635</b>	<b>8 148 276</b>	<b>9 542 874</b>	<b>8 154 243</b>

UNIVERSITY OF THE FREE STATE  
CONSOLIDATED AND STAND ALONE STATEMENT OF FINANCIAL POSITION  
as at 31 December 2020

	Notes	GROUP		UNIVERSITY	
		2020 R ' 000	2019 R ' 000	2020 R ' 000	2019 R ' 000
<b>FUNDS AND LIABILITIES</b>					
Funds and reserves					
<b>Unrestricted funds - Education and general</b>		<b>4 735 761</b>	<b>3 848 663</b>	<b>4 750 104</b>	<b>3 863 005</b>
Unrestricted use funds		1 185 211	890 675	1 185 211	890 675
Unrestricted designated funds		3 550 551	2 957 988	3 564 893	2 972 330
Restricted funds - Education and general		595 333	483 458	690 757	555 518
Funds for specific purposes		451 895	332 203	451 895	332 203
Trust and endowment funds		143 438	151 256	238 862	223 316
Restricted funds - Residences		140 320	96 665	140 320	96 665
Financial instruments at Fair value through profit and loss reserves		710 499	711 578	707 159	708 114
Fixed assets fund Property plant and equipment		1 612 575	1 519 403	1 571 101	1 469 125
<b>Total funds and reserves</b>		<b>7 794 489</b>	<b>6 659 767</b>	<b>7 859 441</b>	<b>6 692 428</b>
<b>Non-current liabilities</b>					
Borrowings	17.6	187 450	185 769	187 450	185 769
Post employment medical obligation	18.6.3	423 495	491 175	423 495	491 175
Post employment group life insurance obligation	18.6.4	24 108	22 776	24 108	22 776
Accrued leave provision		176 865	154 616	176 865	154 616
<b>Total non-current liabilities</b>		<b>811 918</b>	<b>854 336</b>	<b>811 918</b>	<b>854 336</b>
<b>Current liabilities</b>					
Trade and other payables	17.5	594 997	482 295	557 984	458 773
Deferred tax liabilities	18.8	10 348	1 284	-	-
Deferred income	18.7	295 169	133 756	295 169	133 756
Accrued leave provision	18.6.1	19 735	16 838	18 384	14 950
<b>Total current liabilities</b>		<b>920 227</b>	<b>634 173</b>	<b>871 515</b>	<b>607 480</b>
<b>Total funds and liabilities</b>		<b>9 526 634</b>	<b>8 148 276</b>	<b>9 542 874</b>	<b>8 154 243</b>

UNIVERSITY OF THE FREE STATE  
CONSOLIDATED STATEMENT OF CHANGES IN FUNDS  
for the year ended 31 December 2020 (all amounts in R'000)

GROUP		Notes	Total	Accumulated fund	Designated	SUB - TOTAL	Funds for specific purposes	Trust and endowment funds	SUB - TOTAL	Residence fund	Financial instruments at FVPL reserves	Non-distributable Reserves	Fixed assets fund PPE	SUB - TOTAL
Description														
Balance at 31-12-2018			5 651 114	754 305	2 518 564	3 272 868	290 302	174 524	464 826	98 406	477 092	-	1 337 922	1 913 420
Net surplus			985 342	136 371	812 998	949 369	52 451	(16 790)	35 661	312	-	-	-	312
Reallocation of financial assets at fair value through profit or loss to designated reserves			-	-	(233 480)	(233 480)	-	(1 007)	(1 007)	-	234 486	-	-	234 486
Reallocation of funds			-	-	3 902	3 902	2 625	(6 528)	(3 902)	-	-	-	-	-
Other additions (1)			2 497	-	384	384	-	2 113	2 113	-	-	-	-	-
Fixed asset reallocation			-	-	(165 194)	(165 194)	(13 176)	(1 058)	(14 233)	(2 053)	-	-	181 481	179 427
Recognition of post-retirement group life actuarial gains / (losses)	17.6.4		(3 985)	-	(3 985)	(3 985)	-	-	-	-	-	-	-	-
Recognition of post-retirement medical actuarial gains	17.6.3		76 610	-	76 610	76 610	-	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	17.6.2		(51 811)	-	(51 811)	(51 811)	-	-	-	-	-	-	-	-
Balance at 31-12-2019			6 659 767	890 675	2 957 988	3 848 663	332 203	151 256	483 458	96 665	711 578	-	1 519 403	2 327 646
Net surplus			1 046 056	294 536	595 904	890 439	132 951	(21 319)	111 632	43 985	-	-	-	43 985
Reallocation of financial assets at fair value through profit or loss to designated reserves			-	-	955	955	-	123	123	-	(1 078)	-	-	(1 078)
Reallocation of funds			-	-	18 275	18 275	(18 275)	-	(18 275)	-	-	-	-	-
Other additions (1)			5 409	-	836	836	-	4 574	4 574	-	-	-	-	-
Fixed asset reallocation			-	-	(106 664)	(106 664)	5 017	8 804	13 821	(329)	-	-	93 172	92 843
Recognition of post-retirement group life actuarial gains / (losses)	17.6.4		(1 332)	-	(1 332)	(1 332)	-	-	-	-	-	-	-	-
Recognition of post-retirement medical actuarial gains	17.6.3		106 705	-	106 705	106 705	-	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	17.6.2		(22 116)	-	(22 116)	(22 116)	-	-	-	-	-	-	-	-
Balance at 31-12-2020			7 794 489	1 185 211	3 550 550	4 735 761	451 895	143 438	595 333	140 320	710 499	-	1 612 575	2 463 395



**UNIVERSITY OF THE FREE STATE  
STAND ALONE STATEMENT OF CHANGES IN FUNDS**  
for the year ended 31 December 2020 (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	Fixed assets fund PPE	SUB - TOTAL
			Unrestricted	Unrestricted	A	Restricted	Restricted	B	Restricted	reserves	Restricted	C
Restated balance at 31-12-2018		5 653 281	754 305	2 518 564	3 272 868	296 830	221 840	518 670	98 406	474 635	1 288 702	1 861 742
Net surplus		1015 772	136 371	827 340	963 711	52 451	(702)	51 749	312	-	-	312
Reallocation of financial assets at fair value through profit or loss to designated reserve		-	-	(233 480)	(233 480)	-	-	-	-	233 480	-	233 480
Reallocation of funds		64	-	3 902	3 902	(3 902)	64	(3 838)	-	-	-	-
Other additions (1)		2 497	-	384	384	-	2 113	2 113	-	-	-	-
Fixed asset reallocation		-	-	(165 194)	(165 194)	(13 176)	-	(13 176)	(2 053)	-	180 423	178 370
Recognition of post-retirement group life actuarial gains / (losses)	17.6.4	(3 985)	-	(3 985)	(3 985)	-	-	-	-	-	-	-
Recognition of post-retirement medical actuarial gains	17.6.3	76 610	-	76 610	76 610	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	17.6.2	(51 811)	-	(51 811)	(51 811)	-	-	-	-	-	-	-
Balance at 31-12-2019		6 692 428	890 675	2 972 330	3 863 005	332 203	223 316	555 518	96 665	708 114	1 469 125	2 273 904
Net surplus		1 078 347	294 536	595 904	890 439	132 951	10 972	143 923	43 985	-	-	43 985
Reallocation of financial assets at fair value through profit or loss to designated reserve		-	-	955	955	-	-	-	-	(955)	-	(955)
Reallocation of funds		-	-	18 275	18 275	(18 275)	-	(18 275)	-	-	-	-
Other additions (1)		5 409	-	836	836	-	4 574	4 574	-	-	-	-
Fixed asset reallocation		-	-	(106 664)	(106 664)	5 017	-	5 017	(329)	-	101 976	101 647
Recognition of post-retirement group life actuarial gains / (losses)	17.6.4	(1 332)	-	(1 332)	(1 332)	-	-	-	-	-	-	-
Recognition of post-retirement medical actuarial gains	17.6.3	106 705	-	106 705	106 705	-	-	-	-	-	-	-
Recognition of post-retirement pension actuarial gains / (losses)	17.6.2	(22 116)	-	(22 116)	(22 116)	-	-	-	-	-	-	-
Balance at 31-12-2020		7 859 441	1 185 211	3 564 893	4 750 104	451 895	238 862	690 757	140 320	707 159	1 571 101	2 418 581

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

# CONSOLIDATED AND STAND ALONE STATEMENT OF CASH FLOWS for the year ended 31 December 2020

	Notes	GROUP		UNIVERSITY	
		2020 R' 000	2019 R' 000	2020 R' 000	2019 R' 000
<b>Cash flow from operating activities</b>					
Cash generated from operations	20	1 130 634	592 787	1 134 295	627 033
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>1 130 634</b>	<b>592 787</b>	<b>1 134 295</b>	<b>627 033</b>
<b>Cash flow from investing activities</b>					
<b>Investment income less cost of finance</b>					
Dividends received	14	85 524	62 974	85 181	62 725
Interest income	14	160 156	202 342	159 055	202 332
Administration cost financial assets	15	( 19 796)	( 15 971)	( 19 767)	( 15 921)
Purchase of property, plant and equipment and cost of patents hide	18.1	( 175 751)	( 255 523)	( 174 899)	( 248 986)
DoE Additions Buildings - received	18.7	76 587	77 124	76 587	77 124
DoE Additions Buildings - applied	18.7	( 76 587)	( 77 124)	( 76 587)	( 77 124)
Payments on lease liabilities		( 217)	( 159)	-	-
Purchase of financial assets	17.4	( 6 571 311)	( 3 742 949)	( 6 569 211)	( 3 741 776)
Proceeds on disposal of available for sale financial assets	17.4	5 034 558	3 480 068	5 034 414	3 480 068
Proceeds on disposal of assets	18.1	( 119)	626	119	626
Proceeds on disposal of trust funds		5 409	2 497	5 409	2 497
<b>NET CASH OUTFLOW FROM / (UTILISED IN) INVESTING ACTIVITIES</b>		<b>( 1 481 547)</b>	<b>( 266 095)</b>	<b>( 1 479 698)</b>	<b>( 258 434)</b>
<b>Cash flow from financing activities</b>					
Repayments on borrowings	20.2	( 23 172)	( 28 983)	( 18 551)	( 28 123)
Increase in loans granted	20.2	-	( 986)	( 14 789)	( 36 066)
<b>NET CASH OUTFLOW FROM / (UTILISED IN) FINANCING ACTIVITIES</b>		<b>( 23 172)</b>	<b>( 29 968)</b>	<b>( 33 340)</b>	<b>( 64 188)</b>
Increase / (decrease) in cash and cash equivalents		<b>( 374 085)</b>	296 724	<b>( 378 743)</b>	305 277
Cash and cash equivalents at beginning of year		<b>448 853</b>	152 129	<b>441 233</b>	135 956
Cash and cash equivalents at end of year	12	<b>74 768</b>	448 853	<b>62 490</b>	441 233

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## Notes to the financial statements

### 1 General information

The financial statements were authorised for issue by the Council on 18 June 2020.

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 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 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 the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Amendments to IAS 1, "Presentation of financial statements".
- Amendments to IAS 8, "Accounting policies, changes in accounting estimates and errors".
- Amendments to IFRS 9, IAS 39 and IFRS 17: – Interest rate benchmark reform.

The effect of the adoption of the above amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 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 and is specifically not in terms of IFRS 8 (not required for the University).



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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 comprehensive income is designed to disclose separately:

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

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

#### Council controlled unrestricted

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

#### Income on assets representing restricted funds

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

#### Interdepartmental income

interdepartmental income and expenditure are eliminated.“

## 6. State appropriations: Subsidy and grant income

### Accounting policy:

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

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

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

	GROUP		UNIVERSITY	
	2020 R ' 000	2019 R ' 000	2020 R ' 000	2019 R ' 000
State subsidy for general purpose assistance	1 245 180	1 216 400	1 245 180	1 216 400
Earmarked grants	313 892	225 881	313 892	225 881
	1 559 072	1 442 280	1 559 072	1 442 280

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

## 7. Tuition and other fee income

### Accounting policy:

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

As per IFRS 15, a five-step process must be applied before revenue can be recognised:  
identify contracts with students.

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

### Area of significant management judgement and estimation

The group uses its judgement to determine what performance obligations in contracts with students are and if this obligations are satisfied to recognise revenue in accordance to the accounting policy stipulated above. When the registration of a student is finalised income is recognised on tuition fees and accommodation. Judgement is also used to allocate the transaction price over the performance obligations. Although the academic year of the UFS have been extended to February 2021, all performance obligations relating to the relevant income classes have been met at 31 December 2020.

	GROUP		UNIVERSITY	
	2020 R ' 000	2019 R ' 000	2020 R ' 000	2019 R ' 000
Tuition fees	1 249 480	1 193 822	1 249 480	1 193 822
Student accommodation	181 255	164 596	181 255	164 596
Income from short learning programmes	17 395	20 639	17 395	20 639
	1 448 130	1 379 058	1 448 130	1 379 058
			# of students	# of students
			2020	2019
Number of students enrolled at the university			42 025	41 922
Number of students utilising hostel accommodation on campus			6 292	5 994

## 8. Income from contracts

### Accounting policy:

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

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

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

### Research and other income

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

### Research and other expenditure relating to contracts

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

### Income from clinical research contracts

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

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

### Area of significant management judgement and estimation

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

	GROUP		UNIVERSITY	
	2020 R ' 000	2019 R ' 000	2020 R ' 000	2019 R ' 000
Income from contracts				
for research	103 387	101 836	103 387	101 836
from third parties	45 657	38 470	45 657	38 470
from the NRF	57 730	63 366	57 730	63 366
for clinical research contracts	76 316	64 529	-	-
for other activities	183 707	176 844	184 216	177 813
	363 409	343 209	287 604	279 649

Contracts to the value of R118,3m (139,3m in 2019) relating to state appropriations were included and disclosed under contract income.

### Financing components

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

## 9. Sales of goods and services

### Accounting policy:

- As per IFRS 15, a new five-step process must be applied before revenue can be recognised:
- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

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

No warranties or related obligations for the group exist.

### Sales of goods and services

	GROUP		UNIVERSITY	
	2020 R ' 000	2019 R ' 000	2020 R ' 000	2019 R ' 000
Letting of facilities	2 583	11 472	7 742	19 326
Transport income	5 323	20 172	5 323	20 172
Other trade revenue *	51 211	62 614	52 390	65 559
Income from sale of academic notes	6 483	12 057	6 483	12 057
Miscellaneous	14 128	34 609	12 492	32 435
<b>TOTAL</b>	<b>79 729</b>	<b>140 924</b>	<b>84 430</b>	<b>149 549</b>

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

### Financing components

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

## 10. Private gifts and grants

### Accounting policy:

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

	GROUP		UNIVERSITY	
	2020 R ' 000	2019 R ' 000	2020 R ' 000	2019 R ' 000
General donations	23 363	22 254	23 363	22 254
Donations for bursaries and scholarships	12 861	16 897	10 026	13 895
	<b>36 224</b>	<b>39 151</b>	<b>33 389</b>	<b>36 149</b>

## 11. Other income

**Accounting policy:**
**Profit on disposal of property, plant and equipment**

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

**Gain on revaluation of biological assets**

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

	GROUP		UNIVERSITY	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
Profit / (loss) on disposal of property, plant and equipment	( 1782)	( 2 674)	( 922)	( 2 519)
Gain / (loss) on revaluation of biological assets	( 340)	( 198)	-	( 1)
	( 2 123)	( 2 872)	( 922)	( 2 520)

## 12. Personnel costs

**Accounting policy:**

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

	Group		University	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
Salaries and wages				
Academic professionals	767 465	716 605	767 465	716 605
Other personnel	932 493	911 217	866 259	842 777
Employee benefits	92 604	81 339	90 733	81 109
Total salaries and wages	1792 561	1709 161	1724 457	1 640 492

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

	2020	2019
	Number	Number
Full time - Lecturing	1 025	1 016
Full time - Support	1 671	1 673
Part time - Lecturing	1 082	1 220
Part time - Support	1 826	1 816
	5 604	5 725

\* 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.

		2020	2019
		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	4 808	4 712
Lenkabula P, Prof	Vice-Rector: External Relations	2 646	2 422
Van Staden E, Dr	Vice-Rector: Academic	2 666	2 505
Witthuhn RC, Prof	Vice-Rector: Research	2 591	2 433
Naidoo P, Prof	Vice-Rector: University Operations	2 572	2 520
Ntshababa N, Mr	Registrar (from 1 May 2019)	2 421	1 266
Coetzee D, Prof	Dean: South Campus (to 30 December 2019)	-	1 562
Madiope M, Dr	Dean: South Campus (from 1 January 2020)	1 643	-
Mgolombane P, Mr	Dean: Student affairs	1 742	1 654
Mandew M, Dr	Qwa-Qwa Campus Principal	1 989	1 870
Kroukamp HJ, Prof	Dean: Economic and Management Sciences	1 861	1 793
Van Zyl GJ, Prof *	Dean: Health Sciences	1 147	1 142
Hudson H, Prof	Dean: Humanities	1 860	1 810
Muganbizi JC, Prof	Dean: Law	1 767	1 661
Vermeulen PD, Prof	Dean: Natural and Agricultural Sciences	1 895	1 846
Jita LC, Prof	Dean: Education	1 912	2 080
Letsosa R.Prof	Dean: Theology	1 806	1 691
Total remuneration of Executive Management		35 326	32 967

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

Remuneration of executive management relating to the group in addition to that of management of the University disclosed above.

<b>Name</b>	<b>Designation</b>	<b>Related entity</b>		
Taylor G, Dr	Director	Farmovs Pty Ltd	-	-
Sutherland C, Mr	Managing Director	Farmovs Pty Ltd	1 766	1 741
Brand S, Miss	Chief financial officer	Farmovs Pty Ltd	713	687
Theron, HB, Mr	Head of Business Administration	Farmovs Pty Ltd	1 305	1 283
Smith J, Mr	Head Sales, General & Administration	Farmovs Pty Ltd	1 165	1 237
Middle, MV, Dr	Chief Medical Officer	Farmovs Pty Ltd	786	1 986
Els J, Mr	Head of Legal, Contracts, GMBA	Farmovs Pty Ltd	1 031	761
Rauch, R, Mr	Farm manager	Lila Theron Farm	170	159

No lump sum payments in excess of R0.250m was made during 2020 to an executive staff member of the University of the Free State. During 2019 only one such payment occurred. This related to accumulated leave upon retirement and is included in the remuneration disclosed in the note above.

	2020 R '000	2019 R '000
Snyman SD, Prof	-	713

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

	GROUP		UNIVERSITY	
	2020 R ' 000	2019 R ' 000	2020 R ' 000	2019 R ' 000
Compensation of key management				
Short-term employee benefits	38 228	36 657	30 662	29 304
Post-employment pension and medical benefits	4 033	4 164	3 663	3 663
<b>Total compensation paid to key management personnel</b>	<b>42 261</b>	<b>40 822</b>	<b>35 326</b>	<b>32 967</b>

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.	75	393	75	393
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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	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
Supplies and services	756 665	774 644	728 871	751 963
Cost of maintenance services	90 164	110 756	84 705	106 014
Cost of small alterations	4 902	12 545	4 902	12 545
Research and development expenditure	88 960	145 608	88 960	145 608
Bursaries *	94 192	141 331	94 087	141 331
Auditor's remuneration	3 336	3 928	2 815	3 373
- Audit fee	2 126	1 971	1 695	1 571
- Other special investigations and special reports	1 209	1 957	1 120	1 802
Total other operating expenses	1 038 219	1 188 812	1 004 340	1 160 834

\* Bursaries, excluding bursaries funded by third party contracts. Bursaries to the amount of R 57,759m is included in Research and development expenditure, as these related to research specific bursaries. Please refer to the table below for a more detailed analysis on funding sources of bursaries. The note exclude NSFAS bursaries and Merit bursaries to the value of R30,195m were recognised in accordance to IFRS 15 as a discount on tuition fees and thus not included in this note.

2020 Bursary analysis	Bursaries funded from the Internal funds	Bursaries funded from contracts with stakeholders	Bursaries funded by the NRF	Alternatively funded bursaries	Total
Post graduate bursaries	49 361	10 672	33 499	3 962	97 494
Undergraduate bursaries	13 595	13 606	-	27 151	54 352
	62 956	24 278	33 499	31 112	151 846

2019 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	58 002	14 258	26 391	6 483	105 134
Undergraduate bursaries	49 621	24 171	-	27 292	101 085
	107 622	38 429	26 391	33 776	206 218

## 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 from financial assets at fair value through profit or loss (FVPL) is included in the net fair value gains/(losses) on these assets, see note 17.4 below. 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	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
Interest income	160 156	202 342	159 055	202 332
Dividend income	85 524	62 974	85 181	62 725
Total interest and dividend income	245 680	265 315	244 236	265 058

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	19 796	15 971	19 767	15 921
Total administration cost financial assets	19 796	15 971	19 767	15 921

## 16. Income Tax

**Accounting policy:**

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

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

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

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

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

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

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



**Area of significant management judgement and estimation**

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

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

**Income tax expense**

Major components:

**Current**

Local income tax

**Deferred**

Deferred tax

Total income tax expense / (income)

GROUP	
2020	2019
R ' 000	R ' 000
13	-
( 9 916)	( 13 025)
( 9 903)	( 13 025)

**Reconciliation of tax expense**

Reconciliation between applicable tax rate and average effective tax rate.

Statutory rate

Fixed assets adjustment

Fines and penalties

Effective tax rate

28.00%	28.00%
-0.28%	2.31%
0.00%	0.38%
27.72%	30.69%

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	
		2020	2019	2020	2019
	Notes	R ' 000	R ' 000	R ' 000	R ' 000
Financial assets					
Financial assets at amortised cost					
Student and trade receivables	17.1	383 470	268 023	368 887	242 836
Student and other loans	17.2	1 018	2 636	52 801	39 630
Cash and cash equivalents	17.3	74 768	448 853	62 490	441 233
Financial assets at fair value through profit or loss (FVPL)	17.4	7 308 764	5 773 090	7 285 662	5 751 821
Financial liabilities					
Liabilities at amortised cost					
Trade and other payables **	17.5	567 051	455 025	530 039	431 503
Borrowings	17.6	187 450	185 769	187 450	185 769

\*\* Excluding non-financial liabilities

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

### Accounting policy:

#### Classification

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

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

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

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

#### Recognition and derecognition

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

#### Measurement

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

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

#### Equity instruments

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

#### Impairment

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

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

#### Subsequent measurement

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

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

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

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

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

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

#### Impairment

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

#### Assets carried at amortised cost

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

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

Impairment testing of trade receivables is described in note 19.

#### Assets classified as available-for-sale

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

Impairment losses on equity instruments that were recognised in profit or loss were not reversed through profit or loss in a subsequent period. If the fair value of a debt instrument classified as available-for-sale increased in a subsequent period and the increase could be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss was reversed through profit or loss.

## 17.1 Trade and other receivables

### Accounting policy:

#### Classification as trade receivables

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

### Area of significant management judgement and estimation

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

	Notes	GROUP		UNIVERSITY	
		2020 R ' 000	2019 R ' 000	2020 R ' 000	2019 R ' 000
Student debtors					
Gross student debtors		311 257	216 332	311 257	216 332
Less: Allowance for credit losses	22.2.2.1	( 95 448)	( 80 041)	( 95 448)	( 80 041)
Closing net carrying amount		215 809	136 290	215 809	136 290
Pre-paid expenses		26 874	3 964	26 874	3 407
Current tax receivable		-	10 908	-	-
Other trade receivables		103 045	84 957	88 339	71 061
Accrued interest on investments		37 741	31 904	37 865	32 077
Closing net carrying amount		167 661	131 733	153 078	106 545
Total trade and other receivables		383 470	268 023	368 887	242 836

### Fair values of trade and other receivables

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

### Impairment and risk exposure

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

### Prepaid expenses

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

### Other trade receivables

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

Carrying amount of other trade receivables approximate their fair values.

### Accrued interest on investments

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

## 17.2 Student and other loans

### Accounting policy:

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

### Area of significant management judgement and estimation

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

Financial assets at amortised cost include the following debt investments:

	Notes	GROUP		UNIVERSITY	
		2020 R ' 000	2019 R ' 000	2020 R ' 000	2019 R ' 000
<b>Student loans</b>		<b>28 688</b>	28 792	<b>28 688</b>	28 792
Less: Allowance for credit losses	22.2.2.2	( 28 656)	( 27 142)	( 28 656)	( 27 142)
Student loans - net		<b>32</b>	1 650	<b>32</b>	1 650
Loans to third parties		<b>986</b>	986	<b>986</b>	986
Loans to related parties	24.4	-	-	<b>51 784</b>	36 994
		<b>1 018</b>	2 636	<b>52 801</b>	39 630

### Student loans

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

The classification of these loans are represented as follows:

Non-current student loans for students still studying - not yet repayable	<b>32</b>	35	<b>32</b>	35
Current student loans for students who completed their studies - repayable	<b>28 656</b>	28 757	<b>28 656</b>	28 757
	<b>28 688</b>	28 792	<b>28 688</b>	28 792

### Loans to related parties

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



#### Fair values of other financial assets at amortised cost

The fair values of student loans:

Student loans	26 811	26 115	26 811	26 115
	26 811	26 115	26 811	26 115

The fair value of the student loans are based on the cash flows discounted using a rate based on the prime rate of 7.00% (2019: 10%). 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 an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

GROUP		UNIVERSITY	
2020	2019	2020	2019
R ' 000	R ' 000	R ' 000	R ' 000

#### Current assets

Cash and bank balances	74 768	448 853	62 490	441 233
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#### Additional information relating to cash and cash equivalents of the University

Although the University have an overdraft account at ABSA, the facility were not utilised as at 31 December 2020 or 2019. The overdraft is managed on the agreement that interest would only be levied if the overdraft exceeds the positive account balance.

The weighted average effective interest rate on short-term bank deposits was 2.97% (2019: 5,26%).

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	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
Opening net carrying amount	5 773 090	5 275 722	5 751 821	5 256 633
Additions	6 571 311	3 742 949	6 569 211	3 741 776
Disposals	(5 034 558)	(3 480 068)	(5 034 414)	(3 480 068)
Fair value movements through profit and loss.	(1 078)	234 486	(955)	233 480
Closing net carrying amount	7 308 764	5 773 090	7 285 662	5 751 821

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	4 562 752	4 095 244	4 544 387	4 078 855
Additions	2 592 030	1 947 465	2 590 094	1 946 496
Disposals	(2 117 954)	(1 725 029)	(2 117 810)	(1 725 029)
Fair value movements through profit and loss	(1 882)	245 071	(1 758)	244 064
Closing net carrying amount	5 034 946	4 562 752	5 014 912	4 544 387

#### Current financial assets at fair value through profit and loss

Opening net carrying amount	1 210 338	1 180 478	1 207 434	1 177 778
Additions	3 979 281	1 795 484	3 979 117	1 795 280
Disposals	(2 916 604)	(1 755 039)	(2 916 604)	(1 755 039)
Fair value movements through profit and loss	803	(10 585)	803	(10 585)
Closing net carrying amount	2 273 818	1 210 338	2 270 750	1 207 434

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

### Risk exposure and fair value measurements

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

## 17.5 Trade and other payables

### Accounting policy:

#### Trade and other receivables:

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

#### Provisions:

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

	GROUP		UNIVERSITY	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
Trade payables	211 967	179 013	194 512	167 703
Finance lease liabilities	161	378	-	-
Other payables and provisions	130 441	99 227	111 044	87 393
Student deposits	8 674	7 605	8 674	7 605
Tuition fees creditors	62 426	72 224	62 426	72 224
Agency funds *	181 306	123 848	181 306	123 848
<b>Total trade and other payables</b>	<b>594 975</b>	<b>482 295</b>	<b>557 962</b>	<b>458 773</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 a third party. The balance of transactions is repayable to the third parties after transactions are finalised. E.g. Bursaries managed on the behalf of third parties.

