

# 2017 ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

Compiled in terms of the Regulations for reporting by Public Higher Education Institutions, published under Government Notice No R 464 of 9 June 2014.

## OF THE UNIVERSITY OF VENDA

Incorporated in terms of the Higher Education Act, 1997  
and the Statute of the University of Venda, promulgated under  
Government Notice No. 40673 of 10 March 2017



**University of Venda**  
*Creating Future Leaders*

### **VISION**

The University of Venda aspires to be at the centre of tertiary education for rural and regional development in Southern Africa.

### **MISSION**

The University of Venda, anchored on the pillars of excellence in teaching, learning, research and community engagement, produces graduates imbued with knowledge, skills and qualifications which are locally relevant and globally competitive.

# UNIVERSITY OF VENDA 2017 ANNUAL REPORT

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## REPORT OF THE CHAIRPERSON OF COUNCIL FOR 2017



**SEROBI MAJA**  
**CHAIRPERSON OF COUNCIL**

### The Council of the University of Venda as at 31 December 2017

In terms of Section 14(6) of the Institutional Statute: University of Venda, the University of Venda Council was constituted as follows in 2017:

SECTION OF THE STATUTE	NAME(S)	TERM
1. Section 14.6 (a) The Principal; Ex-officio	1. Prof. P.A. Mbatlali	Ex-officio
2. Section 14.6 (b) Deputy Vice-Chancellors; Ex-officio	2. Prof. J.E. Crafford 3. Vacant	Ex-officio Ex-officio
3. Section 14.6 (c) Three members with specific competencies in the field designated by Council.	4. Mrs. E.S. Mabusela 5. Mr. K.K. Maimela 6. Mr. M.L. Mashego	12/12/2014 to 22/11/2019
4. Section 14.6. (d) The Chairperson of the Institutional Forum (IF)	7. Mr. K.R. Razwiedani	27/05/2015 to 22/11/2019
5. Section 14.6 (e) Five persons appointed by the Minister.	8. Prof. M.N. Phaswana-Mafuya 9. Ms. S.T. Baloyi 10. Mr. Serobi Maja (Chairperson) 11. Mr. J.M. