

2015

Annual Report



**UNIVERSITY OF
ZULULAND**

TABLE OF CONTENTS

PART 1 – ANNUAL REPORT

| | | |
|-----|---|----|
| 1. | PERFORMANCE ASSESSMENT REPORT | 1 |
| 2. | REPORT OF THE CHAIRPERSON OF COUNCIL | 21 |
| 3. | COUNCIL'S STATEMENT ON GOVERNANCE..... | 39 |
| 4. | COUNCIL'S STATEMENT ON SUSTAINABILITY | 44 |
| 5. | SENATE REPORT TO COUNCIL | 48 |
| 6. | REPORT OF THE INSTITUTIONAL FORUM..... | 71 |
| 7. | VICE-CHANCELLOR'S REPORT ON MANAGEMENT AND ADMINISTRATION | 74 |
| 8. | REPORT ON INTERNAL ADMINISTRATIVE OPERATIONAL STRUCTURES | 79 |
| 9. | REPORT ON RISK EXPOSURE ASSESSMENT AND THE MANAGEMENT THEREOF | 81 |
| 10. | ANNUAL FINANCIAL REVIEW | 88 |
| 11. | REPORT OF THE AUDIT & RISK COMMITTEE | 93 |
| 12. | COUNCIL'S REPORT ON TRANSFORMATION | 96 |

PART 2 - ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2015

1. PERFORMANCE ASSESSMENT REPORT

1.1 INTRODUCTION

In terms of the Reporting Regulations for Higher Education Institutions issued in terms of the Higher Education Act, 1997 (Act no 101 of 1997) as amended, prescribed in terms of section 41, read with section 69 of the Higher Education Act 1997, each public higher institution must ensure alignment between the Strategic Plan, Annual Performance Plan, Annual Report, budget documents and Mid-Year Performance Report.

The University has travelled a challenging road in the preceding years, and continues to rise to the challenges it faces, despite the difficulties attendant on these. The approach taken since 2003, when the Minister of Higher Education and Training proclaimed the University as a comprehensive university has been to focus on the renewal of the University in all areas: academic renewal being at the core, but facilities management and infrastructural development are no less important. Equally significant is the commitment to bringing students more directly into the University's processes and to establish a basis from which the students and management may engage each other from the basis of mutual respect. The regeneration of a culture of teaching and learning is underway, with practical steps being taken to refocus activities in this area to ensure that general elevation of standards of delivery across the board.

UNIZULU will continue to consult with all stakeholders, as it has done in the past, as it commits to the operationalization of its strategic priorities. The vision of the University – to be a leading comprehensive University providing quality education – is deceptively simple in its range and scope. In order to reinvigorate the academic project, much work is needed. The nexus between academic delivery, its quality, range of offerings, type of qualifications, resources and facilities management, restoration and funding and sustainability requires a detailed and concerted effort. Tasks associated with this include enrolment planning, the integration of data in the planning and resource allocation process, the development of leadership and managerial acuity, and a research status and a staffing profile able to rise to these challenges. In addition, the University is relying on all these efforts together to increase the equity of the UNIZULU reputation and brand, and commits to foregrounding its achievements and successes in order to effect this. UNIZULU will need to mobilise all available resources (human and financial) to achieve its goals.

The University has plans, as part of its renewal trajectory, to design and deliver new programmes, mainly at the undergraduate diploma level, in engineering, maritime studies and tourism at the Richards Bay campus. These new programmes are in line with the UNIZULU strategic plan 2016 – 2021 which aims to provide high-quality academic and career-focused programmes, relevant and responsive to the needs of students and society and encapsulates the mission of the University - to produce globally competitive graduates, relevant for the human capital needs of the country, by providing quality education which upholds high standards of research and academic excellence. The

University seeks, through its planned new programmes, to address skills shortage in the important disciplines of engineering and maritime studies as well as tourism. Graduates of these programmes will contribute to the continued growth of the regional and local economy of the uMhlathuze Municipality and uThungulu District Municipality as well as the larger economy of South Africa and the southern African region, thereby making UNIZULU a leading comprehensive university. This report indicates the extent to which the strategic goals and objectives as identified in the strategic plan of the University of Zululand as well as agreements that Council have committed to have been achieved in 2015.

1.2 STRATEGIC GOALS AND OBJECTIVES

UNIZULU aimed to refine its strategic goals by September 2015. Several strategic sessions were held on 03 & 04 July 2015 and 04 & 05 September 2015 respectively to create an integrated strategic framework for the University. The strategic framework was largely informed by the Administrator's Report to Council, dated 18 April 2011 to 8 October 2013, read together with the 2014 Annual Report of the University to the Department of Higher Education and Training (DHET). The identified strategic goals and objectives will ensure that operational deficiencies will be redressed and identified risks mitigated. Since October 2013 the university focused on identifying problems, translating those into categories of risks, and generating institutional priorities to take the University forward. The University's identified priorities for 2015 included, amongst others, but not limited to:

- The rebuilding of the executive management team;
- Institutional consultations and engagements to create a new Strategic Plan;
- Critical review and updating of the Academic Structure to identify accreditation challenges and create a quality Teaching and Learning Environment associated with a comprehensive University;
- Creating Maritime and Engineering studies at its Richards Bay Campus and securing land for infrastructure projects at the Richards bay Campus;
- Reviewing and approving the SRC Constitution and having a new SRC inaugurated in 2015;
- Re-focusing of the KwaDlangezwa campus Infrastructure Project;
- Establishing additional Student Accommodation through a DBSA loan;
- Profiling student and staff successes internally and externally;
- Consolidating enterprise development and sustainability collaborations; and
- Continuous mitigation of institutional risks.

The Strategic Plan 2016 - 2021 was finally approved by Council on 05 December 2015 and submitted to DHET. In the absence of an approved strategic plan for 2014 and 2015, the university had to incorporate as interim measure the goals as identified in the 2010-2013 strategic plan, combined with the identified priorities above as objectives for performance for 2015.

The late approval of the University's 2016 – 2021 Strategic Plan also resulted in a delay in the submission of the 2015 Annual Performance Plan (APP). The 2015 APP submission does not clearly set out objectives for 2015 in a defined table, apart from Key Performance Indicators in respect to Enrolment Targets and Funding envelopes. This report however intends to indicate the extent to which the university's strategic goals and objectives had been achieved in 2015.

1.3 AREAS OF CONTRIBUTION TO STRATEGIC GOALS AND OBJECTIVES

The section presents the state of the University in terms of the key pillars of the 2010 – 2013 strategic goals. These goals remain relevant on account that they were subsumed within those defined in 2014 – 2030.

- ***Strategic Goal 1: High Quality Academic and career Focused Programmes***

The University continues to revitalise undergraduate programmes by closely monitoring and evaluating the implementation of the Teaching and Learning Strategy (2013 - 2016). The Strategic thrust of the plan is to contribute to the attainment of the University's vision and mission by developing specific objectives and achievable targets. The University has, through the Quality Assurance Unit, successfully aligned all the University offerings to the Higher Education Qualifications Sub Framework (HEQSF). These programmes include career-focused certificate and diploma offerings taught at the Richards Bay campus. Programmes of this nature foster and promote cooperation between the University and relevant communities. Presently, the University works closely with, among others, the Richards Bay Port for support in Maritime Studies and the Owen Sithole Agricultural College for agricultural activities, including research in relevant agricultural projects, as well as with several FET colleges from around the area of Empangeni, on possible articulation with University programmes. Programmes in which institutions collaborate are directly related to the needs of the region, thus ensuring that the partnership is responsive to the needs of the region in particular, and those of the country in general.

The University continues to strive to reach the graduation target of 22,5% in undergraduate programmes, 54% in Honours and PG Diplomas and 30% in Masters programmes. In 2015, 658 students graduated with honours degrees, and postgraduate diplomas, 42 students graduated with Masters Degrees and 18 students graduated with Doctoral Degrees. The university achieved 85% of targets in 2015. The continued growth and development in research outputs contributes directly to the enrichment of offerings as well as in the growth of the number of rated researchers from the University. The injection provided by DHET through the Teaching Development Grant and Research Development Grant has assisted in the accelerated rate to meet these targets. The government's investment is in response to the abject poverty and unemployment of the people in the region. Mentorship/tutor programmes were offered in all the faculties in 2015.

- **Strategic Goal 2: Conduct Research Appropriate to a Comprehensive University**

In 2015 the University revitalised its focus on promoting research by extending its focus to community involvement. The university has 13 rated researchers and 10 research fellows during 2015 in the following fields – English; Creative Arts; Politics & International Studies; Information Science; Psychology; Mathematics; Chemistry; Physics and Engineering; Botany; Agriculture and Zoology. Some of the projects are conducted in partnership with staff from Owen Sithole Agricultural College and other institutions. Initiatives like these highlight the flexibility provided by the nature of the University as a comprehensive institution. The advancement and increased research awareness are contributing positively to the increase in the number of students receiving post-graduate qualifications.

A key focus of the University's research includes increasing internationalisation as evidenced by the partnerships entered into with some of the Research Fellows.

- **Strategic Goal 3: A Positive Image of the University with all Stakeholders**

One of the strategic partners that the University has is the UNIZULU Foundation, whose motto focusses on 'Building a Legacy'. The Foundation was established in 1982 by visionaries who foresaw the importance of supporting future students of the University while they were still at school level. By so doing, the Foundation was contributing both directly as well as indirectly to the upliftment of the communities the University serves. The initiative became a flagship and a foundation for what is known as community service. To date the Foundation continues to offer bursaries to needy and deserving students. Several departmental and faculty research initiatives benefit handsomely from the support of the Foundation.

The University also enjoys support from both Empangeni as well as Richards Bay business communities by way of offering opportunities to students to do experiential learning.

The University has links with sister universities in Africa and abroad in the form of student exchanges and study opportunities; curriculum development, materials transfer and strengthening; resource mobilisation and innovation. The University has close links with the US Consulate in Durban and it is frequently updated on available programmes and opportunities elsewhere. Some of the institutions who continue to collaborate with the University include, but are not limited to, the following: Jackson State University, American Councils for International Education, and The Netherlands Organization for International Cooperation in Higher Education (NUFFIC).

The university commenced with the rebuilding of the executive management team in 2015. After a protracted and intense process of recruiting and selecting, it can now be reported that the following positions on the Executive of the University have been filled namely: Executive Director: Human Resource;

Deputy Vice-Chancellor Research & Innovation; Deputy Vice-Chancellor: Institutional Support, Registrar as well as Executive Director: Finance.

The Management Committee approved the establishment of a Skills Development, Transformation, and Employment Equity Committee on 13 July 2015. The Committee will meet quarterly to address issues regarding skills development, transformation and employment equity and contribute towards transformation.

- ***Strategic Goal 4: Efficient and Effective Utilization of Human, Financial and Physical Resources and Support Systems of the University.***

As at the end of the Year 2015, the university still had a vacancy rate of 22.7% as a percentage of total staff establishment. Of these, 39.3% were academic posts, ranging from 13.5% in Faculty of Science and Agriculture, 13.7% in Faculty of Education, 24.2% in Faculty of Commerce, Administration and Law and 26.1% in Faculty of Arts. The strategy is in place for 2016 to reduce the recruitment and selection turnaround times and involves filling HR Business Partner positions to full complement and reviewing applicable policies and procedures.

The Workplace Skills Plan was submitted to the Education Training and Development Practices Sector Education and Training Authority (ETDP/SETA) on 30 April 2015. As a result, an amount of R260 495.53 has been received in a form of Mandatory Grants. This amount had added to the amount already received, thus making the grant to be R 3 245570.93. Implementation of the latest Workplace Skills Plan is proceeding in accordance with the plan. A summary of training interventions that were conducted from 1 May 2015 and which will continue to 2016 may include, but not limited to, the following: Firefighting, Assessor Training, Client Services and Communication, Debt Collection, Record Management, Facilities Management and Crisis Management.

The ETDP/SETA has awarded the University an amount of R450 000 for projects of choice that are aimed at addressing scarce and critical skills within the institution. These funds was utilised for the training of academic staff members on curriculum design and assessment in higher education programmes.

Data integrity as a fundamental component that informs decision making and storing information has been an area of focus in the past year and, although not completely achieved efforts to assure accuracy and consistency of data have been made and risk has been reduced significantly.

In 2015 the Finance Division embarked on a turnaround strategy that will enable it to effectively respond to the needs of the organization. The success of this trajectory began with the Finance Team's acceptance to change. The team sees this as an exciting time in which it will embark on a training revival aligned to the upgrading of IT systems and a review of business processes and the introduction of policies and procedures that will enhance the control environment.

The Student debt amount at year before impairment provision, was R255.4 million reflecting an increase of R49 million compared to prior year. The main

reason for this increase is the reduction in fees paid; also the number of students owing increased significantly from 36 919 in 2014 to 43 972 in 2015. The provision for doubtful debts at the end of 2015 totalled R127.1 million compared to R112.7 million in the prior year. In calculating the impairment loss UNIZULU took into account the allocation from NSFAS for the historical debt repayment. This effectively reduced the amount required as a bad debt provision.

The entity has continued to manage its income and expenditure prudently. The institution is in a sound financial position and is committed to continuing strengthening this through continued fiscal discipline and financial oversight. Surpluses have been achieved for three successive years and accumulated funds have also steadily increased. The organization has thus sufficient funding sources to implement its significant infrastructure programme planned for the next three years

Council approved the Strategic (2016 – 2021) together with an Annual Performance Plan for the year 2016.

Council also approved a new SRC Constitution in August 2015, which contributed to effective student governance at the university. The approval led to the successful inauguration of the SRC in 2015 after numerous court battles.

- ***Strategic Goal 5: To Create a Work and Learning Environment Underpinned by Safety, Good Health and Wellness.***

Facilities Management is here to provide the most efficient and cost effective support services in order to provide an environment that is clean, safe, healthy and responsive for students, staff and other stakeholders. Safety is at the forefront of everything at the University as we understand that a safe work environment is essential to the health and well-being of our employees, but the commitment to safety, cleanliness and sufficient provision of facilities extends beyond staff and students. The University is dedicated to providing a safe and healthy environment for everyone who comes to the University including visitors. Facilities Management operates under reasonably high ethical standards and possesses critical communication skills and strategies to inspire, and stimulate a culture of health and safety on campus. We strive to adhere to the occupational health and safety standards in the effort to sustain the University as an incident- and injury-free work place and a model for higher education institutions across the country.

A Wellness Day and Employee Wellbeing Programme launch took place on 9 October 2015. Approximately 350 staff members and senior management of the University attended the event. A number of stakeholders from the public and private sector, ranging from financial institutions, medical aid companies to fitness clubs, were invited and attended. Staff members had the opportunity to interact with them to understand more about the health choice products they provide. Staff members also participated in various sporting activities and various health tests and screening. The University of Zululand joined the Higher Education Employee Wellness Community of Practice initiative where all twenty-six (26) universities are represented. This is a Department of Higher Education initiative and it is a nationally coordinated programme that

strengthens the capacity, systems and structures of all Universities in managing and mitigating the causes, challenges and impact of Health and Wellness issues in the Higher Education Sector. Participation in this programme will enable us to be part of the team that develops the Higher Education framework for all Wellness Programmes in the sector and share resources and best practice with all other Universities.

Table 1 below displays variance to set targets as per the 2010 – 2013 strategic plan, which was carried forward in 2015 and reasons for any deviation.

| Table 1: 2015 Performances against Strategic Targets | | | |
|---|--|---|---|
| Goal 1 | High quality academic and career focused programmes which are relevant and responsive to the needs of students and society | | |
| Strategic Objective/s | <ul style="list-style-type: none"> To provide relevant quality education which integrates career preparatory, and general academic programme offerings and research, which are responsive to the development needs of society (in line with CU) | | |
| Key Performance Activity | Key Performance Indicator | Actual Performance | Reason/s for deviation |
| Undertake a comprehensive audit of current programmes | All programmes accredited and meet peer review standards | All programmes submitted in 2015 were approved except for the BA Dual Major degree | UNIZULU aligned all 158 programmes on the PQM to HEQSF. Some programmes in Psychology and Social Work were de-accredited by their professional boards and will receive attention in 2016. The faculty of Education undergraduate degrees have been re-curriculated for submission to DHET |
| Continuous internal and external reviews of programmes | Re-curriculation of education programmes | The university had to re-curriculate the Education programmes to align with both MRTEC and HEQSF. All four undergraduate Education programmes | |

| | | | |
|--|---|--|---|
| | | were internally reviewed and submitted for external review. Two programmes were approved by DHET and it is anticipated that the other two will be approved in 2016 | |
| Create a vibrant university intellectual community | Achieve national graduation norms and above <ul style="list-style-type: none"> • 22,5% - 3 yr. UG programmes • 18% - 4 yr. UG programmes • 54% - Honours and PG Diplomas • 30% - Masters | 658 students graduated with honours degrees and postgraduate diplomas, 42 students graduated with Masters Degrees and 18 students graduated with Doctoral Degrees. 5% overall increase in success rate from 2014 | |
| Institute and maintain support systems for academic and intellectual development | Mentorship/tutor programmes offered for lecturers and students and enhanced academic outputs and throughput realised | Mentorship programmes were introduced in the Faculty of Commerce, Administration & Law as pilot for other faculties. All tutors were trained in 2015 for both campuses | Mentorship programmes will be introduced in 2016 in all other faculties |
| Goal 2 | To conduct research appropriate to a comprehensive university | | |
| Strategic Objective/s | <ul style="list-style-type: none"> • To develop a system of ongoing research aligned to technological developments and business best practices • To be a recognised leading institution in Applied Research • To make Research results available for developmental purposes • To promote collaboration on Research projects amongst staff and form partnerships locally, nationally and internationally • To create a comprehensive research database at UNIZULU | | |
| Key Performance Activity | Key Performance Indicator | Actual Performance | Reason/s for deviation |
| Promote research capacity of staff, students, and researchers | Increased capacity-building workshops and staff exchanges | The Research Office conducted a total number of 188 workshops and research capacity development programmes in 2015, and had 10 post-doctoral fellowships | This is an ongoing way in which the University intends to improve its research capacity |

| | | | |
|---|--|--|--|
| Create a databank of all research activities and ensure effective coordination | Database of current research profile | RIMS Database in place | |
| Increased research outputs (Masters and Doctoral) | Increase research output by 5% | The university achieved and exceeded its research output in terms of publications and master's graduates. The preliminary (unofficial) indicator for 2015 is 114.76 units (for journal publications only). This figure is expected to grow when all 2015 publications are considered. Publications. 42 students graduated with a master's degree and 18 students graduated with a doctoral degree. | Doctoral graduates are still under target, which can be attributed to the under achievement in postgraduate registration targets |
| Research partnerships established internationally | Increased post-doctoral fellowships | The university had 17 post-doctoral fellowships which was decreased to 10 in 2015 | The University revitalised its focus on promoting research by extending its focus to community involvement |
| Goal 3 | A positive image of the University with all stakeholders | | |
| Strategic objectives | <ul style="list-style-type: none"> To promote brand awareness of the University of Zululand To promote and sustain service excellence To develop and maintain a high level of work ethics among all employees To market UNIZULU worldwide To manage media relations | | |
| Key Performance Activity | Key Performance Indicator | Actual Performance | Reason/s for deviation |
| Identify and implement programmes to create and maintain brand awareness of UNIZULU | Increased UZ brand awareness Corporate branding developed Production of flyers/posters | CMD is embarking on an ongoing brand awareness campaign to educate the University Community about the correct use of the corporate identity. Branded corporate gifts and | |

| | | | |
|--|--|--|---|
| | | <p>items are bought and sold to staff and students to create this awareness. Email signature is one of the ways to create brand awareness at UNIZULU. CMD embarked on the following activities aimed at promoting a positive image of the University: Mandela Day Career Development Festival, launch of the Centre for Sustainable Integrated Rural Development (CSIR) in partnership with the Department of Agriculture and Rural Development; Hosting of the MACE (Marketing, Advancement and Communication in Education) Congress; ESKOM Expo in partnership with uThungulu District Office; SADMA Awards and hosting of the international conference on Higher education Facilities Management Association (HEFMA) to mention but a few</p> | |
| Resuscitate UNIZULU annual newsletter | Annual publications provided | The university launched the #Tag magazine in 2015 and monthly Ongoye online publications is published on the website | |
| Develop and maintain a media and communications strategy | Professionally handled media relations with proactive and positive reporting | Media monitoring ensures the University Management receives an in-depth report on publicity across local and national print media, radio and television stations accompanied by the Average Value Equivalent (AVE) if the division had to purchase the space or | The strategy to handle media is constantly reviewed for improvement purposed. The university has a proactive stance on media engagement and a draft strategy on |

| | | | |
|--|--|---|---|
| | | time slot used for the said publicity. A risk assessment has been easily deduced from the report statistics. The university has an agreed 24 hour turnaround time for all media related queries | media engagement will be developed in 2016 |
| Goal 4 | Efficient and effective utilization of human, financial and physical resources of the University | | |
| Strategic Objective/s | <ul style="list-style-type: none"> • To optimise management of financial, human and infrastructural resources • ICT infrastructure • Infrastructure in general • Human resources | | |
| Key Performance Activity | Key Performance Indicator | Actual Performance | Reason/s for deviation |
| An audit of both academic and administrative staff in terms of qualifications and portfolios | Annual Skills Audit report | The university has been able to do an analysis of the qualifications and ranks in relation to academic staff and knowledge areas where they teach. The audit for administrative staff will be conducted in 2016 | |
| Determine and manage a balanced budget | Balanced budget established and maintained | Council approved the 2015 revised Budget. The budget displayed a Net surplus of R125 million inclusive of the last tranche due from DHET for the infrastructure programme. Operational expenditure is being managed within the budget provision | |
| Manage debt efficiently | Less than R25 m fee write-off of student debt | Bad Debt provision movement/increase of R14.4m | The government support for undergraduate students helped address this challenge |
| Maintain financial viability of the institution | Fund investments have capital retention plus 5% return | The university's total Investments and cash at year end equalled R1313 million, up by 26.9% compared to prior year. | The university approved its Investment Policy which regulates |

| | | | |
|--|---|---|--|
| | | | strategic investments |
| Institute a system of internal controls to prevent abuse of assets, wasteful and irregular expenditure as well as fraudulent activities. | Unqualified audit report and system of internal controls in place and in line with auditing standards | Achieved | |
| Deploy and maintain an appropriate ICT system | ICT infrastructure deployed and supports UNIZULU business processes optimally | ITS system in place, but lacks proper implementation due to lack of training. Integrated Tertiary System (ITS) integrator upgrade from V2 to V3 was completed in September 2015. No ITC Framework and Policies in place. Internal IT Governance committee was proposed to MANCO in 2015 but not approved | Critical area identified for improvement in 2016. An ICT Framework and Policies will be established as well as IT Governance Committee for Council |
| Provide adequate and appropriate academic space for classrooms, laboratories, faculty offices and research, and student support | Adequate and suitable space provided for education, student support and research | A comprehensive business plan was developed to introduce a fully equipped simulation laboratory, emulating a fully operational clinic in the department of Nursing Science. The Simulation Clinic has a new Telemedicine communication system which will allow live interactive teaching and learning between the simulation clinic instructor and student nurses who may be stationed in out-lying rural clinics. A new lecture theatre building for the Faculties of Education and Arts (Humanities) was built with seating capacity increased to 9063 with 770 computer work stations. Integrated Tertiary System (ITS) integrator upgrade from V2 to V3 was | Structures in place, but litigation on Infrastructure development project in 2015 halted progress on improvement and upgrading. |

| | | | |
|---|---|--|--|
| | | completed in September 2015. The Research Commons is a scholarly common room reserved exclusively for the use by senior postgraduate students (master's and doctoral level) and academic researchers. Rollout of e-boards has begun (x 30) at both campuses as well as in administration rooms 401 (e-board and video conferencing), 407, 408 and Council Chambers | |
| Provide suitable and adequate accommodation facilities for students requiring same | Accommodation facilities are adequate and suitable | SLA's with external providers in place to provide off-site accommodation. | Serious concern. Litigation on Infrastructure development project in 2015 halted progress on improvement and upgrading, however the university commenced its own initiative to build student accommodation through a DBSA loan |
| Establish and maintain a system for attracting and retaining suitable human resources | Appropriate policies and system in place for recruitment and retention of staff | Performance management policy developed and approved in 2015. Implementation to commence in 2016 (grades 1 – 4). Implementation for rest of university in 2017. The university also have staff accommodation in place to attract staff | |
| Staff development | Staff development initiatives and performance incentives in place | Staff Development Grant in place. Workplace Skills Plan on place. As a result, an amount of R260 495.53 has been received in a form of Mandatory Grants. This amount had added to the | |

| | | | |
|---|---|--|---------------------------------|
| | | amount already received, thus making the grant to be R 3 245570.93. Implementation of the latest Workplace Skills Plan is proceeding in accordance with the plan. Academic Promotions policy approved and in place | |
| Goal 5 | To create a work and learning environment underpinned by safety, good health and wellness | | |
| Strategic Objective/s | <ul style="list-style-type: none"> • <i>To create a working and learning environment sensitive to employees and students' needs</i> • <i>Facilitate the establishment and maintenance of recreational activities through academic and support units</i> • <i>Create environment conducive to spiritual re-generation</i> • <i>Ensure proper nutrition and living conditions</i> • <i>Ensure safety and security for university community</i> | | |
| Key Performance Activity | Key Performance Indicator | Actual Performance | Reason/s for deviation |
| Create and maintain employee and students Wellness programmes | Increased awareness programmes, employment of counsellors / postgraduate students trained to assist HIV/AIDS patients | A Wellness Day and Employee Wellbeing Programme launch took place on 9 October 2015. Approximately 350 staff members and senior management of the University attended the event as well as students. Several orientation activities were undertaken in 2015 including: Orientation Programme, Sexual Reproductive Health Week, Dual Protection campaigns; Scented Condom campaign; Male Medical Circumcision; Monthly HIV counselling and Testing etc. | |
| Comply with health and safety regulations | Regular inspection and positive report on health and safety | The university has an appointed Health and Safety officer. Feedback is provided | In place but not optimally used |

| | | | |
|--|--|--|---|
| | | to faculties, but reporting lacks to management | |
| Revamp recreational and support facilities | Build a state of the art student centre | Infrastructure development was on hold pending the outcome of the litigation with tenderers. The matter was settled in 2015 and infrastructure development will continue in 2016 | Litigation on Infrastructure in 2015 stopped the infrastructure project |
| Increased involvement of Department of Biokinetics and Sport Science in the various sports codes | Well-equipped gym over the next three years-to be run by Dept of Biokinetics and Sport Science/Sports Club | The university has a well-equipped gym in place which is managed by the Department of Biokinetics and Sport Science/Sports club. The gym opened its doors to staff in 2015 | |

1.4 KEY PERFORMANCE INDICATORS - ANNUAL PERFORMANCE PLAN 2015

Table 2 below display ministerial approved enrolment targets and how the university performed against these approved targets. Table 3 below displays earmarked grants (funding envelopes and Infrastructure Projects) for the year 2015.

| Table 2: 2015 Student Enrolment performances against Ministerial approved targets | | | | | | | |
|--|--|--|--------------------|--------------------|-------------------------------------|----------------------------|--------------------------------|
| Strategic Goals | Strategic Objectives | Key Performance Indicator | 2015 Target | 2015 Output | Reason/s for deviation | Additional comments | |
| | | Access | | | | | |
| SG1 | To provide relevant quality education which integrates career preparatory, and general academic programme offerings and research, which are responsive to the development needs of society (in line with CU) | <u>Headcount totals</u> | | | | | See point 1. under Section 1.5 |
| | | First-time entering undergraduates | 3900 | 3813 | Within 2% under enrolment | | |
| | | Headcount enrolments | 16340 | 16894 | Pipeline students returning | | |
| | | Headcount enrolments (Foundation Provisioning) | 480 | 523 | Returning students/repeaters | | |
| | | Headcount enrolments total UG | 14540 | 15305 | Returning students | | |
| | | Headcount enrolments total PG | 1800 | 1589 | | | |
| | | <u>Enrolments by Major field of study</u> | | | | | |
| | | Science, engineering, technology | 2941 | 2906 | | | |
| | | Business/management | 3922 | 3578 | Not enough students meeting minimum | | |

| | | | | | | | |
|----------------------|--|--|------|------|--------------------------------------|--------------------------------|--|
| | | | | | requirements and not enough interest | | |
| | | Education | 4739 | 5771 | NPDE clearance of pipeline students | | |
| | | Other humanities | 4739 | 4639 | Returning students | | |
| | | Distance education enrolments | 0 | 0 | | | |
| B. Success | | | | | | | |
| SG1 | UNIZULU achieves national graduation norms and above | Graduates UG | 1999 | 3142 | | See point 2. under Section 1.5 | |
| | | Graduates PG | 452 | 718 | | | |
| | | <u>Undergraduate output by scarce skills</u> | | | | | |
| | | Engineering | 0 | 0 | | | |
| | | Life and physical sciences | 73% | 79% | Total increase by 5% | | |
| | | Animal and human health | 81% | 85% | | | |
| | | Teacher education | 86% | 92% | | | |
| SG1 | Mentorship/tutor programmes offered for lecturers and students and enhanced academic outputs and throughput realised | Success rate | 80% | 85% | | | |
| C. Efficiency | | | | | | | |
| SG2 | | <u>Instructional/Research Professional Staff</u> | | | | | |

| | | | | | | |
|---------------------------|--|--|------|------|--|--------------------------------|
| | Promote research capacity/efficiency of staff, students, and researchers | Headcount of permanent instructional/research professional Staff | 330 | 295 | | See point 3. under Section 1.5 |
| | | % Staff with doctoral degrees | 33% | 37% | | |
| | | Number of nGap staff | 4 | 1 | | |
| | | Ratio of FTE students to FTE instructional/research staff | 31.6 | 54.4 | | |
| D. Research output | | | | | | |
| SG2 | Increased research outputs (Masters and Doctoral) | Publication units per I/R staff | 98 | 114 | | See point 4. under Section 1.5 |
| | | Research masters graduates (Weighted) | 65 | 42 | | |
| | | Doctoral graduates (Weighted) | 28 | 18 | | |

Table 3 below displays earmarked grants (funding envelopes and Infrastructure Projects) for the year 2015 and how the university performed against these approved targets.

| Table 3: Funding Envelopes and Infrastructure Projects | | | |
|---|-----------------------------|------------------------|--|
| Grant | Earmarked Allocation | 2015 Allocation | Reason for Deviation |
| Teaching Development Grant | 13,811,000 | 2,762,200 | DHET only released and paid 20% of the approved allocated grant |
| Research Development Grant | 3,670,000 | 1,101,000 | 30% release of approved allocation |
| Foundation Provision Grant | 1,343,000 | 1,343,000 | |
| Clinical Training Grant | 3,600 | 0 | Unspent funds and an unsatisfactory narrative for 2014/15 report which has been subsequently submitted |
| Infrastructure and Efficiency Grants | - | 125,426,000 | Final payment of the three part payments of R126,426,000 as per the funding approved for cycle 2 of the infrastructure |
| Veterinary Sciences Grant | - | - | - |

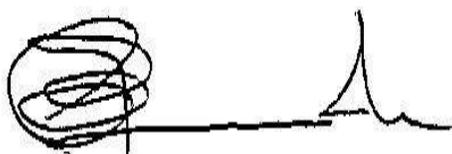
1.5 ADDITIONAL COMMENTS

The additional comments on the shortcomings related to the access, success, efficiency, research output and funding envelopes are addressed herein below:

- 1. Access:** *The University's headcount increased slightly in 2015. This is due to returning students, who returned to the university to finish their studies after some absence from the university. In terms of the first time entering student targets, the university under enrolled by 2%. The 2% under enrolment is however within allowable deviation. The University struggle to meet its targets in terms of attracting postgraduate students. This can be attributed to the poor research culture combined with inadequate infrastructure for co-ordination and monitoring of academic issues as well as an inappropriately-staffed Research and Innovation Office. The University has however identified research related risks in 2015 and aim at addressing these. Business / Management programme targets were not met due to lack of interest and not enough students who meet the minimum entry requirements.*
- 2. Success:** *The University did not experience any shortcomings in terms of success targets in 2015. The university's success rate increased from 80% in 2014 to 85% in 2015. The university had to appoint a number of four nGap staff in 2015, but only managed to attract and appoint one member. The main reason for deviation is that the salary offered is lower than the university's current minimum salary scales and it took a long time to find suitable candidates.*
- 3. Efficiency:** *The % of Staff with doctoral degrees increased with 4% in 2015. The headcount of permanent instructional/research professional Staff however decreased in 2015. As at the end of the year 2015, the university still had a vacancy rate of 22.7% as a percentage of total staff establishment. Of these, 39.3% were academic posts, ranging from 13.5% in Faculty of Science and Agriculture, 13.7% in Faculty of Education, 24.2% in Faculty of Commerce, Administration and Law and 26.1% in Faculty of Arts.*
- 4. Research Output:** *The preliminary (unofficial) indicator for publication units per I/R staff for 2015 is 114.76 units (for journal publications only). This figure is expected to grow when all 2015 publications are considered which includes journals, books, book chapters and conference proceedings.*

1.6 CONCLUSION

Council is satisfied with the degree of progress towards achieving the objectives for the year 2015 in relation to the targets set in the Annual Performance Plan.



MR CV GAMEDE
CHAIRPERSON: UNIZULU COUNCIL
24 June 2016



PROF XA MTOSE
VICE-CHANCELLOR
24 June 2016

2. REPORT OF THE CHAIRPERSON OF COUNCIL

2.1 INTRODUCTION

This report focus on how the Council, through it Chairperson discharged part of its statutory duty to account for the actions and achievements of Council in the governance of the university during the year 2015. The report not only focuses on the decisions and actions taken by Council, but the effect of these decisions and actions on the university in the future. The report will indicate that decisions and actions taken by Council were in line with the university's mission and vision as well as strategic objectives. The report further considers the efficiency and effectiveness of internal financial controls (outside the financial statements) as well as the effectiveness of the university's risk management process and procedures. The report also highlights the functioning of Council sub-committees and considers campus development and major capital works that have taken place. Important focus is also placed on student services, industry opportunities and other significant changes that have taken place in 2015.

2.2 STATEMENT OF SELF-ASSESSMENT OF COUNCIL AND SUMMARY OF MEMBERS' ATTENDANCE OF COUNCIL MEETINGS

This report focuses on important developments which influenced progress towards the attainment of the vision, mission and objectives of the University of Zululand (hereinafter UNIZULU or the University) during the period under review.

The current vision and mission statements of the University are as follows:

- **Vision**

"To be a leading comprehensive University providing quality education"

For most of its existence, the University has fulfilled the role of a traditional higher education institution (HEI) offering mainly undergraduate and post-graduate degree programmes in the humanities, natural and agricultural sciences, education, law commerce and social sciences, together with some mainly post-graduate certificates and diplomas. The University has plans, as part of its renewal trajectory, to design and deliver new programmes, mainly at the undergraduate diploma level, in engineering, maritime studies and tourism at the Richards Bay campus. These new programmes are in line with the UNIZULU strategic plan 2010 – 2013 which aims to provide high-quality academic and career-focused programmes, relevant and responsive to the needs of students and society. Richards Bay is one of the largest ports in South Africa and is a vital industrial hub for the country. While the coal terminal, through which South Africa exports most of its coal to Asia and elsewhere and the aluminium smelters are examples of heavy industry, the city is home to a variety of manufacturing and service industries, large and small. The University seeks, through its planned new programmes, to address skills shortage in the important disciplines of engineering and maritime studies as well as tourism. Graduates of these programmes will contribute to the continued growth of the regional and local economy of the uMhlatuze Municipality and uThungulu District Municipality as well as the larger economy of South Africa and the southern African region, thereby making UNIZULU a leading comprehensive university.

- **Mission**

"To produce globally competitive graduates, relevant for the human capital needs of the country, by providing quality education which upholds high standards of research and academic excellence"

- **Values**

| | |
|------------------------|---|
| <u>Innovation:</u> | promoting attributes of excellence, creativity and discovery among students and staff |
| <u>Teamwork:</u> | working together to accomplish a common goal |
| <u>Efficiency:</u> | sustaining high levels of productivity |
| <u>Accountability:</u> | subscribing to integrity and transparency |

Mutual trust: inculcating dependable and trustworthy relationships and mutual respect

The year 2015 was the second full year of the Council in office. During the period under review, Council executed its fiduciary responsibilities efficiently and effectively as provided for in the Higher Education Act. The composition of Council is presented in Table 4 below:

| Table 4: Composition of the Council | | |
|--|---|-------------------------------------|
| EXTERNAL COUNCILLORS | CONSTITUENCY | PROVISION IN UNIZULU STATUTE |
| Mr CV Gamede | Ministerial Appointee | Section 18 (1)(g) |
| Judge BC Mocumie | Ministerial Appointee | |
| Dr MO Sutcliffe | Ministerial Appointee | |
| Mr SB Xulu | Ministerial Appointee | |
| Ms PN Maphoshe | Ministerial Appointee | |
| Prof BC Dumisa | Convocation | Section 18 (1)(h) |
| Mr B Makhathini | Convocation | |
| Mr TC Ngcobo | Experience and Expertise | Section 18 (1)(m) |
| Dr TT Khanyile | Experience and Expertise | |
| Dr SZ Mbokazi | Experience and Expertise | |
| Mr D Kunji-Behari | Donor Representative | Section 18 (1)(j) |
| Mr G Sibiyi | Donor Representative | |
| Councillor MG Mhlongo | uMhlathuze Municipality Representative | Section 18 (1)(i) |
| Mr EJB Dube | Mkhwanazi Traditional Authority Representative | Section 18 (1)(k) |
| INTERNAL COUNCILLORS | POSITION | |
| Prof XA Mtose | Acting Vice-Chancellor | Section 18 (1)(a) |
| Prof R Midgley | Deputy Vice-Chancellor: Research and Innovation | Section 18 (1)(b) |
| Prof DR Nzima | Senate Representative | Section 18 (1)(c) |
| Dr MAN Duma | Senate Representative | |
| Dr NR Ngcobo | Institutional Forum Representative | Section 18 (1)(l) |
| Ms NN Mbatha | Academic Staff Representative | Section 18 (1)(d) |
| Mr SJ Mvubu | Administrative and Support Staff Representative | Section 18 (1)(e) |
| Mr W Mathebula | SRC Representative | Section 18 (1)(f) |
| Mr L Duze | SRC Representative | |

Please note:

- Dr MO Sutcliffe (Ministerial Appointee) resigned in June 2015. The vacancy has not been filled.
- Judge C Mocumie (Ministerial Appointee) resigned on 16 September 2015 as Council member. The vacancy has not been filled.
- Cllr EF Mbatha resigned on 01 June 2015.
- Prof PT Mhlongo resigned on 01 June 2015. Dr MAN Duma joined Council on 24 October 2015.
- Cllr MG Mhlongo, the Mayor of uMhlathuze Municipality representative in Council replaced the former Mayor Cllr EF Mbatha. Cllr MG Mhlongo joined the Council on 24 October 2015
- Dr MAN Duma is the Senate Representative in Council replacing Prof TP Mhlongo.
- Mr W Mathebula and Mr L Duze were elected as SRC Representatives in Council and joined Council on 05 December 2015.

The summary of Council member's attendance is presented in Table 5 below:

| Table 5: Summary of Councillors' attendance of Council meetings | | | | |
|--|----------------------|------------------|----------|----------|
| MEMBERS | MEETING DATES | | | |
| | 29/04/15 | 27/06/15 (sm) | 24/10/15 | 05/12/15 |
| Mr CV Gamede | √ | x | √ | √ |
| Judge C Mocumie | x | x | # | - |
| Ms P Maphoshe | √ | √ | √ | √ |
| Mr SB Xulu | √ | √ | x | X |
| Prof X Mtose | √ | √ | √ | √ |
| Prof Midgley | x | # | - | - |
| Mr G Sibiya | x | x | √ | √ |
| Mr D Kunji-Behari | x | x | x | √ |
| Mr B Makhathini | √ | x | √ | x |
| Prof BC Dumisa | √ | √ | √ | √ |
| Cllr EF Mbatha | x | - | - | - |
| Cllr MG Mhlongo | o | o | √ | x |
| Mr E Dube | √ | √ | √ | √ |
| Dr TT Khanyile | √ | √ | x | x |
| Dr SZ Mbokazi | √ | √ | √ | √ |
| Mr TC Ngcobo | √ | √ | √ | √ |
| Prof DR Nzima | √ | x | √ | x |
| Prof PT Mhlongo | √ | # | - | - |
| Dr MAN Duma | o | o | x | √ |
| Mr SJ Mvubu | √ | √ | √ | √ |
| Ms NN Mbatha | √ | √ | √ | √ |
| Dr NR Ngcobo | √ | x | √ | √ |
| Mr W Mathebula | o | o | o | √ |
| Mr L Duze | o | o | o | √ |

√ = present

x = absent (with and without apologies)

sm = special meeting

- = inoperative

= resignation

o = not yet a member

2.3 MATTERS OF SIGNIFICANCE CONSIDERED BY COUNCIL

During 2015, Council attended to and addressed a number of matters of significance for the University, the most important of which were the following:

2.3.1 Policies, plans, constitutions, reports and manuals approved

- The 2014 Annual Report to the DHET
- Strategic Plan 2016 - 2021
- Annual Performance Plan 2016
- 2015 Mid-Year Report
- Students Representative Council (SRC) Constitution
- Policy and Procedures on Promotion of Academic and Research Staff
- Policy and Procedures on Appointment and Promotion of Staff: General.
- Policy and Procedures on Investments
- Performance Management Policy and Performance Bonus Formula for Executive Managers (Grade 1 – 4)
- Revised Policy and Procedures on Student Employment
- HDI Business Plan
- Revised UNIZULU Statute

2.3.2 Students

Council approved the following within this category:

- Tuitions fees to increase by 0% in 2016
- Residence fees to increase by 0% in 2016
- Meal increase 0% in 2016
- Initial payment to remain unchanged
- Payment Plan to be kept at 50%

The 2016 Budget approval was based on the assumption that the University would receive an additional six percent (6%) from the Government to compensate zero percent (0%) increase on students' fees for the next three (3) years (2016-2018)

- Rescheduled 2015 SRC Elections for 10 October 2015

2.3.3 Academic

Council approved the following within this category:

- Higher Certificate in Marketing
- Post-Graduate Certificate in Education (Senior and FET Phase) and Post-Graduate Certificate in Education (FET Phase)
- Foundation Phase Programme in the Faculty of Education
- 2016 NSC Entry Levels in the Faculty of Science and Agriculture
- Change of Codes: Diploma in Hospitality Management
- MSc in the Department of Consumer Sciences
- PhD in the Department of Consumer Sciences
- Advanced Certificate in Accountancy
- Advanced Diploma in Communication Science
- Resurrect Hydrological Research Unit

2.3.4 Human Resources

Council approved the following in this category:

- R10,688,433 and R3,151,088 for the creation of new positions and secondary appointments in 2015
- Interim appointed of Ms N Gevers as the Interim Executive Director: Finance for six (6) months
- Interim appointment of Prof OM Ndwandwe as the Executive Director: Richards Bay Campus and Prof NW Kunene for certain responsibilities of the Deputy Vice-Chancellor: Research and Innovation
- Interim appointed of Mr DE Janse van Rensburg as Registrar
- Appointment of Mr T Zulu was appointed as the Executive Director: Finance on 18 August 2015
- Appointment of Mr RT Ngcobo as the Executive Director: Human Resources
- Appointment of Prof MJ Baxen as Deputy Vice-Chancellor: Research and Innovation
- Appointment of Prof N Garrod as Deputy Vice-Chancellor: Institutional Support
- Appointment of Ms J Naicker as Executive Director: Finance in December 2015
- Appointment of Mr DE Janse van Rensburg as Registrar on 01 December 2015
- Establishment of the position of Project Manager: Facilities Management
- New recognition agreement between NEHAWU and Management
- Salary Agreement between the University and NEHAWU
- Conversion of Associate Professor to Professor in the Staff Establishment
- New/revised structure for the HR Division and two administrator positions
- Restructuring of the Office of the Vice-Chancellor with new positions as Institutional Planner/Manager Strategy, Deputy Vice-Chancellor (DVC): Institutional Support / Resources and Operations; and Audit / Compliance / Risk Manager
- Commencement of a job grading exercise project for the entire University

- Re-grading of the Manager positions in Office of the Registrar to Grade 6 to be in line with other managers in various divisions and departments within the University
- Creation of four (4) SSAUF Lecturer positions in various disciplines
- Conversion of junior lecturer to lecturer in the staff establishment
- Establishment of the Quality Enhancement Unit with a staff complement of three (3) members (Director, Co-ordinator and Administrator) at a total annual salary cost of approximately R1 693 561.00
- Establishment of a Centre for Sustainable Integrated Rural Development (CSIRD) and approval of a position of Director in the University's staff establishment
- University Accommodation for Executive Staff as part of its attraction and retention strategy. The housing/accommodation project for other staff should be initiated early in 2016 as part of the University strategy to attract and retain staff
- Review of all Human Resources policies
- The University terminated the employment contracts of the Deputy Vice-Chancellor: Research and Innovation, Executive Director: Richards Bay, Dean of Students and Executive Director: Human Resources

2.3.5 Finance

Council approved the following within this category:

- Annual Financial Statements for the year ended 31 December 2014
- Revised 2015 budget
- 2016 Budget
- Cost for three positions in the staff establishment of the Vice-Chancellor at R3021194
- Category A and Category B bank signatories
- Review of the Delegations of Authority Policies
- Securing of Land for the Development of the Richards Bay Campus of approximately R13 million
- Transfer of R43.2 million from Employer Surplus Account in the Pension Fund to the Provident Fund and 7.8% to 23.4% increase in employer pension contribution to the long term Financial Business Plan and budgets for 2016/17
- A bonus payable to the Acting Vice-Chancellor subject to the successful completion of the set performance targets
- Revision of the Supply Chain Management Policy

2.3.6 Members of Council and standing committees of Council

- Messrs W Mathebula and L Duze was appointed as SRC representatives on Council
- Judge C Mocumie and Dr MO Sutcliffe (Ministerial Appointees) resigned as Council members
- Cllr MG Mhlongo was appointed the Mayor of uMhlathuze Municipality Representative in Council replacing the former Cllr EF Mbatha
- Dr MAN Duma was appointed as the Senate Representative in Council replacing Prof TP Mhlongo who resigned
- Mr D Kunji-Behari was appointed as the new Chairperson of the Finance Committee of Council and he replaced Cllr EF Mbatha in the committee
- Ms N Gevers was appointed as the Deputy Chairperson of the Finance Committee of Council

2.3.7 Honorary awards

No honorary awards were approved by Council in 2015.

2.3.8 Strategic matters

In 2013, the Office of the Registrar identified some errors/shortcomings in the new Statute of the University, which was only gazetted on 12 October 2012. One of the errors identified was the apparent failure of the Statute to comply with the requirement that external members of Council should constitute 60% whilst internal members constitute 40% of Council membership as prescribed by the Higher Education Act (Act no. 101 of 1997), as amended (HEA) and the very Statute of the University. The *status quo* is that internal members of Council (employees and students) constitute 42% of Council membership whilst external members constitute 58%. Council resolved that instead of amending the Statute piecemeal, all challenges in the Statute should be identified and a consolidated report be presented at its first meeting on 03 April 2014. It was noted that a submission to seek approval for the amendments would be made to the Minister after input from Council. The revision of the Statute continued throughout 2014 and 2015 and consultations with all relevant institutional stakeholders were concluded in 2015. The revision will be submitted to the Minister for approval.

Council approved the university's strategic plan 2016 – 2021 as well as Annual Performance Plan for the year 2016. The new Strategic Plan and Annual Performance Plan 2016 will enable Council to properly report on performance as required by the revised Regulations for Reporting by Public Higher Education Institutions in terms of section 41 read with section 69 of the Higher Education Act, 1997 (Act No. 101 of 1997) and published in Government Notice No. R464 in Government Gazette No 37726 of 09 June 2014.

Council held a governance workshop on 03, 04 and 05 July 2015. The workshop focused on the governance responsibilities of Council in order to provide effective leadership and to understand the responsibilities conferred upon Council in terms of the governance of risk, IT and compliance to laws. To ensure it acts in the best interest of the university.

Council called for a meeting with the Minister of Higher Education & Training on Friday, 13 November 2015 in order to provide an update to the Minister on the strategic direction of the university post administration. The meeting provided input on the progress in respect of the recommendations in the Administrator's report.

2.4 OPERATIONAL INFORMATION

After a long and hard journey UNIZULU has finally acquired a substantial government grant to attend to its infrastructural backlog. This necessitated the crafting of the Infrastructural Renewal Project. Prominent amongst others is the bias in favour of improving student's infrastructure requirements. This translates into renovating and constructing residences, renewal of the aging infrastructure in general, the building of the Student Centre and Dining Halls including the System Renewal Project.

The Infrastructure Development and Renewal Plans are couched within the broader framework of UNIZULU Institutional Priorities (2012-2013), which includes, amongst others, enhancing the standing of UNIZULU, the rolling out of the Academic Renewal Project, Research and Innovation, improved governance, Quality Improvement and improved student experience at UNIZULU. This scenario also encapsulates the Systems Renewal Project that interfaces well with the entire Institutional Strategic Priorities. Planning and conceptualisation in this area continued in 2014. The actual implementation was set to commence in 2015, however the legal court battle with constructions companies called LDM Consulting and Focus was only finalised on 12 October 2015 after negotiations between the university, four consortia appointed and LDM and Focus led to the cancellation of the tender. The agreement to cancellation was made an order of the High Court in Durban. It was ordered that the four consortia would be paid for work done and that the university would pay the legal costs incurred by LDM and Focus. The contract between Profica/SIKA (Project Managers) was also officially terminated. Council approved to initiate a close tender process to expedite the

UNIZULU infrastructure project in 2016. Due to the nature of the project in terms of costs and complexity, bidders invited to tender for the project should be level nine (9) in terms of the Construction Industry Development Board (CIDB) rating and the new tender process should be by way of turn-key. Council further approved the revision of the supply chain management policy to ensure that all procurement issues could be eliminated.

The UNIZULU Law Review Report created enormous opportunities to rethink, replan and strategise on how to catapult the Law Programmes to reclaim their former glory. The Law Review Report was put together by reputable legal minds in South Africa, who by design, are UNIZULU alma mater. UNIZULU has "rich" alumni in the law fraternity. This report galvanized UNIZULU to seek to continue to achieve excellence in the law offerings. In this regard, Senate and Council as well as their relevant subcommittees debated the issue of the creation of a new, stand-alone Faculty of Law. These debates will continue to be refined in 2015 with the expectation that the new Faculty will be in place by 2016.

2.5 FINANCIAL HEALTH – OUTSIDE FINANCIAL STATEMENTS

In terms of International Accounting Standards (IAS 1) "Presentation of Financial Statements", management is required to make an assessment of an enterprise's ability to continue as a going concern when preparing financial statements.

In addressing UNIZULU's going concern assumption, the three main factors that were considered are:

- Liquidity - UNIZULU's ability to meet its financial obligations in the short and long term;
- Solvency - UNIZULU's ability to maintain a net assets position; and
- Operating Sustainability - UNIZULU's ability to continue operating at current levels.

The table below displays the assessment conducted to ascertain whether the university will continue to be going concern.

| Table 6: Going Concern Assessment | |
|---|---|
| EVENTS OR CONDITIONS | ASSESSMENTS |
| FINANCIAL | |
| <ul style="list-style-type: none"> • Net asset or net current asset position (Liquidity – short term). | <p>As at 31 December 2015, UNIZULU has accumulated funds of R1.5b and a net current asset position of R803m.</p> <p>Compared to the prior year the net current asset position has improved by R257m whereas the accumulated funds improved by R58m.</p> |
| <ul style="list-style-type: none"> • Fixed-term borrowings approaching maturity without realistic prospects of renewal or repayment; or excessive reliance on short-term borrowings to finance long-term assets (Liquidity – long term). | <p>UNIZULU only has one amortising loan with DBSA carrying value R31m; and has sufficient funds to meet the annual repayments.</p> |
| <ul style="list-style-type: none"> • Negative operating cash flows indicated by historical or prospective financial statements (Solvency). | <p>Net operating positive cash flows before investing activities totaled R275m(2014: R285m) After investing activities the net increase generated was R234.4m (2014: R254m)</p> |

| | |
|---|---|
| <ul style="list-style-type: none"> Substantial operating losses or significant deterioration in the value of assets used to generate cash flows (Solvency). | <p>UNIZULU is currently in a net asset position of R1.5bn.</p> <p>A surplus of R81.5m was generated for the year ended 31 December 2015.</p> <p>The asset base has been reviewed for impairments and adjusted for impairments in terms of Student Debt by R14m.</p> |
| <ul style="list-style-type: none"> Adverse key financial ratios. | Most key ratios reflect positively |
| <ul style="list-style-type: none"> Inability to pay creditors on due dates. | UNIZULU has adequate funds to pay creditors timeously |
| OPERATING SUSTAINABILITY | |
| <ul style="list-style-type: none"> Loss of key management without replacement. | During the year under review a concerted effort has been undertaken to recruit the members of the executive team. VC was appointed in April 2016 and full executive complement expected by mid- 2016. |
| OTHER | |
| <ul style="list-style-type: none"> Non-compliance statutory requirements | All requirements in terms of legislation, are substantially complied with. Performance Management is receiving management's attention in terms of processes, POE and monitoring. |
| <ul style="list-style-type: none"> Pending legal or regulatory proceedings against the entity that may, if successful, result in claims that are unlikely to be satisfied. | Existing claims against UNIZULU are considered immaterial and are adequately provided for. |
| <ul style="list-style-type: none"> Changes in legislation or government policy expected to adversely affect the entity. | <p>The #Fees must fall has changed the approach to the funding of Student education costs. In the past NSFAS students, due to funding constraints, were not fully funded by NSFAS thus the portion not covered had to be paid by the student.</p> <p>In 2016 NSFAS students have been allowed to register without any cash contribution based on the promise/understanding that NSFAS will be funding UNIZULU for the full fees of study. There is still uncertainty of how, in the long term, these fees will be funded.</p> <p>UNIZULU however in the short term will be receiving adequate funding due to its historical disadvantaged status.</p> |

Based on the above there are no events or conditions beyond the period of assessment that may cast significant doubt on UNIZULU's ability to continue as a going concern.

Council has established formal policies and frameworks for the design and implementation of the system of internal financial controls and a review of such controls have taken place in 2015. It can be confirmed that the university's financial controls are adequate and effective.

2.6 STATEMENT ON RISK MANAGEMENT

Management is responsible for the design, implementation and monitoring of the process of risk management. In this regard the University management is accountable to the University Council.

A challenge exists to instil a culture of risk awareness in the organisation and to integrate the responsibilities in this regard with the management approach and performance appraisal of line managers. Based on the need to balance the achievement of specific performance against the need to protect its stakeholders (conformance), the Council of the UNIZULU has approved the implementation of a risk strategy as a key component of its Corporate Governance Framework.

UNIZULU proposition is that risk management provides the entity processes and tools that we need to become more anticipatory and effective at evaluating,

embracing and managing the uncertainties that we face as we create sustainable value for stakeholders.

Council can confirm that it maintained a reporting system that enabled it to monitor changes in the institution's risk profile and gain an assurance that risk management was effective. UNIZULU has and maintains an efficient and effective process of risk management to manage key risks and accordingly Council is not aware of any key risk current, imminent or forecasted risks that may threaten the sustainability of the university.

2.7 COUNCIL SUBCOMMITTEES

- 2.7.1 The Audit and Risk Committee of Council (ARCC):** This committee assists the Council in fulfilling its overview responsibilities. It reviews the annual financial reporting process, the system of internal control and management of financial risks, the audit process, and UNIZULU's process for monitoring compliance with laws and regulations. The Committee, chaired by Cllr SB Xulu in 2015, held four meetings during the year. Among others, the Committee attended to the following: Prioritisation of IT Governance and Finance Policies and Procedures; confirmation of KPMG as External Auditors; approval of external audit plan; appointment of the university's Public Officer; condonation of SCM deviations; confirmation of SizweNtsalubaGobodo as Internal Auditors; approved the 2015 internal audit plan; the high court case on the impasse with regard to the SRC elections; security models (in-house and co-sourced) required to reposition the Protective Services Division as a functional division; the forensic investigation by Internal Auditors on the issue of conflict of interest involving the Executive Director: Finance; forensic investigation on alleged irregularities in Student's Residences; approval of the fees for the audit of annual financial statements for the year ending 31 December 2014; resolution of the SRC elections and the infrastructure litigation by LDM & Focus; the auditing of the university co-operatives and university farms; renewal of insurance; approval of a sole source/close tender to build the additional students accommodation through DBSA funding; revision of the SRC Constitution; recommendation to Council of the university's Risk Management Strategy; turnaround strategy for the Finance division; approval of amended internal audit plan (2015-2017); Midyear Finance Report; revision of Treasury/Banking Delegation Authority. At the end of 2015 Council had not yet decided on the establishment of the stand-alone Risk Committee and ICT governance Committee as required by new Regulations for Reporting by Public Higher Education Institutions.
- 2.7.2 The Finance Committee of Council (FCC):** This Committee ensure the financial health of the University and assesses and recommends the approval of financial policies and protocol; the consolidated operating budget including operational, staff and capital budgets, cash flow predictions, the asset/liability profile and multi-year budgetary predictions; the annual consolidated report to the DHET and other ring-fenced funds and loans; the performance of the University against approved budgets and targets and takes/advises on appropriate corrective actions; the annual increase in student fees; and deals with the University's investments. The Committee, chaired by Mr J Kunji-Behari in 2015, held four meetings during the year. Specific issues dealt with by the Committee included the cash flow and Investment Register; student debt; Annual Financial Statements for the year ended 31 December 2014; revision of the 2015 Budget; new and part-time appointments for 2015; the 2016 draft Budget; Transfer from Employer Surplus Account in the Pension Fund to the Provident Fund; bonus payable to the Acting Vice-Chancellor subject to the successful completion of the set performance targets; study on the university's meal income and revision of the Supply Chain Management Policy.
- 2.7.3 The Planning and Infrastructure Committee of Council (PICC):** This Committee develops and updates campus master plans for facilities and infrastructure, with implementation strategies, priorities and financing models for approval by the Council; advises the Council on the development, acquisition and integration of facilities and infrastructure; and develops and updates a comprehensive and sustainable institutional maintenance and replacement plan and strategy. The

Committee, chaired by Mr G Sibiyi in 2015, held 3 meetings in 2015, in April, September and November. The September meeting was not quorate but its resolution was ratified at the November meeting. Mr H Clarkson joined the committee as a consultant to advise/assist the University in respect of the Development Bank of Southern Africa (DBSA) funding facility and related matters. Specific issues dealt with by the Committee included the LDM/Focus court matter; integrated UNIZULU Master plan for the Richards Bay campus; proposal to build additional students' residences through the DBSA loan; appointment of sole source/close tender as principle agent for the DBSA student residence built; payment of consortia for cancelled DHET infrastructure tender; review of DHET infrastructure tender process; University accommodation for Executive Staff and Reporting to DHET.

2.7.4 The Human Resources Committee of Council (HRCC): This Committee recommends to Council appropriate strategic directions and priorities in human resources governance, such as, for example, performance management, conditions of service, and employee relations. It also develops and recommends to Council policy and strategy with regard to the remuneration of staff and related matters. The Committee, which has delegated powers to approve new positions on the permanent staff establishment, was chaired by Cllr PN Maphoshe in 2015 and held four meetings and one special meeting during the year. Amongst others, the Committee attended to the following: review of policies approved by Council during the administration period; the creation of new positions and secondary appointments in 2015; Establishment of the position of Project Manager: Facilities Management; approval of recognition agreement between NEHAWU and Management; approval of Salary Agreement between the University and NEHAWU; Conversion of Associate Professor to Professor in the Staff Establishment; New/revised structure for the HR Division and two administrator positions; Restructuring of the Office of the Vice-Chancellor with new positions as Institutional Planner / Manager Strategy, Deputy Vice-Chancellor (DVC): Institutional Support / Resources and Operations; and Audit /Compliance/ Risk Manager; Commencement of a job grading exercise project for the entire University; Re-grading of the Manager positions in Office of the Registrar to Grade 6 to be in line with other managers in various divisions and departments within the University; Creation of four (4)SSAUF Lecturer positions in various disciplines; Conversion of junior lecturer to lecturer in the staff establishment; approval of Quality Enhancement Unit staff complement of three (3) members (Director, Co-ordinator and Administrator); approval of a position of Director in the University's staff establishment for the Centre for Sustainable Integrated Rural Development (CSIRD); Review of all Human Resources policies; terminated the employment contracts of the Deputy Vice-Chancellor: Research and Innovation, Executive Director: Richards Bay, Dean of Students and Executive Director: Human Resources.

2.7.5 The Executive Committee of Council (COUNEX): This Committee deals with urgent matters referred to it by Council and its committees. It assumes the authority of Council when Council is not in session and may perform the functions of Council. The Committee, chaired by the Chairperson of Council, Cllr CV Gamede in 2015, held four meetings and one special meeting during the year. Amongst others, the Committee attended to the following: approval of temporary appointments in Executive and Senior Management; urgent request for Emergency Capital Expenditure on a 6MVA 88/11 Power Transformer at the Main 88KV substation required an immediate replacement to cater for the future load growth at the KwaDlangezwa Campus at an estimated cost of R19.5 million; filling of vacancies in Council; report from the Selection Panel on the appointment of the Vice-Chancellor; Council workshop on Strategic planning; Insourcing versus Outsourcing; Nomination of Deputy Chairperson of the Finance Committee of Council; Expedition of the establishment of the Faculty of Engineering and purchase of land adjacent to the Richards Bay campus and meeting with the Minister of Higher Education and Training to discuss the university post

administration.

A summary of Council members' attendance of meetings of Council committees in 2015 is presented in tables 7 to 11 below.

| Table 7: Council members' attendance of the Executive Committee of Council | | | | | |
|---|---------------|----------|------------------|----------|----------|
| Members | Meeting Dates | | | | |
| | 16/11/15 | 19/09/15 | 30/05/15 (sm) | 18/04/15 | 17/02/15 |
| Mr CV Gamede | √ | √ | √ | √ | √ |
| Judge C Mocumie | # | # | x | √ | x |
| Ms P Maphoshe | X | x | √ | √ | √ |
| Prof X Mtose | √ | √ | x | √ | √ |
| Mr SB Xulu | X | √ | x | √ | √ |
| Mr B Makhathini | X | x | x | √ | √ |
| Mr G Sibiya | X | √ | x | √ | x |
| Mr D Kunji-Behari | √ | x | - | - | - |
| Cllr EF Mbatha | # | # | x | x | √ |
| Prof TP Mhlongo | # | # | # | x | x |

√ = present x = absent (with and without apologies) # = resignation

Please note:

- Mr D Kunji-Behari was appointed as the new Chairperson of the Finance Committee of Council and replaced Cllr EF Mbatha in the Committee

| Table 8: Council members' attendance of the Audit & Risk Committee of Council | | | | |
|--|---------------|----------|----------|----------|
| Members | Meeting Dates | | | |
| | 18/11/15 | 07/09/15 | 27/06/15 | 27/03/15 |
| Mr SB Xulu | √ | √ | √ | √ |
| Mr BKL Mkhize (Co-opted by Council to serve on ARCC based on expertise and experience) | x | √ | x | √ |
| Mr C Saunders (Co-opted by Council to serve on ARCC based on expertise and experience) | √ | √ | √ | √ |
| Dr TT Khanyile | x | x | √ | √ |
| Mr B Makhathini | x | x | x | x |

√ = present x = absent (with apologies and without)

Please note:

- Members by invitation were not included in the list as well as Internal and External Auditors

Table 9: Council members' attendance of the Finance Committee of Council

| Members | Meeting Dates | | | |
|---|---------------|----------|----------|----------|
| | 02/11/15 | 08/09/15 | 22/06/15 | 09/04/15 |
| Cllr EF Mbatha | | | | √ |
| Prof X. Mtose | √ | √ | √ | x |
| Mr M Zakwe (Co-opted by Council to serve on FCC based on expertise and experience) | x | x | x | x |
| Mr SJ Mvubu | √ | √ | √ | √ |
| Prof BC Dumisa | √ | √ | √ | √ |
| Mr D Kunji-Behari | √ | √ | √ | √ |
| Ms N Gevers (Co-opted by Council to serve on FCC based on expertise and experience) | √ | -- | ! | ! |

√ = present x = absent (with and without apologies)
= resignation ! = Acting Executive Director: Finance
-- = new Executive Director: Finance was appointed

Please note:

- Ms N Gevers was appointed as the new Council Appointee co-opted to serve in the Finance Committee of Council based on expertise and experience

Table 10: Council members' attendance of the Human Resources Committee of Council

| Members | Meeting Dates | | | | |
|-------------------|---------------|----------|----------|----------|----------|
| | 30/10/15 | 05/09/15 | 25/05/15 | 01/04/15 | 04/02/15 |
| Ms P Maphoshe | √ | √ | √ | √ | √ |
| Prof X Mtose | √ | √ | √ | √ | √ |
| Mr D Kunji-Behari | X | √ | x | √ | √ |
| Mr E Dube | √ | √ | √ | √ | √ |
| Dr NR Ngcobo | √ | x | x | √ | √ |
| Ms NN Mbatha | √ | √ | √ | √ | √ |
| Cllr EF Mbatha | # | # | x | x | √ |
| Prof BC Dumisa | √ | √ | √ | √ | √ |

√ = present x = absent (with apologies and without) # = resignation

Table 11: Council members' attendance of the Planning & Infrastructure Committee of Council

| Members | Meetings Dates | | |
|--------------|----------------|----------|----------|
| | 03/11/15 | 01/09/15 | 08/04/15 |
| Mr G Sibiyi | √ | √ | √ |
| Prof X Mtose | √ | x | x |
| Mr SB Xulu | X | x | x |
| Mr E Dube | √ | √ | √ |

| | | | |
|--|---|---|---|
| Mr H Clarkson (Co-opted by Council to serve on PCCC based on expertise and experience) | X | x | √ |
| Mr TC Ngcobo | √ | x | √ |

√ = present

x = absent (with apologies and without)

2.8 CAMPUS DEVELOPMENT

The importance distinction between maintenance and development has been a challenge for the University of Zululand. 2015 remained a challenging year in this regard with no approved maintenance plan. Nonetheless, priorities were set for the most pressing maintenance projects as identified in the 2011 audit and the following repairs were effected:

- **Replacement of air-conditioning units**

In 2015 eighty five (85) standalone units were replaced in the Arts building with fresh air handling units. Across the KwaDlangezwa campus irreparable air-condition units were replaced.

- **Upgrade of the substations**

The master plan for Kwadlangezwa Campus provides for the major expansion and growth, including a New Student Centre, Student Services Building, New Student Residences and Multipurpose Centre.

Such developments require improvement in the campus infrastructure. Upgrade of the current 6MVA transformers will be required to two 10MVA transformers. Submissions for the upgrade and evaluation were completed in 2015. Procurement of these services is in train. In preparation for the installation of the new transformers, the following preparatory work was completed in 2015:

- In all substations exterior signage and labelling was completed
- In all old student residences new distribution boxes and equipment were installed
- At Natural Science Building the distribution boxes were populated with new equipment and labelled properly
- At Zoology Building faulty change over switch for the emergency backup generator and the panel refurbished

- **Media – Richards Bay Campus**

The university is offering a diploma in media studies at Richards Bay Campus. Two classrooms were converted to create a media laboratory with a fully equipped control room. The project is complete and it will be operational in 2016. This facility will be used by students to develop and interrogate new media information and communication technologies as platforms for professional journalism and tools for public communication. The laboratory will offer learners insight into the latest technology and technology strategy, preparing them with the intellectual skills to work in this environment in a manner that is critically reflective. Students in the New Media Lab are empowered with the foundations to become knowledge producers in a modern newsroom environment.

- **A Single Virtual Campus**

Work on a fully integrated network started in 2015. An assessment of the data centre, the core network backbone and the wireless everywhere project were completed. Tender documents for the necessary improvements were developed and the tender process has begun. Intercampus fibre connectivity has been improved with the international bandwidth being increased from 110 MB to 220Mb.

2.9 FACILITIES AND MAJOR CAPITAL WORKS

The Facilities Management Department plays a leadership role in developing and implementing a financially responsible capital improvement program and a facilities management service for the University. All issues are handled efficiently with utmost integrity and fairness, creating trust among those with whom the department interacts. A proactive approach is taken to build successful partnerships with other local and national government departments, communities, private and non-profit groups to acquire resources and maximize results on behalf of the University. In essence the Facilities Management Department strives to provide the means by which customer's service and facility needs are satisfied in the most cost effective way subject to resource constraints and to meet the national education, commercial and industrial interests.

The Department manages the operation and maintenance of all facilities and plant at UNIZULU. The University owns and maintains 330 buildings, totalling approximately 180,000 square meters of floor space which is located on 156 hectares of land. The Department also undertakes a variety of capital improvement projects that include all aspects from conceptual planning, contract documentation, specifications, design details, project management, and quality control through to final commissioning, operation and decommissioning.

- **DHET Infrastructure and Efficiency Projects**

The DHET funded Infrastructure and Efficiency Project took an inordinately long time to commence. As reported on in 2014, UNIZULU had the misfortune that two of the unsuccessful bidders for the project interdicted the university against the implementation of the project and all Infrastructure Development Project related activities were brought to a halt. The case was set down for hearing in court on 12 October 2015. Negotiations commenced early on in the year and several different proposals of settlement were tabled. It was important that the university ensure that agreement could be reached not only between the two unsuccessful bidders (LDM & Focus), but also with the four appointed consortia (PMSA, Turner Townsend, AECOM & Sihlangene). It was finally agreed between all parties that the university could cancel the tender and start afresh. The university would pay the consortia for the services rendered and pay the legal costs of the unsuccessful bidders. The agreement was made an order of court on 12 October 2015. To ensure that invoices from the Consortia are in line with the amount of work done (up to stage 2), the University appointed an Independent Assessor to carry out the verification. Legal costs were to be taxed. The university will solicit assistance from the DHET's infrastructure multidisciplinary team regarding the supply chain management processes. A plan of action was submitted to the Planning and Infrastructure Committee of Council as well as Council, in which the Council approved the option of a turn-key project. Specifications for the project will be developed and it is anticipated that the tender be issued by June 2016.

- **Construction of the New Residences**

At the end of November 2015, the construction of New Student Residences was awarded to Zuzokuhle Builders cc. When completed, the project will provide two hundred and eighty eight (288) bed spaces. An application for the funding for this project, forty three million nine hundred and ninety rands including vat (R43 990 000.00 vat incl.) was made to the Development Bank of Southern Africa (DBSA). This was approved, however the approval lapsed. A re-submission has been made which was being considered favourably. The contract period is twelve (12) calendar months and it is anticipated that the beds will become available in the 2017 academic year.

- **New sites to build Student Residences for Richards Bay Campus**

The University has acquired 15,000 square metres of land within walking distance of the Richard's Bay campus which will be used to build student residences.

2.10 EVENTS

The Communications and Marketing Division (CMD) of the University of Zululand (UNIZULU) planned and executed events that promoted the University, its initiatives and goals. CMD managed the annual university calendar events and rendered support to departmental events hosted by the different faculties. CMD provided assistance for ad-hoc events including conferences, seminars, memorial services and high-profile events.