#### Trade payables classified as non-financial liabilities included above

Taxes	27 923	27 270	27 923	27 270
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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	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
<b>Non-current portion of borrowings</b>				
Development Bank of South Africa	66 047	65 119	66 047	65 119
FirstRand Bank	121 403	120 649	121 403	120 649
<b>Current portion of long term borrowings</b>				
Current portion	-	-	-	-
	187 450	185 769	187 450	185 769

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

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

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

	2020	2019
	R ' 000	R ' 000
<b>Maturity of borrowings</b>		
Within 1 year	19 942	18 551
Between 2 and 3 years	44 484	41 381
Between 4 and 5 years	51 407	47 820
Between 6 and 7 years	59 407	55 263
After 7 years	192 668	223 445

### 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.

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						
2020	Land and buildings	Vehicles	Computer equipment	Furniture and equipment	Other **	Total
Non-current	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000

**At 1 January 2020**

Cost	1 411 220	33 258	353 585	531 109	26 572	2 355 744
Accumulated depreciation	( 383 209)	( 16 649)	( 167 038)	( 270 049)	( 19 003)	( 855 947)
Net carrying amount	1 028 011	16 609	186 547	261 060	7 570	1 499 796

**Year ended 31 December 2020**

Additions	60 473	1 105	42 298	58 304	858	163 039
Buildings under construction	12 037	-	-	-	-	12 037
Disposals	( 145)	( 103)	( 849)	( 316)	-	( 1 413)
Depreciation charge	( 534)	( 1 973)	( 37 275)	( 38 145)	( 2 242)	( 80 169)

**At 31 December 2020**

Cost	1 477 002	33 673	389 823	587 800	27 430	2 515 729
Accumulated depreciation	( 377 161)	( 18 035)	( 199 101)	( 306 897)	( 21 245)	( 922 439)
Net carrying amount	1 099 841	15 638	190 722	280 903	6 185	1 593 290

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

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

UNIVERSITY						
2020	Land and buildings	Vehicles	Computer equipment	Furniture and equipment	Other	Total
Non-current	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000

**At 1 January 2020**

Cost	1 387 204	32 702	299 296	525 935	23 398	2 268 536
Accumulated depreciation	( 374 026)	( 16 449)	( 149 131)	( 269 616)	( 17 723)	( 826 945)
Net carrying amount	1 013 178	16 254	150 165	256 319	5 675	1 441 591

**Year ended 31 December 2020**

Additions	60 438	1 105	42 164	58 130	858	162 696
Buildings under construction	11 527	-	-	-	-	11 527
Disposals	( 145)	-	( 580)	( 316)	-	( 1 041)
Depreciation charge	( 510)	( 1 873)	( 28 522)	( 37 725)	( 1 520)	( 70 150)

**At 31 December 2020**

Cost	1 452 442	33 353	335 823	582 453	24 256	2 428 326
Accumulated depreciation	( 367 954)	( 17 867)	( 172 596)	( 306 045)	( 19 243)	( 883 704)
Net carrying amount	1 084 488	15 486	163 227	276 408	5 013	1 544 622

GROUP						
2019	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 2019</b>						
Cost	1 320 194	31 836	315 277	463 305	27 332	2 157 944
Accumulated depreciation	( 383 162)	( 15 725)	( 145 415)	( 280 365)	( 15 741)	( 840 409)
Opening net carrying amount	937 032	16 111	169 862	182 939	11 590	1 317 535
<b>Year ended 31 December 2019</b>						
Additions	120 113	2 461	51 057	111 337	( 746)	284 222
Buildings under construction	( 29 087)	-	-	-	-	( 29 087)
Disposals	-	( 58)	( 1 403)	( 1 573)	( 10)	( 3 045)
Depreciation charge	( 47)	( 1 904)	( 32 969)	( 31 644)	( 3 265)	( 69 830)
<b>At 31 December 2019</b>						
Cost	1 411 220	33 258	353 585	531 109	26 572	2 355 744
Accumulated depreciation	( 383 209)	( 16 649)	( 167 038)	( 270 049)	( 19 003)	( 855 947)
Net carrying amount	1 028 011	16 609	186 547	261 060	7 570	1 499 796

Government grants to the amount of R 391.229m were applied against the cost of the relevant asset when the asset was procured or constructed, in accordance with IAS 20.

UNIVERSITY						
2019	Land and buildings	Vehicles	Computer equipment	Furniture and equipment	Other	Total
Non-current	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000

**At 1 January 2019**

Cost	1 296 277	31 280	262 506	462 589	24 620	2 077 272
Accumulated depreciation	( 374 026)	( 15 638)	( 136 949)	( 280 019)	( 15 510)	( 822 143)
Opening net carrying amount	922 251	15 643	125 557	182 570	9 109	1 255 129

**Year ended 31 December 2019**

Additions	120 014	2 461	49 539	106 879	( 1 208)	277 686
Buildings under construction	( 29 087)	-	-	-	-	( 29 087)
Disposals	-	( 58)	( 1 403)	( 1 573)	( 10)	( 3 045)
Depreciation charge	-	( 1 792)	( 23 528)	( 31 557)	( 2 216)	( 59 093)

**At 31 December 2019**

Cost	1 387 204	32 702	299 296	525 935	23 398	2 268 536
Accumulated depreciation	( 374 026)	( 16 449)	( 149 131)	( 269 616)	( 17 723)	( 826 945)
Net carrying amount	1 013 178	16 254	150 165	256 319	5 675	1 441 591

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
- Air conditioners 10 - 20 years
- Vehicles 5 - 8 years
- Furniture and equipment 5 - 20 years
- Computer equipment - 3 - 10 years
- Lifts 10 - 20 years
- 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 Parexel Pty Ltd as all expenses are paid by the tenant. A discount rate of 7% was used for the Thakaneng Bridge due to all expenses associated with the property being paid by the landlord and the fact that turnover is only applicable for 10 months of the year. The discount rate was increased from prior years due to the increased cash flow the University is facing due to the impact of Covid on the economy.

	GROUP		UNIVERSITY	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	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	( 10 396)	( 9 615)	( 25 209)	( 19 171)
Opening net carrying amount	19 606	20 387	27 534	33 572
Depreciation charge	( 321)	( 780)	( 1 055)	( 6 038)
Cost at the end of the year	30 002	30 002	52 743	52 743
Accumulated depreciation end of the year	( 10 717)	( 10 396)	( 26 264)	( 25 209)
Closing net carrying amount	19 285	19 606	26 479	27 534
<b>Amounts recognised in profit or loss for investment properties</b>				
Rent received on investment property	5 995	5 309	11 205	12 262
Direct operating expenses relating to Thakaneng Bridge	2 691	3 925	2 691	3 925
Investment property consists mainly of the Thakaneng Bridge on campus, where various shops are let to small businesses, as well as buildings let to a subsidiary of the University, Farmovs Pty Ltd.				
<b>Fair value</b>				
Fair value of investment property	109 438	159 789	125 999	159 789
<b>Useful live</b>				
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	
2020	2019	2020	2019
R ' 000	R ' 000	R ' 000	R ' 000
Not later than 1 year	12 635	10 721	12 678
Later than 1 year and not later than 5 years	39 161	5 367	39 161
Later than 5 years	254	447	254
Total future cash flows	52 050	16 535	52 093
Lease income already accrued due to straight lining of leases	( 1 089)	( 1 389)	( 1 094)
Future receivables	50 960	15 146	50 999

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

## 18.3 Intangible assets

#### Accounting policy:

##### Trademarks, licences, and customer contracts

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

##### Research and development

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

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

##### Amortisation methods and periods

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

##### Derecognition

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

#### Area of significant management judgement and estimation

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

	GROUP		UNIVERSITY	
	Patents, trademarks and other rights			
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
Non-current				
<b>At 1 January</b>				
Cost	7 813	7 551	7 813	7 551
Accumulated depreciation	( 1 947)	( 1 528)	( 1 947)	( 1 528)
Opening net carrying amount	5 865	6 023	5 865	6 023
Additions	676	387	676	387
Disposals	-	( 100)	-	( 100)
Depreciation charge	( 507)	( 445)	( 507)	( 445)
<b>At 31 December</b>				
Cost	8 488	7 813	8 488	7 813
Accumulated depreciation	( 2 454)	( 1 947)	( 2 454)	( 1 947)
Net carrying amount	6 034	5 865	6 034	5 865

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	
	2020	2019	2020	2019
	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	6 162	5 979	6 162	5 979
Food	1 881	2 188	1 881	2 188
	8 043	8 167	8 043	8 167

No stock shortages were identified in 2019. In 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	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
<b>Current assets</b>				
Biological assets comprise the following:				
Opening net carrying amount	7 463	8 081	3 018	3 009
Livestock purchased	243	305	-	9
Livestock sold	( 1 436)	( 726)	-	-
Market value adjustment	( 340)	( 197)	-	-
Closing net carrying amount	5 930	7 463	3 018	3 018

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

## 18.6 Employee benefits

### Accounting policy:

#### (i) Short-term obligations

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

#### (ii) Other long-term employee benefit obligations

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

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

#### (iii) Post-employment obligations

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

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

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

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



### Pension obligations

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

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

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

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

		GROUP					
		2020			2019		
	Notes	Current R ' 000	Non-current R ' 000	Total R ' 000	Current R ' 000	Non-current R ' 000	Total R ' 000
Leave obligations	18.6.1	( 19 735)	( 176 865)	( 196 600)	( 16 838)	( 154 616)	( 171 454)
Defined pension benefits	18.6.2	-	88 081	88 081	-	95 641	95 641
Post-employment medical benefits	18.6.3	-	( 423 495)	( 423 495)	-	( 491 175)	( 491 175)
Post-employment group life insurance	18.6.4	-	( 24 108)	( 24 108)	-	( 22 776)	( 22 776)
<b>Total employee benefit obligations</b>		<b>( 19 735)</b>	<b>( 536 387)</b>	<b>( 556 122)</b>	<b>( 16 838)</b>	<b>( 572 926)</b>	<b>( 589 764)</b>

### Statement of Comprehensive Income charge for:

	GROUP	
	2020 R'000	2019 R'000
Pension benefits	( 9 033)	314
Post employment medical obligations	39 025	45 798
	<b>29 992</b>	<b>46 112</b>

### Other Comprehensive Income gain / (loss) for:

Post employment group life benefit	-	-
Pension benefits	( 22 116)	( 51 811)
Post employment medical obligations	106 705	76 610
	<b>84 589</b>	<b>24 799</b>

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

### 18.6.1 Leave obligations

	GROUP		UNIVERSITY	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
Opening net carrying amount	171 454	167 270	169 566	165 741
Leave payouts	( 11 520)	( 9 747)	( 11 520)	( 9 747)
Accrued	36 666	13 931	37 202	13 572
Closing net carrying amount	196 600	171 454	195 249	169 566
Current portion of leave obligations	( 19 735)	( 16 838)	( 18 384)	( 14 950)
Non-current portion of leave obligations	( 176 865)	( 154 616)	( 176 865)	( 154 616)

The approved leave policy of the University prescribes that 21 working days be taken per leave cycle. The balance of the employee's annual leave may accumulate up to a maximum of 6 months.

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.

2020

2019

The principal actuarial assumptions used for accounting purposes were:

Discount rate

5.00%

5.10%

Future salary increases, excluding merit promotions

6.00%

6.10%

### 18.6.2 Retirement benefit surplus/ (obligations)

UNIVERSITY	
2020	2019
R ' 000	R ' 000

#### Pension benefits

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

Present value of obligation	1 570 823	1 653 504
Fair value of plan assets	1 737 832	1 805 524
(Funded) / unfunded obligation according to actuarial valuation	( 167 009)	( 152 020)
Effect of write down to asset ceiling	78 928	56 379
Liability/(assets) in the statement of financial position	( 88 081)	( 95 641)

#### Change in defined benefit obligation

Defined benefit obligation at beginning of year	1 653 504	1 637 961
Interest cost	148 479	154 920
Current service cost	10 292	13 198
Benefit payments	( 137 832)	( 143 971)
Employee contributions	2 930	3 284
Actuarial (gain)/loss	( 106 550)	( 11 888)
Defined benefit obligation at end of year	1 570 823	1 653 504

**Change in defined benefit asset**

	UNIVERSITY	
	2020	2019
	R ' 000	R ' 000
Asset at fair value at beginning of year	1 805 524	1 779 524
Employer contributions	5 523	6 203
Employee contributions	2 930	3 284
Interest income on defined benefit assets	167 804	167 804
Actual return earned in excess of interest income	( 106 117)	( 7 320)
Benefit payments	( 137 832)	( 143 971)
Asset at fair value at end of year	1 737 832	1 805 524

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	10 292	13 198
Interest cost	148 479	154 920
Interest income	( 167 804)	( 167 804)
Effect of asset ceiling write-down	-	-
	( 9 033)	314

**(Gain) / loss recognised in other comprehensive income**

Adjustment to asset ceiling	22 549	56 379
Return on plan assets in excess of interest	106 117	7 320
Actuarial (gain)/loss	( 106 550)	( 11 888)
Total (gain) / loss	22 116	51 811

The principal actuarial assumptions used for accounting purposes were:

	2020	2019
Discount rate	9.80%	9.30%
Future price inflation	5.00%	5.10%
Future salary increases, excluding merit promotions	6.00%	6.10%
Future pension increases (Cat A and B)	5.00%	5.10%
Future pension increases (Cat C)	3.00%	3.06%
Net discount rate - pre-retirement	3.58%	3.02%
Net discount rate - post-retirement (Cat A and B)	4.57%	4.00%
Net discount rate - post-retirement (Cat C)	6.60%	6.05%

**Pension benefit arrangements**

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

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

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

## Governance

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

## Regulatory framework

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

## Funding arrangements

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

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

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

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

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

## Financial assumptions

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

- **Discount rate:** In the valuation of the liability as at 31 December 2019, the discount rate (9.30% per annum) was determined with reference to the duration of the Fund's DB liability. The duration of the Fund's DB liability was in the order of 9 years. We have determined that the duration of the Fund's DB liability has stayed the same to the order of 9 years as at 31 December 2020. As such, the discount rate was set by determining the level of the South African zero coupon bond yield curve as at 31 December 2020 at a term of 9 years. The discount rate is 9.80% per annum at this term.

• **Long-term price inflation rate:** We have assumed a long-term future inflation rate of 5.00% (2019:5.10%) 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. 9.80% (2019:9.30%) 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 2020. The corresponding yield from this curve (at a term of 9 years) is 4.30% (2019: 3.70%) per annum at the valuation date.

Excluding an allowance for an inflation risk premium, implies an expected future inflation rate of 5.50% (2019: 5.60%) per annum (9.80% less 4.30% per annum). Our view is that based on market conditions at the valuation date, an inflation risk premium between 0.50% and 1.25% per annum is appropriate when determining the extent of the risk premium holders of nominal bonds currently require to compensate them for the risk that the value in their bonds may decline if inflation is higher than expected.

We have assumed an inflation risk premium of 0.50% for the purposes of this valuation. Based on the above, an expected inflation rate of 5.00% per annum has been assumed as at 31 December 2020 (i.e. 9.80% less 4.30% less 0.50%).

At the previous valuation date an inflation rate of 5.10% was assumed using a similar methodology as described above."

• **Salary inflation:** It has been assumed that inflationary salary increases will take place at a rate of 1.00% per annum in excess of price inflation, i.e. 6.00% per annum (6.10% 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 5.00% per annum. (being 100% of the assumed inflation rate of 5.00% per annum). The net discount rate applied to Category A and B members in retirement is thus 4.57% per annum (calculated as  $1.0980 \div 1.05 - 1$ ). A pension increase assumption of 5.10% per annum was used at 31 December 2019, implying a net post retirement discount rate of 4.00% 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 3.00% per annum (being 60% of the assumed inflation rate of 5.00% per annum) would lead to a net discount rate of 6.60% (calculated as  $1.0980 \div 1.0300 - 1$ ). A pension increase assumption of 3.06% per annum was used at 31 December 2019, implying a net post retirement discount rate of 6.05% 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 3.58% per annum (calculated as  $1.0980 \div 1.0600 - 1$ ). This is higher than the 40% of Earnings Yield basis (1.75% 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"). The MIR calculation depends on the member's normal retirement age – in terms of the Fund Rules the normal retirement age of members is between ages 60 and 65 according to the member's employment conditions. For the purposes of the MIR calculation we have assumed an average normal retirement age of 64 (consistent with the previous valuation). 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 increased from 3.02% to 3.58% per annum, and the net post-retirement discount rate has increased from 4.00% to 4.57% per annum (for Category A and B members). This implies, with all else being equal, that there will be a decrease in the calculated 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 2020 is set out below:

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

An approximate split of the Fund's assets by asset class as at 31 December 2019 is set out below:

Asset class	Category A & B in-service members	Category C in-service members	Pensioners	Liability weighted average
SA equities	23.1%	39.8%	5.9%	10.8%
SA property	5.7%	8.0%	3.4%	4.1%
SA nominal bonds	27.7%	18.6%	5.7%	11.7%
SA inflation-linked bonds	5.7%	0.0%	45.8%	34.6%
SA cash	5.8%	0.4%	8.6%	7.8%
International equities	24.8%	24.8%	26.4%	26.0%
Other	7.2%	8.4%	4.2%	5.0%
<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 2020	R'000 2019	R'000 2018	R'000 2017	R'000 2016
Present value of obligation	1 570 823	1 653 504	1 637 961	1 587 520	1 537 033
Fair value of plan assets	1 737 832	1 805 524	1 779 524	1 843 118	1 816 159
(Funded)/unfunded obligation	( 167 009)	( 152 020)	( 141 563)	( 255 598)	( 279 126)

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

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

The following mortality tables have been used:

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

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

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

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



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

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

100% of in-service members will be married at retirement with husbands being 3 years older than their wives. (For pensioners, the actual marital status is taken into account.)

### Analysis of actuarial gains and losses

The table below sets out the actuarial gains and losses due to changes in demographic assumptions and changes in financial assumptions:

	2020 R'000	2019 R'000
Actuarial gain \ (loss) due to changes in financial assumptions	93 658	( 49 642)
Actuarial gain \ (loss) due to experience differing from assumptions	12 892	61 530
<b>Total actuarial gain \ (loss) arising</b>	<b>106 550</b>	<b>11 888</b>

The actuarial loss due to changes in financial assumptions is due to the weakening of the preretirement basis and strengthening of the post-retirement bases from the previous valuation date. The net pre-retirement discount rate has increased from 3.02% per annum to 3.58% per annum and the net post retirement discount rate for pensioners has increased from 4.00% per annum to 4.57% per annum. The net effect of these opposing changes has resulted in an actuarial gain.

The actuarial gain due to changes in experience differing from assumptions is partly due to actual pension increases being lower than expected. There are other miscellaneous items arising from, amongst other things, membership movements during the inter-valuation period.

### Fund liability position

Category	2020 R'000	2019 R'000
In-service member liability	337 857	469 496
Pensioner liability	1 232 966	1 184 008
Combined liability	1 570 823	1 653 504
Current service cost	5 843	10 292

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 4.50% p.a. and on the IAS19 valuation basis of 4.57% p.a. At the previous valuation date the net post retirement discount rates were 4.59% p.a. and 4.00% p.a. respectively.

The results above reflect a net increase of R82 681 000 in the liabilities. The net decrease is made up of the following items:

- Increase through the service cost;
- Increase through the interest cost;
- Increase 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 2020 are:

	2020
	R '000
Employer contributions:	6 341
Member contributions:	3 364

### 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 2020.

	1% increase 7.10% p.a.	1% decrease 5.10% p.a.	Base liability 6.10% p.a.
	R'000	R'000	R'000
Defined benefit asset	1 737 832	1 737 832	1 737 832
In-service member liability	( 336 725)	( 339 035)	( 337 857)
Pensioner liability	(1 232 966)	(1 232 966)	(1 232 966)
<b>Funded /(Unfunded) status</b>	168 141	165 831	167 009
% change in defined benefit liability	-0.1%	0.1%	0.0%
% change in funded status	0.7%	-0.7%	0.0%
One-year service cost	6 035	5 890	5 943
% change	1.5%	-0.9%	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 2020.

	1% decrease 8.80% p.a.	Base liability 9.80% p.a.	1% increase 10.80% p.a.
	R'000	R'000	R'000
Defined benefit asset	1 737 832	1 737 832	1 737 832
In-service member liability	( 374 670)	( 337 857)	( 309 275)
Pensioner liability	(1 325 796)	(1 232 966)	(1 151 372)
<b>Funded /(Unfunded) status</b>	<b>37 366</b>	<b>167 009</b>	<b>277 185</b>
% change in defined benefit liability	8.3%	0.0%	-7.0%
% change in funded status	-77.6%	0.0%	66.0%
One-year service cost	7 136	5 943	5 163
% change	20.1%	0.0%	-13.1%

### 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 2020.

	Lower mortality PA(90) - 3	Base liability PA(90) - 2	Higher mortality PA(90) - 1
	R'000	R'000	R'000
Defined benefit asset	1 737 832	1 737 832	1 737 832
In-service member liability	( 345 245)	( 337 857)	( 330 493)
Pensioner liability	(1 273 835)	(1 232 966)	(1 192 132)
<b>Funded /(Unfunded) status</b>	<b>118 752</b>	<b>167 009</b>	<b>215 207</b>
% change in defined benefit liability	3.1%	0%	-3.1%
% change in funded status	-28.9%	0%	28.9%
One-year service cost	6 099	5 943	5 788
% change	2.6%	0.0%	-2.6%

### 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 2020.

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 R3 938 in respect of 2021.

The table below summarises the detailed post-employment subsidy.

Members	Post-employment	Death-in-service
CAWMs retired before 1 July 2005	Rand amount as provided by UFS (which was set at retirement) increasing at salary inflation	n/a
CAWMs retired after 1 July 2005	Rand amount as provided by UFS (which is based on 53% of the medical scheme contribution and applying the applicable individual subsidy) increasing at health care cost inflation limited to a maximum of R3,938*, 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 R3,938*, 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 R3,938*, 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, with the next increase on 1 January 2022. Due to the Covid-19 pandemic, most schemes applied a minimal increase as at 1 January 2021. Bestmed applied 4% increase. Discovery Health did not apply an increase, therefore Discovery may apply a mid-year increase in 2021. The next increase of the maximum subsidy amount is likely to be on 1 January 2022.

### Key actuarial assumptions

The actuarial valuation method used is the Projected Unit Credit-method. The main actuarial assumptions are as follows:

		2020	2019
Discount rate		11.62%	9.94%
Health care cost inflation		8.77%	7.42%
Consumer price inflation (CPI)		6.77%	5.92%
Salary inflation		7.72%	7.01%
Real discount rate (With respect to salary inflation)		4.06%	2.74%
Members employed before 1 April 1998	- Normal retirement age	65	65
	- Expected average retirement age	63.9	63.4
Members employed on or after 1 April 1998	- Normal retirement age	60	60
	- Expected average retirement age	59.2	59.2
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		11.7	11.3
Subsidy-weighted average lifetime of remaining members		19.3	20.2
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

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 2020, at the appropriate term. The discounted mean term of the liabilities is 11,7 years. They have therefore used a discount rate of 11,62% which is the nominal yield at a term of 11,7 years, taken from the South African government zero coupon bond yield curve as at 31 December 2020.

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 7,27% per annum implies that a real discount rate of 4,06% per annum ( $= 1,1162 \div 1,0727 - 1$ ) was used in the valuation. A real discount rate of 2,74% 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 2020, the implied Consumer Price Inflation rate amounted to 6,77% 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 8,77% (CPI + 2%) per annum. In the previous valuation the health care cost inflation assumption was 7,42% 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. Due to the Covid-19 pandemic, medical schemes applied low/no medical inflation to the contributions. Subsequently, the Employer kept the maximum subsidised amount the same for 2021 as it was in 2020. Therefore, the salary inflation applied to the maximum subsidised amount for 2021 was 0%. This is an unusual inflation due to the unusual economic circumstances following the Covid-19 pandemic. Since this is not likely to continue in the future, we have not applied the 2021 salary inflation as an indication for future salary increases. Therefore, the actuaries have assumed the future salary inflation to be CPI plus 0,5% p.a. They have therefore assumed a salary inflation rate of 7,72% (CPI + 0,5%) per annum. In the previous valuation the health care cost inflation assumption was 7,01% p.a.

### Consumer price Inflation (CPI)

The 11,7 year real yield taken from the South African government zero coupon bond yield curve was 4,54% per annum as at 31 December 2020.

The long-term inflation rate of 6,77% implied from the government bond yields is derived as follows:

- Nominal 11,7 year zero rate: 11,62%
- Real 11,7 year zero rate: 4,54%

Implied price inflation: 6,77%  $[(1,1162 \div 1,0454) - 1]$

In the previous valuation the inflation assumption was 5,92% 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 2020 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 60 or 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.

	2020			2019		
	"Accrued liability (R'000s)"	% Change in past-service contractual liability	Annual expense (R'000s)	% Change in service cost plus interest cost contractual liability	% Change in past-service contractual liability	% Change in service cost plus interest cost contractual liability
No change in assumptions	423 495		57 034			
Mortality rate + 1 %	411 491	-2.70%	55 491	-2.70%	-8.20%	-8.80%
Mortality rate -1%	435 100	2.70%	58 570	2.70%	9.10%	9.90%
Discount rate +1%	384 085	-9.30%	55 091	-3.40%	-10.30%	-3.80%
Discount rate -1%	470 535	11.10%	59 254	3.90%	12.50%	4.30%
			2020 R'000	2019 R'000	2018 R'000	2017 R'000

The value of unfunded obligations at year end: 423 495 491 175 521 987 495 861

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 R20,412 million.

The amounts recognised in the statement of financial position were determined as follows:	2020 R'000	2019 R'000
Present value of unfunded obligations		
Unfunded obligations in terms of active members	179 414	226 572
Unfunded obligations in terms of continuation and widowed members	244 081	264 603
Liability in the Statement of financial position	423 495	491 175

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	491 175	521 987
Current service cost	11 361	13 214
Interest cost	47 822	51 460
Benefits paid	(20 158)	(18 876)
Actuarial (gain)/loss	(106 705)	(76 610)
Closing net carrying amount	423 495	491 175

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

	2020	2019
	R'000	R'000
Current service cost	11 361	13 214
Benefits paid	( 20 158)	( 18 876)
Interest cost	47 822	51 460
Total included in staff cost	39 025	45 798

The amounts recognised as Other comprehensive income are as follows:

Recognition of previously unrecognised actuarial loss / (gain)	( 106 705)	( 76 610)
Total included in other comprehensive income	( 106 705)	( 76 610)

#### 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 the actual demographical profile of membership compare with that expected	23 806	31 547
Actuarial gain \ (loss) due to actual health care inflation cost compared with that expected	33 043	1 604
Actuarial gain \ (loss) due to changes in actuarial assumptions	49 856	43 459
Total actuarial gain \ (loss) arising	106 705	76 610

#### Basis

The increase in the real discount rate from 2,74% per annum to 4,06% per annum has resulted in an actuarial gain of R 49 856 000.