- **University calendar events**

The following events were managed by the Communications and Marketing Department (CMD) from designing and printing invitations, programmes, promotional and supporting material, guest relations, venue bookings, ordering sound equipment, décor and refreshments (when required).

- Official Opening – 16 February 2015
- Open Day – 20 March 2015
- Graduation – 11 to 15 May 2015
- Women's Day Event – 25 August
- Staff Wellness Day – 9 October
- Research Awards Gala Dinner – 15 October 2015
- Staff Year-End Function and Long Service Awards – 9 December 2015

- **Ad-hoc events**

CMD provided assistance with ad-hoc events by providing promotional material, guidance regarding bookings and arranging details. They were involved in the organizing of the MACE conference where UNIZULU received a merit award for the student magazine, #Tag against competition from all other tertiary institutions.

- Engen Career Fair – 30 May 2015
- Eskom Science Expo – 06 August 2015
- Mr Andrew Jansen Memorial Service – 19 August 2015
- Marketing , Advancement and Communication in Education Congress (MACE) – 07 to 09 October 2015
- Higher Education Facilities Management Association (HEFMA) Conference – 12 to 16 October 2015
- SRC Inauguration – 06 November 2015

- **Schools Programme**

The Department of Education facilitated an extensive schools programme in KwaZulu-Natal (KZN) whereby UNIZULU offered promotional material and admission information requirements. A UNIZULU public relations officer attended career exhibitions and career fairs around Kwazulu-Natal and managed to reach 500 high schools with a total of 40 000 learners in five districts, namely, Umlazi, UThungulu, Zululand, UMkhanyakude, and Sisonke. The public relations officer engaged with pupil queries and served as a university ambassador to help guide pupils with their study choice and to make UNIZULU a "first choice".

- School Fairs/Exhibitions - 13 April to 29 May 2015
- School Visits (5 schools in area) – 30 April and 7 May 2015
- Mtanenkosi High School (Ingwavuma) visit to Faculty of Commerce,

- **Convocation**

A function of CMD is to build, nurture and maintain relations between the University and its alumni. To build stronger links with its alumni and to increase its active alumni list, a sponsored seminar was arranged on campus which was attended by 60 graduates relating to career opportunities.

- Toyota Graduate Programme – 22 April 2015

- **Media coverage of events**

Particular newsworthy items from the above-mentioned events were covered monthly in the Mercury, Tertiary Times, the Zululand Observer and the UNIZULU newsletter – Ongoye Online. Advertisements/notices were placed on the UNIZULU website. Graduation received wide exposure using the above-mentioned media outlets and Ilanga, Daily News, New Age, and 1KZNTV.

- **Publications**

In addition to the compilation of media articles, the publications officer ensured that supporting material was produced when required for the above listed events. Events and achievements by students were covered in the UNIZULU #Tag magazine.

2.11 STUDENT SERVICES

The office of the Dean of Students works collaboratively with various divisions and departments within the university to promote student well-being and success. By the time a student leaves the university (s)he must have acquired life and work skills that will help them participate as a fully rounded. Our students participate in social and community development programmes like the ENACTUS project which assists cooperative business initiatives to succeed. The project has won several international accolades and students have established business ventures together with communities around Zululand.

- **Student Residences**

Working collaboratively with the Finance and Registrar's offices we ensure students are allocated to residences just as soon as they have satisfied admission requirements. As a rural based institution the university strives to provide as much accommodation as is possible. In 2015 there were 4502 students who were accommodated in both university as well as outsourced residences. Just over 3,500 bed spaces are on campus. Work commenced on a further 288 on-campus bed spaces in November 2015. Also during 2015, land was purchased in close proximity to the Richard's Bay campus and plans are being drawn up for further student residences.

- **Student Governance**

The University recognises the critical role students play in the drive to deepen democracy and broaden transformation among the different communities in South Africa. It worked closely with the student body to ensure the election of a democratic and representative Student Representative Council (SRC). Following a fully monitored election process a full SRC was elected in November 2015. The University worked closely with the elected representatives to ensure a successful completion of the 2015 examinations and to plan an agreed process for registration in 2016, despite the challenging environment of higher education at the end of 2015. It is a tribute to the SRC and our students that the University of Zululand is one of the very few institutions that can say this. As a University we have responded by recognizing the powers and roles of the SRC to implement programmes and promote activities that broaden student experience as well as by

participating in national, regional and local political and academic structures. Student Services worked closely with the SRC to administer 86 active Student Societies.

- **Student Development**

The University of Zululand embraces the national and global drive to recognize students as future citizens of the world. This it achieves through providing skills, information and activities that broaden the students' knowledge base. The residence life programme assists students gain study skills as well as worthwhile life skills.

- **Student Health Clinic**

The Campus Health Clinic disseminates information on self-care in order to promote a healthy life-style. The Health Care Centre provides Primary Health Care services following Department of Health guidelines. These include rehabilitative services, HIV/AIDS Services, Reproductive Health. The aim always is to provide holistic care so as to give equal attention to the 'whole' person.

2.12 BORROWINGS

No additional borrowings were incurred in the current year. Total borrowings as at December 2015 equalled R31 million compared to R32.9 million. It is anticipated that in order to partly fund the next three years planned infrastructure programme an additional loan of about R44 million may need to be sourced. The loan has been properly approved in accordance with the provisions of the Higher Education Act 101 of 1997 (as amended).

2.13 ADDITIONAL INVESTMENTS IN INFRASTRUCTURE

Council invested in infrastructure for the development of the Richards bay campus through the purchase of additional land and construction work begun in terms of tender UZ03/15 for additional 288 bed space for students. All investments were properly approved in accordance with the Higher Education Act 101 of 1997 (as amended).

2.14 LARGE TENDERS ADJUDICATED

Tender UZ03/2015 for the construction of new residences at Kwa-Dlangezwa Campus was adjudicated on 14 September 2015. The value for the tender was R43 990 000.

2.15 CONTRACTS MANAGEMENT

All contracts are managed through the relevant executive offices.

2.16 PROMOTION OF ACCESS TO INFORMATION ACT, 2000

No refusal for information was made which were lodged with the university in terms of the Promotion of Access to Information Act, 2000

2.17 FINES FOR CONTRAVENTIONS/NON-COMPLIANCE (VAT?)

No fines were incurred for non-compliance or contraventions.

2.18 REMUNERATION OF COUNCIL MEMBERS

The university has an approved policy on the payment of honoraria and reimbursement of members of Council and its committees. The policy defines the principles and parameters governing the payment of honoraria to Council members for participation in business of the Council and the University and for the reimbursement of any expenses incurred. Honoraria only apply to external Council members. Claims are submitted to the Registrar's office for processing. Four honorarium categories exist namely:

- Standard Honorarium R1500

- Council Chair Honorarium R2500
- Chair of Subcommittee R2000
- Attendance of Subcommittee R1500

2.19 CONCLUSION

It is important for the university to strive to achieve a notion of corporate citizenship through its values which ensures that the university reflects societal norms and accepted governance guidelines. The values of the university were discussed under item 2.2 of the report and underpin all process and procedures. The university also understand the implications of the stakeholder inclusive model put forward in the King III report. Corporate citizenship, sustainability and stakeholder inclusivity is at the forefront of Council decisions and Council has established stringent reporting guidelines on policies and their creation to guide every level of the university's business in terms of expected behaviours and practices.

Risk is positioned as a cornerstone of corporate governance as evidenced in the risk report. Council is satisfied that risk assessments, responses and interventions are effective. Risk is monitored through the Audit and Risk Committee of Council and the committee approved the university's Risk Management Strategy in 2015. The 2015 Annual Performance plan contained an approved risk register and risk management is constantly being monitored by Council. IT risk requires a considerable amount of attention in 2016. The University's Information Technology system cuts across all aspects and components of the institution. Council is aware of the lack of a proper IT Governance Framework and Strategy, policies and controls to govern IT risks. Council has identified all applicable legislation relevant to Higher Education Institutions, understand, implement compliance policy, embed compliance in the operations and processes of the university, and understand legal and regulatory compliance. Council has specific compliance activities to evidence the actions taken to ensure compliance such as annual declarations, records of compliance and remedial action if broken.

Council has taken serious the stakeholder relationships of the university - from workers to the convocation, students and the university community, donors and business partners. Not only identifying risks, but also exploring opportunities. The university has an approved community engagement policy and revised its communications policy to ensure communication to stakeholders is properly guided.

Council executed its fiduciary responsibilities efficiently and effectively as provided for in the Higher Education Act. Council is also satisfied with the degree of progress towards achieving the objectives for the year 2015 in relation to the targets set in the Annual Performance Plan.



MR CV GAMEDE
CHAIRPERSON: UNIZULU COUNCIL
24 June 2016

3. COUNCIL'S STATEMENT ON GOVERNANCE

The University of Zululand is committed to the principles of discipline, transparency, independence, accountability, responsibility, fairness and social responsibility, as advocated in the King III Report. Accordingly, the Council endorses, and during the period under review has applied, the Code of Practices and Conduct and the Code of Ethical Behaviour and Practice as set out in the King III Report. In supporting this Code, the Council recognises the need to conduct the business of a public higher education institution with integrity and in accordance with generally accepted practices. Monitoring the public higher education institutions' compliance with the Code, forms part of the mandate of UNIZULU's Audit and Risk Committee.

The detail of UNIZULU's governance structures, responsibilities and procedures are set out herein below.

3.1 STATUTORY RESPONSIBILITIES

3.1.1 COUNCIL AND COMMITTEES OF COUNCIL

In terms of the Statute of UNIZULU the Council governs the University subject to the provisions of the Higher Education Act 101 of 1997, as amended. The Council is responsible for policy-making, monitoring the performance of the institution and its management. The Council also has to provide guidelines with regard to a number of matters such as admission of students, the language policy, and staff matters, disciplinary matters with regards to students and staff and measures to ensure an adequate academic atmosphere.

In terms of the UNIZULU Statute (Section 18), the Council comprises 26 members, the majority of whom (60%) are neither employees nor students of the University. The independent non-executive members comprise a cross section of external expertise. As at 31 December 2015, 20 positions were filled. The composition is as follows:

| Table 12: External vs Internal Membership | |
|--|----|
| Ministerial representatives | 3 |
| Independent non-executive members | 3 |
| Convocation representatives | 2 |
| Executive management | 1 |
| Employee representatives | 5 |
| Student representatives | 2 |
| Donor Representatives | 2 |
| uMhlatuze Municipality Representatives | 1 |
| Traditional Authority Representatives | 1 |
| TOTAL | 20 |

Table 4 on page 22 displays the full list of Councillors and their respective constituencies.

The Chairperson of Council is primarily responsible for the effective functioning of the Council. The Chairperson is responsible for ensuring the integrity and effectiveness of the Council and its Committees and is required to:

- Provide overall leadership to the Council, without limiting the principle of collective responsibility for Council decisions.

- Ensure that all the Council members are fully involved and informed of any issue on which a decision has to be taken.
- Exercise independent judgement, act objectively and ensure that relevant matters are placed on the agenda and prioritised properly.
- Work closely with the Registrar in ensuring that at all times all the Council members fully understand the nature and extent of their responsibilities as the Council in order to ensure the effective governance of the University.
- Arrange for new members appointed to the Council to be properly inducted and oriented, and monitor Council appraisals
- Avail himself/herself to the Vice-Chancellor between Council meetings to provide counsel and advice pertaining to University matters.
- Ensure that the Council evaluates the performance of the Vice-Chancellor periodically.
- Act as the main informal link between the Council and management, particularly the Vice-Chancellor.

The role of the Chairperson differs from the Vice-Chancellor in that the Vice-Chancellor's responsibility is to focus on the operations of the University, ensuring that it is run efficiently and effectively and in accordance with the strategic decisions of the Council.

The Chairperson of Council, Mr CV Gamede was appointed as Chairperson of Council at its meeting on 08 October 2013, which term of office will expire on 07 October 2017.

Matters reserved Council for decision-making are set out in the UNIZULU Statute and in terms of the Higher Education Act (101 of 1997). Council is responsible for the on-going strategic direction of the university, approval of major developments and the receipt of regular reports from management on the day-to-day operation of its business. In terms of the Charter of Council, it should meet four times a year and the UNIZULU Council has several committees.

The Higher Education Act (see Section 29(1)) stipulates as follows:

"The Council (and the Senate) of a public higher education institution may each establish committees to perform any of their functions and may appoint persons, who are not members of the council (or the senate) as the case may be, as members of such committees".

The undermentioned committees, with the governance functions as described below, have been approved by Council to execute the above responsibilities. All the committees are formally constituted with approved terms of reference and are comprised of a majority of members of the Council who are neither employees nor students of the university. The committees are:

- **Audit and Risk Committee:** The committee assists the Council in fulfilling its overview responsibilities. It reviews the annual financial reporting process, the system of internal control and management of financial risks, the audit process, and UNIZULU's process for monitoring compliance with laws and regulations. The committee is also responsible for the issues of risk, its management and mitigation. The committee ensures that the risk management system and risk register is maintained. The Audit and Risk committee also assist Council in carrying out responsibilities related to IT as no separate IT Governance Committee has been established. Council is responsible for the IT Governance specifically related to the alignment of IT with the performance and sustainability objectives of the university, monitoring of IT. The Committee, chaired by Cllr SB Xulu in 2015, held four meetings during the year. All members of the committee are independent of the University and are not employed by the university. The composition of the committee is contained in table 8 on page 31. Both internal as well as external auditors have unrestricted access to the committee, which ensures that their independence is in no way impaired.

- **Finance Committee:** The Committee ensure the financial health of the University and assesses and recommends the approval of financial policies and protocol; the consolidated operating budget including operational, staff and capital budgets, cash flow predictions, the asset/liability profile and multi-year budgetary predictions; the annual consolidated report to the DHET and other ring-fenced funds and loans; the performance of the University against approved budgets and targets and takes/advises on appropriate corrective actions; the annual increase in student fees; and deals with the University's investments. It assures the financial health of the university as a "going concern". The Committee, chaired by Mr J Kunji-Behari in 2015, held four meetings during the year.
- **Planning and Infrastructure Committee:** The Committee develops and updates campus master plans for facilities and infrastructure, with implementation strategies, priorities and financing models for approval by the Council; advises the Council on the development, acquisition and integration of facilities and infrastructure; and develops and updates a comprehensive and sustainable institutional maintenance and replacement plan and strategy. The Committee, chaired by Mr G Sibiya in 2015, held 3 meetings in 2015, in April, September and November.
- **Human Resources Committee:** The Committee recommends to Council appropriate strategic directions and priorities in human resources governance, such as, for example, performance management, conditions of service, and employee relations. It also develops and recommends to Council policy and strategy with regard to the remuneration of staff and related matters. The Committee, which has delegated powers to approve new positions on the permanent staff establishment, was chaired by Cllr PN Maphoshe in 2015 and held four meetings and one special meeting during the year.
- **Executive Committee (COUNEX):** The Committee deals with urgent matters referred to it by Council and its committees. It assumes the authority of Council when Council is not in session and may perform the functions of Council. The Committee, chaired by the Chairperson of Council, Cllr CV Gamede in 2015, held four meetings and one special meeting during the year.

Council elected not to constitute a separate Risk Committee as risks are addressed through its Audit and Risk Committee.

A list of Council and sub-committee meetings is contained in Tables 5, 7, 8, 9, 10 and 11 of the Report of the Chairperson of Council.

Council conducted several workshops in 2015 aimed at appraisal of Council and its committees. Formal performance appraisals will be conducted in 2016.

3.1.2 STANDING COMMITTEES OF SENATE

The following standing committees of Senate have been approved by Senate in the execution of its authority:

- Executive Committee of Senate (SENEX)
- Teaching and Learning Committee
- Academic Appointments and Promotions Committee
- Research Committee
- Community Engagement Committee
- Faculty Boards

The Higher Education Act (see Section 29(3)) stipulates as follows:

"The council and the senate of a public higher education institution may jointly nominate committees, to be known as joint committees, to perform functions that are common to the council and the senate".

The Honorary Degrees Committee is a joint committee of Council and Senate at UNIZULU.

3.1.3 OTHER COMMITTEES

Other statutory bodies, constituted in accordance with the Act, are defined in the UNIZULU Statute, namely:

- Institutional Forum
- Students' Representative Council (SRC)
- MANCO (UNIZULU Management Committee)

In accordance with its statutory obligation to govern the institution, including the management structures necessary to implement governance policy, Council recognises the UNIZULU Management Committee (MANCO), as established by the Vice-Chancellor. MANCO is a consultative and advisory committee assisting the Vice-Chancellor in the planning and execution of the management and administration of the University in accordance with the UNIZULU Statute.

MANCO met on monthly basis in 2015 and in addition held several special meetings arising from urgent issues requiring attention.

3.2 CONFLICT MANAGEMENT

Issues of conflict management in student governance are dealt with in regular meetings held with the student leadership. Issues that may lead to conflict with the student leadership are catered for in the SRC Constitution, as well as constitutions of the various committees in which students are involved. Student leaders are members of the institutional committee structures where they can voice their concerns.

Since 2014, the Student's Representative Council elections were halted due to three interdict applications in 2015. The Council subsequently appointed the former President of the SRC (2013/2014) as the SRC Administrator, in accordance with the UNIZULU Statute and the SRC Constitution, whilst the matter was being dealt with in Court. This created serious conflict in student governance. The SRC Administrator was however temporarily suspended in the beginning of 2015 and disciplinary proceedings were instituted against him. Subsequently, Council terminated the appointment of the SRC Administrator and proceeded without any SRC representation as the students objected to the appointment of a nominated individual who was a staff member and internal Council member.

Council resolved to proceed without SRC representation until such time as the new SRC would be inaugurated and new SRC Constitution approved. The new Constitution (approved in August 2015) provided clarity on issues raised in the court battles and paved the way for new SRC elections to take place in October 2015. The university also successfully defended the interdict applications against the inauguration of the newly elected SRC and a new SRC was inaugurated in November 2015. The SRC immediately nominated SRC representatives to serve on Council in terms of the statute and the university effectively resolved the student governance conflict.

In student residences, conflict was resolved through the residence structures such as the Wardens, Assistant Wardens and House Committees. With regard to staff, minor incidents of conflict on campus were resolved by means of intervention by managers and/or Labour Relations Unit. As always, every attempt was made to resolve conflict at the lowest possible level, including interaction/co-operation with representatives of the sole union, NEHAWU, to assist in grievance resolution. UNIZULU has in place an approved grievance procedure that is used to deal with most incidents of conflict.

3.3 STAFF AND STUDENT PARTICIPATION – CO-OPERATIVE GOVERNANCE

The University places a great deal of emphasis on fostering and maintaining a high standard of co-operative governance and good governance in general as espoused in King III. Management, employees and organised labour constantly voice and amplify their commitment towards the need for scrupulous systems and processes at UNIZULU through various avenues. Employee representatives are extensively involved in committees, right up to the level of Council.

In addition, they have observer status or are co-opted on some operational committees, depending on the nature of the role and the matters of focus. Student leadership is involved in the major governance and management structures of UNIZULU, such as Senate and Council. There are standing quarterly meetings between MANCO and the SRC. Their inputs are taken seriously and constructive student comments are incorporated when effecting changes. Management and organised labour signed a new recognition agreement pertaining to salary increases on 08 August 2015.

3.4 CODE OF ETHICS

Compliance with the UNIZULU Code of Ethics was constantly monitored and observed, and any perceived deviations were dealt with effectively and efficiently in terms of the relevant UNIZULU rules, policies and procedures.

3.4 COMPLAINT STATEMENT

Council hereby explicitly confirms that it has applied the Code of Governance principles in 2015 and that approval of this statement was recorded at the full Council meeting, held on 24 June 2016, which meeting was quorated.



MR CV GAMEDE
CHAIRPERSON: UNIZULU COUNCIL
24 June 2016

4. COUNCIL'S STATEMENT ON SUSTAINABILITY

The University of Zululand continues to operate within the national context whilst recognising its critical importance to Zululand and its primary hinterland bordered by the N3, N4 and Indian Ocean. As a rural University that is expanding in the vibrant economic area surrounding Richards Bay it holds responsibilities to both its historic culture and vibrant future. It takes its position to sustain, document and learn from the former and to mould, contribute and benefit from the latter very seriously. Student political activities, always fluid and, often, unpredictable, hit a historic high in 2015. #feesmustfall challenged the government to increase funding for higher education to ensure adequate access to higher education by all who qualify, irrespective of their ability to pay. This, at a time when the government fiscus is challenged by sluggish growth, high levels of unemployment and growing levels of student debt. Whilst not immune to these pressures, the University of Zululand is, somewhat paradoxically, better placed to deal with this environment than many within the higher education sector.

For much of 2015 the University operated without a functioning and legitimate Student Representative Council. This contributed to the heightened political awareness amongst its student body that required conscientious and detailed attention. This resulted in a very close and intense working relationship with the SRC when finally elected late in 2015. Given the external environment this relationship did not develop naturally but was built through a sense of mutual respect and intent to address the issues facing the student body and the University alike. The University would like to recognize the very positive part that the SRC leadership played in these difficult times. When many other universities faced violence and struggled to complete examinations, the University of Zululand completed its 2015 academic year without incident and with positive plans for 2016 registration. It looks forward to taking this constructive working relationship with its student stakeholders forward to the benefit of its students, its staff and its community at large.

The decision by government to freeze tuition fees for 2016 and compensate universities by an increased government subsidy worked considerably to the benefit of the University of Zululand. With the vast majority (over 90% of entrants in 2016) of the University of Zululand being eligible for National Students' Financial Aid Scheme (NSFAS) funding a commitment from the government to cover historic debt of NSFAS eligible students as well as the commitment to fund continuing students until the end of their studies led to an unexpected financial windfall. Previously, inadequate funding had led to the University of Zululand allocating the NSFAS funds made available to it amongst all eligible students. This resulted in wholly inadequate funding being provided to the poorest of students. It seems unrealistic to think that this did not, in some major way, contribute to drop out rates, particularly amongst first year students.

It also led to a worrying growth in student bad debts. The government decisions of 2015 have meant that much of that student debt is now covered by government payments/promises and will be so for the next 3 years. Naturally, the final resolution of the higher education funding conundrum may impact negatively on the University of Zululand but for the next 3 years its revenue stream is more secure than ever before. It appears inconceivable that government decisions regarding funding in the face of the need of ever higher skilled populous, in a country that aspires to economic development and that has a current participation rate below 20% will harm the University of Zululand for some years to come.

Other social factors in addition to poverty and unemployment impacting on the University include HIV and AIDS and other illnesses, and difficulties experienced in adjusting to the university environment (which may affect staff as well as students). Crime and drug abuse in the region and a lack of appreciation of and respect for the University's assets can result in damage and neglect of University property. The University is alive to these issues and has put actions in place to counter these

negative influences where possible. In particular, the University undertook several orientation activities in 2015 including, but not limited to: Orientation Programme for first year students, Sexual Reproductive Health Week, Dual Protection campaigns; Scented Condom campaign; Male Medical Circumcision; Monthly HIV counselling and Testing etc.

Academically, the University also faces the need to address the academic under-preparedness of school leavers. Many school-leavers are ill-prepared for university-level studies, and their previous experiences of learning may not stand them in good stead in the University context. In this respect the university has vibrant Foundation programmes which are being offered in the Faculties of Science and Agriculture and Commerce, Administration and Law to address these issues. The university benefits from the Foundation Grant as provided for by DHET and continuous growth for Foundation programmes intake is expected in 2016.

In addition the University is embracing its categorization as a comprehensive university to blend the provision of academic with professional qualifications in support of the local and national economies. Students find direct articulation between diplomas and degrees challenging, hence the University is working on a more explicit articulation relationship between the two which is likely to identify required 'bridging' relationships that it is keen to provide. The University furthermore developed a comprehensive new Business Plan for the Richards Bay Campus which was submitted to the Minister of Higher Education and Training for consideration during February 2013. The Business Plan was developed with the support and buy-in of the business community of Richards Bay and Empangeni, the local authorities in the region and the FET College. This plan will be integrated into the KwaDlangezwa Master Plan. Richards bay campus will spend a considerable amount of time in reconfiguring its programme offering to manifest the comprehensive nature of the University

The importance of technology to the local and national economies continues to be a challenging aspect of provision for UNIZULU. The majority of the poor (the majority of our students) still does not have ready access to technology, and are consequently ill-prepared for its uses in learning contexts. At the same time, the University wishes to leverage off current IT trends to support student success and employability. During 2015 it extended its provision of wifi accessibility across its two campuses and this will be continued and extended in 2016. The University gained confirmation from NSFAS that students can use part of their loans and bursaries to fund laptop purchases. More needs to be done but this is a very positive start.

The broad regulatory and legal framework is a key platform against which the University operates. This report, itself, is a good example of the new reporting environment. The Annual Reporting Regulations (DHET, 2014) creates a template and a procedure that the University welcomes. As the higher education sector expands and UNIZULU grows (by over 50% in the past 5 years) the need for more robust and programmed accountability is recognized and welcomed. Reporting to stakeholders becomes ever more important. The University is taking the opportunity afforded by these greater reporting requirements to model its own internal reporting so that regulatory requirements are met at the same time is providing improved managerial information. A very good example of this is how the University has used the changes to qualifications required in response to the Higher Education Qualifications Sub-framework to modernize its qualification set and the relevance of its curricula. The Protection of Personal Information Act and Consumer Protection Act, also creates new reporting and communication requirements for students and third parties. The Auditor General's reporting guidelines and King IV imperatives impact on financial and general governance; the management and monitoring of research, research ethics, the protection of the University's intellectual property and finally the monitoring of compliance with the University's ethical framework for research.

2013 and 2014 were challenging years for UNIZULU due to the turnover of executive staff. Gaps in the senior team were still evident in early 2015. However,

appointments to the positions of Executive Director Finance, Executive Director Human Resources, Deputy Vice-Chancellor Research and Innovation, Deputy Vice-Chancellor Institutional Support and Registrar during 2015 led to a balanced executive team. Additional appointments in 2016 have continued this strengthening of the executive team which will provide a focus for strategic planning and stability in operational performance.

An important milestone in 2015 was the development of a new Strategic Plan 2016-2021 that was approved by Council. The UNIZULU Strategic Plan places community engagement at the centre of its core-responsibilities. Goal 2 on Higher Quality Teaching and learning provides for an enhancement of academic learning and civic responsibility through service learning. Goal 4 on Enrichment of Community Engagement highlights an emphasis on community engagement imperatives that have to be aligned with, and influence, teaching and learning. The approval of the Policy on Community engagement contributed toward achieving these goals. In 2015, all faculties were involved in numerous community engagement initiatives as evidenced in the Senate Report (see section 5.5).

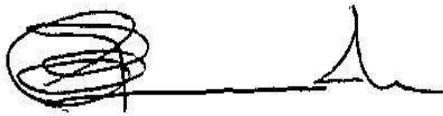
In line with one of the recommendations contained in the report of the External Review of the Anthropology and Development Studies Department in the Faculty of Arts (2011), the Department of Anthropology and Development Studies started a process of establishing the Centre for Sustainable Integrated Rural Development (CSIRD). The establishment of CSIRD is not only practically important but also symbolic of the University's understanding of its importance to the geographic region within which it is located and which it serves. The Centre for Sustainable Integrated Rural Development was launched on 21 July 2015. CSIRD will become a centre of excellence that will become a major resource in Africa's development. Significantly, the Faculty of Science and Agriculture signed a MOU with EWSETA (Energy and Water Seta) where the University will provide a report on the availability of skills in the Richards Bay Region for industry-especially for the new Richards Bay Industrial Development Zone (RBIDZ). This initiative will assist with an in-depth understanding of skills shortages which the University is committed to fill and will create opportunities to introduce short courses, which can result in third stream income. Staff members from the Faculty of Science and Agriculture also obtained funding for the installation of a solar radiation station which will form part of Southern African Universities Radiometric Network (SAURAN) which is an initiative of the Centre for Renewable and Sustainable Energy Studies (CRSES) at Stellenbosch University and the Group for Solar Energy Thermodynamics (GSET) at the University of KwaZulu-Natal. The station will be positioned at UNIZULU.

Alumni, as a critical stakeholder of the University of Zululand, are identified as of considerable importance for the delivery of the 2016-2021 Strategic Plan. UNIZULU boasts esteemed Alumni who hold influential positions in many sectors of our society and they have a strategic role to play in supporting the University's endeavours through their influence and networks. The University aims to strengthen alumni relations to the benefit of the University and its current students.

Sustainability, within the South African context, cannot be separated from transformation. What has become clear after more than 20 years of democracy is that transformation means very different things in different contexts. The University of Zululand started the process in 2015 in defining what transformation means for UNIZULU and all of its stakeholders. The Integrated Transformation Plan identified transformation initiatives such as the Development of an Employment Equity (EE) Plan, Development of an Attraction and Retention Strategy, Staff Engagement at all levels, Student leadership development, Performance Measurement, Student throughput, Service Delivery Improvement Plan and Disability. A draft five year Employment Equity Plan was submitted to the internally established Transformation Committee for deliberations and monitoring. Using the KwaZulu-Natal Provincial Economically Active Population demographics, numerical goals and targets were determined. Because of its location, UNIZULU finds it difficult to attract and retain senior level employees, particularly fixed term contract appointments. Lack of

suitable accommodation proved to be a significant factor in making decisions to relocate for a short term stay. To that end, Council approved the purchase of houses to provide needed accommodation in order to attract and retain executives.

The University of Zululand Foundation was established by the Council of the University in 2005. The object of the Foundation is to provide financial assistance and support to the University, which is the sole beneficiary of the Foundation. The Foundation, constituted in terms of a Deed of Trust, is governed by a Board of Governors consisting of individuals appointed by the Council and members elected by the donors of the University. The Foundation appointed a full time Executive Director in order to establish appropriate structures for the Foundation and a comprehensive and practicable fund raising strategy. As indicated above, the 2016-2021 Strategic Plan identifies Alumni relations as an important target for the University. The University's alumni team will work closely with the Foundation to ensure that the University and its stakeholders work collaboratively for the benefit of all.

A handwritten signature in black ink, consisting of a large, stylized initial 'G' followed by a horizontal line and a small flourish at the end.

MR CV GAMEDE
CHAIRPERSON: UNIZULU COUNCIL
24 June 2016

5. SENATE REPORT TO COUNCIL

During the period under review, the Senate continued to exercise its mandate of preserving the academic integrity of academic programmes in line with the provision of the Statute of UNIZULU. Operations of the Senate focused largely on quality improvement, restructuring of academic programmes, cleaning of the academic structure and introduction of new career focused programmes to address the mission of a comprehensive university.

5.1 COMPOSITION OF THE SENATE

The Senate has been reconstituted according to the newly approved Statute of UNIZULU and in accordance with section 28 (2) of the Higher Education Act, Act 101 of 1997, as amended. Therefore, members of the Senate are:

- a) Vice-Chancellor (Chairperson)
- b) Chairperson of the Council or any other external member of the Council nominated by the Chairperson of Council
- c) One external member of the Council appointed by the Council
- d) The Deputy Vice-Chancellors
- e) Registrar
- f) Deans
- g) Professors, Deputy Deans and Head of Departments
- h) Dean of Students or a person holding an equivalent position
- i) Head of the Richards Bay Campus
- j) One academic employee from each faculty, with at least the status of an Associate Professor, elected by faculties in accordance with paragraph 31(2)
- k) Directors of centres, institutes or units with an academic function appointed by the Senate
- l) Directors, or persons holding equivalent positions, of departments and units with an academic support function appointed by the Senate including, but limited to:
 - (i) Library services
 - (ii) Research support
 - (iii) Academic support
 - (iv) Quality assurance
- m) Chairperson of the Institutional Forum
- n) Two students elected in accordance with the process described in paragraph 31 (3).

5.2 CHANGES IN ACADEMIC STRUCTURES

The following changes were made to the academic structure in 2015:

- The Faculty of Arts is currently busy with re-curriculation of a number of academic programmes. These programmes include: Bachelor of Psychology, Bachelor of Arts; and Bachelor of Social Work.
- The Faculty of Commerce, Administration & Law received accreditation of the Bachelor of Commerce in Accounting Science on 02 December 2015.
- Senate approved the streamlining of all B.Com degrees from single major to double major.
- The Faculty of Education is currently busy with re-curriculation of a number of academic programmes. Three programmes had been submitted to the DHET for accreditation namely: B.Ed Foundation, Post Graduate Certificate in Education (PGCE) and The B.Ed Intermediate Phase.
- The Faculty of Science and Agriculture's BSc Agriculture, Agronomy (SBSC52) and BSc Agric. Agribusiness (SBSC) were both upgraded from qualification NQF 7 to NQF8. This will now enable students who graduate

with an average of 60% in the final year modules to proceed into MSc. degree programmes.

- The Faculty of Science and Agriculture's minimum entry requirement entry points were increased to 32 points in most major disciplines.
- The Certificates in Accountancy and Marketing were phased out.

5.3 SIGNIFICANT DEVELOPMENTS AND ACHIEVEMENTS IN TEACHING AND LEARNING

5.3.1 Faculty of Arts

Significant developments in the Faculty of Arts include an attempt to emphasise and encourage the use of participative approaches in classes. An attempt is also made to assist students that are vulnerable and struggling with certain academic activities such as the Writing Centre and a Tutorial Programme.

The achievements that can be highlighted are as follows:

- The ability of the Faculty to standardize the format of Course Outlines and align these to the description of the programmes as presented in the Faculty handbook. This alignment eliminates discrepancies between what is in the Faculty handbook and what is taught in class.
- Establishing a committee that deals with e-learning and an attempt to introduce the use of e-learning platforms for teaching and learning.
- An increase in the number of lecturers who use Moodle for their teaching activities.
- Getting all exit modules externally examined and moderated.
- In line with one of the recommendations contained in the report of the External Review of the Anthropology and Development Studies Department in the Faculty of Arts (2011), the Department of Anthropology and Development Studies started a process of establishing the Centre for Sustainable Integrated Rural Development (CSIRD), with a view of implementing not only the recommendations set forth through the External Review process, but also other government initiatives, as well as the University of Zululand's third pillar, namely, community engagement. The establishment of CSIRD is meant to be inter-disciplinary in character and hopes to invite all Faculties of UNIZULU to become actively involved. The Centre for Sustainable Integrated Rural Development was launched on 21 July 2015.

5.3.2 Faculty of Commerce, Administration and Law

- The Department of Accounting and Auditing students were trained in Pastel accounting. The Pastel accounting enables students to enhance their accounting skills by mastering practical accounting applications: general ledger, accounts receivable, accounts payable, inventory and order entry. Students are assessed through an online assessment and those who successfully complete the training received a certificate. This certificate is globally recognised and it gives graduates an advantage in finding work.
- The Department received a long awaited accreditation for B.Com (Accounting Science) from Council of Higher Education (CHE), South Africa.
- In July 2015, the Faculty conducted a peer mentorship programme. About 47 senior students were trained across the faculty. Considering that this is a

completely new initiative for UNIZULU, the attendance was sufficient and the attendees appeared to be committed and enthusiastic to take part in ensuring the success of this project.