#### Medical inflation

Due to the low/no increase in the contributions and maximum subsidised amount, the actual increase in the subsidised contributions over the valuation period was 0,3%, far lower than the expected increase of 7,3%. This resulted in an actuarial gain of R 33 043 000.

#### Membership

The membership with post-employment health care subsidisation experienced a net decrease of 60 in-service members and net increase of 4 continuation members since the previous valuation. Combined with the survival strain, this resulted in an actuarial gain of R 23 806 000.

#### 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.

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 2020. 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:

	2020	2019
Discount rate	9.80%	9.80%
Long term price inflation	5.00%	6.00%
Salary inflation	6.00%	6.90%
Take up rate	70.00%	70.00%
Net discount rate pre-retirement	3.58%	2.71%
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

We have determined the duration of the PRGLI subsidy arrangement to be in the order of 10 years as at 31 December 2020. The discount rate was set by determining the level of the South African zero coupon bond yield curve as at 31 December 2020 at a term of 10 years. The discount rate is 9.80% per annum at this term. Using a similar methodology the discount rate was set at 9.80% per annum as at 31 December 2019.

#### Long-term price inflation

We have assumed a long-term future inflation rate of 5.00% per annum determined using the following relationship:

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. 9.80% per annum. In order to determine the yield on inflation linked bonds (on the same basis as for nominal bonds) we have used the level of the South African zero coupon real yield bond curve as at 31 December 2020. The corresponding yield from this curve (at a term of 10 years) is 4.30% per annum at the valuation date. Excluding an allowance for an inflation risk premium, implies an expected future inflation rate of 5.50% per annum (9.80% less 4.30% 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 6.00% per annum has been assumed as at 31 December 2019 (i.e. 9.80% less 3.30% less 0.50%). As at 31 December 2020 an inflation rate of 5.00% was assumed using a similar methodology as described above.

#### Increases in subsidy

The subsidy is linked to the employee's salary at retirement and does not increase after retirement. The cost of the subsidy could increase or decrease in future, depending on the rate per R1 000 cover that can be secured from the insurer – we have assumed that this rate will remain constant over time and, therefore, that the cost of the subsidy remains constant after retirement.

#### Net discount rate

The net discount rate applied to in-service employees is 3.58% (2.71% in 2019) 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 2.17% per annum to 3.58% per annum between 1 January 2020 and 31 December 2020.

## Demographical assumptions

- Employees are assumed to retire at their normal retirement age, either 60 or 65;
- 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 2020

Recognition of obligation

Actuarial (gain)/loss

Balance as at 31 Dec 2020

DB obligation	Cost / (credit) recognised in P&L	(Gain) /loss recognised in OCI
R' 000	R' 000	R' 000
( 22 776)	-	-
( 1 332)	-	( 1 332)
( 24 108)	-	( 1 332)

Disclosures as at 31 December 2019

Recognition of obligation

Actuarial (gain)/loss

Balance as at 31 Dec 2019

DB obligation	Cost / (credit) recognised in P&L	(Gain) /loss recognised in OCI
R' 000	R' 000	R' 000
18 791	-	-
3 985	-	3 985
( 22 776)	-	3 985

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 2020.

In-service employee liability

Retiree liability

**Total defined benefit liability**

% change in defined benefit liability

1% decrease 5.0% p.a.	Base liability 6.0% p.a.	1% increase 7.0% p.a.
R'000	R'000	R'000
11 318 385	12 212 484	13 225 183
11 895 583	11 895 583	11 895 583
23 213 968	24 108 068	25 120 767
-3.7%	0%	4.2%

### 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 2020.

In-service employee liability

Retiree liability

**Total defined benefit liability**

% change in defined benefit liability

1% decrease 8.80% p.a.	Base liability 9.80% p.a.	1% increase 10.80% p.a.
R'000	R'000	R'000
14 067 289	12 212 484	10 695 546
12 539 150	11 895 583	11 317 679
26 606 439	24 108 068	22 013 225
10.4%	0%	-8.7%

### 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 2020.

	Lighter mortality PA(90) - 3	Base liability PA(90) - 2	Heavier mortality PA(90) - 1
	R'000	R'000	R'000
In-service employee liability	12 391 378	12 212 484	12 026 570
Retiree liability	12 155 735	11 895 583	11 630 299
<b>Total defined benefit liability</b>	<b>24 547 114</b>	<b>24 108 068</b>	<b>23 656 869</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 2020.

	Higher take-up rate 90%	Base liability 70%	Lower take-up rate 50%
	R'000	R'000	R'000
In-service employee liability	15 701 766	12 212 484	8 723 203
Retiree liability	11 895 583	11 895 583	11 895 583
<b>Total defined benefit liability</b>	<b>27 597 349</b>	<b>24 108 068</b>	<b>20 618 787</b>
% change in defined benefit liability	14.5%	0%	-14.5%

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	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
<b>Current assets</b>				
Opening net carrying amount	133 756	238 378	133 756	238 378
Grants received during the year	316 398	189 947	316 398	189 947
Grants accrued	14 607	-	14 607	-
Grants realised	(169 591)	(294 569)	(169 591)	(294 569)
Closing net carrying amount	295 169	133 756	295 169	133 756

Included in deferred income above are all earmarked grants received from DHET. This includes the infrastructure grant, clinical training grant, foundation grant and the university capacity development grant. The infrastructure earmarked for the construction of assets, is deducted in arriving at the carrying value of any assets constructed from the grant.

## 18.8 Deferred tax

### Accounting policy:

Refer to note 16 for disclosure of the accounting policy relating to income tax for the group.

### Area of significant management judgement and estimation:

Refer to note 16 for disclosure of the significant management judgements and estimations used in the recognition of deferred tax assets and liabilities. The deferred tax assets include an amount of R 24,554 m which relates to carried forward tax losses of Farmovs Pty Ltd following the acquisition of the subsidiary by the University. The group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiary. The subsidiary is expected to generate taxable income from 2022 onwards. The losses can be carried forward indefinitely and have no expiry date.

	GROUP		UNIVERSITY	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
<b>Deferred tax liability</b>				
Property, plant and equipment	( 2 243)	( 1 284)	-	-
Right-of-use assets	( 8 105)	-	-	-
<b>Total deferred tax liability</b>	<b>( 10 348)</b>	<b>( 1 284)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax asset</b>				
Leave provision	378	529	-	-
Provision for impairment on debtors	20	36	-	-
Lease liability	8 220	1 318	-	-
Property, plant and equipment	-	167	-	-
Bonus provision	668	92	-	-
Assessed loss	27 624	14 571	-	-
Work in progress	991	2 221	-	-
<b>Total deferred tax asset, net of valuation allowances recognised</b>	<b>37 901</b>	<b>18 934</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax</b>	<b>27 553</b>	<b>17 650</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of deferred tax asset / (liability)</b>				
<b>At the beginning of the year</b>	<b>17 650</b>	<b>4 626</b>	<b>-</b>	<b>-</b>
Movement in Capital allowance	( 2 410)	652	-	-
Temporary difference on finance lease	-	( 13)	-	-
Temporary difference on right of use assets	( 6 822)	( 1 284)	-	-
Temporary difference on lease liabilities	6 902	1 318	-	-
Temporary difference on bonus provision	575	6	-	-
Temporary difference on Leave provision	( 150)	101	-	-
Temporary difference on provision for bad debt	( 15)	( 93)	-	-
Temporary difference on WIP	( 1 230)	1 956	-	-
Temporary difference on assessed loss	13 053	10 382	-	-
	<b>27 553</b>	<b>17 650</b>	<b>-</b>	<b>-</b>



## 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 does not differ 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 2020		R'000 Level 1	R'000 Level 2	R'000 Level 3	R'000 Total
	Notes				
<b>Financial and non-financial assets</b>					
Financial assets at fair value through profit or loss (FVPL)	17.4	7 308 764	-	-	7 308 764
Biological assets	18.5	-	-	5 930	5 930
<b>Total financial and non-financial assets</b>		<b>7 308 764</b>	<b>-</b>	<b>5 930</b>	<b>7 314 695</b>
<b>Financial and non-financial liabilities</b>					
Interest bearing borrowings	17.6	-	( 187 450)	-	( 187 450)
<b>Total financial and non-financial liabilities</b>		<b>-</b>	<b>( 187 450)</b>	<b>-</b>	<b>( 187 450)</b>

Recurring fair value measurements as at 31 December 2019		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		5 773 090		-	5 773 090
Biological assets	18.5		-	-	7 463	7 463
<b>Total financial and non-financial assets</b>			<b>5 773 090</b>	<b>-</b>	<b>7 463</b>	<b>5 780 553</b>
<b>Financial and non-financial liabilities</b>						
Interest bearing borrowings	17.6		-	185 769	-	185 769
<b>Total financial and non-financial liabilities</b>			<b>-</b>	<b>185 769</b>	<b>-</b>	<b>185 769</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:

Total fair value of non-current interest-bearing borrowings: 230 236

#### Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 December 2020 and 31 December 2019:

	GROUP		UNIVERSITY	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Opening net carrying amount	7 463	8 081	3 018	3 009
Selling	(1 436)	( 726)	-	-
Additions	243	305	-	9
Revaluation	( 340)	( 197)	-	-
Closing net carrying amount	5 930	7 463	3 018	3 018

## 20. Cash flow information

### 20.1 Cash generated from operations

Notes	GROUP		UNIVERSITY	
	"2020 R'000"	"2019 R'000"	"2020 R'000"	"2019 R'000"
Reconciliation of net surplus to cash generated from operations:				
Surplus for the year before market value adjustments on investments	1 047 134	750 856	1 079 302	782 292
(Income)/loss from associate	151	197	151	197
Surplus for the year without associate	1 047 285	751 052	1 079 453	782 489
Adjustments for:				
Depreciation	18.1 80 747	70 900	71 712	65 576
Dividends	14 ( 85 524)	( 62 974)	( 85 181)	( 62 725)
Interest received	14 ( 160 156)	( 202 342)	( 159 055)	( 202 332)
Administration cost financial assets	15 19 796	15 971	19 767	15 921
Interest expense	24 854	21 888	20 232	21 027
(Profit)/loss on sale of assets	11 1 782	2 674	922	2 519
Deferred income accrued	14 607	-	14 607	-
Purchase of property, plant and equipment and cost of patents relating to grants	18.7 76 587	77 124	76 587	77 124
Changes in working capital (excluding the effects of acquisition and disposal):				
- Inventories	124	274	124	274
- Deferred tax	1 005	( 13 552)	-	-
- Biological assets	1 533	618	-	( 9)
- Trade and other receivables	( 126 355)	( 44 410)	( 126 052)	( 37 887)
- Student and other loans	1 618	23	1 618	23
- Trade and other payables	112 919	36 069	99 211	26 723
- Deferred income	70 220	( 104 622)	70 220	( 104 622)
- Retirement benefit surplus	( 15 910)	( 9 874)	( 15 910)	( 9 874)
- Post-employment medical obligation	39 025	45 798	39 025	45 798
- Accrued leave obligation	25 146	4 184	25 683	3 825
- Post-employment group life obligation	1 332	3 985	1 332	3 985
Cash generated from operations	1 130 634	592 787	1 134 295	627 899

### 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	185 769	191 998	185 769	191 998
Capital repayments on borrowings	-	( 10 000)	-	( 10 000)
Interest accrued	24 854	21 888	20 232	21 027
Cash flow payments	( 23 172)	( 18 117)	( 18 551)	( 17 257)
Net liabilities as at 31 December	187 450	185 769	187 450	185 769

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	191
22 Financial risk management	191 - 200
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## 21. Critical estimates, judgements and errors

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. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

### 21.1 Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Estimation of current tax payable and current tax expense – note 16.
- Estimated fair value of certain financial assets – notes 19.
- Estimation of fair values investment property – notes 18.2.
- Estimated useful life of intangible asset – note 18.3
- 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
- Estimation of useful lives of biological assets – note 18.5\

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
<b>Credit risk</b>	22.2	Cash and cash equivalents, trade receivables	Aging analysis and credit rating	"Diversification of bank deposits, credit limits. Investment guidelines for debt investments"
<b>Liquidity risk</b>	22.3	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

Risk management is performed by the relevant decision-making structures in the group in accordance with the policies approved by the Council or board of directors as applicable. Senior management identify, evaluate and coordinate the management of strategic risks faced by the group. Risk management processes are reviewed regularly for continuing relevance and effectiveness. A report on the risk management process that is being followed, as well as a summary of the risk register, was presented to the Audit and Risk Management Committee and to the Council of the University during the year under review.

The Group's investment channels have strong investment characteristics and no portfolios that have speculative characteristics, are being utilised.

## 22.1 Market risk

### 22.1.1 Foreign currency risk

#### Exposure

The group's exposure to foreign currency risk is mainly in the event of foreign sales transactions, settled on normal trade terms. This exposure is not significant and therefore no formal policy is in place to manage this risk.

The group is further exposed to foreign currency risk in regards to foreign investments held, mainly denominated in US dollar. Foreign currency risk exposure relating to foreign investments, are managed by independent fund managers in terms of formal mandates. A multi-manager approach is followed in appointing investment managers to limit investment risk exposures. These fund managers are overseen by and report to the Investment Committee of the University.

Foreign investment exposure to foreign currencies (Also refer to 17.4)

Rand

US Dollar

GROUP		UNIVERSITY	
2020	2019	2020	2019
%	%	%	%
67%	68%	67%	66%
33%	32%	33%	34%
R '000	R '000	R '000	R '000
6 756	9 810	1 316	9 810

Trade receivables dominated in foreign currency as at 31 December  
(ZAR amount)

#### Sensitivity

As shown in the table above, the group is primarily exposed to changes in US/ZAR exchange rates.

The table below shows the foreign currency risk exposure on foreign currency investments, taking into account a possible 10% variance in foreign currency rates.

Possible variances in foreign currency rates:

Foreign Investments

GROUP	UNIVERSITY
R '000	R '000
±10%	±10%
243 893	242 913



### 22.1.2 Cash flow and fair-value interest rate risk

#### Exposure

Interest rate risk is the possibility that the group may suffer financial loss if either a fluctuating interest rate or fixed interest rate position is entered into and the interest rates move adversely. The group's income and operating cash flows are substantially independent of changes in market interest rates.

The University has interest rate exposure on interest-bearing liabilities. Interest rate attributes of new loans are reviewed and approved in accordance with policies approved by Council to ensure interest rate exposure will not exceed acceptable levels. Interest rates of all current loan agreements are fixed for their full term, except for the ABSA overdraft facility and therefore operating cash flows are substantially independent of changes in market interest rates. Refer to note 17.6 for further disclosures regarding interest-bearing borrowings and related interest rates. The University also pays creditors within agreed settlement periods to avoid interest exposures. The University has interest-bearing assets. The income and operating cash flows are substantially independent of changes in market interest rates and therefore the University did not enter into any agreements regarding interest rate derivatives for the 2020 and 2019 financial years.

The table below shows the interest rate risk exposure on the University's surplus taking into account a possible variance of 50 basis points. Only exposure due to interest earned on interest bearing assets were considered, as interest earned on trade receivables are not significant.

The interest rate exposure on total borrowings of the group are at fixed rates.

	Note	Rate	2020		2019	
			R'000	% of borrowings	R'000	% of borrowings
<b>Fixed rate borrowings</b>	17.6		( 187 450)	100%	( 185 769)	100%
FirstRand Bank		10.13%				
Development Bank of South Africa		12.04%				
<b>Variable rate borrowings*</b>	17.3	Prime	-		-	

\* 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 2019 or 2020, therefore no interest was levied.

No sensitivity analysis was performed as the likelihood that the group would be exposed to interest rate risk is highly unlikely.

### 22.1.3 Price risk

#### Exposure

The group is exposed to equity securities price risk because of investments held by the group classified on the statement of financial position as financial assets through profit and loss. The group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the group diversified its investment portfolio. The diversification is done by independent fund managers and the limits of diversification are overseen by the Investment Committee. A multi-manager approach is followed in appointing investment managers to limit further price risk. The majority of the group's investments are publicly traded and included on the FTSE or JSE CAPI index. Also refer to note 17.4 for further information regarding investments.

	Note	GROUP			
		2020		2019	
		R'000	% of investment portfolio	R'000	% of investment portfolio
Listed national shares	17.5	<u>1 696 335</u>	23%	<u>1 644 629</u>	28%

#### 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.

Possible variance in price risk:	2020 R '000 ±10%
Shares (listed)	<u>169 634</u>

### 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 students with an appropriate credit history. Further detail on this specific policy is disclosed under note 17.1.

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 2020, 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 (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 2020 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 2019 and 31 December 2020 was determined as follows for both student and trade receivables.

### Student receivables

Student receivables are deemed impaired and credit losses are provided for if the students do not register for the next academic year and did not obtain a qualification. The expected loss rate for these students are adjusted to reflect current and forward-looking information affecting the ability of the student to settle these receivables, as well as the ability of external debt recovery agents to recover money on behalf of the UFS. Students are not allowed to register for the next academic year if they still have outstanding debt or not being able to secure their registration during the provisional registration process.

Students with outstanding debt who obtained a qualification are not considered to be impaired to the same extent as the above students. This is based on historical evidence that these students do settle their debt in order to collect their qualifications. The provision for these students do however take into account the ability of external debt recovery agents, as well as the students ability in the current economic environment to settle the outstanding amounts.

The listing of students who did not register again and who did not complete their degrees, relate to the academic year being the year reported on. None relate to prior academic years.

In all the above categories, NSFAS qualifying students were separately considered for the credit loss provision as the qualifying criteria for NSFAS take into consideration the students household income and ability to settle outstanding fees not covered by NSFAS.

The credit quality of student receivables are managed by the University with reference to the following categories, were determined on a basis of historical student default rates and the effectiveness of external debt recovery agents who recover money on behalf of the UFS:

Student receivables only exist in the University, therefore disclosures for the group and the University will be the same.

### Gross student receivables

	2020	2019
	R '000	R '000
Students still studying	186 344	140 468
Students not registered, who obtained a qualification	43 611	13 591
Students not registered and who did not obtain a qualification	81 302	62 273
	311 257	216 332

The closing loss allowances for student and other receivables as at 31 December 2020 reconcile to the opening loss allowances as follows:

### Student receivables loss allowances

	GROUP		UNIVERSITY	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
Opening loss allowance	80 041	64 526	80 041	64 526
New allowance for credit losses	78 854	87 020	78 854	87 020
Receivables written off during the year	( 63 447)	( 71 505)	( 63 447)	( 71 505)
Closing net carrying amount	95 448	80 041	95 448	80 041

### Other receivables (excluding tax receivable) - 2020

	GROUP				
	R '000	R '000	R '000	R '000	R '000
31 December 2020	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
Expected loss rate - University	0%	0%	0%	0%	18%
Expected loss rate - Subsidiaries	4%	6%	11%	0%	0%
Gross carrying amount	140 824	11 268	8 820	1 249	5 500
<b>Loss Allowance</b>	<b>231</b>	<b>536</b>	<b>-</b>	<b>-</b>	<b>3 387</b>
					<b>167 661</b>

### Other receivables (excluding tax receivable) - 2019

	GROUP				
	R '000	R '000	R '000	R '000	R '000
31 December 2019	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
Expected loss rate - University	0%	0%	0%	0%	9%
Expected loss rate - Subsidiaries	4%	8%	10%	0%	0%
Gross carrying amount	105 451	4 777	429	1 438	8 730
<b>Loss Allowance</b>	<b>145</b>	<b>372</b>	<b>97</b>	<b>-</b>	<b>1 981</b>
					<b>120 825</b>

### Trade Receivables loss allowances

Opening loss allowance  
(Reversal) / New allowance for credit losses  
Receivables written off during the year  
Closing net carrying amount

GROUP		UNIVERSITY	
2020	2019	2020	2019
R ' 000	R ' 000	R ' 000	R ' 000
2 422	19 350	2 422	19 350
2 899	( 16 172)	2 899	( 16 172)
( 1 167)	( 584)	( 1 291)	( 756)
<b>4 154</b>	<b>2 595</b>	<b>4 030</b>	<b>2 422</b>

## 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 R0,035m (2019 - R0,035m) are neither past due nor impaired, as the loans are not yet repayable. Students that are still studying are deemed as recoverable.
- Student loans for students who completed their studies to the value of R28,656m (2019 - R27,142m) are past due and impaired.

The age analysis of these loans are as follows:

	GROUP		UNIVERSITY	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
Current	-	-	-	-
30 Days	-	-	-	-
60 Days	-	-	-	-
90 Days	-	-	-	-
120 Days and longer	28 656	28 757	28 656	28 757
	28 656	28 757	28 656	28 757

As at 31 December 2020, student loans of R28,656m (2019: R27,142m) 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 R28,656m (2019 - R27,142m) was raised.

Movement on the allowance for credit losses for students who completed their studies, which are past due are as follows:

	GROUP		UNIVERSITY	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
Opening net carrying amount	27 142	27 271	27 142	27 271
Reversal / (allowance) for new credit losses	1 514	( 117)	1 514	( 117)
Loans written off during the year	-	( 12)	-	( 12)
Closing net carrying amount	28 656	27 142	28 656	27 142

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, a fully owned subsidiary on 1 October 2018. The loan is subordinated for a period of 24 month subsequent to 6 July 2020 to the benefit of other creditors of the company. Refer to note 24.4 for disclosures relating to the amount of the loan. Management projections indicate that the company will be in a position to commence servicing the loan within the next 12 months.



### 22.2.2.3 Credit quality of financial instruments at FV through profit and loss

The credit quality of investments are managed by the University with reference to the following categories. External credit ratings were included where available. None of these financial assets are either past due or impaired and no impairment provisions were raised in either 2020 or 2019. If there would have been allowances for credit losses, the amounts would be included in Other operating expenses in the consolidated statement of comprehensive income.

	GROUP		UNIVERSITY	
	2020	2019	2020	2019
	R ' 000	R ' 000	R ' 000	R ' 000
National bonds and unlisted debt	899 678	936 918	899 678	936 918
Listed national shares	1 696 335	1 644 629	1 686 100	1 635 222
Foreign shares and bonds	2 438 933	1 981 205	2 429 135	1 972 247
Futures	227	( 176)	227	( 176)
Current investments in financial institutions	2 273 591	1 210 514	2 270 522	1 207 609
	7 308 764	5 773 090	7 285 662	5 751 821

#### % Exposure of investments per category

	GROUP		UNIVERSITY	
	2020	2019	2020	2019
	%	%	%	%
National bonds and unlisted debt	12%	16%	12%	16%
Listed national shares	23%	28%	23%	28%
Foreign shares and bonds	33%	34%	33%	34%
Futures	0%	0%	0%	0%
Current investments in financial institutions	32%	22%	32%	22%
	100%	100%	100%	100%

#### Listed National bonds and unlisted debt maturity

0 - 1 year	6.63%	4.79%	6.63%	4.79%
1 - 3 years	15.22%	8.18%	15.22%	8.18%
3 - 7 years	16.20%	24.70%	16.20%	24.70%
7 - 12 years	20.94%	12.76%	20.94%	12.76%
12+ years	41.02%	49.57%	41.02%	49.57%
	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	R'000	R'000	R'000	R'000
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
At 31 December 2020					
Borrowings	19 942	44 484	51 407	252 075	187 450
Trade and other payables	594 975	-	-	-	594 975
	614 917	44 484	51 407	252 075	782 425

	GROUP				
	R'000	R'000	R'000	R'000	R'000
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
At 31 December 2019					
Borrowings	17 257	38 494	44 484	360 751	185 769
Trade and other payables	482 295	-	-	-	482 295
	499 552	38 494	44 484	360 751	668 064

	UNIVERSITY				
	R'000	R'000	R'000	R'000	R'000
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
At 31 December 2020					
Borrowings	19 942	44 484	51 407	252 075	187 450
Trade and other payables	557 962	-	-	-	557 962
	577 904	44 484	51 407	252 075	745 412

	UNIVERSITY				
	R'000	R'000	R'000	R'000	R'000
	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
At 31 December 2019					
Borrowings	17 257	38 494	44 484	360 751	185 769
Trade and other payables	458 773	-	-	-	458 773
	476 030	38 494	44 484	360 751	644 542

### 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	
	2020	2019	2020	2019
	R'000	R'000	R'000	R'000
Current portion of financial assets	2 273 818	1 210 338	2 270 750	1 207 434
Cash and cash equivalents	74 768	448 853	62 490	441 233
Total	2 348 586	1 659 191	2 333 239	1 648 667
Current liabilities	920 250	634 173	871 537	607 480
Total current liabilities	920 250	634 173	871 537	607 480
Net position	1 428 337	1 025 018	1 461 702	1 041 187

#### Farmovs

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholders returns.

## Group structure

This section provides information which will help users understand how the group structure affects the financial position and performance of the group as a whole. In particular, there is information about:

- changes to the structure that occurred during the year as a result of business combinations
- transactions with non-controlling interests

A list of significant subsidiaries is provided in note . This note also discloses details about the group's equity accounted investments.

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## 24. Interest in other entities

### Principles of consolidation and equity accounting

#### (i) Subsidiaries

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

*The acquisition method of accounting is used to account for business combinations by the group. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.*

*Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.*

#### (ii) Associates

*Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.*

#### (iii) Equity method

*Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.*

*When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.*

*Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.*

*The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 19.*

#### (iv) Changes in ownership interests

*The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.*

*When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.*

*If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.*

## 24.1 Group structure

The group's principal subsidiaries at 31 December 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business. South Africa is the principal place of business for all entities listed below.

Name of entity	Relationship to the University	Ownership and interest held by the University		Financial results	Principal activities
		2020	2019		
Kovsie Alumni Trust	The University is the sole beneficiary	100%	100%	Note 24.2.1	Marketing to Alumni to facilitate bursaries to students
Lila Theron Trust	The University is the sole beneficiary	100%	100%	Note 24.2.1	Commercial Farming
Shimla Stigting	The University is the sole beneficiary	100%	100%	Note 24.2.1	Promotion of Shimla Rugby
Kovsie Holdings Pty Ltd	Full Subsidiary	100%	100%	Note 24.2.1	Dormant
Achilla Bioscience Pty Ltd	Full Subsidiary	100%	100%	Note 24.2.1	Dormant
Farmovs Pty Ltd	Full Subsidiary	100%	100%	Note 24.3.2	Clinical research company
Sun Media Bloemfontein Pty Ltd	Associate	17.0%	33.3%	Note 24.3.1	Publishing company

All of the above entities are wholly owned, except for SunMedia Bloemfontien Pty Ltd, which is accounted for as investment in associate under note 24.3.1.

Refer to note 24.4 for details of related party transactions with the parties listed above.

## 24.2 Subsidiaries

Only the financial result of Farmovs Pty Ltd is material to the group and is detailed in note 24.3.2 below. The financial results of all other consolidated entities are not material, individually or combined. The combined financial results are disclosed in note 24.2.1 below.