- In August 2015 the faculty hosted a two-day workshop on teaching methods and the development of course outlines. The major recommendation was that all course outlines be benchmarked against other national and a few chosen international universities in Europe and America. All course outlines are to be filed in the Dean's office – both hard and electronic version- and have a uniform cover for all.
- The faculty further hosted the Moodle training for academic and support staff. Additionally, the Department of Law lecturers and a number of students attended the LexisNexis training to access legal resources online.
- The faculty ran a successful tutorial programme under the auspices of the academic development unit which paid the tutors' stipends. Furthermore, the Attorney's Fidelity Fund also provided limited funding to the tune of R40 000 to boost the tutorial programme. In addition the Department of Law also introduced objective tests which were written on a weekly basis. These tests are designed to make students think independently. They also prepare students for high level of thinking according to taxonomies of thinking.
- Most of Law staff members were and still are active in using interactive teaching media such as blogs and Moodle.
- Law students attended the following mock and moot competitions: Manfred Lachs space law moot competition (Abuja, Nigeria); the First Year moot competition (Bloemfontein), the LexisNexis mock trial competition and the Human Rights Moot Competition (Kenya).
- Third year students of the Department of Economics paid a visit to South African Reserve Bank (SARB) to learn on-the-job skills. In 2015, the Department of Economics produced one PhD and forty honours.
- The Faculty embarked on an exercise to develop its own Terms of Reference (TOR). The TOR is to be reproduced into a booklet for Faculty usage. The first 500 copies were made available in July 2015.
- At the end of the year the faculty hosted their teambuilding workshop where all HODs presented their current year activities. In addition deserving staff members were awarded with university coffee sets as a token of appreciation for their outstanding extra effort demonstrated in their work.
- The Department of Public Administration won a prize as outstanding post graduate department.
- The faculty commenced a process of self-evaluation in light of the National Law Review of LLB Programmes.

5.3.3 Faculty of Education

- The Faculty of Education delivers lectures through a combination of direct instruction (mainly through the use of PowerPoint presentations), group work, small group discussions, tutorials and laboratory work
- The Writing Centre Coordinator for the Education Faculty was also allocated to the Arts Faculty and is therefore serving both faculties. A venue was being prepared to be utilised as a writing centre and will be available in 2016. A total number of 895 education students visited the writing centre in 2015.

5.3.4 Faculty of Science and agriculture

- The Department of Human Movement Science has built a computer room with six new computers (with internet access) for students to make use of.

- Learning material (lecture notes, additional readings, and practice tests, virtual and interactive resources) is posted on the University's Moodle website by staff members in the Department of Human Movement Science.
- G Breukelman, C Gouws, S Currie, H Hammill, K Frames attended a workshop on Assessing Learning in Higher Education, University of Zululand, 30 November – 2 December 2015 facilitated by Dr. S. Reddy (UKZN).
- The Department of Consumer Science is leading others when it comes to Work Integrated Learning.
- The application of Masters and PhD Consumer Science offerings has been referred to Council for internal approval.
- The university approved the establishment of a Biokinetic practice at the Richards bay campus

5.4 SIGNIFICANT DEVELOPMENTS AND ACHIEVEMENTS IN RESEARCH

5.4.1 Organisational Structure

The appointment of Research Director for research office marks a turnaround for post graduate studies at UNIZULU. There is now a high potential of realising increase in postgraduate enrolments, throughputs and completion of degrees within the stipulated periods of study. The incumbent is Prof NB Mlitwa. Research administrations in all four faculties are bearing significant fruit since the appointment of Deputy Deans, Research and Internationalization for each Faculty in 2014. The incumbents for 2015 are:

- Faculty of Arts: Professor DN Ocholla
- Faculty of Commerce, Administration and Law: Dr I Kaseeram
- Faculty of Education: Professor DR Nzima
- Faculty of Science and Agriculture: Professor NW Kunene

5.4.2 Research Ethics

An accreditation delegation from the National Health Research Ethics Council (NHREC) sent by the National Minister of Health, visited UNIZULU on 15 April 2014 and inspected our infrastructure and processes for the Institutional Research Ethics Committee. Following the visit, the NHREC has fully accredited UNIZULU's Research Ethics Committee, enabling us to review all types of Research on health-related issues. Due to our full accreditation in November 2014 the National Minister of Health granted UNIZULU Research Ethics Committee delegation powers to be able to review research involving children which are non-therapeutic. UNIZULU Research Ethics Committee established a separate Animal Research Ethics Committee which is fully functional and operating at the Faculty of Science & Agriculture as a Sub-Committee of the institutional Committee. This committee oversees the good use of all animals for research purposes within UNIZULU.

5.4.3 Research Gala Dinner

UNIZULU hosted a third successful Research Awards Gala Dinner on 15 October 2015 at which the University recognised and honoured researchers and those who contributed to research at UNIZULU. The following persons require specific mention:

| Table 13 : Research Awards | |
|--------------------------------------|--|
| Name of Award | Recipient |
| Most productive emerging researchers | Dr EL Asuelime, Mr MM, Shongwe, Dr N Sithole |

| | |
|--|--|
| Most productive researchers | Prof. DD Tewari Prof. DN Ocholla DN Dr MAN Duma Prof. N Revaprasadu |
| Creative Arts Award | Dr N Sithole, Mr L Mafu |
| Role model department | Biochemistry and Microbiology |
| Research Department of the year Gold | Chemistry |
| Research Department of the year Silver | Biochemistry and Microbiology |
| Research Department of the year Bronze | Psychology |

5.4.4 Conferences

The Department of Information Studies hosted its 16th Annual IS Conference from 2 to 4 September, 2015 under the theme "Information and Knowledge for Development (IK4D)". This annual event attracted about 70 participants from Kenya, Zimbabwe South Africa, and the USA. Among the institutions/universities participating at the conference were University of Ibadan, University of KwaZulu Natal, University of South Africa, University of For Hare, Moi University, University of Nairobi, Umaru Musa Yar'adua University, National University of Science and Technology, Bulawayo, Kissi University College, Kenyatta University, University of Wisconsin Milwaukee, University of Pretoria, University of South Africa, and University of Zululand.

The Faculty of Arts hosted a 6th annual conference which was organised by the Faculty of Arts Research and Ethics Committee. It was held in Richards bay and at the University of Zululand from 19th to 21st October 2015. The theme of the conference was 'Future of Humanities and Social Sciences' that enabled the conference participants to discuss current research issues, trends, challenges and opportunities in the 18 broad sub-themes in the field. The Keynote Speakers were Prof. Johannes Britz, Provost and Vice Chancellor Academic Affairs, University of Wisconsin Milwaukee, USA and Prof. Nhlanhla Maake, Vice-Chairperson of the English National Language Body and a Council member of the English Academy of Southern Africa. There were about 70 delegates.

Thirty five research papers were presented at the conference including 27 full papers (FP) and 8 researches in progress papers (RIP) presented by PG students. In addition, two workshop sessions on blended teaching and learning and on Referencing Made Easy- Endnote and Mendeley were incorporated.

On the 14 to 16th October, 2015, the Faculty of Commerce Administration and Law hosted a conference for research capacity building. The Theme was "Management, Business, Administration and Legal Initiatives (MBALI) in promoting development". The post graduate students presented 4 papers and 27 presentations were from the members of staff.

Twenty one staff members were funded by the Senate Research Committee to attend international conference and 34 staff and post graduate students attended the national conference. The aim is to promote internationalisation, collaboration and quality research.

5.4.5 Research Awareness Month

The Research and Innovation Office and the Library jointly hosted a second research awareness campaign during September, 2015. The aim of this initiative was to promote and stimulate a research culture within the UNIZULU community. The events ranged from lectures on various topics, postgraduate student debates, exhibitions, Research and Innovation Office and Library workshops on Intellectual Property, SPSS, and Research design, Research grant writing, plagiarism, referencing, publishing one's research and Research Social networking.

Academics, postgraduate students and also undergraduate students

participated in the various events. Feedback received was positive and by all accounts, the campaign has succeeded in its objectives, this event will be held annually.

5.5 SIGNIFICANT DEVELOPMENTS AND ACHIEVEMENTS IN COMMUNITY ENGAGEMENT

The UNIZULU Strategic Plan places community engagement at the centre with other core-responsibilities of the University. Goal 2 on Higher Quality Teaching and learning provides for an enhancement of academic learning and civic responsibility through service learning. Goal 4 on Enrichment of Community Engagement highlights an emphasis on community engagement imperatives that have to be aligned with, and influence, teaching and learning.

5.5.1 Faculty of Commerce Administration and Law

The faculty is actively involved in ENACTUS community engagement project on a yearly basis. In 2015 ENACTUS participated in the national competitions held in Johannesburg and they were crowned as the 2015 champion. The ENACTUS team participated in the ENACTUS World Championship in Johannesburg on 14 – 17 October 2015. The team ranked within the top 16 universities in the world and received a trophy as award.

The Law Clinic provided indigent members of the community with free legal advice on criminal and civil matters, street law outreach programmes; free back up services for paralegals; and training of law students through consultations with clients at the clinic, mock trials and court visits.

The Department of Public Administration sent students to Parliament in 2015 and they presented on the importance of the Constitution of the Republic of South Africa and its relevance to daily life activities. There were members of the community and officials of parliament present during this presentation. They also had a discussion on the National Development Plan (NDP) which is a strategic plan that the government wants to action and achieve its goals by 2030. There were different inputs from the community and the students on how the government can achieve the 2030 vision.

Business Management made contact with Miss Rungani and invited her to present on the success of the Business Clinic at the University of Fort Hare at the teaching and learning workshop. The Dean committed himself to the development and progress of the Business Clinic idea. It was also decided that Miss Rungani make future presentations on how she should go about implementing the idea.

Schools were invited to receive career counselling from academics. The Department of Law was extremely active with the following activities:

- Arranged and facilitated visits and community talks by the following prominent people: Constitutional Judge Albie Sachs; High Court Judge Ntsikelelo Poswa; and High Court Judge Poyo-Dlwati.
- Facilitated and addressed students from the community during open day and career week.
- Attending schools within the community:
- The Black Lawyers Association addressed students at Balondo High School as well as S'bonokuhle High School;
- Dr D Iyer addressed the Gratton School in Eshowe on the 29th May 2015 in respect of law careers.
- The legal clinic has been actively providing legal services to the community and student population. Mr D Mothilall trained the Zululand region candidate attorneys for admission exams; provided *pro bono* legal representation to indigent persons, and participated in free Legal Advice Days project.
- Dr. Kaseeram wrote more than 5 articles for the Zululand Observer and was

interviewed by KZN1 TV on the depreciating rand and its implications for the economy and ordinary South Africans. Dr. Kaseeram was also invited to present a paper on tertiary institutions contributions to entrepreneurship at the African Renaissance Conference which was not an academic conference but was aimed at entrepreneurs, the youth and community interest groups.

The Department of Accounting have also contributed to community engagement in the following ways:

- SAICA, through local circuits of the Department of Basic Education arrange seminars for school learners interested in pursuing accounting as a career. Representatives from the accounting profession and tertiary institutions did short motivational presentations and answer any questions. This year our very own Department of Accounting was involved in at least 8 such events attended by at least 24 schools and over 2 000 learners and educators. This not only entrenches the relationship the university is building with SAICA but fosters relationships with potential students, their teachers and employers.
- To show it has a caring heart the department also does the audit of the Holy Cross Hospice, its Creche and its Bishops fund. Prof Livingstone forms part of the SAICA Aptec committee whilst Ms. Sangweni is on the SAICA National Education Committee, Industry on public health and patent law reform in South Africa: the Treatment Action Campaign; MSF and other NGOs on patent law and access to medicines.

5.5.2 Faculty of Education

The Department of Early Childhood has a registered a project entitled "Male teachers' experiences of the teaching in the Foundation Phase in schools in KwaZulu-Natal". The Department of Early Childhood Education requested the Research Committee to extend the project because the department was busy with re-curriculation during the past two years and therefore only a small portion of the research was done, namely the development of the questionnaire and maintaining contact with the 2010 male graduates. The extension was granted. Furthermore, the Education Resources Centre continue to provide local schools with books.

5.5.3 Faculty of Science and Agriculture

Dr F Fon was involved in a project at Ongoye high School related to Applied Centre for Climate and Earth System Science Mini-Habitable Planet. Two small bond-range layer production systems projects at Gingindlovu community was started which is currently training four honours students as their final projects as well as improving livelihood and providing self- employment to the rural community members.

5.6 COMPOSITION AND SIZE OF STUDENT BODY

The University's Enrolment Plan had caused the University not to grow in numbers, but rather to restructure its enrolments and, in particular, to strive towards increasing its intake of students in the Natural and Business Sciences, while limiting its intake of students in the Humanities, and, even more so, in Education.

Student registration trends up to 2015 include the following, among others:

- The overwhelming majority of students are officially classified as South Africans, followed by relatively small numbers of foreigners and the South African minority groups.
- Female students outnumber male students by a ratio of nearly 2:1.

Although statistics in respect of the official category of less abled students are not recorded to the same extent as those of other students, the University has made provision for this category of students to be represented on the Students'

Representative Council and the Institutional Forum, by such students, elected by fellow students falling under the same category.

Table 14¹ below illustrates student size and composition of the Student Body according to the level of study

| Table 14: Student Size and Composition according to the Level of Study | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|---------------|
| Levels of Study | 1 | 2 | 3 | 4 | 5 | Totals |
| Undergraduates | | | | | | |
| Faculty: Arts | 1041 | 1246 | 1574 | 222 | | 4083 |
| Faculty: Commerce, Administration & Law | 1089 | 1153 | 1025 | 168 | | 3435 |
| Faculty: Education | 1077 | 1386 | 1406 | 1263 | | 5132 |
| Faculty: Science & Agriculture | 1077 | 763 | 669 | 146 | | 2655 |
| Faculty: Other/NDP | | | | | | Null |
| Totals: | 4284 | 4548 | 4674 | 1799 | null | 15 305 |
| Postgraduates | | | | | | |
| Faculty: Arts | 279 | 277 | | | | 556 |
| Faculty: Commerce, Administration & Law | 97 | 46 | | | | 143 |
| Faculty: Education | 530 | 109 | | | | 639 |
| Faculty: Science & Agriculture | 162 | 89 | | | | 251 |
| Faculty: Other/NDP | | | | | | Null |
| Totals: | 1068 | 521 | null | Null | null | 1589 |
| Total UG + PG | | | | | | |
| Faculty: Arts | 1320 | 1523 | 1574 | 222 | | 4639 |
| Faculty: Commerce, Administration & Law | 1186 | 1199 | 1025 | 168 | | 3578 |
| Faculty: Education | 1607 | 1495 | 1406 | 1263 | | 5771 |
| Faculty: Science & Agriculture | 1239 | 852 | 669 | 146 | | 2906 |
| Faculty: Other/NDP | | | | | | Null |
| Totals: | 5352 | 5069 | 4674 | 1799 | null | 16 894 |

¹ Data presented in Table 14 is derived from the Management Information System which provides live data that constantly changes as corrections and minor adjustments are made. It was important for this section of the report to use MIS data since it can be categorized according to faculties. A similar kind of analysis done using HEMIS Data would only give us a break down enrolments according to CESM categories. While there is an understanding that CESM categories can be linked to knowledge areas based on faculties there are instances where this can apply to more than one faculty.

Table 15² below illustrates student size and composition according to gender and race.

| Table 15: Students Size and Composition according to Gender and Race | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|---------------|
| Gender and Race | WhtM | WhtF | CoIM | CoIF | IndM | IndF | BlkM | BlkF | Totals |
| Undergraduates | | | | | | | | | |
| Faculty: Arts | | 3 | 3 | 5 | 1 | | 1467 | 2604 | 4083 |
| Faculty: Commerce, Administration & Law | | | 6 | 7 | 7 | 7 | 1640 | 1768 | 3435 |
| Faculty: Education | | | | 2 | | 4 | 2028 | 3098 | 5132 |
| Faculty: Science & Agriculture | 2 | 3 | | 4 | 5 | 11 | 1137 | 1493 | 2655 |
| Faculty: Other/NDP | | | | | | | | | Null |
| Totals: | 2 | 6 | 9 | 18 | 13 | 22 | 6272 | 8963 | 15305 |
| Postgraduates | | | | | | | | | Totals |
| Faculty: Arts | 5 | 4 | | | 3 | 7 | 230 | 307 | 556 |
| Faculty: Commerce, Administration & Law | | 2 | 3 | | 1 | 3 | 71 | 63 | 143 |
| Faculty: Education | | | | 2 | 3 | 4 | 187 | 443 | 639 |
| Faculty: Science & Agriculture | 5 | 7 | 1 | | 2 | 7 | 112 | 117 | 251 |
| Faculty: Other/NDP | | | | | | | | | Null |
| Totals: | 10 | 13 | 4 | 2 | 9 | 21 | 600 | 930 | 1589 |
| Total UG + PG | | | | | | | | | Totals |
| Faculty: Arts | 5 | 7 | 3 | 5 | 4 | 7 | 1697 | 2911 | 4639 |
| Faculty: Commerce, Administration & Law | | 2 | 9 | 7 | 8 | 10 | 1711 | 1831 | 3578 |
| Faculty: Education | | | | 4 | 3 | 8 | 2215 | 3541 | 5771 |
| Faculty: Science & Agriculture | 7 | 10 | 1 | 4 | 7 | 18 | 1249 | 1610 | 2906 |
| Faculty: Other/NDP | | | | | | | | | Null |
| Totals: | 12 | 19 | 13 | 20 | 22 | 43 | 6872 | 9893 | 16894 |

² Data presented in Table 15 is derived from the Management Information System which provides live data that constantly changes as corrections and minor adjustments are made. It was important for this section of the report to use MIS data since it can be categorized according to faculties. A similar kind of analysis done using HEMIS Data would only give us a break down enrolments according to CESM categories. While there is an understanding that CESM categories can be linked to knowledge areas based on faculties there are instances where this can apply to more than one faculty.

5.7 TEACHING AND LEARNING

5.7.1 Limitations on Access to certain courses in all Faculties

The general limitations experienced by all four faculties included the following

- Lack of suitable recruitment strategies to attract and retain suitably qualified staff
- Overcrowding in classes
- Lecture venues are not conducive for interactive teaching approaches and assessment purposes. There is a lack of teaching resources such as audio visual equipment, shortage of big venues to administer assessments to large class-sizes and shortage of venues for tutorials in small groups and postgraduate students.
- There is a lack of monitoring and controlling student attendance in classes due to large numbers.
- Administering of quality assessment to large classes was a challenge. Group assessments are mostly used to cater for the large numbers.

The **Faculty of Education** experienced the following specific limitations:

- As a result of unfilled vacancies, most lecturers teach from level 1 to level 4 to post graduate (honours) in addition they also service PGCE.
- The B.Ed. (ECE and FP) is meant to prepare students for teaching in Grade R and Grades 1-3. Grade R has a specific classroom layout to ensure play and discovery learning. Although the department has used available funds to purchase resources for this classroom, the faculty still requires a venue to set up the space.

The **Faculty of Commerce, Administration & Law** experienced the following specific limitations:

- In the Resource Centre, all material and equipment that we have are manually circulated and recorded, an electronic system will make the issuing of material more accurate and time effective
- Internet access is not readily available in all the venues as the cables are missing, this is vital if lecturers want to have direct access to a site that is relevant to their module.

The **Faculty of Science & Agriculture** experienced the following specific limitations:

- The minimum entry requirements for the BSc Human Movement Science programme was enhanced from 28 NSC points to 30 NSC points. This was done to improve pass rates and through-put rates.
- The minimum entry requirements for the Diploma in Exercise and Sport Technology programme was enhanced from 24 NSC points to 26 NSC points. This was done to improve pass rates and through-put rates.
- The Department of Consumer Science is busy crafting a curriculum for Consumer Science Masters and PhD degrees. This is a limitation since we graduate a number of students at Honours level who would like to continue with their postgraduate studies. All internal approval processes have now been completed.

5.7.2 Levels of academic progress in different disciplines and levels of study

Although modules dominated by numeracy and related phenomena tend to allow both higher and lower marks than the 'average module', these are not the only pass rates to dominate the scene, unrealistically high pass rates, or boasting a disproportionate number of passes with 'merit / distinction', may also warrant attention.

The average pass rate in the Faculty of Arts was 86.7%; the Faculty of Commerce Administration and Law was 81.1%; the Faculty of Education was 91,4% and the Faculty of Science and Agriculture was 79.5%

5.7.3 Awards and achievements

The Teaching and Learning Centre has a mandate to steer the agenda for quality teaching and learning at the University of Zululand. In view of this, the Centre has embarked on progressive developments aimed at professionalising academics' practice as teachers. The Teaching Portfolio is a result of this mandate.

Academics can apply for the Vice-Chancellor (VC) Excellence in Teaching Awards. The main purpose of the VC awards is so that individuals who have achieved excellence as teachers can be honoured, recognised and rewarded. It is also so that the academics who excel in the institutional VC's Excellence in Teaching Awards can be entered in the National Teaching Excellence awards that were introduced in 2009 - a collaboration between Higher Education Learning and Teaching Association of South Africa (HELTASA) and the Council on Higher Education (CHE) that was geared to raise awareness of the teaching role in higher education through the recognition of teaching excellence in South African Higher Education Institutions.

Three categories of academics are considered for the application: emerging academics, developed academics, distinguished academics. It must be reported that the award scheme was introduced in 2015, hence no academic awards were issued in 2015 or achievements honoured.

The process was deferred to 2016.No academic awards were issued in 2015 or achievements honoured.

5.7.4 Outputs produced

Undergraduate degrees diplomas/certificates awarded in 2015 (2014 cohort) are contained in the tables³ below:

| Table 16: Graduation Statistics (Overall Graduates) | | | | | |
|--|-------------------------|--------------|--------------|------------------|----------------|
| Overall Graduates (both UG and PG) | | | | | |
| | No. of Graduates | | | | |
| Faculty Names | Females | Males | Total | % Females | % Males |
| FACULTY OF ARTS | 786 | 423 | 1209 | 65% | 35% |
| FACULTY OF COMM, ADMIN & LAW | 415 | 314 | 729 | 57% | 43% |
| FACULTY OF EDUCATION | 913 | 483 | 1396 | 65% | 35% |
| FACULTY OF SCIENCE & AGRIC | 289 | 238 | 527 | 55% | 45% |
| Totals | 2403 | 1458 | 3861 | 62% | 38% |

³ Data presented in Tables 16, 17, 18, 19 & 20 is derived from the Management Information System which provides live data that constantly changes as corrections and minor adjustments are made. It was important for this section of the report to use MIS data since it can be categorized according to faculties. A similar kind of analysis done using HEMIS Data would only give us a break down enrolments according to CESM categories. While there is an understanding that CESM categories can be linked to knowledge areas based on faculties there are instances where this can apply to more than one faculty.

Table 17: Graduation Statistics (Percentage and Figures of Fame/Female Graduates - overall)

| Faculty Names | Under Graduate | | | | Post Graduate | | | | Total |
|------------------------------|----------------|------------|-------------|------------|---------------|------------|------------|-----------|-------------|
| | Fem | % Fem | Male | % Male | Fem | % Fem | Male | % Male | |
| FACULTY OF ARTS | 685 | 57% | 365 | 30% | 101 | 8% | 58 | 5% | 1209 |
| FACULTY OF COMM, ADMIN & LAW | 372 | 51% | 283 | 39% | 43 | 6% | 31 | 4% | 729 |
| FACULTY OF EDUCATION | 653 | 47% | 372 | 27% | 260 | 19% | 111 | 8% | 1396 |
| FACULTY OF SCIENCE & AGRIC | 226 | 43% | 187 | 35% | 63 | 12% | 51 | 10% | 527 |
| Totals | 1936 | 50% | 1207 | 31% | 467 | 12% | 251 | 7% | 3861 |

Table 18: Graduation Statistics (Percentage of Fame/Female Graduates – overall)

| Faculty Names | No. of Graduates in percentages | | | |
|------------------------------|---------------------------------|------------|------------|-----------|
| | UG Females | UG Males | PG Females | PG Males |
| FACULTY OF ARTS | 57% | 30% | 8% | 5% |
| FACULTY OF COMM, ADMIN & LAW | 51% | 39% | 6% | 4% |
| FACULTY OF EDUCATION | 47% | 27% | 19% | 8% |
| FACULTY OF SCIENCE & AGRIC | 43% | 35% | 12% | 10% |
| Totals | 50% | 31% | 12% | 7% |

Table 19: Graduation Statistics (Doctoral Graduates)

| Percentage Males and Females per Faculty (Doctoral students) | | | | | |
|--|------------------|-----------|-----------|------------|------------|
| Faculty Names | No. of Graduates | | | | |
| | Females | Males | Total | % Females | % Males |
| FACULTY OF ARTS | 2 | 4 | 6 | 33% | 67% |
| FACULTY OF EDUCATION | 1 | 4 | 5 | 20% | 80% |
| FACULTY OF SCIENCE & AGRIC | 3 | 4 | 7 | 43% | 57% |
| Totals | 6 | 12 | 18 | 33% | 67% |

| Table 20: Graduation Statistics (Masters Graduates) | | | | | |
|--|-------------------------|--------------|--------------|------------------|----------------|
| Percentage Males and Females per Faculty (Masters students) | | | | | |
| Faculty Names | No. of Graduates | | | | |
| | Females | Males | Total | % Females | % Males |
| FACULTY OF ARTS | 3 | 10 | 13 | 23% | 77% |
| FACULTY OF COMM, ADMIN & LAW | 1 | 2 | 3 | 33% | 67% |
| FACULTY OF EDUCATION | 10 | 8 | 18 | 56% | 44% |
| FACULTY OF SCIENCE & AGRIC | 2 | 6 | 8 | 25% | 75% |
| Totals | 16 | 26 | 42 | 38% | 62% |

5.8 RESEARCH

5.8.1 Summaries of various programmes

Postdoctoral Fellows

The University hosted 17 Postdoctoral Fellows during 2015. The aim is not only to improve the University's research output, but also to stimulate a research culture within departments. In 2015, 13% of the total units were generated by the postdoctoral fellows. Currently one fellow is allocated to one academic. We are hoping to expand the program. More academics have indicated the need of post-doctoral fellows.

SARChI Chair

The University hosts a South African Research Chairs Initiative (SARChI) Chair in Nanotechnology, with Professor Neerish Revaprasadu as the incumbent. The Chair has undoubtedly given the University's research a major impetus and the University is a recognised player in the field, nationally and increasingly, internationally. The work emanating from this Chair has benefited from increased institutional support and outputs are now consistently being published in high-impact journals. Prof Revaprasadu and his team produced 15 accredited publications in 2015 (mainly in very high impact international journals), 1 Master's graduates and one patent.

Importantly, the Chair is seen as a Materials Science Centre of Excellence in Africa. It has become a partner of choice and has attracted collaborators from East and West Africa, India and the United Kingdom. It was a co-recipient of a substantial grant (£ 1.25m for a period of five years) from the UK Department for International Development (DFID) and the Royal Society.

Two more applications for SARChI chairs were submitted in 2015, but were not successful.

Research Capacity Development

The University continued to build upon research capacity development initiated in 2012. In 2015 the University assisted 3 and 5 staff members to visit national and international laboratories, respectively. Three staff members were funded to attend research capacity or mentorship workshops. In 2015 the University assisted 5 staff members with study leave to obtain their doctoral degrees. One of the female and 1 male staff members obtained a PhD in March 2016, another male staff member is graduating in May, 2016 and one has submitted. Early indicators are that the programme has been successful in assisting the University in improving staff qualifications. When the programme started in 2012, the percentage of permanent academic staff with doctorates was 27%. In 2015 the figure was 35%.

Rhodes University's Centre for Higher Education Research, Teaching and Learning (CHERTL) to conduct was contracted to give an accredited training course for academic staff, one on Research Design.

A total of 1190 staff and students were trained in 2015, in the areas of research ethics, statistics, research design, referencing, article writing, proposal writing, postgraduate supervision, conference presentation, examination processes and Postgraduate Induction Programme. The full schedule of training events conducted this year, with the number of attendees, is set out in the table below.

| Table 21: Training and events conducted in 2015 | | | | |
|--|---|---|------------------|---------------------|
| Date | Event | Facilitator | Attendees | Annual Total |
| 13-16 Jan | RWR E Retreat | Dr. G Baker & Dr. Lickindorf | 15 | 15 |
| 29 Jan | Research Strategic Workshop | Prof. Rob Midgley | 21 | 21 |
| 17-19 & 24 Feb | Proposal Writing Workshop | Prof. Rob Midgley | 225 | 225 |
| 02-05 March | Faculty Based Article Writing Retreat (CAL,ARTS,EDU & SCIENCE) (Workshop 1) | Dr. G Baker & Dr. Lickindorf | 59 | 59 |
| 17-18 Mar | Postgraduate Induction | Research Office Team Deputy Deans | 376 | 376 |
| 23-26 Mar | Nuffic Programme: Doctoral Supervision (phase 1) | Prof. T. Shefer NUFFIC | 19 | 19 |
| 13-16 Apr | Introduction to Research Design | Prof. Mckenna & Prof. Mgwashu | 26 | 26 |
| 23 April | Animal Ethics Training UZREC | | 13 | 13 |
| 02 July | Research Ethics Training on Fundamentals | Dr Lyn Horn | 5 | 5 |
| 14&15 July | Faculty Based Article Writing Retreat (CAL,ARTS,EDU & SCIENCE) (Workshop 2) | Dr. G Baker & Dr. Lickindorf | 15 | 15 |
| 14 &16 July | Postgraduate Ethics Workshop | Prof. D Ocholla & Prof. J Thwala | 74 | 74 |
| 27-29 July | Nuffic Programme: Doctoral Supervision (phase 3) | Prof. T. Shefer NUFFIC | 11 | 11 |
| 06 Aug | IP Awareness workshop | Spoor & Fisher | 52 | 52 |
| 24-28 Aug | RWR | Dr. G Baker & Dr. Lickindorf | 13 | 13 |
| 01-30 September | Research Awareness month | Research office, Library & Deputy Deans | - | 40 |
| 02-04 September | Introduction to Research Design | Chertl | 21 | 47 |
| 08-10 September | SPSS | Mr. Sizwe Zondo | 17 | 17 |
| 7-11 September | Doctoral Research Training | USB ED | 22 | 22 |
| 21-23 September | SPSS | Mr. Sizwe Zondo | 15 | 15 |
| 22 September | Grant Proposal writing | | | |
| 06 October | Guest Lecture : Indigenous Knowledge | Prof. H.O Kaya-UKZN/ DST NRF UKS | 34 | 34 |
| 13-15 October | SPSS | Mr. Sizwe Zondo | 14 | 46 |
| 12 November | Guest Lecture | Pror. Okoffe -RU | 37 | 37 |

In addition each faculty hosted the workshops for post graduate students which included the following:

- *Writing a proposal, research design, oral presentation skills, preparing and presenting a poster, qualitative research design, survey design and analysis, Acceptance or Rejection in accredited journals: The last Frontier.*

Research Administration Capacity Development

- The Innovation and Intellectual Property administrator attended a NIPMO IPR Colloquim on IP on publicly funded institutions and on high lights on full cost reporting requirements.
- University of Zululand Research Ethics Chairperson and the Research ethics administrator attended a meeting at the National Health Research Ethics Council at the National Department of Health head offices. The meeting was on new policies, procedures and processes passed by the National Minister in governing Research Ethics in March 2015 and published in the National gazette.
- Deputy Deans Research and Innovation (Faculty Ethics Chairs) received a 1 day training workshop on Research Ethics Fundamentals.
- Research and Information Management Systems (RIMS) Manager attended the RIMS orientation and training workshops.