### 24.2.1 Statement of financial position of all subsidiary undertakings excluding Farmovs Pty Ltd.

	2020	2019
	R '000	R '000
<b>Assets</b>		
Property, plant and equipment	2 038	1 397
Biological Assets	2 913	4 446
Investments	23 103	21 269
Receivables and prepayments	947	577
Bank and cash	4 859	4 169
<b>Total assets</b>	<b>33 860</b>	<b>31 858</b>
<b>Funds and liabilities:</b>		
Accumulated profit / funds available	21 054	20 963
Accounts payable	12 806	10 895
<b>Total funds and liabilities</b>	<b>33 860</b>	<b>31 858</b>



## 24.2.2 Statement of financial position of Farmovs Pty Ltd.

	2020 R '000	2019 R '000
<b>Assets</b>		
Property, plant and equipment	43 966	21 783
Deferred tax	27 553	17 650
Receivables and prepayments	19 895	16 292
Current tax receivable	-	10 908
Cash and cash equivalents	7 419	3 450
<b>Total assets</b>	<b>98 833</b>	<b>70 084</b>
<b>Funds and liabilities:</b>		
Intercompany loans	51 784	36 994
Accumulated profit / funds available	( 14 459)	10 424
Finance leases	29 352	5 441
Trade payables	32 155	17 225
<b>Total funds and liabilities</b>	<b>98 833</b>	<b>70 084</b>

## 24.3 Investment in associates and subsidiaries

### 24.3.1 Investment in associates

	GROUP		UNIVERSITY	
	2020 R '000	2019 R '000	2020 R '000	2019 R '000
<b>Unlisted</b>				
- Sun Media Bloemfontein Pty Ltd	184	202	184	202
<b>Total investment in associates</b>	<b>184</b>	<b>202</b>	<b>184</b>	<b>202</b>

#### 24.3.1.1 Sun Media Bloemfontein Pty Ltd

	GROUP		UNIVERSITY	
	2020 R '000	2019 R '000	2020 R '000	2019 R '000
Opening net carrying amount	202	396	202	396
Profit/(loss) in associate	( 17)	( 195)	( 17)	( 195)
Closing net carrying amount	<b>184</b>	<b>202</b>	<b>184</b>	<b>202</b>
Revenue of the associate (2020: 17% and 2019: 33%)	<b>499</b>	<b>889</b>	<b>499</b>	<b>889</b>
Assets and liabilities of the associate: (2020: 17% and 2019: 33%)				
Assets	145	214	145	214
Liabilities	44	( 41)	44	( 41)
Equity	<b>189</b>	<b>173</b>	<b>189</b>	<b>173</b>

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.

### 24.3.2 Investment in subsidiary

	GROUP		UNIVERSITY	
	2020	2019	2020	2019
	R '000	R '000	R '000	R '000
Unlisted				
- Farmovs Pty Ltd	-	-	96 707	96 707
Total investment in subsidiary	-	-	96 707	96 707

### 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	
	2020	2019	2020	2019
	R '000	R '000	R '000	R '000
<b>Balances:</b>				
Purchases of goods and services	499	769	1 647	1 134
Intercompany loans receivable	51 784	36 994	-	-
Accounts receivable	3 671	-	-	-
<b>Transactions:</b>				
Rent received	5 210	8 093	-	-
Interest received	3 683	-	-	-
Other income	2 803	-	-	-

	Lila Theron Farm		Kovsie Alumnies Trust	
	2020	2019	2020	2019
	R '000	R '000	R '000	R '000
<b>Balances:</b>				
Trade receivables from entity	10 926	10 777	-	-
<b>Transactions:</b>				
Distribution from entity to the UFS	-	292	1 870	1 653
Admin fees income	80	90	247	230

Services and rental income are based on normal commercial terms and conditions.

Payables to related parties arise mainly from purchase transactions. The payables bear no interest.

Executive management are also deemed related parties of the University. Refer to note 12.1 for a list of all executive members and their remuneration during the financial year.

## Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

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## 25. Commitments

### Capital commitments

GROUP	UNIVERSITY	GROUP	UNIVERSITY
2020	2020	2019	2019
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	82 611	82 611	195 428	195 428
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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 liability ranging between R5 million and R7 million exist. The University's management consider the likelihood of the actions against the University being successful as unlikely.

## 28. 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.

### 28.3.3 Council designated 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 available-for-sale reserve. The available-for-sale reserve have been reclassified in 2019 due to the change in IFRS 9 to a Fair value through profit and loss reserve, which forms part of council designated funds.



UNIVERSITY OF THE FREE STATE  
SUPPLEMENTARY FINANCIAL STATEMENT 1  
NON-CURRENT AND CURRENT INVESTMENTS  
as at 31 December 2020 (all amounts in R'000)

GROUP	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	876 336	936 918	771 782	(811 837)	(9 296)	2 814	836 281	899 678	-
	Shares (listed)	1 689 969	1 644 629	814 042	(732 440)		(29 896)	1 771 571	1 696 335	132 538
	Other	1 285 086	1 981 205	1 006 205	(573 677)	(8 828)	25 200	1 777 614	2 438 933	-
<b>Current investments</b>										
	Futures	189	(176)	245 768	(245 343)	-	(22)	613	227	-
	Other	1 209 932	1 210 514	3 733 513	(2 671 261)	-	825	2 272 185	2 273 591	131 999
<b>TOTAL</b>		5 061 512	5 773 090	6 571 311	(5 034 558)	(18 124)	(1 078)	6 598 265	7 308 764	264 537

UNIVERSITY OF THE FREE STATE  
 SUPPLEMENTARY FINANCIAL STATEMENT 2  
 NON-CURRENT AND CURRENT BORROWINGS  
 as at 31 December 2020

TYPE OF BORROWING	TOTAL R'000	AMOUNTS PAYABLE WITHIN ONE YEAR R'000
Banking institutions	(187 450)	-
<b>TOTAL</b>	<b>(187 450)</b>	<b>-</b>

## 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.



### **Council of the University of the Free State Code of Ethical Conduct**

The University of the Free State (UFS, also referred to as the University) adopts this Code of Ethical Conduct in order to:

- confirm core values to which it will adhere in the governance of the University,
- promote honest and ethical conduct by members of Council by establishing standards to which they should conform, and
- guide Council members in carrying out their duties to the UFS.

The core values of the University are:

- ◆ Superior Scholarship
- ◆ Human Embrace
- ◆ Institutional distinctiveness
- ◆ Emergent Leadership
- ◆ Public Service (linked with the Academic Project and the Human Project)

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles. Council members are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairperson of Council or the Chairperson of the UFS Audit and Risk Management Committee, who may provide guidance on the provision in question.

This Code applies to all members of Council of the UFS, regardless of the sector, constituency, office or entity to which they owe membership. Members of Council who are employees of the UFS are also subject to the conduct requirements and conditions of service of their appointments, which are separate requirements and are not part of this Code. Student members of Council are also bound by the rules and codes governing students. All Council members shall adhere to the requirements set forth below in carrying out their duties to the UFS.

### **Standard of Conduct**

In discharging her or his duty to direct the governance of the UFS, a Council member shall at all times act in a manner he or she believes in good faith to be in the best interests of the University, and shall exercise the care which an ordinarily prudent person in such a position would exercise under similar circumstances. The Council represents the interests of the UFS and has responsibility for overseeing governance and management and should also manage adherence to the principles of good governance by the members of Council. The Council members' responsibilities in performing this oversight function include a *duty of care* and a *duty of loyalty*.

A Council member's *duty of care* refers to the responsibility to act reasonably and exercise appropriate diligence in overseeing the governance and management of the University, making decisions and taking other actions. In meeting the *duty of care*, members of Council are expected to:

1. Attend and participate personally in Council and related committee meetings. This entails ensuring that a member is not absent without leave from two consecutive ordinary meetings of the Council (See Section 15(7)(a) of the institutional statute.)
2. Remain properly informed about the business and affairs of the University. Council members will therefore devote appropriate time to review periodic updates provided by University management, as well as studying Council materials prior to each meeting.

3. Rely on others. In doing this, Council may have to rely on Council committees, UFS management and employees, and professional advisers.
4. Make inquiries during meetings. Members of Council will make inquiries about potential problems that come to their attention and follow up in subsequent meetings or in appropriate Council sub-committees until they are reasonably satisfied that management is addressing them appropriately. (This process must be seen in conjunction with the section on Compliance Procedures below.)

A Council member's *duty of loyalty* refers to the responsibility to act in good faith and in the University's best interests, not the interests of himself or herself, a family member or an organization with which the Council member is affiliated, or any other sectional interest of the member. Council members shall not use their positions for personal gain. The *duty of loyalty* may be relevant in cases of conflict of interest.

### **Conflicts of Interest**

Members of Council have a duty to be free from the influence of any conflicting interest when they participate in Council meetings or related Committee deliberations or voting, and to comply with the UFS *Council Conflict of Interest Policy* and the related annual declaration of any conflict of interest.

### **Confidentiality**

Members of Council will maintain the confidentiality of all proprietary, strategic and sensitive or valuable information of the University entrusted to them, except when disclosure is authorized or legally mandated.

### **Fair Dealing**

In carrying out their responsibilities to the UFS (including establishing the University's policies and procedures), members of Council shall seek to deal fairly with the University's employees, service providers, suppliers, competitors, partners and students, and shall avoid taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. Council members will refrain from making or supporting any statement, promotion, or advertisement that is deceptive or fraudulent, and from the use of implication or half-truths that could falsely represent a UFS programme or service.

### **Protection and Proper Use of University Assets**

In carrying out their responsibilities to the UFS (including establishing the University's policies and procedures), Council members will protect the assets of the University, ensure their efficient use and ensure that they are used for legitimate business purposes.

### **Compliance with Laws and Regulations**

In carrying out their responsibilities to the UFS, Council members will adhere, and cause the University to adhere, to all applicable international, national and local legislation and prerequisites. In particular, Council members will seek to comply with the requirements of both the Higher Education Act (No. 101) of 1997, as amended, and the Institutional Statute: University of the Free State (Government Gazette No. 33490, of 27 August 2010, as amended).

### **Encouraging the Reporting of Possible Illegal or Unethical Behaviour**

The Council will take steps to ensure that the University (a) promotes ethical behaviour; (b) encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (c) encourages employees to report violations of laws, regulations or the University's own regulatory framework appropriate to its personnel and students; and (d) informs employees and students that the University will not allow retaliation or victimization for reports made in good faith.



**Compliance Procedures**

Any waiver of any provision of this Code may only be made by the Executive Committee of Council (ECC) after due deliberation and a determination that appropriate controls to protect the UFS are in place. Any subsequent resulting amendment to this Code will be put before Council by the ECC for consideration.

Members of Council will communicate any suspected violations of this Code promptly to the Chairperson of Council or the Chairperson of the Audit and Risk Management Committee as appropriate. Violations will be investigated by the ECC or by a person or persons designated by the Council, and appropriate action will be taken in the event of any violations of the Code.

Approved by the Council on 7 June 2013.

**THE UNIVERSITY OF THE FREE STATE (“UFS”):**  
**POLICY OF THE UFS ON CONFLICT OF INTEREST BY THE MEMBERS OF THE UFS COUNCIL**

## 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, all Council members 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 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;
<b>“Associate”</b>	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;
<b>“Chairperson”</b>	means the chairperson for the time being of the Council;
<b>“Code of Conduct”</b>	means the official code of conduct of the UFS and related regulations pertaining to the Council and members of the Council, 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;
<b>“Conflict of Interest Policy”</b>	means this official conflict of interest policy of the UFS and related regulations pertaining to the Council and members of the Council;
<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 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 Members</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;
<b>“Statute”</b>	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
<b>“UFS”</b>	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 its Members.

- 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 in the performance of the 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 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 and/or its Members.
- 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 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 B**'.

## 6. RESPONSIBILITY OF MEMBERS

- 6.1. The Responsibilities of the Members 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 not 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 attached hereto as '**Annexure A**' ("**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. Members 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. Members 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 Members 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 shall annually complete and sign the Disclosure Statement, attached hereto and marked as '**Annexure A**', which Disclosure Statement must be submitted annually to the Registrar on or before 31 March each year.

7.4.2. Each of the Council Members 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 Members*) or to the Register in the format communicated to such member at such time.

#### 7.5. **Nature of conflict of interest**

7.5.1. A material "**conflict of interest**" may be defined as a direct or indirect interest with any Related Party contemplated in paragraph 7.1 above. Such conflicting interest may arise through –

7.5.1.1. owning shares or holding debt or other proprietary interests in any third party dealing with the UFS;

7.5.1.2. holding office, serving on the Council or any other committee or board, participating in management or being otherwise employed (or formerly employed) in any third party dealing or competing directly with the UFS;

- 7.5.1.3. receiving remuneration for services with respect to individual transactions involving the UFS;
- 7.5.1.4. using the time, personnel, equipment, supplies or goodwill of the UFS other than for approved activities, programmes and purposes; and/or
- 7.5.1.5. receiving personal gifts or loans from third parties, dealing with the UFS (receipt of any gift is disapproved, except gifts of nominal value (under R500.00) that could not be refused without discourtesy – no personal gift of money should ever be accepted by a Member in his capacity as such).
- 7.5.2. Personal gain may result not only in cases where a Member or relative has a significant ownership in a Related Party with which the UFS does business, but also when a Member or relative receives any special consideration, substantial gift (with a monetary value over R500.00), kickback or bribe as a result of any transaction or business dealings involving the UFS.
- 7.5.3. The intellectual property, materials, concepts, designs, plans, products, ideas and data of the UFS are the property of the UFS, and should never be given to an third party or individual except through normal channels and with appropriate authorisation. Any improper transfer of material or disclosure of information, even though it is not apparent that a Member has personally gained by such action, constitutes unacceptable conduct.