5.8.2 Awards

The tables below displays the research rewards for the year 2015.

| Table: 22 Categories of Awards (A – F) | | | |
|---|---|--|---|
| Cat. | Name of the Award | Description | Recipients |
| A | Research Bites | All students who participated in producing the research newsletter Staff who contributed beyond the call of duty (layout and other) | Story contributions Naidoo Kevisha, Miss Layout artist Naidoo Kevin, Dr |
| | Faculty Service Award | Persons other than Deans or Deputy Deans who have contributed to administration or promotion of research and postgraduate studies within the faculty | Arts – Mrs E Latecka Education – Prof A Bayaga Commerce – Ms LR Calvino Science – Dr A Kappo |
| | Research enthusiasts | Persons who attended at least three research office training workshops during the year | Calvino LR Gouws C Hammill H Iyer D Mason R Nxumalo S Oliver S Pullabhotla VSR |
| B Next Generation | Research Writers' Retreat Graduates | RWR participants who have published or who have had articles accepted for publication in accredited journals | Biyela G (Sister) Evans N Gouws C Masuku M Nxumalo S Selepe B Tweddle G |
| | Research productivity: postgraduate students | Top three postgraduate students who have published or who have had articles accepted for publication in accredited journals, with a minimum of at least 1.0 unit | None |

| | | | |
|--|--|--|---|
| | Research productivity: emerging researchers | Researchers under the age of 40 who generated the most units in their faculty, provided that a minimum of 1.0 unit was met | Asuelime EL (1.00) Shongwe MM (1.00) Sithole N (1.00) |
| | Postdoctoral Research Fellow of the year | Postdoctoral research fellow who generated the most units, provided that the minimum criterion was met | None |

| Cat. | Name of the Award | Description | Recipients |
|----------------------------------|--|---|--|
| C Established Researchers | Research productivity: Senior researchers | All researchers (<i>excluding research fellows</i>) who attained 1.50 research output units | Bayaga A, Prof (2.34 – Education) Biyela NG, Dr (2.00 – Education) Duma MAN, Dr (4.33 – Education) Mabusela MS, Mrs (1.50 – Education) Mashiya N, Mrs (2.00 – Education) Mostert BJ, Prof (2.49 – Arts) Ocholla DN, Prof (2.66 – Arts) Revaprasadu N, Prof (2.27 – Science) Tewari DD, Prof (4.66 – Commerce) Zondi NB, Prof (1.50 – Arts) |
| | Faculty Researcher of the year | Most productive researcher (<i>excluding research fellows</i>) per faculty, provided that the minimum criterion was met (1.5) | Arts – Ocholla DN, Prof (2.66) Commerce – Tewari DD, Prof (4.66) Education – Duma MAN, Dr (4.33) Science – Revaprasadu N, Prof (2.27) |
| | Supervision output | Supervisors who produced <u>at least two</u> research Master's and/or PhD graduates at the most recent graduation ceremony | Adigun MO, Prof (M = 7) Duma MAN, Dr (M = 2; D = 2) Govender Sumeshni, Dr (M = 2) Imenda SN, Prof (M = 1; D = 2) Isike CA, Prof (M = 1; D = 1) Jerling HL, Dr (M = 2) Kaseeram I, Prof (M = 3) Khumalo LZM, Prof (M = 3) Mostert BJ, Prof (M = 1; D = 1) Ntombela NH, Prof (M = 11) Nzama AT, Prof (M = 2) Nzima DR, Prof (M = 8) Rugbeer H, Prof (M = 2; D = 1) Shamase MZ, Dr (M = 1; D = 1) Sibaya DC, Prof (M = 1; D = 1) Sibaya PT, Prof (M = 4) Thwala JD, Prof (M = 6; D = 1) Vivier L, Dr (M = 2) |
| | Most productive full-time researcher in the university, including research fellows | Full-time researcher or Fellow who generated the most units | Edwards SD, Prof (11.32) |
| | Top two most productive researchers in the University who are not full-time researchers | Researcher who generated the most units | Tewari DD, Prof (4.66 – Commerce) Duma MAN, Dr (4.33 – Education) |

| Cat. | Name of the Award | Description | Recipients |
|---------------|--|---|---|
| D Departments | Productive research departments | All departments with per capita research output (including research fellows) of a minimum of 0.5 | Agriculture (0.56) Biochemistry & Microbiology (2.06) Chemistry (1.76) Communication Science (0.56) Criminal Justice (0.67) Early Childhood Education (0.94) Economics (1.03) Geography & Environmental Studies (2.50) History (0.50) Information Science (2.30) Law (1.50) Philosophy (0.67) Politics & International Studies (1.00) Psychology (1.64) Social Science Education (0.54) Zoology (0.54) |
| | Most productive research department per faculty | Most productive department per faculty, per capita provided that the minimum criterion was met (0.5) | Arts Information Studies (2.30) Education Early Childhood Education (0.94) Commerce, Admin & Law Economics (1.03) Science & Agriculture Geography & Environmental Studies (2.50) |
| | Most productive research department in the university | Most productive department in the university, per capita provided that the minimum criterion was met (0.5) | Geography & Environmental Studies (2.50) |
| | Productive postgraduate departments | All departments with per capita postgraduate output (including research fellows) of a minimum of 1.0 unit | Biochemistry & Microbiology (1.75) Chemistry (2.50) Communication Science (1.25) Computer Science (1.10) Curriculum & Instructional Studies (1.50) Criminal Justice (1.50) Early Childhood Education (1.00) Educational Psychology (2.00) History (1.00) Politics & International Studies (1.00) Psychology (1.71) Public Administration (3.00) Social Work (2.40) Social Science Education (1.00) Zoology (1.00) |
| | Role Model | Department implementing the best and/or most innovative ideas for increasing research and postgraduate outputs | Biochemistry & Microbiology |

| Cat. | Name of the Award | Description | Recipients |
|----------------------|-------------------------|--|--|
| E Special Categories | Innovation Award | All researchers who had patents registered | Neerish Revaprasadu <i>Synthesis of Core-Shell Metal-Semiconductor Nanomaterials</i> Pragesen Mudali <i>Smart Drive</i> |

| | | | |
|--|-------------------------------------|---|---|
| | Recent NRF-rated researchers | NRF rated researchers | Newly rated (2015) De Wet H, Prof Pullabhotla VSR, Prof Rated Addison C, Prof Baum RK, Prof Beesham A, Prof Cyrus DP, Prof Edwards SD, Prof Hooper MJ, Prof Ocholla DN, Prof Isike CA, Prof Revaprasadu N, Prof Zharare GE, Dr Ntshangase SS, Dr |
| | Creative Arts Award | Person with evidenced success in non-traditional research, in the literary and/or creative arts fields, and includes works of fiction | Nkosinathi Sithole <i>Hunger Eats a Man</i> Lucas Mafu <i>The Mad Terror</i> |
| | Book Prize | Award for the best scholarly book/ monograph (<i>must meet the criteria for book accreditation</i>) | None |
| | Professional Recognition | Person who obtained membership on special society and/or associations etc. | Aroon Beesham <i>Honorary Professorship within the School of Mathematics, Statistics & Computer Science at the University of KwaZulu-Natal, Westville for a period of 3 years as from 1 July 2015. This is a very prestigious but non-paying appointment</i> Neerish Revaprasadu <i>Membership of the South African Academy of Science (ASSAF)</i> |
| | Exhibitions | Top three displays (Research Month) | Agriculture – 66.62% Economics – 17.16% Chemistry – 11.10% |

| Cat. | Name of the Award | Description | Recipients |
|----------------------|---|---|--|
| F Prestige Awards | Research Department of the Year: 3rd (Bronze) | Department that produced the third-most units per capita (<i>including research fellows</i>), combining postgraduate and research outputs | Psychology Graduate output 1.71 Research output 1.64 Total 3.35 Average – 1.55 |
| | Research Department of the Year: 2nd (Silver) | Department that produced the second-most units per capita (<i>including research fellows</i>), combining postgraduate and research outputs | Biochemistry & Microbiology Graduate output 1.75 Research output 2.06 Total 3.81 Average – 1.91 |
| | Research Department of the Year: 1st (Gold) | Department that produced the most units per capita (<i>including research fellows</i>), combining postgraduate and research outputs | Chemistry Graduate output 2.50 Research output 1.76 Total 4.26 Average – 2.13 |

5.8.3 Funding 2014/2015

| Table 23: Research Development Grant Funding | | | |
|---|-----------------|----------------------------|------------|
| CONTRIBUTOR | RECEIVER | TYPE/PURPOSE | AMOUNT |
| DHET | Research Office | Research Development Grant | R4 007 000 |

| Table 24: National Research Funding Awards | | |
|---|---|-----------------------|
| GRANT HOLDER | PROGRAMME / DESCRIPTION | AMOUNT AWARDED |
| Adigun MO | THRIP | 230 000.00 |
| Baum RK | INCENTIVE FUNDING FOR RATED RESEARCHERS | 222 000.00 |
| Beesham A | INCENTIVE FUNDING FOR RATED RESEARCHERS | 40 000.00 |
| Cyrus DP | INCENTIVE FUNDING FOR RATED RESEARCHERS | 40 000.00 |
| De Wet H | INCENTIVE FUNDING FOR RATED RESEARCHERS | 40 000.00 |
| Edwards SD | INCENTIVE FUNDING FOR RATED RESEARCHERS | 40 000.00 |
| Isike CA | INCENTIVE FUNDING FOR RATED RESEARCHERS | 40 000.00 |
| Kibirige B | INTERNATIONAL SCIENCE AND TECHNOLOGY AGREEMENTS | 12 800.00 |
| Kunene NW | INTERNATIONAL SCIENCE AND TECHNOLOGY AGREEMENTS | 94 000.00 |
| Kunene NW | THUTHUKA | 91 500.00 |
| Mahedeva J | IRG - UK/SA RESEARCHER LINKS GRANTS FOR TRAVEL AND HOSTING OF SCIENTIFIC EVENTS | 36 645.00 |
| Ndwandwe OM | NATIONAL EQUIPMENT | 2 900 000.00 |
| Ndwandwe OM | INTERNATIONAL SCIENCE AND TECHNOLOGY AGREEMENTS | 150 000.00 |
| Ntshangase SS | INCENTIVE FUNDING FOR RATED RESEARCHERS | 20 000.00 |
| Ntshangase SS | JOINT INSTITUTE FOR NUCLEAR RESEARCH PROGRAMME | 300 000.00 |
| Ocholla DN | INCENTIVE FUNDING FOR RATED RESEARCHERS | 40 000.00 |
| Revaprasadu N | NATIONAL EQUIPMENT | 10 000 000.00 |
| Revaprasadu N | SA RESEARCH CHAIRS - Nano Technology | 2 252 781.29 |
| Revaprasadu N | IRG - EGYPT/SA AFRICA RESEARCH COOPERATION PROGRAMME | 150 000.00 |
| Simonis J | STRATEGIC KNOWLEDGE FIELDS | 7 145.70 |
| Zharare GE | INCENTIVE FUNDING FOR RATED RESEARCHERS | 40 000.00 |
| Zharare GE | COMPETITIVE PROGRAMME FOR RATED RESEARCHERS | 315 545.00 |
| Total | | R16 942 416.00 |

National Research Foundation Bursaries 2015

- Total Sum of **R 808 4000.00** based on the following types of grants received.

| Table 25: National Research Foundation Bursaries | |
|---|-----------|
| Block Grant | |
| Undergraduate | |
| SANHARP | 1 |
| Honours | |
| Free-Standing | 18 |
| Innovation | 33 |
| Innovation additional | 33 |
| Scarce Skill | 4 |
| TOTAL | 91 |

| Scholarships | |
|---|----|
| Masters | |
| Free-Standing Masters New | 5 |
| Innovation Scholarship | 6 |
| Scarce Skills Scholarship | 8 |
| Masters renewal | 6 |
| Masters additional | 25 |
| Masters Sasol Inzalo | 2 |
| Extended Support | 1 |
| TOTAL | 53 |
| Doctoral | |
| Innovation Doctoral | 4 |
| Scarce Skill Doctoral | 1 |
| Renewal and Sustainable Energy Scholarship | 1 |
| TOTAL | 6 |
| Postdoctoral scholarship and fellowships | |
| Postdoc | 1 |
| TOTAL | 1 |

Faculty Specific Funding (external)

- **Faculty of Science & Agriculture**

Total funds received from external sources by members of the Faculty of Science and Agriculture are **R11 540 800**

| Table 26: Faculty of Science and Agriculture External Funding | | |
|--|--------------------------------|---------------|
| Researcher | Source | Amount |
| Agriculture | | |
| Prof. G.E. Zharare | NRF (Groundnuts) | R1.08 million |
| Prof. G.E. Zharare | NRF (Indigenous fruits) | R650 000 |
| Prof. G.E. Zharare | NRF(Incentives) | R40 000 |
| Prof. N.W. Kunene | NRF(Nguni sheep) | R588 000 |
| Dr. N.F. Fon | UZ-Research(ruminants) | R60 000 |
| Biochemistry and Microbiology | | |
| Mr Mthembu | NRF(Thuthuka) | R140 000 |
| Dr M.A. Kappo | SAMRC(Research capacity) | R1 million |
| Dr M.A. Kappo | UZ-Research(RBBP6 Human RING) | R50 000 |
| Dr M.A. Kappo | UZ-Research (Incubator) | R122 000 |
| Chemistry | | |
| N. Revaprasadu | NRF(SARChI Chair) | R2 million |
| N. Revaprasadu | NRF(Tanzania/SA Collaboration) | R150 000 |
| N. Revaprasadu | NRF(Egypt/SA Collaboration) | R200 000 |
| N. Revaprasadu | Royal Society/DFID | R850 000 |
| Physics and Engineering | | |
| S. Ntshangase | NRF | R40 000 |
| S. Ntshangase | NRF(Development) | R300 000 |
| S. Ntshangase | UZ-Reseach | R70 000 |
| S. Ntshangase | NRF-JINR | R30 000 |
| Dr B. Kibirige | NRF-JINR | R12 800 |
| Mr C.T. Thethwayo | UZ-Research | R20 000 |
| Miss N.P. Chonco | UZ-Research | R20 000 |
| Mr A.P. Sefage | UZ-Research | R20 000 |
| O.M. Ndwandwe | UZ-Research | R50 000 |
| O.M. Ndwandwe | NRF (NNEP) | R2.9 million |
| O.M. Ndwandwe | NRF (Italy/SA Collaboration) | R150 000 |
| O.M. Ndwandwe | ESKOM(Renewable Energy) | R250 000 |
| Computer Science | | |
| Prof M.O. Adigun | TIA Funding | R495 000 |

| | | |
|------------------|-------------------|----------|
| Prof M.O. Adigun | Industry Partners | R500 000 |
| Prof M.O. Adigun | NRF Thrip | R125 000 |
| Zoology | | |
| Prof D. Cyrus | NRF (Incentive) | R40 000 |

- **Education**

Total funds received from external sources by members of the Faculty of Education are **R2 304 438**

| Table 27: Faculty of Education External Funding | | |
|--|---|---------------|
| Researcher | Department | Amount |
| Dr MSN Mabusela | Curriculum & Institutional Studies | 12000 |
| Ms ZE Mtshali | Early Childhood Education | 14788 |
| Dr AB Buthelezi | Educational Foundation & Management | 30130 |
| SP Zulu | Educational Psychology | 20274 |
| Ms GV Gumede | Educational Psychology & Special Education | 5000 |
| Dr AM Mzimela | Educational Psychology & Special Education | 40000 |
| Prof PT Sibaya | Educational Psychology & Special Education | 29138 |
| Ms DT Tlaba | Educational Psychology & Special Education | 20000 |
| Prof A Bayaga | Mathematics, Science & Technology Education | 59876 |
| Ms AR Tewari | Mathematics, Science & Technology Education | 15050 |
| Dr MAN Duma | Social Science Education | 22432 |

5.8.4 Outputs produced

The latest official research output statistics that are available are those for 2014. The trend of Journal and book research output shows an increase from 2012 (72.9 units) to 2013 (89.08) and to 112.06 in 2014 (an increase by 68% from 2012 to 2014). The preliminary (unofficial) indicator for 2015 is 114.76 units (for journal publications only).

This figure is expected to grow when all 2015 publications are considered which includes journals, books, book chapters and conference proceedings. Audited statements were submitted to the DHET for approval on 13 May 2015 (with the expected outcome/approval towards the end of the year).

Research Master's output (for May 2015 graduation) numbered 42 graduates, which was an increase from the 31 in the previous year. Doctoral graduates similarly increase from the previous year (2014) from 14 to 18 graduates. The number of Honors graduates increased by 42% from 2014 to 2015.

The increase in postgraduate output figures could be attributed to the research support system of the post-doctoral program, trainings on post grad supervision quality that has been provided through the research office.

Two patents were registered in 2015, "Core shell" by Prof Neerish Revaprasadu (Chemistry Department) and "Smart Drive" by Pragasen Mudali from Computer Science.

5.8.5 Access to Financial Aid

The table below provides a comparison of the financial aid received by students during the last three years

| Financial Aid | 2013 R'000 | 2014 R'000 | 2015 R'000 |
|------------------------------------|----------------|----------------|----------------|
| National Research Foundation (NRF) | 2 316 | - | - |
| Unizul Foundation | 2 000 | 1 000 | 1 000 |
| Unizul Merit Bursary | 2 500 | 2 500 | 2 500 |
| Private / Government Bursaries | 30 972 | 18 528 | 16 418 |
| NSFAS (Loans) | 157 622 | 123 011 | 105 846 |
| NSFAS (Bursaries) | 180 108 | 176 960 | 197 310 |
| Total | 375 518 | 321 999 | 323 074 |

5.9 THE LIBRARY

The UNIZULU Library and Information Services (UNIZULU LIS), under the Directorship of Ms Laila Vahed, had 41 full time permanent staff members during 2015, which included three resignations and two new appointments. UNIZULU LIS includes a Main Library at the KwaDlangezwa Campus and a Branch Library on the Richards Bay Campus.

The materials budget for 2015 amounted to R 17 570 million, split as follows

| | |
|-----------------------------|-------------|
| Books and multimedia | R 5 970 000 |
| Print Journals | R 3 350 000 |
| e-Resources | R 8 250 000 |

The R 5 970m allocated for books and multimedia materials was divided to academic departments and the professional information librarians to spend. The amount allocated to print journals purchased 296 titles while 87 electronic resource packages were purchased, resulting in subscriptions to in excess of 35 million individual titles.

Holdings at UNIZULU Library for 2015:

- Main Campus 303 618 volumes
- RBC 1965 volumes.

The Institutional Repository continued to flourish with 1332 UNIZULU theses and dissertations digitized by the end of 2015 with over 44 511 views.

Facilities in the Kwadlangezwa Campus Library included inter alia 14 seminar rooms, 80 study cubicles, an e-classroom, a conference room and a committee room. The seating capacity in the Library is 1600. The Richards Bay Campus Library, albeit small, is very well utilized and also provides access to all the e-Resources. All e-Resources are also accessible by authenticated staff and students off campus from any remote location.

UNIZULU LIS participate actively in the Committee for Higher Education Libraries of South Africa (CHELSA), the South African National Library and information Consortium (SANLiC), the eastern seaboard Association of Libraries (esAL) as well as the Library and Information Association of South Africa (LiASA), among others. The Director currently serves as the Chair of the Board of Directors of SANLiC.

The Library continues to use the Symphony Integrated Library System from SirsiDynix. The system is shared with Mangosutho University of Technology (MUT) through esAL. The system is managed for esAL through Universal Knowledge Systems (UKS)

Under the leadership of Senior Librarian Acquisitions Mrs Trudy Guma, the library hosted final year students of the Department of Library and Information Studies in terms of their WIL programme. A total 17 students were placed in different sections of the library on a rotational basis over a period of 15 weeks during the second

semester of 2015. During the final semester 2015 second year students used the library to erect displays which were for assessment purposes.

5.10 ACADEMIC RISKS

The university's identified risks in respect of Teaching and Learning as well as Research is outlined in table 31 in the risk report.



PROF XA MTOSE
VICE-CHANCELLOR & CHAIRPERSON OF SENATE
24 June 2016

6. REPORT OF THE INSTITUTIONAL FORUM

6.1 INTRODUCTION

The UNIZULU Institutional Forum (IF) was formally constituted In October 2013. The composition of the IF is as per section 31(2) of the Higher Education Act, Act 101 as amended, and section 40 of the UNIZULU Statute, namely:

- (a) two representatives of the Management Committee appointed by the Vice-Chancellor;
- (b) two representatives of Council, elected by Council;
- (c) two representatives of Senate, elected by Senate;
- (d) two representatives of the academic employees elected by the academic employees;
- (e) two representatives of administrative and support staff elected by the administrative and support staff;
- (f) two representatives of women employed at the University elected by the female employees of the University;
- (g) two representatives of students appointed by the SRC;
- (h) one person (staff member or student) with a disability, elected by the disabled employees and students of the University;
- (i) two representatives of the recognised union(s) appointed by the union; and
- (j) a maximum of three employee or student members, appointed by the Vice-Chancellor after consultation with the Institutional Forum-
 - (i) on the basis of their expertise and experience; or
 - (ii) in order to represent a specific interest group or groups on campus not already represented in the Institutional Forum.

Table 28: Composition of the Institutional Forum

| Name | Capacity |
|----------------------|---|
| Dr NR Ngcobo | Academic Employee (Chairperson) |
| Ms CMN Guma | Women Representative (Deputy Chairperson) |
| Prof OM Ndwandwe | Employee Member |
| Dr JN Mashiya | MANCO Representative |
| Mr Z Gumede | MANCO Representative |
| Mr B Makhathini | Council Representative |
| Vacant | Council Representative |
| Ms RT Phakathi | (Secretary) |
| Prof JD Thwala | Senate Representative |
| Prof DC Sibaya | Senate Representative |
| Mr SA Olivier | Academic employee |
| Mr SSS Mashaba | Union Representative |
| Ms NN Mbatha | Union Representative |
| Mrs NJ Ngema | Women Representative |
| Ms YT Canham | Support Staff Representative |
| Mr DE J van Rensburg | Support Staff Representative |
| Vacant | SRC |
| Vacant | SRC |
| Vacant | Disability Representative |

A request was submitted to Council in 2015 to nominate a Council representative in light of the resignation of Cllr EF Mbatha who served on the IF as Council Representative. The absence of a duly constituted and inaugurated SRC in 2015 resulted in vacancies in respect of SRC Representation. In terms of section 40(1)(4) of the UNIZULU Statute, several members were reappointed in 2015 for a further term.

As stipulated in section 31(1) of the Higher Education Act, the Institutional Forum of a Higher Education Institution must advise the Council on the following issues:

- *the implementation of the Higher Education Act and the national policy on higher education,*
- *race and gender equity policies;*
- *the selection of candidates for senior management positions;*
- *codes of conduct, mediation and dispute resolution procedures and the fostering of an institutional culture which promotes tolerance and respect for fundamental human rights.*

This report presents activities of the IF relative to the above functions.

6.2 ADVISORY INVOLVEMENT

The IF advised Council mainly on the selection of candidates for senior management positions. The following positions were considered by the IF:

- **Deputy Vice-Chancellor: Institutional support**

The IF was not happy with the fact that its role was only limited to making a pronouncement on the suitability of the candidate/s and not the selection thereof, however the IF endorse the suitability of Professor Neil Garrod by seven votes.

- **Dean – Faculty of Arts**

The IF took note that not a single candidate compiled with all the requirements for the position and did not recommend any of the short-listed candidates.

- **Dean – Faculty of Education**

The IF took note that not a single candidate compiled with all the requirements for the position and did not recommend any of the short-listed candidates.

- **Registrar**

External auditors were invited to conduct the voting at the IF in light of the fact that the Acting Registrar applied for the position. Mr Taylor, a representative from external auditors (KPMG) who was there to audit the voting process. The IF considered the CVs and applications and found Mr DE Janse van Rensburg suitable for the position.

The above recommendations were submitted by the IF to Council.

6.3 GENERAL MEETINGS (HOW OFTEN THE IF MET)

The IF has held two regular meetings and three special meetings during the period under review. The IF attended to the following in its meetings:

- Non-attendance of meetings by some members.
- Processes and procedures of advising the Council on matters as stipulated in the Higher Education Act.
- Concern over student lecturer ratios.
- Non-involvement of the IF in the Selection Panel appointing senior managers. While the IF finds it unacceptable that it was not involved in the whole selection process of Senior Management, it was equally unacceptable for the IF to be involved in the selection process where it had to just endorse and rubber stamp the shortlisting and subsequent interviewing of candidates to the Senior Management positions. The IF is of the opinion that it had to be engaged in the “**selection process**” right from the beginning so it could be in a position to advise Council properly and not “suitability of candidates” as currently stipulated in the UNIZULU statute. The IF proposed that the wording of the Statute be

amended to be in line with the Higher Education Act.

- An appeared an unwillingness on the part of University's Management to foster good and healthy relationship with the recognised Trade Union on Campus (NEHAWU). IF resolved to petition the University Council on all matters affecting employees and requested the Committee to write a memorandum to Council tabling all their grievances.
- The slow progress on the UNIZULU language policy.
- Concern over reduction in Departmental Budgets.

Race and Gender Policies

- No such policies were submitted to the IF to solicit its advice during the year under review.

Selections of Candidates for Senior Management Positions

- The same situation as indicated in 6.2 above also holds with regard to the selection of candidates for senior management positions.

Codes of Conduct, Mediation and Dispute Resolution Procedures

- Both the Council and the IF have not engaged on this matter during the period under review owing to the lack of processes and procedures. This, however, does not imply that there were no issues to be dealt with in this area.

The Fostering of an Institutional Culture which Promotes Tolerance and Respect for Fundamental Human Rights and Creates an Appropriate Environment for Teaching, Research and Learning

- During the period under review there was no formal engagement between the Council and the IF regarding the question of fostering of an institutional culture.

6.4 AREAS OF CONCERN

The major area of concern remains the absence of a harmonious relationship between the Council and the IF, including the absence of clearly spelt out communication channels between the two parties.

The lack of advice in key areas as spelled out in section 31 of the Higher Education Act as amended is attributed to the lack of communication channels between the Council and the IF.



DR NR NGCOBO
CHAIRPERSON: INSTITUTIONAL FORUM
24 June 2016

7. VICE-CHANCELLOR'S REPORT ON MANAGEMENT AND ADMINISTRATION

This report provides an executive reflection on the state of the institution in 2015 in relation to institutional positioning, strategic choices made, statistical information on student enrolment, staffing trends, the financial affairs and the general institutional performance at the University of Zululand.

7.1 STRATEGIC IMPERATIVES IN 2015

In 2015, the University continued striving to restore academic excellence and service delivery through by consolidating its strategic choices; reinstating excellence in institutional administration, management and governance; infusing academic renewal and supporting quality enhancement initiatives. The strategic areas of focus included the following:

a) Development of the Strategic Plan for the University.

Several strategic sessions were held to create an integrated strategic framework for the University of Zululand. The University of Zululand 2016 – 2021 Strategy was approved by Council in its meeting held on 05 December 2015 and was then submitted to the Department of Higher Education & Training. The remaining strategic pointers that need to be derived from the University strategic plan are the (1) University of Zululand 2017 – 2021 Learning and Teaching Plan, and the (2) University of Zululand 2017 – 2021 Research Plan. These plans will be developed in 2016 once the respective DVCs assume office.

b) Development of the University of Zululand 2015 Annual Performance Plan.

In line with the Department of Higher Education and Training reporting requirements, the University submitted the University of Zululand 2015 Annual Performance Plan after it was approved by Council at its meeting on 05 December 2015. The Annual Performance Plan contains annual targets against which the University performance is measured.

c) Spatial Planning and Campus Development

The University seeks to develop more learning programmes, enrol more students and enhance its footprint in the northern KwaZulu-Natal region. In keeping with this vision of becoming a reputable comprehensive HEI, the University has developed plans, as part of its renewal strategy to design and deliver new programmes, at the undergraduate diploma as well as degree level, in engineering, maritime studies and tourism at the Richards Bay campus. More land to develop the physical infrastructure to cater for these academic programmes was acquired and the University seeks to integrate this to the bigger institutional spatial development plans of both the Richards Bay and the KwaDlangezwa campuses.

d) Student Enrolment for 2015

After the registration of students at the beginning of 2015, our headcount enrolment targets were as follows:

| Table 29: Student Enrolment in 2015 | |
|--|--------|
| Undergraduate Enrolments | 15 305 |
| Postgraduate Enrolments | 1 589 |
| Total Enrolments | 16 894 |

While the university exceeded its headcount target for undergraduate enrolments in 2015, there was a slight shortfall in the enrolment of postgraduate students by 11%. In a larger scheme of things, the institutional enrolment for the 2015 academic year was in line with the University of

Zululand Enrolment Plan 2014 – 2019 targets agreed upon with the Department of Higher Education and Training.

e) Student Throughput and Graduations

The university has managed to strike a good graduation balance between undergraduate and postgraduate qualifying students. This implies that the University is contributing to the generation of intellectual capital at all levels in line with its size and shape, and institutional mandate.

| Table 30: Headcount graduations in 2015 | |
|--|-------|
| Undergraduate qualified | 3143 |
| Postgraduate qualified | 718 |
| Total Graduates | 3 861 |

f) Establishment of the Teaching and Learning Centre

The Academic Development Unit was restructured to form the new Teaching and Learning Centre. A Director for the centre together with two additional staff members were appointed. The centre is positioned to contribute to the enhancement of the quality of teaching and learning in the University through academic staff professional development, enriching curriculum renewal initiatives, improving student success programmes and institutionalising e-learning practices to improve the quality of teaching and learning.

g) Quality Assurance of Learning Programmes

The alignment of all University of Zululand learning programmes with the HEQSF and in line with the University Programme and Qualification Mix was further established. In 2015 the quality assurance focus was on ensuring that all University of Zululand learning programmes meet the accreditation requirements. Quality enhancement was also becomes an integral part of the teaching and learning enterprise.

h) Data Integrity on the HEMIS Platform

The university invited KPMG to conduct a self-initiated audit to establish if there were any major errors in the university data with the express intention to maintain data integrity and if there were errors establish mechanisms and systems to correct such errors. The findings revealed that although there were areas in which improvements could be effected these were not insurmountable.

i) Research Development and Innovation

The Research Office continues to put emphasis on developing our staff and postgraduate students through various initiatives and training workshops. We realise that in order to improve research at UNIZULU we need to invest in human capital through skills development and more than 18 workshops were conducted in 2015. The latest official research output statistics that are available are those for 2014. UNIZULU produced a total of 105.47 accredited research units, which is a 40% increase over the 2013 figures. Preliminary indications are that we had a further increase in the submission of conference proceedings and chapters in books, which means that the growth is sustainable. The University currently hosts 17 Postdoctoral Fellows. The aim of this programme is not only to improve the University's research output, but also to stimulate a research culture within departments. Two Fellows has been appointed to the academic staff already while a further three Fellows have been serving as leave substitutes. The programme will hopefully in future contribute towards stabilising the academic staff complement.

j) Postgraduate Education

The database for all postgraduate students is currently being developed: This database will comprise of the following:

- Database for all meetings held, Higher Degrees /Research Ethics & Research Committee so that there will be easy tracking for all research proposals and projects that went through the system from 2012 to 2015
- Database for all postgraduate students contact details and registration status so that we can track students' progress within their period at the University
- Online application system that will assist students to check their progress report from each committee and paperless meetings within committees

k) Research Information Management Systems (RIMS)

UNIZULU is currently at the infantile stage of developing RIMS. The RIMS official attended various workshops in order to gain insight on the developing the online database systems. The aim of the orientation was intended to give an insight of RIMS system as a recommended system for Research Management Information. As it has been an issue to acquire an institutional data to be uploaded into RIMS system, RIMS Administrator was introduced to different modules that needs to be implemented in order to support Research & Innovation department in managing at UNIZULU, and what kind of data is needed from institutional data to be uploaded into RIMS system. The Research Output (RO) capturing was also introduced for DHET reporting. We managed to acquire relevant data needed for RO into RIMS system from UNIZULU ICT. Thus far we have been able to capture Research Output for the previous year on RIMS, but the capturing method on RIMS is currently under review by DHET. By the beginning of Oct 2015, capturing of 2015/2016 Research Output capturing will commence.

l) Student Representative Council (SRC)

Council approved the new Constitution of the Student Representative Council (SRC) on 28 August 2015. The University immediately appointed of a service provider by the name of Africore Group Pty Ltd (Prof X. Mchunu) as the Chief Electoral Officer for the 2015 elections. The SRC elections took place on Monday, 12 October 2015 without any incidents. The composition of the new SRC was finalised. UNIZULU did not experience any student protests that caused damage to the institution in 2015 in respect of the #feesmustfall campaign. Much of this is attributed to the relationship between management and the SRC.

m) ICT Systems and Infrastructure

There are three primary categories in which the University of Zululand has serious deficiencies in terms of the provision of ICT services to the University community. These are in the areas of: (1) ICT for Administration, Teaching and Learning, (2) ICT Core Infrastructure and (3) the security provided by systems that regulate access and egress to and from buildings and venues. The inability of the University to provide enough capital funding for the ever increasing demand for technology assisted learning and teaching and the modernising of administrative systems to cater for modern day academic institution requirements, sets the University of Zululand in a somewhat retarded position in comparison to other institutions that have substantial financial reserves accumulated over many years.

n) Executive Leadership positions and staffing

A number of key executive positions remained vacant. The Human Resources Department however worked hard to fill the vacancies. After a

protracted and intense process of recruiting and selecting, the following positions on the Executive of the University were filled in 2015:

- Mr R Ngcobo - Executive Director: Human Resource
- Prof Gerrard - Deputy Vice-Chancellor: Institutional Support
- Mr T Zulu - Executive Director: Finance
- Prof MJ Baxen - Deputy Vice-Chancellor: Research and Innovation
- Ms J Naicker - Executive Director: Finance
- Mr DE Janse van Rensburg - Registrar

Selection processes were put in place to recruit executives into all vacant posts in 2016.

As at the end of the Year 2015, the university still had a vacancy rate of 22.7% as a percentage of total staff establishment. Of these, 39.3% were academic posts, ranging from 13.5% in Faculty of Science and Agriculture, 13.7% in Faculty of Education, 24.2% in Faculty of Commerce, Administration and Law and 26.1% in Faculty of Arts. The strategy is in place for 2016 to reduce the recruitment and selection turnaround times and involves filling HR Business Partner positions to full complement and reviewing applicable policies and procedures.

o) Performance Management

After various deliberations on the development of the performance management system, the University Council approved the institutional Performance Management Policy, the performance scorecard and bonus scales for the executive team. The University is now positioned to roll-out performance management across the board.

p) Risk Assessment and Management

The University embarked on the review of the risk assessment process which culminated in the development of the University Risk Register. A process to manage risk is being put in place and will be coordinated through the Institutional Planning Directorate. The existing risk register identifies twelve key risks for which the University needs to identify mitigating mechanisms and put systems in place to address the risk challenges.

q) National Student Financial Aid Scheme

The table below provides a comparison of the financial aid received by students during the past three years. As at December 2015 out of the R255.4 million student debt about 38% refers to NSFAS registered students.

| Financial Aid | 2013 R'000 | 2014 R'000 | 2015 R'000 |
|------------------------------------|----------------|----------------|----------------|
| National Research Foundation (NRF) | 2 316 | - | - |
| Unizul Foundation | 2 000 | 1 000 | 1 000 |
| Unizul Merit Bursary | 2 500 | 2 500 | 2 500 |
| Private / Government Bursaries | 30 972 | 18 528 | 16 418 |
| NSFAS (Loans) | 157 622 | 123 011 | 105 846 |
| NSFAS (Bursaries) | 180 108 | 176 960 | 197 310 |
| Total | 375 518 | 321 999 | 323 074 |

7.2 CONCLUSION

Management has identified challenges that need strategic attention in the few years to come. These include the following:

- A significant number of new intake undergraduate students performed well in analytical NSC subjects which demand competence in mathematics, science and English. However, this does not always translate into outstanding levels of readiness for university education. If undergraduate

recruitment strategies are not informed by tighter meritocratic selection criteria, the University will continue to experience dropout in relation to first-time entry, first-year undergraduate students. The Foundation Programme and First Year Experience Programme seeks to address some of these challenges. There is a need for a more robust 'students at risk' programme.

- Throughput at both undergraduate and postgraduate levels continues to be a challenge like the case is in all other institutions. The University needs to establish further means of professionalising teaching and learning in postgraduate education in line with innovative pedagogies of good supervision. Moving forward, the throughput rate should improve as part of the university priorities for teaching and learning.
- Increase in numbers of academics with PhDs. The analysis of research output in universities in South Africa suggests that there is a correlation between the number of academic staff with PhDs and the growth in research output. The University of Zululand needed to grow its proportion of staff with PhDs in the next five years. While there has been noticeable growth in this area, the proportion of staff with doctoral degrees constitutes of the total full-time permanent academic staff.
- In the enrolment plan, the University had capped its enrolment at in 2015 at 16 894. This implies that growth in enrolments would directly translate to the registration of students that would possibly not be subsidised by the state. The University plans to revise its enrolment target in 2017 and project for at least headcount growth in its enrolment targets which caters for our enrolment growth in the Richards Bay campus. While the University plans to increase its enrolment of postgraduate students, the funding continues to be a challenge, and the supervision capacity remains a challenge. However, the University achieved its 2015 postgraduate enrolment targets.
- Appointment of executives into vacant posts needs to be finalised. This remains a main priority for the University in 2016, the priority of ensuring that the posts of the DVC Teaching and Learning; DVC Research, Executive Director: Finance and the Director of the Richards Bay Campus. These appointments will consolidate the leadership team to ensure that the university delivers on teaching and learning, research, community engagement and excellence in management and governance as articulated in the University of Zululand 2016 – 2021 Strategy.



PROF XA MTOSE
VICE-CHANCELLOR
24 June 2016

8. REPORT ON INTERNAL ADMINISTRATIVE OPERATIONAL STRUCTURES

8.1 INTERNAL CONTROL

The University of Zululand maintain systems of internal control over financial reporting and the safeguarding of assets against the unauthorised acquisition, use or disposal of such assets. Such systems are designed to provide reasonable assurance to a public higher education institution and the 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.

This includes 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 organisation. All 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 monthly basis. There are regular reviews (monthly) to ensure that there are no clashes in 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 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 under the control of competently trained staff.

In utilising electronic technology to conduct transactions with staff and with third parties, control aspects receive close scrutiny and procedures are designed and implemented to minimise the risk of fraud or error.

Internal auditors monitor the operation of internal control systems and report findings and recommendations to management, the Audit and Risk committee and the Council. The University outsourced its internal audit function to a firm of auditors. The scope of the internal audit for 2015 was based on the risk profile. The role of the Internal Audit Services is to add value to the UNIZULU by providing independent, objective assurance on the adequacy and effectiveness of the internal controls, governance and risk management. The UNIZULU maintains systems of internal control to ensure:

- the operating activities are conducted effectively
- compliance with legislation, regulations, policies and procedures
- reliability of financial reporting
- safeguarding of assets

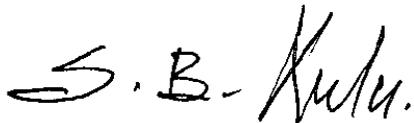
Reports on the findings of the internal auditors, together with Management's responses, were reviewed by the Audit and Risk Committee. The meetings of the Committee were attended by the internal and external auditors of the University. Although the UNIZULU is committed to maintaining systems of internal control over financial reporting and the safeguarding of assets against the unauthorised acquisition, use or disposal thereof, there is much room for improvement.

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.

8.2 STATEMENT ON INTERNAL AND OPERATIONAL STRUCTURES

The systems and policies are designed to provide reasonable assurance to the University regarding an operational environment that promotes the safeguarding of the University's assets and the preparation and communication of reliable financial and other information. This includes documented organisational structures setting out the division of responsibilities, as well as established policies and procedures, including a Code of Ethics, which is communicated throughout the organisation to foster a strong ethical climate and the careful selection, training and development of its people. The forensic auditors have performed investigations and noted that many of the transgressions by implicated individuals were caused by inadequate and ineffective internal controls which created opportunities for fraudulent acts to be committed. It has been recommended that management endeavours to address the issues by implementing controls in order to prevent these unfortunate incidents from recurring. It must be emphasised though that even effective internal control systems can provide only reasonable assurance with respect to financial statement preparation, effectiveness of operational activities and the safeguarding of assets.

The Audit and Risk committee reviewed the Report on internal administrative / operational structures and controls in the year under review at its meeting of 24 June 2016, which meeting quorated.



MR SB XULU
CHAIRPERSON: AUDIT & RISK COMMITTEE
24 June 2016

9. REPORT ON RISK EXPOSURE ASSESSMENT AND THE MANAGEMENT THEREOF

9.1 INTRODUCTION

Management is responsible for the design, implementation and monitoring of the process of risk management. In this regard the University management is accountable to the University Council. A challenge exists to instil a culture of risk awareness in the organisation and to integrate the responsibilities in this regard with the management approach and performance appraisal of line managers. Based on the need to balance the achievement of specific performance against the need to protect its stakeholders (conformance), the Council of the UNIZULU has approved the implementation of an integrated risk strategy as a key component of its Corporate Governance Framework.

UNIZULU proposition is that risk management provides the entity processes and tools that we need to become more anticipatory and effective at evaluating, embracing and managing the uncertainties that we face as we create sustainable value for stakeholders.

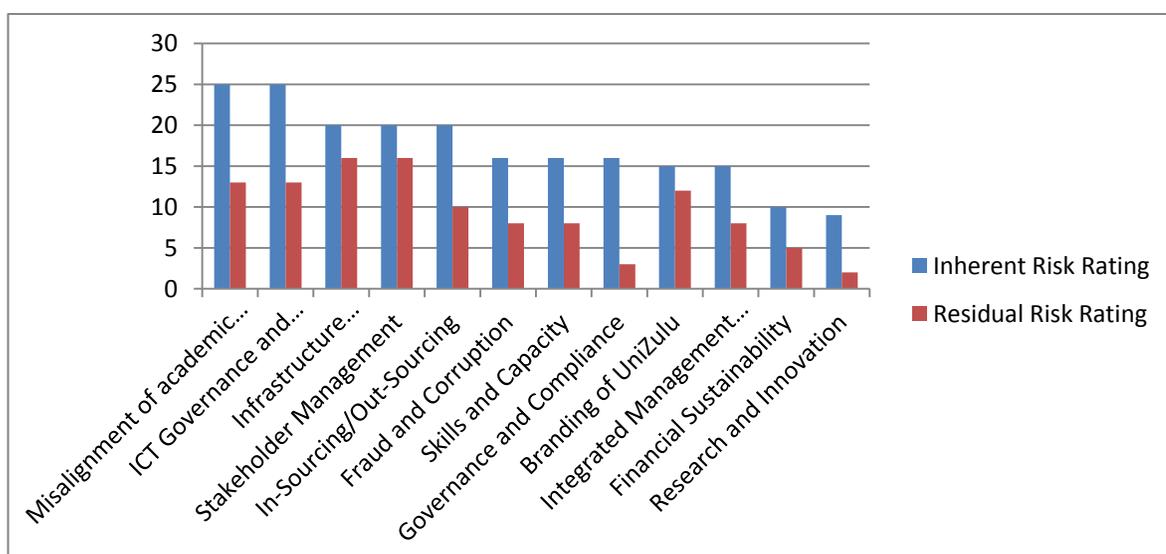
The following factors require consideration when integrating enterprise risk management into the UNIZULU decision making structures and ensuring the management of risk is inculcated in the culture of the University:

- Aligning risk management with objectives at all levels of the University;
- Introducing risk management components into existing strategic planning and operational practices;
- Including risk management as part of employees' performance appraisals; and
- Continuously improving control and accountability systems and processes to take into account risk management and its results.

Council has established the Audit and Risk committee, which is responsible to assess all areas of risk (financial and non-financial) and which monitors changes in the University's risk profile and gain assurance that risk management is effective. The Committee establishes materiality levels and determines the university's risk appetite. All risks are considered as well as their likelihood and risk mitigation procedures established where applicable. The committee also ensure that the risk register is maintained. The Chairperson of the Audit and Risk Committee, the Vice-Chancellor and other members of Executive management report regularly to Council on risk management activities and results.

9.2 MANGEMENT AND CONTROL OF CONSEQUENCES OF RISK

Management conducted a risk assessment workshop in June 2016 do identify risks in consideration of the strategic goals (2016 – 2021). The bar chart below is a presentation of the Strategic Risk Profile as at June 2016.



Management has identified, through defined responsibility and accountability for management each risk event condition and area. The resultant risk register in terms of the strategic plan 2016 – 2021 is enclosed in table 31 below:

| Table 31: UNIZULU STRATEGIC RISK PROFILE | | | | | | | | | | | |
|--|-----------------|------------------|---|---|--|---------------------|--|---|--|---------------------|------------|
| Key GOALS (2016 – 2021) | | | | | | | | | | | |
| 1 Improve governance through enhanced operations to support the academic enterprise and ensure sustainability. 2 Create a quality teaching and learning environment as a comprehensive University. 3 Enhance research and innovation. 4 Enhance the quality and profile of UNIZULU graduates. 5 Develop ways to manage the national, regional and international reputation of UNIZULU. 6 Accelerate infrastructure development. | | | | | | | | | | | |
| Risk No. | Goals linked to | Business Process | Risk Name | Risk Description | Contributing factors (Root causes) | Inherent Risk Level | Key Management Controls in Place | Evaluation after Considering Current Control Strategies | Action Plan/Recommendation | Implementation date | Risk owner |
| 1 | All | Academic | Misalignment of academic structure to PQM (Programme Qualification Mix) | Misalignment of academic structure to PQM (Programme Qualification Mix) | Inadequate skills and capacity Inadequate integration of ICT systems Inadequate validations on ITS Non-compliance of authorisation levels | 25 | ITS System Internal academic governance structures Faculty handbooks | 13 | 1.Development of an integrated system 2.Development of internal controls 3.Audit academic structures internally and every 3rd year audit externally 4.Alignment of Faculty Handbooks to approved academic structures 5.Training focusing on academic | 31 December 2016 | DVC (T&L) |

| | | | | | | | | | | | |
|----------|---------|-----------------------|--|---|--|-----------|---|-----------|--|--|----------|
| | | | | | | | | | administration 6. Empower the registrar's office to take the appropriate action for academic transgressions (to be defined) | | |
| 2 | All | Institutional Support | ICT Governance and Infrastructure | Inadequate ICT Governance Structures, Infrastructure and Related Processes | Insufficient funding Inadequate infrastructure Skills and capacity Lack of awareness of ICT offerings Legacy systems not integrated into ITS Non enforcement of service level agreement | 25 | Regular back-ups Off-site back-ups | 13 | 1. Develop DRP and BCP 2. Develop an ICT governance strategy | 1. 30 June 2017 2. 31 December 2016 | DVC (IS) |
| 3 | 2,3 & 6 | Institutional Support | Infrastructure Development and Maintenance | Inadequate Infrastructure Development and Maintenance | Inadequate internal capacity (human resources) Inadequate asset management plan Inadequate ICTA infrastructure | 20 | University Master Plan | 16 | 1. Review of university master plan to include Richards Bay Campus 2. Development of an ICT framework 3. Capacity building and consultation with DHET 4. Develop a maintenance plan | 1. - 4. 31 December 2016 | VC |
| 4 | All | Institutional Support | Stakeholder Management | Inadequate engagement with key stakeholders | Inadequate communication strategy | 20 | Communication Policy Recognition agreement with labour Engagement with Student Representative Council | 16 | 1. Identification of Key stakeholders 2. Identification of stakeholder communication structures | 1. - 2. 31 December 2016 | VC |
| 5 | All | Institutional Support | In-Sourcing / Out-Sourcing | Inability to competently deal with emerging issues relating to In-Sourcing/Out-Sourcing | Union and Student pressure Social movements Institutional cultures | 20 | Engagement with labour Engagement with Student Representative Council | 10 | 1. Establishment of a task team 2. Development of a terms of reference for the task team | 31 September 2016 | DVC (IS) |

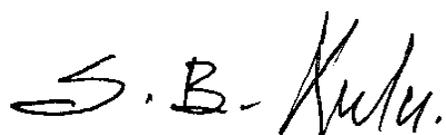
| | | | | | | | | | | | |
|----------|-----|------------------------|---------------------------|--|--|-----------|--|----------|---|---|-----------|
| 6 | All | All Business Processes | Fraud and Corruption | Fraud and Corruption | Inadequate internal controls Collusion | 16 | Whistle blowers reporting hot line Code of conduct (council, staff & students) Governance structures (ARCC) Risk and Compliance Officer | 8 | 1. Conduct awareness campaigns 2. Automation of processes (e.g. certifications) 3. Review of terms of reference for IF, ARCC and Research Ethics Committee | 2. 30 June 2017 1. - 3. 31 December 2016 | VC |
| 7 | All | Human Resources | Skills and Capacity | Inadequate Skills and Capacity i.e. shortage of expertise and required levels of competencies | Inadequate selection process High turn over at all levels Absence of recruitment planning (planning for appointments) Inadequate policies and procedures Lack of/inadequate job profiles and job grading Lack of performance evaluation | 16 | Human Resources policies Approved staff establishment | 8 | 1. Review of selection process 2. Development of performance evaluation plan 3. Development of succession/retention policies 4. Review of organisational structures and alignment to the business needs and strategy | 31 March 2017 | EDR (HR) |
| 8 | All | Registrar | Governance and Compliance | Inadequate Governance Structures and Related Processes; Non-Compliance with legislation, regulations and best practices | High turnover rate at leadership level Inadequate implementation of Policies | 16 | Governance Structures Charters and Terms of references University Statute Legislation | 3 | 1. Establish ICT Governance Committee 2. Review compliance with relevant legislation (e.g. Consumer protection act) Promotion of access to information 3. Development of records management policy 4. Development of policy for access to information 5. Development of the financial strategy and related KPI's | 30 June 2017 | Registrar |

| | | | | | | | | | | | |
|-----------|------------|-----------------------|-------------------------------|--|--|-----------|--|-----------|--|---|-----------------|
| 9 | 2,3, 4 & 5 | Institutional Support | Branding of UNIZULU | Inadequate Branding Strategy and related activities | Staff capacity Inadequate/lack of marketing strategy Operational inefficiencies Poor Infrastructure | 15 | University branding guidelines | 12 | 1.Development of the marketing strategy to manage perception | 31 December 2016 | DVC (IS) |
| 10 | All | Institutional Support | Integrated Management Systems | Inadequate Integrated Management Systems | Inadequate/lack of policies and procedures Inadequate change management processes Frequent changes in leadership | 15 | AdaptITS software system HEMIS software system MIS software system ICT Strategy | 8 | 1.Development of institutional culture unique to UniZulu 2.Development of a comprehensive software training plan 3.Implementation of ICT strategy 4.Establish an ICT governance committee | 1. - 4. 30 April 2017 | VC/ DVC (IS) |
| 11 | All | Finance | Financial Sustainability | Insufficient funding for the running of the Institution. | Timing misalignment of grants Inadequate planning submissions Uncertainty of grant quantum (Short and Long Term) | 10 | Cash/monetary reserves on hand Financial plan (Budget) Quarterly financial reporting Grant funding (fees and other) analysis reporting Student debt analysis /reporting | 5 | 1.Increase research output 2.Improve quality of Post-graduate academic programmes 3.Develop a third stream income policy 4.Enhanced financial planning and reporting | 1. 30 June 2018 2. 30 June 2018 3. 31 January 2017 4. 31 December 2016 | VC |

| | | | | | | | | | | | |
|----|------------|-------------------------|-------------------------|------------------------------------|--|---|--|---|---|-----------------|---------------------|
| 12 | 2,3, 4 & 5 | Research and Innovation | Research and Innovation | Inadequate Research and Innovation | <p>Inadequate skills and capacity Inadequate selection process Under enrolment of post graduate students and through-put rate of graduates Inadequate research infrastructure Work load of academics</p> | 9 | <p>Academic leadership support for further qualifications Policies and guidelines Research governance structures (e.g. research, innovation and ethics committees) Research awards Intellectual property management policy Research fellows, associates, professors, etc. Research Information Management System</p> | 2 | Defining expectations for each academic grade | 31 October 2016 | VC/ DVC (R&I) |
|----|------------|-------------------------|-------------------------|------------------------------------|--|---|--|---|---|-----------------|---------------------|

9.3 CONCLUSION

Council approved that the staff establishment be expanded to include a Risk Manager. The Risk Manager will be the officer, identified to prepare the university's report on risk and risk management. In the absence of such an officer, the responsibility rested with the Vice-Chancellor in 2015. Council is satisfied with the risk assessment conducted.



MR SB XULU
CHAIRPERSON: AUDIT & RISK COMMITTEE
24 June 2016

10. ANNUAL FINANCIAL REVIEW

10.1 INTRODUCTION

This report is a presentation of the consolidated annual financial statements of UNIZULU for the year ended 31 December 2015. It provides an executive overview of the main financial activities and results of the University and the UNIZULU Foundation.

10.2 OPERATING RESULTS

| Executive Summary: Statement of comprehensive income (R'000) | 2013 | % Increase | 2014 | % Increase | 2015 |
|---|----------------|-------------------|------------------|-------------------|----------------|
| Recurrent Income | 777 867 | 10.0% | 855 723 | 6.3% | 909 391 |
| Recurrent expenses | (676 403) | 12.14% | (758 490) | 0.10% | (759 286) |
| Net recurrent income | 101 464 | -4.2% | 97 233 | 54.4% | 150 105 |
| Non recurrent expense item | (36 136) | | (15 125) | | (68 600) |
| Net surplus before OCI | 65 328 | 25.7% | 82 108 | -0.7% | 81 505 |
| Other Comprehensive income/(loss) | 236 326 | | (219 973) | | 121 376 |
| Total Comprehensive income/(loss) | 301 654 | -146% | (137 865) | -247% | 202 881 |

The statement of consolidated comprehensive income for 2015 reflects a surplus before OCI of R81.5 million (2014: R82.1 million). Whilst UNIZULU budgeted for a small surplus for the 2015 year the positive results are mainly attributable to additional recurrent income earned, underspend in personnel costs due to vacant posts and under spend in operational costs compared to budget.

After taking into account the post-retirement items on the defined benefit pension fund, provident retirement fund and medical aid fund, the total comprehensive income for the year is R202.9 million (2014: loss R137.9 million).

The two tables below illustrate the various reportable segments and the operating results pertaining to each one.

Table 32: Surplus before non-recurrent income per reportable segments

| Surplus before non-recurrent items | 2013 | 2014 | 2015 |
|---|----------------|---------------|----------------|
| | R'000 | R'000 | R'000 |
| Council controlled | 73 578 | 118 752 | 120 026 |
| Designated Funds | 26 646 | (17 817) | 11 165 |
| Auxilliary Services/Student Accomodation | 193 | (830) | 13 909 |
| UNIZULU Foundation | 1 047 | (2 872) | 5 005 |
| Total | 101 464 | 97 233 | 150 105 |

Table 33: Comprehensive income/(loss) per reportable segments

| Comprehensive income/(loss) | 2013 | 2014 | 2015 |
|--|----------------|------------------|----------------|
| | R'000 | R'000 | R'000 |
| Council controlled | 107 660 | 114 137 | 171 329 |
| Designated Funds | 185 122 | (252 971) | 11 639 |
| Auxilliary Services/Student Accomodation | 193 | (830) | 13 909 |
| UNIZULU Foundation | 8 679 | 1 799 | 6 004 |
| Total | 301 654 | (137 865) | 202 881 |

10.3 REVENUE

There is a positive trend in recurrent income growth, and in 2015 recurrent income increased by 6.3%. The table below provides a breakdown of the R909.4 million recurrent income by income type. The increase in investment income is as a result of increase in investments and improved interest rates.

Table 34: Recurrent Income

| Total Recurrent Income (R'000) | 2013 | % Increase | 2014 | % Increase | 2015 |
|---------------------------------------|----------------|-------------------|----------------|-------------------|----------------|
| State Appropriations | 355 828 | 8.1% | 384 542 | 6.2% | 408 224 |
| Tuition and other fees | 296 963 | 8.1% | 321 153 | 7.5% | 345 197 |
| Sale of goods and services | 53 573 | -21.2% | 42 193 | -6.5% | 39 454 |
| Private gifts and donations | 33 771 | 92.5% | 65 011 | -22.9% | 50 111 |
| Other income | 12 785 | -18.2% | 10 457 | 101.8% | 21 102 |
| Investment Income | 24 947 | 29.7% | 32 367 | 40.0% | 45 303 |
| Total | 777 867 | 10.0% | 855 723 | 6.3% | 909 391 |

In terms of the proportional contribution by each type of income there has been no significant change in the past year, with State Appropriations at 45% (2014: 45%) of total income whilst Tuition contribute 38% (2014: 38%).

Table 35: Proportional representation of Recurrent Income

| Total Recurrent Income proportional % | 2013 | 2014 | 2015 |
|--|-------------|-------------|-------------|
| State Appropriations | 46% | 45% | 45% |
| Tuition and other fees | 38% | 38% | 38% |
| Sale of goods and services | 7% | 5% | 4% |
| Private gifts and donations | 4% | 8% | 5% |
| Other income | 2% | 1% | 2% |
| Investment Income | 3% | 4% | 5% |
| | 100% | 100% | 100% |

10.4 EXPENDITURE

In 2105 recurrent expenditure reduced by 0.1% when compared to the prior year and the reduction is mainly attributable to lower operating costs, personnel costs increased by 4.9% but remain below the benchmark of 62% of income. The lower finance costs arise from a reduction of interest on the finance lease liabilities.

The table below reflects the recurrent expenditure trend over the last three years.

Table 36: Recurrent Expenditure

| Recurrent Expenditure | 2013 | % change | 2014 | % change | 2015 |
|------------------------------|----------------|-----------------|----------------|-----------------|----------------|
| | R'000 | | R'000 | | R'000 |
| Personnel costs | 315 523 | 12.3% | 354 391 | 4.9% | 371 854 |
| Operating expenses | 307 661 | 14.2% | 351 238 | -2.5% | 342 425 |
| Depreciation | 37 290 | 6.6% | 39 762 | -10.7% | 35 496 |
| Minor Capital items | 10 374 | -12.6% | 9 066 | -22.7% | 7 005 |
| Finance Costs | 5 555 | -27.4% | 4 033 | -37.9% | 2 506 |
| Total | 676 403 | 12.1% | 758 490 | 0.1% | 759 286 |

| Salary Benchmark | 2013 | 2014 | 2015 |
|-------------------------|--------------|--------------|--------------|
| | R'000 | R'000 | R'000 |
| Personnel Costs | 315 523 | 354 391 | 371 854 |
| as a % of Income | 41% | 41% | 43% |

10.5 PROPERTY, PLANT AND EQUIPMENT

The closing book value of property, plant and equipment was R843.7 million (2014: R991.2 million) reflecting a significant reduction due to the net devaluation of land and buildings. In terms of UNIZULU's accounting policies land and buildings are stated at fair value and revalued every five years. The assets were thus revalued in the current year by external, independent property valuers and the impact was a net devaluation of R144.9 million.

The total net decrease of R87.4 million was made up of R32.9 million additions offset by depreciation of R35.5 million and the net devaluation of land and buildings totaling R144.9 million.

The additions consist of:

- R13.7 million for land acquisitions in Richards Bay for the expansion of UNIZULU's Richard's Bay campus
- R3.2 million for building upgrades
- R12 million work in progress
- R3.6 million for Furniture & Equip
- R0.4 million for Computer Equipment

The work in progress refers to the DHET Infrastructure programme. The DHET has committed and paid a total of R376.3million for the fiscal years 2012/13 to 2014/15 for expansion and improvement of the physical infrastructure. These funds were released in tranches of R125.5 million annually. The University has also committed to contribute R62.2 million of its own funds towards the same build programme. The expenditure will accelerate once the construction tenders are awarded in the latter part of 2016.

The funds received from DHET are reflected under Deferred Income and appear under Non-current liabilities in the Statement of Financial Position; further information is provided under note 12 to the Annual Financial Statements.

10.6 INVESTMENTS AND CASH

At year-end investments and cash amounted to R1 313 million (2015: R1 035 million). The increase is attributable to positive operating cash flows which includes the receipt of R125.4 million tranche from DHET infrastructure grant. In addition revaluation gains of R29 million were recorded in 2015.

The amounts pertaining to the DHET expansion build programme and other designated grants are separately invested in identifiable investment portfolios totaling R505.1 million. These investments form part of the short term investment portfolio.

The investment of funds is done in terms of the approved Investment Policy.

Table 37: Investments and cash

| Investments and cash | 2013 | 2014 | 2015 |
|-----------------------------|----------------|-----------------|-----------------|
| | R'000 | R'000 | R'000 |
| Non current assets | 405 077 | 443 932 | 487 882 |
| Short term investments | 318 427 | 532 735 | 806 694 |
| Cash on hand | 18 188 | 58 377 | 18 830 |
| Total | 741 692 | 1035 044 | 1313 406 |

10.7 POST RETIREMENT BENEFITS AND OBLIGATIONS

The University operates defined benefit pension and provident funds. The Pension Fund at year end reflects a net surplus of R97.6 million (2014: R106.2 million) whilst the Provident Fund has a surplus of R9.1 million (2014: deficit R41.5 million). The positive movement in the Provident Fund is due to a transfer of R54.2 million from the pension fund to the provident fund.

The overall post retirement surplus totaled R106.7 million (2014: R106.2 million) and this has been recognized as an asset.

In view of the overall employer surplus position the University was eligible to take a partial contribution holiday as allowed in term of the Pension Fund Act. This needs to be reviewed on an annual basis and it is estimated that from the end of 2016 the University may no longer be able to continue with the current level of partial contribution holiday. A board of Trustees representing the members and the University meets on a quarterly basis to review the fund and investment performance.

Employees are entitled to join the University approved medical aid schemes which are subsidized by the employer. This benefit continues to be subsidized after retirement with shared contributions between employee and employer. With effect from 2012, in an effort to limit post retirement financial exposure new employees were not granted this retirement benefit. At year-end the post retirement obligations as actuarially calculated in respect of this scheme amounted to R80 million (2014: R83.9 million). This liability is not separately funded.

10.8 STUDENT DEBT

The total student debt before impairment provision, was R255.4 million (2014: R206.9 million) reflecting an increase of R48.5 million compared to prior year. The main reason for this increase is the reduction in fees paid; also the number of students owing increased significantly from 36 919 in 2014 to 43 972 in 2015.

The provision for doubtful debts at the end of 2015 totaled R127.1 million compared to R112.7 million in the prior year. In calculating the impairment loss UNIZULU took into account the 2016 allocation from NSFAS for the historical debt repayment. This effectively reduced the amount required as a bad debt provision. Refer to note 6 of the annual financial statements for further details.

10.9 INTEREST BEARING BORROWINGS

The interest bearing borrowings at R31.0 million (2014: R32.9 million) relate to a loan raised From DBSA for the construction of student residences in 2007. A cession of certain listed investments totaling R8 million was issued to the Development Bank of South Africa in 2007. Refer to note 10 of the Financial Statements.

It is anticipated that in order to partly fund the next three years planned infrastructure programme an additional loan of about R44 million may need to be sourced.

10.10 DEFERED GOVERNMENT GRANT

In terms of IAS20: Accounting for Government Grants and Disclosure for Government Assistance government grants in respect of capital projects are recognized as deferred income and released to the income statement over the useful life of the asset.

Grants spent but not yet released to income amounted to R204.2 million (2014: R196.1 million), whilst grants not yet spent totaled R437.9 million (2014: R303.3 million). Further details can be found under note 12 of the Financial Statements.

10.11 ACCUMULATED FUNDS

The University has a total of R1 567 million (2014: R1449 million) in accumulated funds. Over the last three years the university has maintained a high level of

funding/equity with a particular increase in non- restricted funds due to the positive operating results achieved.

Table 38: Equity Funds

| Summary of Equity Funds | 2013 R'000 | 2014 R'000 | 2015 R'000 |
|--------------------------------|-----------------------|-----------------------|-----------------------|
| Non distributable | 1330 215 | 1146 202 | 999 797 |
| Restricted | 70 572 | 64 792 | 101 607 |
| Non restricted | 186 089 | 238 017 | 405 583 |
| Total | 1586 876 | 1449 011 | 1506 987 |

Table 39: Proportional representation of Equity Funds

| Proportional representation of equity funds | 2013 R'000 | 2014 R'000 | 2015 R'000 |
|--|-----------------------|-----------------------|-----------------------|
| Non distributable | 84% | 79% | 66% |
| Restricted | 4% | 4% | 7% |
| Nonrestricted | 12% | 16% | 27% |
| Total | 100% | 100% | 100% |

10.12 VAT

UNIZULU is required to be registered for VAT purposes and is currently attending to the VAT registration. In the meantime UNIZULU has applied to SARS for an extension in terms of registration due to the complexities of the application around the apportionment principle.

The current financial system is not set-up to deal with VAT transactions and from a VAT perspective it would have to be set-up to deal with VAT transactions from an income and expense perspective as well as having to deal with the apportionment ratio in respect of VAT to be claimed on mixed supply expenditure (expenditure incurred for the purpose of making both taxable and exempt supplies).

10.13 CONCLUSION

The institution is in a sound financial position and is committed to continuing strengthening the past achievements through continued fiscal discipline and financial oversight.

Surpluses have been achieved for three successive years and accumulated funds have also steadily increased. The organization has thus sufficient funding sources to implement its significant infrastructure programme planned for the next three years.



MS N GEVERS
EXECUTIVE DIRECTOR: FINANCE
24 June 2016



MR J. KUNJI-BEHARI
CHAIRPERSON: FINANCE COMMITTEE
24 June 2016

11. REPORT OF THE AUDIT & RISK COMMITTEE

11.1 AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

The Audit and Risk Committee of the Council is a committee of the Council instituted in terms of paragraph 27 of Chapter 4 of the Statute of the University of Zululand, promulgated in terms of the Higher Education Act, 1997, as approved by the Minister of Education and published in Government Gazette 35784 of 12 October 2012.

The Committee has conducted its affairs in compliance with its detailed charter that is based on the regulatory requirements of the Statute of the University of Zululand, the King Code of Governance Principles for South Africa 2009 (King III) and other responsibilities assigned to it by the Council.

The Charter of the Audit and Risk Committee of the Council has the status of Institutional Rules of the University of Zululand as contemplated in section 29(4) of the Higher Education Act, 1997.

11.2 COMPOSITION AND MEETINGS

The members of the committee are independent and non-executive and its members are appointed by the Council.

Information on the membership and composition of the Audit and Risk Committee and meetings held are set out in table 8 on page 31.

11.3 KEY DUTIES AND FUNCTIONS

The Audit Committee carried out its functions through Audit and Risk Committee meetings, discussions with executive management, internal audit and external advisers where appropriate.

In giving effect to its charter during the year under review, the Committee:

- Assisted the Council:
 - To evaluate the adequacy and efficiency of the internal control systems to safeguard the university's assets
 - In ensuring that proper accounting practices, cash flow management, information systems and auditing processes applied in the day- to-day management of the university
 - In ensuring that the university risks are adequately managed and monitored.
- Facilitated and promoted communication between, management, external auditors and Internal Audit on matters that the Committee are responsible for.
- Made recommendation to the Executive Committee of Council that KPMG Inc as registered auditors, for the appointment as external auditors since, in the opinion of the Committee, they are independent of the UNIZULU.
- Determined the fees and terms of engagement of the external auditors.

11.4 EXTERNAL AUDITORS

The Committee in consultation with executive management agreed to the audit plan and audit fees for the 2015 year.

The Committee has satisfied itself that the external auditors were independent by using the criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. Requisite assurance was sought and provided by the external auditors that internal governance processes within the audit firm support and demonstrate its claim to independence.

The committee considered whether any reportable irregularities were identified and reported by the external auditors in terms of Auditing Profession Act, 2005, and determined that there were none.

11.5 FINANCIAL INFORMATION AND ACCOUNTING PRACTICES

The committee reviewed the financial statements of UNIZULU as well as all financial information before submission to the Council for approval and considered that they comply in all material respects with International Financial Reporting Standards and the requirements of Regulations for Reporting by Higher Education Institutions.

During the reporting period, the Committee:

- Reviewed and discussed the audited annual financial statements included in this integrated report with the external auditors, the Vice Chancellor and the Acting Chief Financial Officer;
- Reviewed the external auditors' report and management's response;
- Reviewed any significant adjustments resulting from external audit queries and accepted unadjusted audit differences; and
- Received and considered reports from the internal auditors.

11.6 EFFECTIVENESS OF SYSTEMS OF INTERNAL CONTROL AND INTERNAL AUDIT

Internal Audit provides the Audit and Risk Committee and management with assurance that the internal controls are appropriate and effective. The Committee is responsible for ensuring that the internal audit function is independent and has the necessary resources and standing and authority to enable it to discharge its duties. Furthermore, the Committee oversees cooperation between internal and external auditors.

The Internal Audit manager has direct access to the Committee primarily through its Chairperson.

The Committee reviewed and approved: the internal audit charter; the Internal Audit function's annual audit plan and three year strategic plan were approved by the Committee.

From the various reports of the Internal Auditors, it was noted that certain areas indicate deficiencies in the systems of internal control which included deficiencies over Supply Chain Management and ICT but there are mitigating plans in place to enhance control effectiveness. The Committee is satisfied with the effectiveness of the internal audit function.

11.7 RISK MANAGEMENT

In respect of risk management the committee recommended to Council the approval and adoption of the Integrated Risk Management Framework.

The committee has oversight over the University's risk register, fraud risk and information technology risks.

The committee monitored complaints received via the Council's ethics line.

In respect of the coordination of assurance activities, the Audit and Risk Committee reviewed the plans and work outputs of the internal and external auditors and concluded that these were adequate to address all significant financial risks facing the business.

11.8 GOING CONCERN

The going concern assumption is a fundamental principle in the preparation of financial statements.

The Committee reviewed a documented assessment by management of the going concern premise of the University before recommending to the Council that the institution, will be a going concern in the foreseeable future.

11.9 OTHER CORPORATE GOVERNANCE REQUIREMENTS

- **Expertise and experience of finance function**

Pursuant to the King III Code, the committee considered the overall appropriateness of the expertise and adequacy of the UNIZULU's finance function and concluded that it need to be further enhanced with the introduction of additional senior managers.

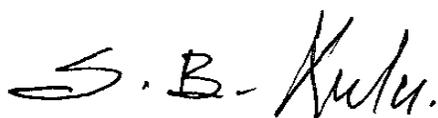
11.10 CONCLUSION

The committee is satisfied that it has complied with all its statutory and other responsibilities.

Having had regard to all material risks and factors that may impact on the annual financial statements the committee recommended to the Council, at its meeting held on the 24 June 2016, that the annual financial statements of University of Zululand for the year ended 31 December 2015 be accepted.

The Audit and Risk Committee accepted the audit opinion of the external auditors on the consolidated annual financial statements and recommends that the audited consolidated annual financial statements be accepted and read together with the report of the external auditors

The report is recommended to Council on 24 June 2016 for approval.



MR SB XULU
CHAIRPERSON: AUDIT & RISK COMMITTEE
24 June 2016

12. COUNCIL'S REPORT ON TRANSFORMATION

12.1 INTRODUCTION

The Minister of Higher Education, the Honourable, Dr Blade Nzimande MP, has called on Higher Education Institutions (HEIs) to develop and implement transformation initiatives in line with Education White Paper 3 as well as recommendations emanating from the report on the Ministerial Committee on Transformation and Social Cohesion and the Elimination of Discrimination in Public Higher Education Institutions. This follows on the initiatives by previous Ministers of Education to not only ensure the transformation of HEIs, but also to encourage HEIs to play a very pivotal role in the national transformation agenda, with particular reference to social transformation

Within a South African context, social transformation is about changing the conditions of all citizens from a position of segregated influence to that of human solidarity where all strive for a better life for all. Thus, social transformation is about our conscious and deliberate efforts to move from an undesirable state of living to that where we are (all) content with our living conditions.

The South African government has, notwithstanding counter efforts by traditionalists opposed to change, moved swiftly to bring about social construction of the South African society. HEIs, in particular, are strongly encouraged to assist in bringing about this new essential social order. Fundamental requirements are for HEIs to be relevant and responsive in their efforts to provide quality education, thus developing holistic students and supporting the communities within which they operate. This sector should thus focus on its moral and ethical obligation with regards to their public accountability and be answerable for their actions and decisions on both the internal (governance) and external (societal) fronts.

Established as a homeland University in 1960, UNIZULU, with its rich struggle history and tradition, has produced citizens who continue to participate in shaping our country to achieve the social order referred to above. Notwithstanding legal requirements, constitutional requirements, as well as an ethical obligation, it benefits this University to make a meaningful contribution to dispatch the legacy left by South Africa's ill-fated past.

The Integrated Transformation Plan (ITP), which was prepared based on inputs from all relevant stakeholders, should provide the platform from which UNIZULU can perform and fulfil its requirements in terms of the South African agenda.

12.2 THE INTEGRATED TRANSFORMATION PLAN OF UNIZULU

UNIZULU commissioned the development of an ITP in response to external compliance requirements as well as to, more importantly, the need for internal review to ensure that it is relevant to its existence as a leading comprehensive university providing quality education. Its motto "Restructured for Relevance" aptly displays the University's desire to ensure change is effected and that such change is relevant. The University appointed an independent consultant to drive and co-ordinate the process of generating the UNIZULU ITP. An elaborate consultative process with all relevant stakeholders was completed which provided for an opportunity to develop an understanding and appreciation for the work climate at UNIZULU. This approach enabled an analysis of the change requirements needed at the University. In total, 33 sessions were held to afford stakeholders, staff and students an opportunity to engage on change initiatives at UNIZULU. The ITP was approved by Council on 27 June 2014. Together with this, Council approved that the designed Results Framework (RF) be utilised as a tool to ensure implementation of the ITP. The RF is used to assist the executive team to monitor the implementation of the ITP objectives and provide guidance for reporting purposes. It serves to allocate responsibilities to all

involved in a particular ITP project. In this way, it can feed into a performance management process at a strategic level as well as at operational and individual level. Each objective has been assigned to an individual for championing and that individual must ensure that the RF is packaged for his or her project, monitored and reported on to the relevant authority. Council further approved the transformation themes to be accepted as the objectives of the ITP and that these objectives are applied in concert to address the goal of enhancing the standing of UNIZULU.

12.3 CRITICAL TRANSFORMATION POLICY INITIATIVES AND PROGRESS IN 2015

The following critical transformation initiatives were identified as part of supporting the implementation of the UNIZULU ITP from 2015 onwards as outlined below:

- Development of an Employment Equity (EE) Plan
- Development of an Attraction and Retention Strategy
- Staff Engagement at all levels
- Student leadership development
- Performance Measurement
- Student throughput
- Service Delivery Improvement Plan
- Disability

It can be reported that less than intended progress has been achieved in 2015. This is attributable to the resignation of the Director Transformation appointed to drive this initiative. The net effect was less focus on this area. It was not until late in August 2015 with the filling of the vacant post of Executive Director: Human Resources that the following areas started receiving attention.

- ***Development of an Employment Equity (EE) Plan***

A Transformation Committee (TC) was established, its terms of reference developed and approved by Management. Members are multi-disciplinary and representative of the demographics of UNIZULU. A draft five year Employment Equity Plan was submitted to the TC for deliberations and monitoring.

Using the KwaZulu-Natal Provincial Economically Active Population demographics, numerical goals and targets were determined. The plan relies on natural attrition and filling of current vacant positions at different levels of the institution. Four key objectives are to-

- increase women representation in senior management levels
- increase number of black professionals
- increase representation of people living with disabilities and
- increase the number of South African recruits in scarce and critical skill occupations

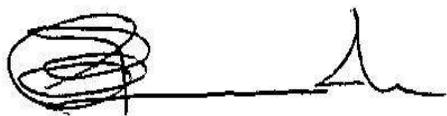
- ***Performance Measurement***

Council approved a Performance Management Framework. It is a three-tier system according to which performance will be measured at Institutional, Divisional/ Departmental and Individual Levels. The roll-out started in 2015 with Executive Management, including Deans of Faculties and will cascade down to the rest of staff by December 2016.

- ***Development of an Attraction and Retention Strategy***

Because of its location, UNIZULU finds it difficult to attract and retain senior level employees, particularly fixed term contract appointments. Lack of

suitable accommodation proved to be a significant factor in making decisions to relocate for a short term stay. To that end, Council approved the purchase of houses to provide needed accommodation in order to attract and retain executives.