## 8. POLICY REVIEW

- 8.1. The Exco will ensure that a review team is put in place within 3 (THREE) years after implementing this Conflict of Interest Policy, which review team shall include an external a member of Council, in order to review this Conflict of Interest Policy and prepare an evaluation report.
- 8.2. The evaluation report compiled by the review team as contemplated in paragraph 8.1 above, and the results set forth therein, will be considered by the Council within a reasonable period in order to decide whether the recommendations contained therein will be approved, rejected or referred back to the review team for further consideration.

## 9. POLICY RECORD

Document name	Council Conflict of Interest Policy
Document number	C2020/001
Coordinating EXCO member	Registrar

Contact person	Deputy Registrar: Governance and Policy
Status	Council Policy
Approved by	Rectorate: 2020-05-13 ECC: 2020-05-28
Date finally approved	Council: 2020-06-19
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: ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT

### UFS COUNCIL: ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT

NAME (please print) \_\_\_\_\_

***Tick as appropriate***

CAPACITY: \_\_\_\_\_ Member of Council  
 \_\_\_\_\_ Member of Executive committee of Council  
 \_\_\_\_\_ Member of Council Financial committee  
 \_\_\_\_\_ Non-member invited or in attendance at any of the above committees

Other – specify: \_\_\_\_\_

My primary business or employment at this time: \_\_\_\_\_

*Please initial in the space at the end of Item A or complete Item B, whichever is appropriate, then complete Item C, and sign and date the statement and return it to the Registrar.*

- A.** I am not aware of any relationship or interest or situation involving my family or myself that might result in, or give the appearance of representing, a conflict of interest between such family member or me, on one hand, and the University of the Free State, on the other.

\_\_\_\_\_ Initials

**OR**

- B.** The following are relationships, interests, or situations involving me or a member of my family that I consider might result in or appear to be an actual, apparent or potential conflict of interest between such family members or myself, on one hand, and the University of the Free State, on the other:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_ Initials

***For-profit corporate directorships, positions and employment:***

1. ....
2. ....

***Non-profit board memberships or positions:***

1. ....
2. ....

***Memberships in the following organisations:***

1. ....
2. ....

***Contracts, business activities and investments with or in the following organisations:***

1. ....
2. ....

***Other relationships and activities:***

1. ....
2. ....

**C.** In order to be more comprehensive, please provide information with respect to certain parties that are related to you. For purposes herein, these persons are termed “**affiliated persons**” and include the following:

- a. any immediate family member.
- b. any corporation or organisation of which you are an officer or a partner or are, directly or indirectly, the beneficial owner of 10% (TEN PERCENT) or more of any type of stocks, shares or equities; or

- c. any trust or other estate in which you have a substantial beneficial interest or in respect of which you serve as a director or board member or in a similar capacity.

### QUESTIONS

1. Have you or any of your affiliated persons provided services or property to the University of the Free State (other than as a volunteer) in the past year?

\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please describe the nature of the services or property:

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2. Have you or any of your affiliated persons purchased services or property from the University of the Free State in the past year?

\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please describe the purchased services or property:

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3. Please indicate whether you or any of your affiliated persons had, have, or will have any direct or indirect interest in any business transaction(s) in the past year to which the University of the Free State was or is a party?

\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please describe the transaction(s):

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4. Were you or any of your affiliated persons indebted to pay money to the University of the Free State at any time in the past year (e.g. student fees or the like)?

\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please describe the indebtedness:

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5. In the past year, did you or any of your affiliated persons receive, or are you at present entitled to receive, directly or indirectly, any personal benefits from, or, as a result of your relationship with the University of the Free State, that in the aggregate could be valued in excess of R10,000.00 (TEN THOUSAND RAND) and which were not or will not be compensation directly related to your duties to the University of the Free State?

\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please describe the benefit:

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6. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving the University of the Free State?

\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please describe the proceeding(s):

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7. Are you aware of any other events, transactions, arrangements or other situations that you believe should be examined by the University of the Free State's Council or the University Management Committee in accordance with the terms and intent of the University of the Free State' Conflict of Interest Policy?

\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please describe the situation(s):

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I HEREBY CONFIRM that:

- I have read and understand the University of the Free State's Council Conflict of Interest Policy.
- I agree to be bound by it and that my responses to the above questions are complete and correct.
- I will promptly inform the Chairperson of the Council of any material change that develops in the information contained in the foregoing statement.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE



DECLARATION OF RELATED PARTY TRANSACTIONS:

Name of the Related Party (include the legal entities name if it is not a natural person)	Vendor number (if applicable)	Nature of transactions (a detailed description is required)	Nature of relationship (a detailed description of why it is a required)	Rand value of Related Party Transaction	Date of transaction / period over which relationship occurred

I, ..... (full names), ..... (personnel number), in my capacity as ....., declare that all Related Party Transactions between myself and the University of the Free State for the period 31 March 20\_\_\_ to current, are declared above.

Date: ..... Signature: .....

Contact number: .....



## ANNEXURE B: REQUIREMENTS OF THE HIGHER EDUCATION ACT

The Council and its Members 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.”*

## Council Conflict of Interest Policy

### 1. Preamble

Council members have an obligation to promote ethical conduct and behaviour and to conduct business within guidelines that prohibit actual or potential conflicts of interest. Members must at all times practise their individual and collective fiduciary responsibilities. They must avoid conflicts of interest with respect to their fiduciary responsibility. To that end:

- There must be no self-dealing or business by a member with the UFS. This excludes where formal contracts have been negotiated for the University to render a service for payment, and the Vice-Chancellor or Chair of Council have determined that there is not a conflict of interest. Members annually disclose their involvements with other organizations, with vendors, or any associations, which might be or might be seen as being a conflict.
- 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.
- Council members must not use their position in the Council to obtain employment in the UFS for themselves, family members or close associates. Should a Council member apply for employment at the University, she or he must first resign from the Council.

### 2. Rationale

As the University of the Free State is a public institution, it is obliged by legislation to ensure that effective policies and control measures are in place in order to ensure good corporate governance. The Council and management are committed to good corporate governance and more specifically, compliance to internal policies, King III 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 University.

### 3. Scope

Conflicts of interest may arise in the relations of Council members with any of the third parties listed below.

- 3.1. Persons and firms supplying goods and services to the UFS
- 3.2. Persons and firms from whom the UFS leases property and equipment
- 3.3. Persons and firms that the UFS is dealing or planning to deal with in connection with the donation, purchase or sale of property, real estate or securities
- 3.4. Competing or similar organizations or institutions

- 3.5. Donors and others who support the UFS
- 3.6. Agencies, organizations, government structures and associations that affect the operations of the UFS
- 3.7. Family members or friends
- 3.8. Other employees of the UFS.

For completeness, this section of this policy document should be read in juxtaposition with Appendix A of this policy. Particular attention must be given to the provisions contained in the amendments made to the Higher Education Act in 2011, contained in Appendix A.

#### **4. Policy**

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, in their capacity as council members, exercising their best care, judgement and skill for the sole benefit of the UFS. Council members must exercise the utmost good faith in all transactions involved in their duties, and they must not use their positions with the UFS or knowledge gained through this involvement for their personal benefit. The principle is that the interest of the University has first priority in all decisions and actions of the Council and its members.

##### **5.1 Definitions**

“Conflict of interest” means an occurrence, in which a person has sufficient private or personal interest for it to appear that the person (whether a public official, an employee, a student, or a professional) has been influenced to perform official duties without due objectivity.

“Relative” means any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage. (See also Appendix A.)

“UFS” means the University of the Free State.

##### **5.2 Regulatory Considerations**

An actual or potential conflict of interest occurs when a Council 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.

No presumption of guilt is created by the mere existence of a relationship with outside firms. If, however, a Council member has any influence on transactions involving purchases, contracts or leases, it is imperative that he or 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.

Personal gain may result not only in cases where a Council member or relative has a significant ownership in a firm with which the UFS does business, but also when a Council member or relative receives any special consideration, substantial gift, kickback or bribe as a result of any transaction or business dealings involving the University.

The intellectual property, materials, concepts, designs, plans, products, ideas and data of the University are the property of the UFS, and should never be given to an outside 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 Council member has personally gained by such action, constitutes unacceptable conduct.

## **6. Nature of Conflicting Interest**

A material conflicting interest may be defined as a direct or indirect interest with any person/s or firm/s mentioned in Section 3 above. Such an interest might arise through -

- 6.1 owning shares or holding debt or other proprietary interests in any third party dealing with the UFS;
- 6.2 holding office, serving on a Council or Board, advising or participating in governance or management or being otherwise employed (or formerly employed) in any third party dealing or competing directly with the UFS;
- 6.3 Receiving remuneration for services with respect to individual transactions involving the UFS;
- 6.4 Using the time, personnel, equipment, supplies or good will of the UFS other than for approved activities, programmes and purposes;
- 6.5 Receiving personal gifts or loans from third parties, dealing with the UFS: receipt of any gift is disapproved, except gifts of nominal value that could not be refused without discourtesy – no personal gift of money must ever be accepted.

## **7. Interpretation**

The areas of conflicting interest and relations in areas that may give rise to conflict, as delineated above, are not exhaustive. Conceivably, conflicts may arise in other areas or through other relations. It is assumed that Council members will recognize such areas and relations by analogy.

The fact that one of the interests described above exists does not mean necessarily that a conflict 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 is always adverse to the interests of the UFS.

However, it is the policy of the Council that the existence of any of the interests described above shall be disclosed before any transaction is determined or consummated. It is the continuing responsibility of the Council to scrutinize their transactions and outside business interests and relationships for potential conflicts and immediately to make such disclosures.

## **8. Disclosure principles and procedures**

Transactions with related parties may be undertaken only if all of the following are observed:

- 8.1.1 A material transaction is fully disclosed in the individual's annual disclosure statement.
- 8.1.2 The related party is excluded from the discussion and the approval of such transaction.
- 8.1.3 A competitive bid or comparable valuation exists.
- 8.1.4 The Council has acted upon and demonstrated that the transaction is in the best interest of the UFS.

Disclosure involving members should be made to the Council Chairperson, who must bring these matters, if deemed material, to the Council.

The Council must determine whether a conflict exists and is material, and if so whether the contemplated transaction may be authorised as just, fair and reasonable to the UFS. The decision on such matters vests in the Council's sole discretion, and their concern must be the welfare of the UFS and the advancement of its purpose.

## **9. Conflict of Interest Disclosure Statement**

At the first meeting of the Council each year Council members shall sign the UFS Conflict of Interest Disclosure Statement. (See Appendix B.)

## **10. Policy review**

### **10.1 Review procedure**

The ECC will ensure that after three years of implementing the Council Conflict of Interest Policy a review team is put in place, which includes an external member of Council. The report that results will be considered by the Council and the recommendations it contains will be approved, rejected or referred back for further consideration. Subsequent reviews will occur at the end of the fourth year of the standard five-year cycles.

## **7. POLICY RECORD**



Document name Dokument naam	Council Conflict of Interest Policy
Document number Dokument nommer	C2012/002
Coordinating EXCO member Koördinerende UBD lid	Registrar
Contact person Kontak persoon	Deputy Registrar (Governance)
Status Status	Public Access
Approved by Goedgekeur deur	Rectorate/Rektoraat: 20121013 ECC/UKR: 20121018
Date finally approved Datum van finale goedkeuring	Council/Raad: 4
Date last amended Laaste datum van wysiging	
Date for next review Hersieningsdatum	2015 then 2020
Person responsible for review Persoon verantwoordelik vir hersiening	Registrar
Related policies Verwante beleide	

## APPENDIX A

### RELATED PARTY DEFINITIONS AND LEGISLATIVE REQUIREMENTS

For clarity, the definition of a related party is included below. Most related party transactions within the university are likely to fall within paragraphs d), e) or f) of the definition. Any transactions or actions involving relationships with anyone included in the definition of a related party constitute a conflict of interest.

#### **Definition of a related party:**

A party, whether an individual or a business, irrespective of the legal form, is related to the University if :

- a) directly, or indirectly through one or more intermediaries, the party:
  - i) controls, is controlled by, or is under common control of the University
  - ii) has an interest in the University that gives it significant influence over the University; or
  - iii) has joint control over the University;

*Joint control is 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*

- b) the party is an associate of the University;

*An associate is an entity, including an unincorporated entity such as a partnership, over which the investor (the University) has significant influence and that is neither a subsidiary (an entity that is controlled by the University) nor an interest in a joint venture (a contractual arrangement with the University, subject to joint control).*

*To summarize, it is an entity where the University has an interest, but the entity is not controlled by the University nor is it under joint control of the University.*

- c) the party is in a joint venture in which the University is also a party;

*A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.*

- d) the party is a member of the key management personnel of the University

- e) the party is a close member of the family of any individual referred to in (a) or (d);

*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 University. They may include:*

- i) the individual's domestic partner and children;
- ii) children of the individual's domestic partner; and
- iii) dependants of the individual or the individual's domestic partner.

- f) 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 (d) or (e);

*For instance any company, close corporation, trust or other legal entity owned or controlled by key management personnel of the University or close family members of key management personnel, that deals with the University, would be seen as a related party.*

- g) the party is a post-employment benefit plan for the benefit of employees of the University,  
or of any entity that is a related party of the University.

For the technical definition of a related party, refer to IAS 24 (AC125) [International Accounting Standard 24, Related Party Disclosures].

**Requirements of Section 27(7) of the Higher Education Act 1997 as amended on 12 December 2011:**

A member of a Council or a member of a committee of a Council

(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, 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 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 and in writing, inform the chairperson of that meeting of that conflict or possible conflict of interest."

(7A) Any person may, in writing, inform the chairperson of a meeting, 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) A committee of the Council with delegated functions in terms of section 68(2) may not take a decision on a matter considered by it if any member of the committee has a conflict of interest contemplated in this section.**

**(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 section 27(9) and (7A) to (7D) 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; 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.**





# *Visibility and Impact*

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