MR CV GAMEDE
CHAIRPERSON: UNIZULU COUNCIL
24 June 2016



PROF XA MTOSE
VICE-CHANCELLOR
24 June 2016

PART 2

University of Zululand

Annual financial statements

for the year ended 31 December 2015

Part 2

| Contents | Page |
|--|-------------|
| Council's statement of responsibility for the consolidated annual financial statements | 2 |
| Independent auditor's report | 3 - 5 |
| Consolidated statement of financial position | 6 |
| Consolidated statement of comprehensive income | 7 - 8 |
| Consolidated statement of changes in funds | 9 - 10 |
| Consolidated statement of cash flows | 11 |
| Notes to the consolidated financial statements | 12 – 48 |

Council's statement of responsibility for the consolidated annual financial statements

for the year ended 31 December 2015

The Council is responsible for the preparation and fair presentation of the consolidated annual financial statements of University of Zululand, comprising the consolidated statement of financial position at 31 December 2015, and the consolidated statements of comprehensive income, changes in funds and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the manner required by the Minister of Higher Education and Training in terms of the Higher Education Act (No. 101 of 1997), as amended.

The Council is also responsible for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. The Council also prepared other information as required to be included in this report and is responsible for both its accuracy and consistency with the financial statements.

The Council has made an assessment of University of Zululand's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

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

Approval of consolidated annual financial statements

The consolidated annual financial statements of the University of Zululand, as identified in the first paragraph, were approved by the Council on 24 June 2016 and signed by



Mr C Gamede
Chairperson of Council
Date: 24 June 2016



Professor X Mtose
Vice-Chancellor
Date: 24 June 2016



KPMG Inc
KPMG House, 5 Arundel Close,
Kingsmead Office Park, Durban, 4000
PO Box 1496, Durban, 4000, South Africa

Telephone +27 (0)31 327 6000
Fax +27 (0)31 337 1157
Docex 246 Durban
Internet <http://www.kpmg.co.za/>

Independent auditor's report to the Minister of Higher Education and Training and the Council of the University of Zululand

Report on the financial statements

We have audited the consolidated financial statements of the University of Zululand as set out on pages 6 to 48 of part 2 of the annual report, which comprise the consolidated statement of financial position at 31 December 2015, the consolidated statements of comprehensive income, consolidated changes in funds and consolidated cash flows for the year then ended, and the notes, which include a summary of significant accounting policies and other explanatory information.

Council's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University of Zululand at 31 December 2015, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa.

Policy Board:
Chief Executive: TH Hoole

Executive Directors: M Letsitsi, SL Louw, NKS Malaba,
M Oddy, CAT Smit

Other Directors: LP Fourie, N Fubu,
AH Jaffer (Chairman of the Board), FA Karreem,
ME Magondo, AMS Mokgabudi, GM Pickering,
JN Pierce

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.

Report on other legal and regulatory requirements

Public Audit Act requirements

In accordance with the Public Audit Act of South Africa and the general notice issued in terms thereof, we have a responsibility to report findings on the reported performance information against predetermined objectives for the selected objectives presented in the annual report, non-compliance with legislation and internal control. We performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, we do not express an opinion or conclusion on these matters.

Predetermined objectives

We performed procedures to obtain evidence about the reliability of the reported performance information for the following selected objectives presented in the Performance Assessment Report as set out on pages 1 to 20 of the Annual Report of the University of Zululand for the year ended 31 December 2015, and reported thereon to the Council:

- Goal 1: Strategic objective: To provide relevant quality education which integrates career preparatory, and general academic programme offerings and research, which are responsive to the development needs of society (in line with CU) on page 7 to 8.
And Strategic Goal 1, 2015 Student Enrolment performances against Ministerial approved targets for:
 - Access on page 16 to 17.
 - Success on page 17.
- Goal 2: Strategic objective: To develop a system of ongoing research aligned to technological developments and business best practices - Increased research outputs (Masters and Doctoral) on page 9.
- Goal 2: Strategic objective: To promote collaboration on Research projects amongst staff and form partnerships locally, nationally and internationally - Research partnerships established internationally on page 9.
- Goal 2: Strategic objective: To create a comprehensive research database at UNIZULU - Create a databank of all research activities and ensure effective coordination on page 9.
- Goal 3: Strategic objective: To manage media relations - Develop and maintain a media and communications strategy on page 10.
- Goal 4: Strategic objective: To optimise management of financial, human and infrastructural resources -
 - Determine and manage a balanced budget on page 11.
 - Manage debt efficiently on page 11.
 - Maintain financial viability of the institution on page 11.
- Goal 4: Strategic objective: ICT infrastructure - Deploy and maintain an appropriate ICT system on page 12.
- Goal 4: Strategic objective: Human resources -
 - Establish and maintain a system for attracting and retaining suitable human resources on page 13.
 - Staff development on page 13.
- Goal 5: Strategic objective: To create a working and learning environment sensitive to employees and students' needs - Create and maintain employee and students wellness programmes on page 14.

We evaluated the reported performance information against the overall criteria of reliability.

We 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 reliability of the reported performance information for the selected objectives reported above.

Compliance with legislation

We performed procedures to obtain evidence that University had complied with legislation regarding financial matters, financial management and other related matters. We did not identify any instances of material non-compliance with specific matters in the Higher Education Act of South Africa.

Internal control

We considered internal control relevant to our audit of the financial statements, Performance Assessment Report and compliance with legislation, but not for the purpose of expressing an opinion on the effectiveness of internal control. We did not identify any significant deficiencies in internal control.

Other Reports

Audit-related services and special audits

We were engaged by the Council of the University of Zululand to perform the following audit-related services:

1. As requested by the National Research Foundation (NRF), agreed-upon procedures engagements were conducted specific to:
 - “Audit Template: All other NRF awards and Audit Template: Grant Deposit”. The report covered the period 1 January 2015 to 31 December 2015 and was issued on 11 March 2016.
 - “National Research Foundation (NRF) THRIP Fund grant” The report covered the period 1 January 2015 to 31 December 2015 and was issued on 11 March 2016.
2. As requested by the Department of Higher Education and Training, agreed-upon procedures engagements were conducted specific to:
 - “Report on Clinical Grant Funds”. The report covered the period 1 April 2015 to 31 March 2016 and was issued on 29 June 2016.
 - “Research Output Grant Schedule”. The report covered the period 1 January 2015 to 31 December 2015 and was issued on 13 May 2016.
 - “Infrastructure Funding: Invoice Sheet for Individual Projects schedule”. The report covered the period 1 April 2015 to 31 March 2016 and was issued on 29 June 2016.
 - “Teaching Grant Allocation”. The report covered the period 1 April 2015 to 31 March 2016 and was issued on 29 June 2016.
 - “Foundation Commerce and Science Programmes” The report covered the period of 1 April 2015 to 31 March 2016 and was issued on 29 June 2016.
 - “Research Grant Allocation”. The report covered the period 1 April 2015 to 31 March 2016 and was issued on 29 June 2016.

KPMG Inc.



Per P Fay
Chartered Accountant (SA)
Registered Auditor
Director
30 June 2016

University of Zululand

Consolidated Statement of Financial Position

at 31 December 2015

| | <i>Note</i> | 2015 R'000 | 2014 R'000 |
|---|-------------|-----------------------------|---------------|
| Assets | | | |
| Non-current assets | | 1 438 243 | 1 541 303 |
| Property, plant and equipment | 2 | 843 696 | 991 180 |
| Available-for-sale investments | 3 | 487 882 | 443 932 |
| Post-retirement benefit surplus | 4 | 106 665 | 106 191 |
| Current assets | | 979 422 | 695 442 |
| Inventories | | 2 644 | 2 929 |
| Student and other receivables | 6 | 151 254 | 101 401 |
| Short-term investments | 7 | 806 694 | 532 735 |
| Cash at bank and on hand | 8 | 18 830 | 58 377 |
| Total assets | | 2 417 665 | 2 236 745 |
| Funds and liabilities | | | |
| Accumulated funds | | 1 506 987 | 1 449 011 |
| Non-distributable funds: | | | |
| Property, plant and equipment (PPE) Fund | | 646 350 | 674 345 |
| Revaluation reserve | | 137 277 | 283 960 |
| Available-for-sale reserve | | 109 758 | 81 706 |
| Post-retirement benefits reserve | | 106 665 | 106 191 |
| Restricted funds designated for specific activities: | | | |
| DHET, Research and Trusts Funds | | 54 705 | 29 845 |
| Auxiliary/Student services Funds | | 19 220 | 7 265 |
| Designated institutional reserve | | 27 682 | 27 682 |
| Unrestricted funds: | | | |
| Council-controlled accumulated Funds | | 334 495 | 173 186 |
| UNIZULU Foundation | | 70 835 | 64 831 |
| Non-current liabilities | | 734 332 | 638 451 |
| Interest-bearing borrowings | 10 | 28 825 | 30 049 |
| Post-retirement obligations | 11 | 79 901 | 125 459 |
| Deferred government grants | 12 | 625 606 | 482 943 |
| Current liabilities | | 176 346 | 149 283 |
| Trade payable and accrued liabilities | 13 | 55 663 | 37 931 |
| Current portion of interest-bearing borrowings | 10 | 2 185 | 2 826 |
| Current portion of deferred government grants | 12 | 16 555 | 16 427 |
| Employee benefits | 14 | 56 719 | 47 890 |
| Student deposits | | 45 224 | 44 209 |
| Total funds and liabilities | | 2 417 665 | 2 236 745 |

University of Zululand

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2015

| | Note | Council Controlled R'000 | Designated Funds R'000 | Sub Total R'000 | Auxiliary Services R'000 | UNIZULU December 2015 Total R'000 | UNIZULU Foundation December 2015 R'000 | Consolidated Total December 2015 R'000 | Consolidated Total December 2014 R'000 |
|---|------|--------------------------------|------------------------------|--------------------|--------------------------------|--|--|--|--|
| Net surplus for the year brought forward | | 51 426 | 11 165 | 62 591 | 13 909 | 76 500 | 5 005 | 81 505 | 82 108 |
| Other comprehensive income | | | | | | | | | |
| Items that are or may be reclassified to profit and loss | | | | | | | | | |
| Net change in fair value of investments | | 28 052 | - | 28 052 | - | 28 052 | 999 | 29 051 | 15 181 |
| Items that will never be reclassified to profit or loss | | | | | | | | | |
| Post-retirement benefit surplus | 5 | 91 851 | 474 | 92 325 | - | 92 325 | - | 92 325 | (235 154) |
| Total other comprehensive income | | 119 903 | 474 | 120 377 | - | 120 377 | 999 | 121 376 | (219 973) |
| Total comprehensive income for the year | | 171 329 | 11 639 | 182 968 | 13 909 | 196 877 | 6 004 | 202 881 | (137 865) |

University of Zululand

Consolidated Statement of Changes in Funds

for the year ended 31 December 2015

| | Non Distributable Funds | | | | Designated for Specific Activities | | | Unrestricted Funds | | Total Funds |
|--|---|------------------------|-----------------------------------|--|------------------------------------|--|--|---|--|------------------|
| | Property, plant and equipment (PPE) Fund | Revaluation Reserve | Available- for-sale Reserve | Post- Retirement Benefits - Reserve | DHET/ Research & Trust Funds | Designated Institutional Reserve | Auxiliary/ Student Services Funds | Council- controlled accumulated Funds <i>Unrestricted Funds</i> | UNIZULU Foundation <i>Unrestricted Funds</i> | Total Funds |
| | <i>Restricted</i> | <i>Restricted</i> | <i>Restricted</i> | <i>Restricted</i> | <i>Restricted</i> | <i>Restricted</i> | <i>Restricted</i> | <i>Unrestricted Funds</i> | <i>Unrestricted Funds</i> | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Fund Balances at 1 January 2015 | 674 345 | 283 960 | 81 706 | 106 191 | 29 845 | 27 682 | 7 265 | 173 186 | 64 831 | 1 449 011 |
| Net surplus for the year | - | - | - | - | 12 847 | - | 18 570 | 45 083 | 5 005 | 81 505 |
| Other comprehensive income | - | - | 28 052 | 474 | - | - | - | 91 851 | 999 | 121 376 |
| Devaluation | - | (144 905) | - | - | - | - | - | - | - | (144 905) |
| Transfers between Funds (Asset additions) | 3 858 | - | - | - | (529) | - | (50) | (3 279) | - | - |
| Fund movements | - | - | - | - | 12 542 | - | (6 565) | (5 977) | - | - |
| Funds movements (Asset depreciation) | (35 496) | - | - | - | - | - | - | 35 496 | - | - |
| Loan repayments | 1 865 | - | - | - | - | - | - | (1 865) | - | - |
| Release to PPE Fund | 1 778 | (1 778) | - | - | - | - | - | - | - | - |
| Fund Balances at 31 December 2015 | 646 350 | 137 277 | 109 758 | 106 665 | 54 705 | 27 682 | 19 220 | 334 495 | 70 835 | 1 506 987 |

University of Zululand

Consolidated Statement of Changes in Funds

for the year ended 31 December 2015

| | Non Distributable Funds | | | Designated for Specific Activities | | | | Unrestricted Funds | | Total Funds |
|--|--|------------------------|-----------------------------------|--|------------------------------------|--|--|--|--|-------------|
| | Property, plant and equipment (PPE) Fund | Revaluation Reserve | Available- for-sale Reserve | Post- Retirement Benefits - Reserve | DHET/ Research & Trust Funds | Designated Institutional Reserve | Auxiliary/ Student Services Funds | Council controlled accumulated Funds <i>Unrestricted Funds</i> | UNIZULU Foundation <i>Unrestricted Funds</i> | Total Funds |
| | <i>Restricted</i> | <i>Restricted</i> | <i>Restricted</i> | <i>Restricted</i> | <i>Restricted</i> | <i>Restricted</i> | <i>Restricted</i> | <i>Unrestricted Funds</i> | <i>Unrestricted Funds</i> | Total Funds |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Fund Balances at 1 January 2014 | 683 905 | 286 217 | 71 196 | 288 897 | 42 604 | 27 682 | 286 | 123 057 | 63 032 | 1 586 876 |
| Net surplus for the year | - | - | - | - | 8 330 | - | 6 979 | 69 671 | (2 872) | 82 108 |
| Total other comprehensive income | - | - | 10 510 | (182 706) | - | - | - | (52 448) | 4 671 | (219 973) |
| Transfers between Funds (Asset additions) | 25 191 | - | - | - | (21 089) | - | - | (4 102) | - | - |
| Funds movements (Asset depreciation) | (39 762) | - | - | - | - | - | - | 39 762 | - | - |
| Loan repayments | 2 754 | - | - | - | - | - | - | (2 754) | - | - |
| Release to PPE Fund | 2 257 | (2 257) | - | - | - | - | - | - | - | - |
| Fund Balances at 31 December 2014 | 674 345 | 283 960 | 81 706 | 106 191 | 29 845 | 27 682 | 7 265 | 173 186 | 64 831 | 1 449 011 |

University of Zululand

Consolidated Statement of Cash Flows

for the year ended 31 December 2015

| | <i>Note</i> | 2015 R'000 | 2014 R'000 |
|--|-------------|-----------------------------|---------------|
| Cash generated by operations | <i>21</i> | 232 718 | 267 629 |
| Investment income | | 45 303 | 22 309 |
| Finance costs | | (2 506) | (4 033) |
| Net cash inflow operating activities | | 275 515 | 285 905 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (32 917) | (25 094) |
| Purchase of investments | <i>3</i> | (42 214) | (47 869) |
| Proceeds from disposal of investments | <i>3</i> | 35 893 | 44 309 |
| Net cash outflow from investing activities | | (39 238) | (28 654) |
| Cash flows from financing activities | | | |
| (Decrease) in interest bearing borrowing | | (1 865) | (2 754) |
| Net cash outflow from financing activities | | (1 865) | (2 754) |
| Net increase in cash and cash equivalents | | 234 412 | 254 497 |
| Cash and cash equivalents at the beginning of the year | | 591 112 | 336 615 |
| Cash and cash equivalents at the end of the year* | | 825 524 | 591 112 |

*Cash and cash equivalents consist of cash at bank and on hand and short term investments.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.1 Reporting entity

The University of Zululand (the “University”) is an educational institution domiciled in the Republic of South Africa. The address of the University’s registered office is Mvuzemvuze Road, KwaDlangezwa, 3886, South Africa. The consolidated financial statements of the University as at and for the year ended 31 December 2015 comprise the University and its subsidiary, the University of Zululand Foundation.

Where reference is made to the financial statements in the accounting policies, it should be interpreted as referring to the consolidated financial statements where the context requires, unless otherwise noted.

1.2 Basis of preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), Regulations for annual reporting by Higher Education Institutions and in the manner required by the Higher Education Act (Act 101 of 1997).

The consolidated financial statements were approved by the Council on 24 June 2016.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Available-for-sale financial assets are measured at fair value.
- The defined benefit asset is recognised as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.
- Land and buildings are measured at fair value.

c) Functional and presentation currency

These consolidated financial statements are presented in South African Rands, which is the University’s functional currency. All financial information presented in South African Rands has been rounded to the nearest thousand.

d) Use of estimates and judgements

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

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

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.2 Basis of preparation (continued)

d) Use of estimates and judgements (continued)

Information about assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the following notes:

Note 4 – Measurement of defined benefit surplus: key actuarial assumptions

Note 6 – Impairment test: key assumptions underlying recoverable amounts

Note 10 – Lease classification

Note 11 – Measurement of defined benefit obligation: key actuarial assumptions

Note 20 – Recognition and measurement of contingencies and commitments: key assumptions about the likelihood and magnitude of an outflow of resources

1.3 Significant accounting policies

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

a) Basis of consolidation

i) *Subsidiaries*

Subsidiaries are those entities controlled by the University. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commenced until the date that control ceases.

ii) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Financial instruments

i) *Non-derivative financial assets*

The University initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the University becomes a party to the contractual provisions of the instrument.

The University derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the University is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the University has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The University has the following non-derivative financial assets: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.3 Significant accounting policies (continued)

b) Financial instruments (continued)

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the University manages such investments and makes purchase and sale decisions based on their fair value in accordance with the University's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Held-to-maturity financial assets

If the University has the positive intent and ability to hold debt securities to maturity then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available for sale, and prevent the University from classifying investment securities as held-to-maturity for the current and the following two financial years.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise student loans, fees and other receivables (see note 6).

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash balances and call deposits (short term investments) with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the University's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The University's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented within equity in the available-for-sale financial asset reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit and loss.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.3 Significant accounting policies (continued)

b) Financial instruments (continued)

Non-derivative financial liabilities

The University initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the University becomes a party to the contractual provisions of the instrument.

The University derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The University has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

c) Property, plant and equipment

(i) Recognition and measurement

Land and buildings are stated at fair value. These items are revalued by external, independent property valuers having appropriate recognised professional qualifications and experience in the category of property being valued. The independent valuers provide the fair value of the University's property at least once every five years using the open market value basis in continuation of existing use for land and buildings and furniture and equipment. The last valuation took place in 2015.

Any surplus on revaluation, in excess of net carrying value, is recognised as a gain in other comprehensive income and transferred to a revaluation reserve. Surpluses on revaluation are recognised as income to the extent that they reverse revaluation decreases of the same assets recognised as expenses in previous periods. Deficits on revaluation are charged directly against the revaluation reserves only to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of that same asset. Other deficits are recognised as expenses.

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Capital work in progress mainly relates to buildings under construction. These are transferred to buildings on completion.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Assets costing R15 000 or less are not capitalised. Library books, journals and collections are written off in the year of acquisition.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.3 Significant accounting policies (continued)

c) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Gains and losses on disposal of property, plant and equipment are determined by comparing the carrying value of the respective assets at disposal to the proceeds on their disposal and are accounted for in the consolidated statement of comprehensive income.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the University and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the consolidated statement of comprehensive income as incurred.

(iii) Depreciation

Depreciation is recognised in the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

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

| | |
|---------------------------|-------------|
| • Buildings | 10-50 years |
| • Furniture and equipment | 5-10 years |
| • Computer equipment | 3-10 years |
| • Motor vehicles | 5 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

d) Leased assets

Leases in terms of which the University assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the University's statement of financial position.

Refer to accounting policy 1.3 (k) for lease payments.

e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Redundant and slow moving inventories are identified and written down to their estimated economic or realisable values.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.3 Significant accounting policies (continued)

f) Impairment

(i) Non – derivative financial assets (including receivables)

A financial asset not measured at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be measured reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the University on terms that the University would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The University considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment the University uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the available-for-sale financial asset reserve in funds, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment allowances attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.3 Significant accounting policies (continued)

f) Impairment (continued)

(ii) Non-financial assets

The carrying amount of the University's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

g) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are re-measured in accordance with the University's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

h) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The University's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on risk-free Government bonds that have maturity dates approximating the terms of the University's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the University. An economic benefit is available to the University if it is realisable during the life of the plan, or on settlement of the plan liabilities.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.3 Significant accounting policies (continued)

h) Employee benefits (continued)

(ii) *Defined benefit plans (continued)*

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The University determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The University recognises gains or losses on the settlement of the defined benefit plan when the settlement occurs.

(iii) *Post retirement obligation*

The University provides post retirement medical benefits to qualifying members of staff who retire either through age or medical grounds, by means of a defined benefit medical aid scheme. The entitlement to these benefits is based on, either the staff members' super-annuation or remaining in service to retirement age.

The anticipated cost of these benefits is assessed by qualified actuaries and contributions are made to the relevant funds over the expected service life of the staff members entitled to those funds.

(iv) *Termination benefits*

Termination benefits are recognised as an expense when the University is committed (without realistic possibility of withdrawal) to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the University has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(v) *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the University has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Employee entitlements to annual leave are recognised when they accrue. An accrual is made for the estimated liability for accumulated leave as a result of services rendered up to the reporting date.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.3 Significant accounting policies (continued)

i) Income recognition

i) State subsidy

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

If the funding is provided in advance of the specified requirement, (i.e. the University does not have immediate legal entitlement to it) the relevant amount is deferred and recognised in the applicable period.

ii) Special designated income

Income received for designated specific purposes arises from contracts and grants. In all cases, any such income is recognised in the consolidated statement of comprehensive income in the financial period in which the institution becomes entitled to the use of these funds.

Funds received, which the University cannot use until some specified future period or occurrence, are held in an appropriate fund until the financial period in which the funds can be used, at which time the amount is recognised as income. If the funds are returnable to their source in the absence of the event or occurrence, these funds are designated as deferred income and disclosed on the statement of financial position under current liabilities. Where funds received are not controlled by the University, or where the University is required to report to third parties regarding the usage of such funds or where the University acts as a custodian of those funds, this is not recognised as revenue and is disclosed on the consolidated statement of financial position under current liabilities.

iii) Tuition fees

Tuition fees are brought into income in the period to which they relate and at the time these are formally billed.

iv) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

j) Government grants

An unconditional government grant or subsidy is recognised in profit or loss for the year when the grant becomes receivable.

Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the University will comply with the conditions associated with the grant. Grants that compensate the University for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the University for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.3 Significant accounting policies (continued)

k) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the University determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the University the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the University separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the University concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the University's incremental borrowing rate.

Refer to 1.3 (d) for leased assets.

l) Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets, and changes in the fair value of financial assets through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, and impairment losses recognised on financial assets.

m) Income tax

The University of Zululand is exempt from South African normal taxation in terms of Section 101(1)(cA)(i) of the Income Tax Act and therefore no provision has been made for taxation.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.3 Significant accounting policies (continued)

n) Fund categories

The consolidated statement of comprehensive income is prepared on a segmented reporting basis in the manner required by the Minister of Higher Education and Training in terms of section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended. Income shown as Council Controlled relates to funds over which the Council has legal control and discretionary control. Income shown as Specifically Funded Restricted relates to funds generated in terms of legally enforceable requirements by the donor or grantor. Income shown as Student Residence Restricted relates to revenue generated from student accommodation fees. Management continuously reviews the classification of the various funds and periodically reclassifies them, where deemed appropriate, for changes in the circumstances and conditions relating to them.

The consolidated statement of changes in funds is grouped according to the same criteria as the consolidated statement of comprehensive income and also includes a property, plant and equipment fund, revaluation reserve, post-retirement benefits reserve and an available for sale financial asset reserve. Funds for the acquisition of property, plant and equipment are transferred to the property, plant and equipment fund, which thereafter includes the funds representing the carrying value of the items of property, plant and equipment. The post-retirement benefits reserve includes the gains and losses on the pension fund. The available for sale financial asset reserve includes those gains and losses on investments that are not recognised in the statement of comprehensive income. These gains and losses arise as a result of movements in the difference between the cost and the fair value of the investments. The restricted funds designated for specific activities represent the unspent portion of funds received which the University has an obligation to spend in terms of a mandate. The revaluation reserve fund relates to a revaluation of property, plant and equipment. The revaluation reserve is released to accumulated funds on a systematic basis over the assets useful lives.

o) Determination of fair values

A number of the accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) *Property, plant and equipment*

The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

(ii) *Investments in equity and debt securities*

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.3 Significant accounting policies (continued)

o) Determination of fair values (continued)

(iii) Student and other receivables

The fair value of student and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(iv) Non - derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Refer to 1.2 (d) for accounting policy relating to significant estimates and judgements.

(v) Fair value hierarchy

When measuring the fair value of an asset or a liability, the University uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

p) Related parties

A party is related to the University if any of the following are met:

- Directly, or indirectly through one or more intermediaries, the party controls, is controlled by or under common control with the University;
- The party is a member of key management personnel of the entity or its parent;
- The party is a close family member of the family or individual referred to above.

Close family member of the family of an individual includes:

- The individual's domestic partner and children;
- Children of the individual's domestic partner; and
- Dependents of the individual or the individual's domestic partner.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

1.4 Standards and interpretations not yet effective

At the date of authorisation of the consolidated financial statements of The University of Zululand for the year ended 31 December 2015, the following standards and interpretations applicable to the University were in issue but not yet effective:

| Standard/Interpretation | | Effective date Periods beginning on or after |
|-------------------------|---|---|
| IAS 16 and IAS 38 | <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> | 1 January 2016 |
| IFRS 9 | <i>Financial Instruments</i> | 1 January 2018 |
| IAS 1 | <i>Disclosure Initiative</i> | 1 January 2016 |
| IFRS 16 | <i>Leases</i> | 1 January 2019 |

All standards and interpretations will be adopted at their effective date.

The Administrator is of the opinion that the above amendments will not have a material impact on the University's financial statements.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

2 Property, plant and equipment

| | Land R'000 | Buildings R'000 | Work in progress R'000 | Furniture & Equipment R'000 | Data & Computer Equipment R'000 | Motor Vehicles R'000 | Total R'000 |
|-------------------------------------|---------------|--------------------|------------------------------|-----------------------------------|--|----------------------------|----------------|
| As at 31 December 2015: | | | | | | | |
| Cost or Valuation | 52 380 | 869 264 | 11 996 | 56 515 | 36 831 | 4 871 | 1 031 857 |
| Accumulated depreciation | - | (119 509) | - | (36 799) | (27 152) | (4 701) | (188 161) |
| Carrying value | 52 380 | 749 755 | 11 996 | 19 716 | 9 679 | 170 | 843 696 |
| Movements for the year: 2015 | | | | | | | |
| Opening carrying value | 11 075 | 938 658 | - | 22 614 | 18 228 | 605 | 991 180 |
| Additions | 13 680 | 3 271 | 11 996 | 3 591 | 379 | - | 32 917 |
| Revaluation/(devaluation) | 27 625 | (172 530) | - | - | - | - | (144 905) |
| Depreciation charge | - | (19 644) | - | (6 489) | (8 928) | (435) | (35 496) |
| Closing carrying value | 52 380 | 749 755 | 11 996 | 19 716 | 9 679 | 170 | 843 696 |
| As at 31 December 2014: | | | | | | | |
| Cost or Valuation | 11 075 | 1 038 523 | - | 52 924 | 36 452 | 4 871 | 1 143 845 |
| Accumulated depreciation | - | (99 865) | - | (30 310) | (18 224) | (4 266) | (152 665) |
| Carrying value | 11 075 | 938 658 | - | 22 614 | 18 228 | 605 | 991 180 |
| Movements for the year: 2014 | | | | | | | |
| Opening carrying value | 11 075 | 956 840 | - | 19 638 | 17 159 | 1 039 | 1 005 751 |
| Additions | - | 5 047 | - | 10 576 | 9 471 | - | 25 094 |
| Depreciation charge | - | (23 326) | - | (7 600) | (8 402) | (434) | (39 762) |
| Transfers from held for sale | - | 97 | - | - | - | - | 97 |
| Closing carrying value | 11 075 | 938 658 | - | 22 614 | 18 228 | 605 | 991 180 |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

2 Property, plant and equipment (continued)

The carrying amount that would have been recognised had the buildings that were revalued to R749 755 000 would have been R569 882 000, had the buildings been carried under the cost model.

A register of land and buildings is available for inspection at the University's business address.

The land on which the KwaDlangezwa, Empangeni and Mtunzini buildings are situated does not belong to the University. The University has the right of use of this land from the Department of Public Works.

A new campus was erected by the University during the 2009 financial year in Richards Bay. The land on which the campus is situated belongs to the University. Land comprises erf 16855, Portion 42 (of 25) of erf 11161, Richards Bay. The University is not permitted to dispose of, or otherwise alienate, its land and buildings without the prior approval of the Minister of Higher Education and Training.

Buildings erected at KwaDlangezwa comprise the following: lecture theatres, library, administration offices, student residences, staff housing and utilities. Property, plant and equipment includes capitalised finance lease assets.

During the 2015 financial year land and buildings were revalued which resulted in a net devaluation of R144 905 000.

Independent valuator – Mills Fitchet (Natal) (Pty) Ltd

Effective date of valuation – 31 December 2015

Basis of valuation – Capitalised Income Method based on market related rentals and expenses and Depreciated Replacement Cost (DRC) approach.

Assumptions : Capitalised Income Method

Capitalised Income Method

Market related rentals for the campus - R60/m²

Vacancy and Collection Loss of 5%

Operating expenses / outgoings equate to approximately ±29% of the effective gross annual income

Capitalisation rate of 10.5%

Assumptions : Depreciated Replacement Cost (DRC) approach

Useful life expectancy at around 100 years

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

| | 2015 R'000 | 2014 R'000 |
|---|----------------|----------------|
| 3 Available-for-sale investments | | |
| Listed equities | 345 655 | 326 224 |
| Money market | 15 933 | 25 053 |
| International investments | 82 074 | 60 289 |
| | <u>443 662</u> | <u>411 566</u> |
| Held to maturity investments | | |
| Fixed income investments | 44 220 | 32 366 |
| | <u>487 882</u> | <u>443 932</u> |
| Investments reconciliation | | |
| Opening balance | 443 932 | 405 077 |
| Additions | 42 214 | 47 869 |
| Disposals | (35 893) | (34 252) |
| Revaluations | 37 629 | 25 238 |
| Closing balance | <u>487 882</u> | <u>443 932</u> |

Investments held by the University of Zululand are invested on a long-term basis in order to obtain reasonable growth and revenue returns.

Investments including listed equities, international investments, fixed income instruments and money market investments are stated at fair value.

Portfolio UNI 005 in listed equities has been ceded to the Development Bank of Southern Africa (DBSA) to the value of R8 040 340 (refer to note 10).

4 Post-retirement benefit surplus

| | 2015 R'000 | 2014 R'000 |
|---------------------------------------|----------------|----------------|
| Pension fund (Note 4.1) | 97 555 | 106 191 |
| Provident fund (Note 4.2 and Note 11) | 9 110 | - |
| | <u>106 665</u> | <u>106 191</u> |

4.1 Pension Fund

The University's obligation towards the post-retirement pension fund benefit was actuarially calculated as at 31 December 2015 by ABSA Consultants and Actuaries and is disclosed in accordance with *International Accounting Standard 19: Employee Benefits*, as follows:-

| | 2015 R'000 | 2014 R'000 |
|---|---------------|----------------|
| Consolidated statement of financial position | | |
| Present value of funded obligations | (754 578) | (723 355) |
| Fair value of plan assets (refer to note 4.3) | 852 133 | 829 546 |
| Present value of net surplus | <u>97 555</u> | <u>106 191</u> |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

4 Post-retirement benefit surplus (continued)

4.1 Pension Fund (continued)

| | 2015 R'000 | 2014 R'000 |
|---|-----------------|------------------|
| Consolidated statement of comprehensive income | | |
| Service cost | (52 991) | (26 116) |
| Interest cost | (64 066) | (42 552) |
| Expected return on plan assets | 71 059 | 69 023 |
| Amount recognised in the net surplus | (45 998) | 355 |
| Actuarial gains/(losses) | 44 692 | (212 087) |
| Return on plan assets | 32 141 | 18 273 |
| Amount recognised in other comprehensive income | 76 833 | (193 814) |
| Total amount recognised in consolidated statement of comprehensive income | 30 835 | (193 459) |
| Reconciliation of movement in the net asset recognised in the consolidated statement of financial position | | |
| Balance at the beginning of the year | 106 191 | 286 678 |
| Employer contributions during the year | 14 766 | 12 972 |
| Transfer to Provident Fund | (54 237) | - |
| Total amount recognised in consolidated statement of comprehensive income | 30 835 | (193 459) |
| Balance at the end of the year | 97 555 | 106 191 |

Key Valuation Assumptions

| | | |
|---------------------------|--------|-------|
| Discount rate | 10.49% | 8.70% |
| Expected return on assets | 10.49% | 8.70% |
| Salary increase rate | 10.31% | 8.88% |
| Pension increase rate | 4.83% | 4.05% |
| General inflation rate | 8.31% | 6.88% |

Sensitivity analysis

Changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit plan by the amounts shown below.

| 31 December 2015 | Increase R'000 | Decrease R'000 |
|--------------------------------|-------------------|-------------------|
| Discount rate (1% movement) | (102 503) | 129 845 |
| Salary inflation (1% movement) | 43 195 | (37 767) |

The defined benefit plans are administered by the board of trustees. The board of trustees of the pension and provident funds are required by law to act in the best interests of the plan participants and are responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the fund.

The trustees of the pension and provident fund approved the allocation of a portion of the available surplus to the employer. This decision led to the recognition criteria of an asset being met. In accordance with IAS 19: Employee Benefits, the asset is measured at the lower of the surplus in the defined benefit plan and the asset ceiling.

These defined benefit plans expose the University to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

4 Post-retirement benefit surplus (continued)

4.2 Provident Fund

The University's obligation towards the post-retirement provident fund benefits was actuarially calculated as at 31 December 2015 by ABSA Consultants and Actuaries and is disclosed in accordance with IAS 19: Employee Benefits, as follows:-

| | 2015 R'000 | 2014 R'000 |
|---|---------------------------|---------------------------|
| Consolidated statement of financial position | | |
| Present value of funded obligations | (130 393) | (123 099) |
| Fair value of plan assets (Note 4.3) | <u>139 503</u> | <u>81 568</u> |
| Present value of net surplus/(deficit) | 9 110 | (41 531) |
| Consolidated statement of comprehensive income | | |
| Service cost | (10 398) | (6 520) |
| Interest cost | (10 545) | (7 681) |
| Expected return on plan assets | <u>6 932</u> | <u>7 718</u> |
| Amount recognised in the net surplus | (14 011) | (6 483) |
| Actuarial gains/(losses) | 6 677 | (37 488) |
| Return on plan assets | <u>871</u> | <u>(2 558)</u> |
| Amount recognised in other comprehensive income | 7 548 | (40 046) |
| Total amount recognised in the consolidated statement of comprehensive income | <u>(6 463)</u> | <u>(46 529)</u> |
| Reconciliation of movement in the net asset recognised in the consolidated statement of financial position | | |
| Balance at the beginning of the year | (41 531) | 2 219 |
| Transfer from Pension Fund | 54 237 | - |
| Employer contributions during the year | 2 867 | 2 779 |
| Amount recognised in consolidated statement of comprehensive income | <u>(6 463)</u> | <u>(46 529)</u> |
| Balance at the end of the year | 9 110 | (41 531) |
| Key Valuation Assumptions | | |
| Discount rate | 10.49% | 8.70% |
| Expected return on assets | 10.49% | 8.70% |
| Salary increase rate | 10.31% | 8.88% |
| Pension increase rate | 4.83% | 4.05% |
| General inflation rate | 8.31% | 6.88% |
| Sensitivity analysis | | |
| 31 December 2015 | Increase R'000 | Decrease R'000 |
| Discount rate (1% movement) | (16 257) | 20 774 |
| Salary inflation (1% movement) | 8 800 | (7 463) |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

4 Post-retirement benefit surplus (continued)

4.3 Plan assets comprise:

| | Pension Fund | Provident Fund | Pension Fund | Provident Fund |
|---------------------------|---------------------|-----------------------|--------------|----------------|
| | 2015 | 2015 | 2014 | 2014 |
| | R'000 | R'000 | R'000 | R'000 |
| Listed equities | 518 012 | 46 176 | 472 046 | 43 404 |
| Capital market | 20 536 | 40 316 | 69 823 | - |
| International investments | 190 026 | 22 041 | 135 198 | - |
| Money market | 76 692 | 22 460 | 139 967 | 38 164 |
| Property market | 46 867 | 8 510 | 12 422 | - |
| Total plan assets | 852 133 | 139 503 | 829 456 | 81 568 |

5 Total amount recognised in profit or loss as at 31 December 2015

| | 2015 | 2014 |
|---------------------------|-----------------|----------|
| | R'000 | R'000 |
| Pension Fund (Note 4.1) | (45 998) | 355 |
| Provident Fund (Note 4.2) | (14 011) | (6 483) |
| Medical aid (Note 11) | (8 591) | (8 997) |
| | (68 600) | (15 125) |

Total amount recognised in other comprehensive income as at 31 December 2015

| | | |
|---------------------------|---------------|-----------|
| Pension Fund (Note 4.1) | 76 833 | (193 814) |
| Provident Fund (Note 4.2) | 7 548 | (40 046) |
| Medical aid (Note 11) | 7 944 | (1 294) |
| | 92 325 | (235 154) |

6 Student and other receivables

| | 2015 | 2014 |
|---------------------------------------|------------------|-----------|
| | R'000 | R'000 |
| Student debtors | 255 394 | 144 460 |
| Less: allowance for impairment losses | (127 165) | (112 719) |
| Net student receivables | 128 229 | 31 741 |
| NSFAS and other bursaries receivable | 1 484 | 62 437 |
| Loan to employees | - | 1 577 |
| Other receivables | 21 541 | 5 646 |
| | 151 254 | 101 401 |

Student fee debt is non-interest bearing, and minimum payments are required on registration and on subsequent prescribed dates as published in the University's fee handbook. The portion of student debt, which is considered irrecoverable after taking into account the historical debt repayment due from NSFAS, is included in the allowance for impairment losses. The impairment takes into account the present value of future expected cash flows. The carrying amounts approximate the fair value. Movement in the allowance for impairment of student debtors were as follows:

| | 2015 | 2014 |
|--|----------------|---------|
| | R'000 | R'000 |
| Allowance for impairment losses | | |
| At 1 January | 112 719 | 85 567 |
| Charge for the year | 14 446 | 27 152 |
| At 31 December | 127 165 | 112 719 |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

6 Student and other receivables (continued)

| | 2015 | | | 2014 | | |
|------------------------------------|----------------|-------------------|----------------|----------------|-------------------|---------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Student debtor balances | Balance | Impairment | Net | Balance | Impairment | Net |
| Past due date -1 year | 128 229 | - | 128 229 | 31 741 | - | 31 741 |
| Past due date -2 years | 14 446 | (14 446) | - | 18 720 | (18 720) | - |
| Past due date -3 years and earlier | 112 719 | (112 719) | - | 93 999 | (93 999) | - |
| | 255 394 | (127 165) | 128 229 | 144 460 | (112 719) | 31 741 |
| | | | | 2015 | | 2014 |
| | | | | R'000 | | R'000 |

7 Short term investments

Classified as available for sale

806 694 **532 735**

Interest bearing available-for-sale financial assets, earn interest at rates between 4 to 8 percent (2014: 4 to 8 percent). Short term investments consist of investments in money market, cash deposits and fixed maturity notices.

2015 **2014**
R'000 **R'000**

8 Cash at bank and on hand

18 830 **58 377**

9 Non-current assets held for sale

Staff housing at the University is presented as a non-current assets held for sale following the commitment of the University's management on 1 January 2008 to sell these houses to staff members. The balance comprises one staff house that is expected to be sold in 2015.

2015 **2014**
R'000 **R'000**

Reconciliation

| | | |
|------------------|---|------|
| Opening balance | - | 97 |
| Transfers to PPE | - | (97) |
| Closing balance | - | - |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

| | 2015 R'000 | 2014 R'000 |
|--|-----------------------------|---------------|
| 10 Interest bearing borrowings | | |
| <i>Non-current liabilities</i> | | |
| Development Bank of South Africa (DBSA) loan | <u>28 825</u> | <u>30 049</u> |
| | 28 825 | 30 049 |
| <i>Current liabilities</i> | | |
| Current portion of DBSA loan | <u>2 185</u> | <u>2 826</u> |
| | 2 185 | 2 826 |

The interest bearing borrowings reflect the balance owing on loans raised to finance capital development projects. The annual cost of interest and repayments are included in the consolidated statement of comprehensive income.

All non-current loans, are repayable bi-annually and the redemption date is 30 June 2027. Fixed effective interest rates vary between 5% and 11.42% (2014:5%-11.42%).

The variable effective interest rate fluctuates with changes in the prime interest rate and averaged 7.61% (2014: 6.79%) for the financial year.

The DBSA loan is secured in terms of a cession issued to the value of R8 040 340 (refer to note 3).

11 Post-retirement obligations

| | 2015 R'000 | 2014 R'000 |
|---------------------------|-----------------------------|----------------|
| Medical aid benefits | 79 901 | 83 928 |
| Provident Fund (Note 4.2) | <u>-</u> | <u>41 531</u> |
| | 79 901 | 125 459 |

These post-retirement benefit obligation exposes the University to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

11 Post-retirement obligations (continued)

The University's obligation towards the post-retirement medical aid obligation was actuarially calculated as at 31 December 2015 by C.A. Scott and is disclosed in accordance with IAS 19: Employee Benefits, as follows:-

| | 2015 R'000 | 2014 R'000 |
|---|----------------|-----------------|
| Consolidated statement of financial position | | |
| Present value of funded obligations | 79 901 | 83 928 |
| Fair value of plan assets | - | - |
| Present value net obligations | <u>79 901</u> | <u>83 928</u> |
| Consolidated statement of comprehensive income | | |
| Service cost | (1 537) | (1 451) |
| Interest cost | (7 054) | (7 546) |
| Total amount recognised in the net surplus | <u>(8 591)</u> | <u>(8 997)</u> |
| Actuarial gains/(losses) | 7 944 | (1 294) |
| Amount recognised in other comprehensive income | <u>7 944</u> | <u>(1 294)</u> |
| Total amount recognised in the consolidated statement of comprehensive income | <u>(647)</u> | <u>(10 291)</u> |
| Movement in the net liability recognised in the consolidated statement of financial position | | |
| Opening value | 83 928 | 77 947 |
| Benefits paid | (4 674) | (4 310) |
| Total amount recognised in consolidated statement of comprehensive income | 647 | 10 291 |
| Closing value | <u>79 901</u> | <u>83 928</u> |
| Key Valuation Assumptions | | |
| Discount rate | 10.5% | 8.70% |
| Medical inflation rate | 7.0% | 6.30% |

Health care cost inflation

The valuation basis assumes that the health care cost inflation rate will remain constant in the long term. The effect of a one percent increase and decrease in the health care cost inflation rate is as follows:

| | 1% increase R'000 | Valuation basis R'000 | 1% decrease R'000 |
|---|----------------------|--------------------------|----------------------|
| Employer's accrued liability | 8 390 | 79 901 | (7 191) |
| Employer's service and interest cost | 902 | 8 591 | (773) |

Therefore, a 1% increase in the health care cost inflation assumption will result in a 10.5% increase in the accrued liability. Similarly, a 1% decrease in the health care cost inflation assumption will result in a 9.0% decrease in the accrued liability.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

12 Deferred government grants

Government Grants of R125 426 million (2014: R125 460 million) were received in respect of improvements to the infrastructure of the University and other grant funding. This has been reflected as deferred income and will be recognised as income on a systematic and rational basis over the useful life of the asset.

| Grant funding for items included in property, plant and equipment | 2015 R'000 | 2014 R'000 |
|--|-----------------------|---------------|
| Infrastructure grant spent* | 204 231 | 196 101 |
| Infrastructure grant | 421 375 | 286 451 |
| - Phase 1 Pre-2014 infrastructure | 11 336 | 35 599 |
| - Phase 2 Main infrastructure project | 410 039 | 250 852 |
| Other grants | 16 555 | 16 818 |
| Trust Funds | 3 115 | 3 159 |
| - National Research Fund | 13 440 | 13 269 |
| - UZF CIME (Centre for Innovation) | - | 390 |
| Total deferred government grants | 642 161 | 499 370 |
| * To be amortised over the useful life of the asset | | |
| Analysed as: | | |
| Non-current | 625 606 | 482 943 |
| Current | 16 555 | 16 427 |
| | 642 161 | 499 370 |

13 Trade payable and accrued liabilities

| | | |
|------------------------|---------------|--------|
| Creditors and accruals | 43 456 | 20 462 |
| Other payables | 12 207 | 15 767 |
| Bursary awards | - | 1 702 |
| | 55 663 | 37 931 |

14 Employee benefits

| | | |
|-------------------|---------------|--------|
| Leave pay accrual | 50 084 | 41 039 |
| Bonus accrual | 6 635 | 6 851 |
| | 56 719 | 47 890 |

An accrual is made for the estimated liability for annual leave and annual bonus as a result of services rendered by professional, administrative and support staff up until the reporting date.

As the University does not have the unconditional right to defer settlement of these liabilities for at least twelve months after the reporting date the liabilities are classified as being current.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

| | 2015 | 2014 | | |
|---|---------------------|----------------|----------------|--------------|
| | R'000 | R'000 | | |
| 15 Investment income | | | | |
| Income from investments | 31 194 | 17 673 | | |
| Dividends | 5 531 | 4 635 | | |
| Interest on staff loans | - | 1 | | |
| Realised gains on sale of investments | 8 578 | 10 058 | | |
| | 45 303 | 32 367 | | |
| 16 Personnel costs | | | | |
| | Academic | | Total | Total |
| | Professional | Other | 2015 | 2014 |
| | R'000 | R'000 | R'000 | R'000 |
| Salaries and wages | 196 145 | 119 105 | 315 250 | 299 810 |
| Education subsidy | 2 819 | 1 765 | 4 584 | 3 739 |
| Leave pay expense | 3 855 | 12 053 | 15 908 | 13 137 |
| Bonus expense | 11 646 | 6 799 | 18 445 | 17 667 |
| Contributions to defined contribution plan | 10 991 | 6 676 | 17 667 | 20 038 |
| | 225 456 | 146 398 | 371 854 | 354 391 |
| | | | 2015 | 2014 |
| Average number of persons employed during the year: | | | | |
| Full-time | | | 797 | 801 |
| Part-time | | | 343 | 223 |
| | | | 1 140 | 1 024 |
| 17 Operating expenses | | | 2015 | 2014 |
| | | | R'000 | R'000 |
| Other operating expenses include: | | | | |
| <i>Auditor's remuneration:</i> | | | 9 101 | 2 410 |
| Internal audit fee | | | 4 784 | 762 |
| Internal audit forensic investigation | | | 4 317 | 1 648 |
| <i>External audit:</i> | | | 2 175 | 2 240 |
| Current period services | | | 2 175 | 2 004 |
| Other audit services | | | - | 236 |
| Repair and maintenance expenditure | | | 29 990 | 44 197 |
| Research and development expenditure | | | 13 370 | 11 081 |
| Books and periodicals | | | 18 073 | 9 764 |
| Allowance for impairment losses-student debtors | | | 14 446 | 27 152 |
| <i>Other lease rentals:</i> | | | 3 120 | 3 495 |
| Motor vehicles | | | 3 039 | 3 495 |
| Other | | | 81 | - |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

| | 2015 R'000 | 2014 R'000 |
|---|----------------|----------------|
| 18 Finance costs | | |
| Interest on government-subsidised loans | 2 506 | 2 638 |
| Interest on finance lease liabilities | - | 1 207 |
| Interest: other | - | 188 |
| | <u>2 506</u> | <u>4 033</u> |
| 19 Taxation | | |
| The University of Zululand is exempt from South African normal taxation in terms of Section 10(1)(cA)(i) of the Income Tax Act and therefore no liability has been recognised for taxation. | | |
| 20 Commitments and contingencies | | |
| Commitment | | |
| At the reporting date, the budget for the following expenditure was approved but not recognised in the consolidated financial statements as it was not yet contracted for: | | |
| 20.1 Property, plant and equipment | | |
| Per approved Capex | 51 534 | 118 614 |
| Rolled forward from 2014 | 19 500 | - |
| Council funds general reserves | <u>71 034</u> | 118 614 |
| Infrastructure approved new Residence "DBSA" new loan tender | 43 990 | - |
| Total commitments Council funded | <u>115 024</u> | <u>118 614</u> |
| 20.2 Grants | | |
| Department of Higher Education and Training (DHET) - Infrastructure and Efficiency Funding (I&EF) and Development and Clinical Training Grant projects. | | |
| | 2015 R'000 | 2014 R'000 |
| Infrastructure Phase 2 | 410 039 | 405 778 |
| Infrastructure Phase 1 | 11 336 | 35 599 |
| Other grants | <u>16 555</u> | 16 818 |
| | <u>437 930</u> | <u>458 195</u> |
| Total commitments | <u>552 954</u> | <u>576 809</u> |

Long-term loan facilities from the Development Bank of Southern Africa (DBSA) is in the process of being secured, subject to Ministerial approval, and these, together with DHET infrastructure grants approved, unexpended government grants brought forward from the previous funding cycle and internal resources, will be available to fund these commitments.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

20 Commitments and contingencies (continued)

20.3 Funding Source

| | 2015 R'000 | 2014 R'000 |
|---|-----------------------------|---------------|
| Development Bank of Southern Africa (DBSA) : long-term loans | - | 51 000 |
| Development Bank of Southern Africa (DBSA): new proposed borrowings | 43 990 | - |
| Department of Higher Education and Training (DHET) - Infrastructure and efficiency funding (I&EF) grants | 437 930 | 458 195 |
| <i>University resources</i> | | |
| - Revenue account | 71 034 | - |
| - General reserve funds | - | 67 614 |
| Total capital commitments | 552 954 | 576 809 |

In accordance with the requirements of the Higher Education Act, the requisite Ministerial approval, where applicable, has been and will in future continue to be obtained for all additional borrowings, as well as for the acquisition of property and the construction of major infrastructural projects that exceed the statutory thresholds within which the University Council is authorised to operate.

| | 2015 R'000 | 2014 R'000 |
|---|-----------------------------|---------------|
| Contingent liabilities | | |
| The University has provided guarantees in respect of housing loans for employees amounting to : | 973 | 973 |
| The University has a bank guarantee outstanding in respect of electricity supply amounting to: | 930 | 930 |
| | 1 903 | 1 903 |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

| | 2015 R'000 | 2014 R'000 |
|---|-----------------|---------------|
| 21 Cash generated by operations | | |
| Net surplus for the year | 81 505 | 82 108 |
| Adjustments for: | | |
| Post-retirement benefit surplus/(deficit) | - | (52 448) |
| Depreciation | 35 496 | 39 762 |
| Profit on sale of available for sale investments | (8 578) | (10 057) |
| Post retirement costs | 68 600 | - |
| Post retirement contributions | (22 307) | - |
| Increase in leave pay accrual | 9 046 | 9 473 |
| (Decrease)/increase in bonus accrual | (217) | 692 |
| Increase in provision for post-retirement medical aid benefits | - | 47 512 |
| Investment income | (45 303) | (22 309) |
| Reclassification of realised investment gains | - | (10 057) |
| Finance costs | 2 506 | 4 033 |
| Operating profit before working capital changes | 120 748 | 88 709 |
| - (Increase)/decrease in receivables | (49 853) | 160 180 |
| - (Increase)/decrease in inventories | 285 | (468) |
| - Increase in deferred government grants | 142 791 | 25 404 |
| - Increase in student deposits | 1 015 | 4 867 |
| - Increase/(decrease) in trade payables and accrued liabilities | 17 732 | (11 063) |
| | 232 718 | 267 629 |

22 Financial risk management

The University's principal financial instruments comprise available-for-sale investments, current receivables in the form of student fee debtors, other receivables; cash and short-term bank deposits; interest-bearing borrowings and trade payable. Financial instruments are measured at fair value or amounts that approximate fair value (or as disclosed in the relevant notes).

The University Council has overall responsibility for the establishment and oversight of the University's risk profile. Council has established the Audit and Risk; Finance and other Committees to develop, monitor and manage the University's risk management policies on its behalf and Executive Management is responsible for implementing, managing and complying with selected risk management strategies. All potential risks are identified, evaluated and managed as appropriate. Risk management policies, systems and procedures are reviewed regularly to reflect changes in market conditions, the higher education sector and in the University's operating environment. The Chairpersons of the respective committees, the Vice-Chancellor and other members of Executive Management report regularly to the Council on risk management activities and results. The University, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees, students and other stakeholders understand their roles and obligations.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

22 Financial risk management (continued)

The University's policies regarding insurance and risk cover are set and monitored by the Finance Committee. Likewise, decisions on the level of financial risk are taken by the Finance Committee and enforced by the University's Finance Division in terms of established limits by reference, in each case, to the particular transaction type, the monetary amounts and the counter-parties involved. Financial risks arising from the University's use of financial instruments include the following:

- Liquidity risk
- Credit risk
- Market risk

Liquidity risk

The University manages its liquidity risk by monitoring its daily cash flow to ensure that surpluses are optimally invested and that adequate cash is available to meet its day-to-day operations in the short- and medium-terms, based on rolling cash flow projections. The University adopts a diversified investment strategy with specified major financial institutions, each of which is required to be accredited by the Finance Committee, and has no significant concentration of credit risk with any single counter-party.

The timing and cyclical nature of the University's cash inflows and outflows are such that liquidity problems are unlikely to arise. Furthermore, the University has access to funds through its short-term deposits and overdraft facilities in the event that any unforeseen event occurs.

Credit risk

The University has no significant concentrations of credit risk. As a matter of policy, the University trades only with recognised, creditworthy third parties, who are subject to credit verification procedures including terms and conditions of trade specified by the University.

The University's credit risk exposure is represented primarily by the net aggregate balance of amounts receivable in respect of unpaid student fees and general receivables. Collateral measures include the withholding of examination results, denied re-admission after the first semester and the refusal to allow students in default of their financial obligations to register in the ensuing academic year unless a debt payment plan has been committed to. Debt collection procedures are applied as diligently as circumstances permit in such a way as to minimise risk.

The University provides for impairment losses in respect of student-related receivables (student fee debtors) and other receivables to the extent that these can be reliably and conservatively determined, having regard to the credit risk experience and payment history of the particular categories of debtors.

Market risk

The University is exposed to market risk on its investment portfolios. This risk is managed by selecting reputable portfolio managers who operate under defined mandates, which are designed to both limit the risk and also optimise the University's returns on these investments, having regard to the nature and purpose of the underlying funds. The performance of the respective fund managers are monitored closely by the Finance Committee and, in the case of the University Foundation, by the respective Boards of Trustees.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

22 Financial risk management (continued)

Financial assets and liabilities affected by interest rate fluctuations include bank deposits and short-term investments, as well as borrowings. Deposits comprise fixed notice and call account deposits. At the reporting date, these deposits were either accessible immediately or had maturity dates not exceeding twelve months. Interest rates earned on these deposits and other investments closely approximate prevailing market rates.

The University's borrowings used to finance its operations are at both fixed and variable rates of interest depending, in each case, on the nature and duration of the respective borrowings and the specific purpose for which such borrowings are required. The level of borrowings and, consequently, the debt servicing costs are closely monitored and controlled by the Finance Committee on behalf of Council, having regard to the prevailing, and projected, interest rates and the University's capacity to service such debt from future earnings.

| Financial assets | Category |
|--|------------------------------------|
| Available-for-sale investments (<i>Note 3</i>) | |
| Notice deposits | Fair value through profit and loss |
| Listed equities | Available for sale |
| Fixed income investments | Available for sale |
| International investments | Available for sale |
| Students and other receivables (<i>Note 6</i>) | |
| Student fee debtors | Loans and Receivables |
| Other receivables | Loans and Receivables |
| Cash at bank and on hand (<i>Note 8</i>) | Loans and Receivables |
| Short term investments (<i>Note 7</i>) | |
| Short term deposits | Loans and Receivables |

| Financial liabilities | Category |
|---|-----------------------------|
| Interest bearing borrowings (<i>Note 10</i>) | |
| Government-subsidised loans | Other financial liabilities |
| Finance lease liabilities | Other financial liabilities |
| Trade payables and accrued liabilities (<i>Note 13</i>) | |
| Other payables | Other financial liabilities |
| Student deposits | Other financial liabilities |

Financial assets comprise the following:

| | 2015 | 2014 |
|--------------------------------|------------------|-----------|
| | R'000 | R'000 |
| Available-for-sale investments | 487 882 | 443 932 |
| Student fee debtors | 128 229 | 31 741 |
| Other receivables | 23 025 | 69 660 |
| Cash at bank and on hand | 18 830 | 58 377 |
| Short term investments | 806 694 | 532 735 |
| | 1 464 660 | 1 136 445 |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

22 Financial risk management (continued)

| | 2015 R'000 | 2014 R'000 |
|--|----------------|----------------|
| Financial liabilities comprise the following: | | |
| Trade payable and accrued liabilities | 55 663 | 37 931 |
| Student deposits | 45 224 | 44 209 |
| Current portion of interest bearing borrowings | 2 185 | 2 826 |
| Non-current interest bearing borrowings | 28 825 | 30 049 |
| | 131 897 | 115 015 |

Interest bearing available-for-sale financial assets, with a carrying amount of R142 226 000 (2014: R25 825 000), mature as follows:

| | |
|----------------|-------------------------|
| RSA R203 8.25% | within the next 4 years |
| RSA R208 6.75% | within the next 5 years |
| SHP 6.5% ZAR | within the next 5 years |
| RSA R186 10.5% | within the next 6 years |

Categories of financial incomes and expenses

| Financial assets | 2015 R'000 | 2014 R'000 |
|---|---------------|---------------|
| <i>Recognised in profit and loss</i> | | |
| Interest on financial assets | 31 194 | 17 674 |
| Dividends on available-for-sale financial assets | 5 531 | 4 635 |
| Other income on available-for-sale financial assets | 8 578 | 10 058 |
| <i>Recognised in funds</i> | | |
| Net change in the fair value of available-for-sale financial assets | 29 051 | 15 181 |
| Financial liabilities | | |
| <i>Recognised in profit and loss</i> | | |
| Finance costs | (2 506) | (4 033) |

Fair values versus carrying amounts

The carrying value of all financial instruments approximate their fair value.

Basis for determining fair values

The following summarises the significant methods and assumptions used in estimating the fair values of the financial instruments reflected in the table above.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

22 Financial risk management (continued)

Available for sale financial assets

Available for sale financial assets are measured at fair value, which is calculated by reference to share exchange quoted selling prices at the close of business on the reporting date.

Held to maturity financial assets

The fair value of held to maturity financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Cash and cash equivalents

The fair value of cash and cash equivalents is deemed to be the face value of such cash and equivalent financial assets.

Student fee receivables and other receivables

The fair value of receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date when the effect of discounting is considered significant. Receivables that are likely to be irrecoverable are estimated and impairment losses are raised, based on a review of outstanding amounts at year-end. Actual bad debts are written off through the statement of comprehensive income during the year in which they are identified.

Credit risk

At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The following financial assets in the statement of financial position were exposed to credit risk:

| | 2015 | 2014 |
|---------------------------|----------------|---------|
| | R'000 | R'000 |
| Student fee debtors | 128 229 | 31 741 |
| Other receivables | 23 025 | 69 660 |
| Cash and cash equivalents | 825 524 | 591 112 |
| | 976 778 | 692 513 |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

22 Financial risk management (continued)

Market risk

(i) Interest rate risk

The University's investments in fixed-rate debt securities and its fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The University's investments in variable-rate debt securities and its variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not exposed to interest rate risk.

| | 2015 R'000 | 2014 R'000 |
|---|----------------|----------------|
| <i>Fixed rate instruments</i> | | |
| Financial assets | 44 220 | 32 366 |
| Financial liabilities | - | - |
| | <u>44 220</u> | <u>32 366</u> |
| <i>Floating rate instruments</i> | | |
| Financial assets | 443 662 | 411 566 |
| Financial liabilities | 31 010 | 32 875 |
| | <u>474 672</u> | <u>444 441</u> |
| An increase/(decrease) of 100 basis points in the prime interest rate would decrease/(increase) the value of the University's fixed rate instruments by: | <u>442</u> | <u>327</u> |
| An increase/(decrease) of 100 basis points in the prime interest rate would decrease/(increase) the value of the University's floating rate instruments by: | <u>4 747</u> | <u>4 444</u> |

(ii) Equity price risk

Equity price risk is managed through diversification of equity and international investments across various economic sectors, thereby reducing the University's exposure to systematic market risk. Investment styles used by University's portfolio managers vary between growth, value and core orientated strategies. These are combined with investments in stable blue chip companies in order to reduce unsystematic risk.

| | 2015 R'000 | 2014 R'000 |
|--|---------------|---------------|
| A 1% increase or decrease in the value of the JSE All Share Index would increase or decrease the value of the listed investments by: | <u>3 457</u> | <u>3 262</u> |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

22 Financial risk management (continued)

Liquidity risk

The following are the contractual, undiscounted maturities of financial liabilities, including interest payments :

| | Carrying value R'000 | Contractual cash flows R'000 | Within 12 months R'000 | 1 - 2 years R'000 | 2 - 5 years R'000 | More than 5 years R'000 |
|--|----------------------------|------------------------------------|---------------------------------|----------------------|----------------------|-------------------------------|
| 31 December 2015 | | | | | | |
| Interest bearing borrowings | 31 010 | 54 370 | 4 371 | 4 371 | 13 113 | 32 515 |
| Other payables and accrued liabilities | 55 663 | 55 663 | 55 663 | - | - | - |
| Student deposits | 45 224 | 45 224 | 45 224 | - | - | - |
| | 131 897 | 155 258 | 105 258 | 4 371 | 13 113 | 32 516 |
| 31 December 2014 | | | | | | |
| Interest bearing borrowings | 32 875 | 58 741 | 4 371 | 4 371 | 13 113 | 36 886 |
| Other payables and accrued liabilities | 37 931 | 37 931 | 37 931 | - | - | - |
| Student deposits | 44 209 | 44 209 | 44 209 | - | - | - |
| | 115 015 | 140 881 | 86 511 | 4 371 | 13 113 | 36 886 |

Accounting classifications and fair values

Fair value hierarchy

The table below analysis financial instruments measured at fair value, or items for which the disclosure of fair value is required, by valuation method. Refer to the respective notes for reconciliation of the level 3 fair values.

| | Level 1 R'000 | Level 2 R'000 | Level 3 R'000 | Total R'000 |
|--|------------------|------------------|------------------|------------------|
| 2015 | | | | |
| Financial assets | | | | |
| Long term investments | 487 882 | - | - | 487 882 |
| Student and other receivables | - | - | 151 254 | 151 254 |
| Cash and cash equivalents | 18 830 | - | - | 18 830 |
| Short-term investments | 806 694 | - | - | 806 694 |
| Non-financial assets measured at fair value | | | | |
| Land and buildings | - | - | 749 755 | 749 755 |
| | 1 313 406 | | 901 009 | 2 214 415 |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

22 Financial risk management (continued)

| | Level 1 R'000 | Level 2 R'000 | Level 3 R'000 | Total R'000 |
|--|------------------|------------------|------------------|----------------|
| 2015 | | | | |
| Financial liabilities | | | | |
| Trade payable and accrued liabilities | - | - | 55 663 | 55 663 |
| Student deposits | - | - | 45 224 | 45 224 |
| Current portion of interest-bearing borrowing | - | - | 2 185 | 2 185 |
| Interest-bearing borrowings | - | - | 28 825 | 28 825 |
| | - | - | 131 897 | 131 897 |
| 2014 | | | | |
| Financial assets | | | | |
| Long term investments | 443 932 | - | - | 443 932 |
| Student and other receivables | - | - | 101 401 | 101 401 |
| Cash and cash equivalents | 58 377 | - | - | 58 377 |
| Short-term investments | 532 735 | - | - | 532 735 |
| Non-financial assets measured at fair value | | | | |
| Land and buildings | - | - | 949 636 | 949 636 |
| | 1 035 044 | - | 1 051 037 | 2 086 081 |
| Financial liabilities | | | | |
| Trade payable and accrued liabilities | - | - | 37 931 | 37 931 |
| Student deposits | - | - | 44 209 | 44 209 |
| Current portion of interest-bearing borrowing | - | - | 2 826 | 2 826 |
| Interest-bearing borrowings | - | - | 30 049 | 30 049 |
| | - | - | 115 015 | 115 015 |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

23 Annualised gross remuneration to Executive staff

The following disclosure relates to the compensation paid to members of the Executive Management of the University for the year ended 31 December 2015 as defined in the Statute of the University. Gross remuneration, for the purpose of the Higher Education Act, is based on the cost for employment to the University and flexible remuneration packages, suitably annualised, where applicable and is inclusive of the employer's contributions to health and post-retirement benefits. Exceptional payments, if any to Executive Management have been included in the annualised gross and are disclosed separately below where applicable.

| Name | Designation | 2015 R'000 | 2014 R'000 |
|---|---|---------------|---------------|
| Prof N.M Mazibuko (Resigned October 2014) | Vice-Chancellor | - | 1 847 |
| Prof J.R Midgley (Resigned August 2015) | Deputy Vice Chancellor : Research & Innovation | *2 891 | 1 872 |
| Mrs N Ngqubekile-Ali (Resigned June 2015) | Executive Director : Human Resources | *1 680 | 1 587 |
| Prof XA Mtose (appointed as Vice Chancellor in November 2014) | Deputy Vice Chancellor : Teaching & Learning | 2 942 | 1 299 |
| Prof G Kistan | Director: Quality Assurance | - | 889 |
| Mr AJ de Wet (Resigned March 2015) | Executive Director : Finance | *2 940 | 2 189 |
| Mr T Zulu (Resigned November 2015) | Executive Director : Finance | *1 490 | - |
| Mrs J Naicker | Executive Director : Finance | *1 831 | - |
| Mrs N Gevers (Acting) | Executive Director : Finance | *2 105 | - |
| Prof J. Baxen | Deputy Vice Chancellor : Research & Innovation | *1 835 | - |
| Dr GM Vinger (Resigned August 2015) | Registrar | *1 928 | 1 645 |
| Mr DE Janse Van Rensburg (Appointed December 2015) | Registrar | *1 499 | - |
| Prof NW Garrod (Appointed November 2015) | Deputy Vice Chancellor : Institutional Support | *2 841 | - |
| Mrs R Budree (Resigned March 2014) | Executive Director : Human Resources | - | 1 458 |
| Dr ZI Machi | Executive Director : Richards Bay Campus | 1 654 | 1 489 |
| Mr O Lombaard | Executive Director : Facilities | 1 399 | 1 079 |

* These amounts have been annualised.

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

23 Annualised gross remuneration to Executive staff (continued)

Exceptional payments

During the year ended 31 December 2015, no exceptional payments in excess of R249 999 were made to the members of the executive and senior management. Exceptional payments as defined for this purpose in terms of the Higher Education Act, include special bonuses and exceptional amounts arising on the termination of employment with the University.

Summary of payment to Councillors:

During the year ended 31 December 2015 the following payments were made to the below mentioned Council members.

| Name | Council No | Total R'000 |
|-----------------|------------|-------------|
| BC Dumisa | 16376 | 43 |
| EJB Dube | 16377 | 26 |
| PN Maphoshe | 16379 | 58 |
| DS Kunji Behari | 16415 | 19 |
| SZ Mbokazi | 16566 | 42 |
| GI Sibiyi | 16416 | 36 |
| CV Gamede | 16417 | 11 |
| Cllr EF Mbatha | 16451 | 7 |
| TC Ngcobo | 16532 | 30 |

Attendance at meetings of the Council is presented below:

| Members | Meeting dates | | | |
|--------------------|---------------|------------------|----------|----------|
| | 29/04/15 | 27/06/15 (sm) | 24/10/15 | 05/12/15 |
| Mr C.V. Gamede | √ | x | √ | √ |
| Judge C. Mocumie | x | x | # | - |
| Ms P. Maphoshe | √ | √ | √ | √ |
| Mr S.B. Xulu | √ | √ | x | x |
| Prof Midgley | x | # | - | - |
| Prof X. Mtose | √ | √ | √ | √ |
| Mr G. Sibiyi | x | x | √ | √ |
| Mr D. Kunji-Behari | x | x | x | √ |
| Mr B. Makhathini | √ | x | √ | x |
| Prof B.C. Dumisa | √ | √ | √ | √ |
| Cllr E.F. Mbatha | x | - | - | - |
| Cllr M.G. Mhlongo | o | o | √ | x |
| Mr E. Dube | √ | √ | √ | √ |
| Dr T.T. Khanyile | √ | √ | x | x |
| Dr S.Z. Mbokazi | √ | √ | √ | √ |
| Mr T.C. Ngcobo | √ | √ | √ | √ |

University of Zululand

Notes to the consolidated financial statements

for the year ended 31 December 2015

23 Annualised gross remuneration to Executive staff (continued)

Attendance at meetings of the Council is presented below:

| Members | Meeting dates | | | |
|-------------------|---------------|---|---|---|
| | | | | |
| Prof D.R. Nzima | √ | x | √ | x |
| Prof P.T. Mhlongo | x | # | - | - |
| Dr M.A.N. Duma | o | o | x | √ |
| Mr S.J. Mvubu | √ | √ | √ | √ |
| Ms N.N. Mbatha | √ | √ | √ | √ |
| Dr N.R. Ngcobo | √ | x | √ | √ |
| Mr W. Mathebula | o | o | o | √ |
| Mr L. Duze | o | o | o | √ |

√ = present

x = absent (with and without apologies)

sm = special meeting

- = inoperative

= resignation

o = not yet a member

- Mr D. Kunji-Behari is the new Chairperson of the Finance Committee of Council and he replaced Cllr E.F. Mbatha in the committee.

24 Related parties

Identity of related party

University of Zululand Foundation

Related party relationship

Subsidiary

Key management personnel

Executive staff

Refer to note 23 for related party transactions with key management personnel.

Material related party transactions

| | 2015 | 2014 |
|---|--------------|-------|
| | R'000 | R'000 |
| Grant approved by the University of Zululand Foundation | 1 000 | 1 000 |

Material related party balances

| | | |
|---|---------------|--------|
| Amount owing from the University of Zululand Foundation | 13 448 | 13 460 |
|---|---------------|--------|

All transactions between the University and the University of Zululand Foundation have been conducted at arm's length.



**UNIVERSITY OF
ZULULAND**

Contact details

Main Campus Tel: 035 902 6030

Fax: 086 631 7922

Richards Bay Campus Tel: 035 902 6923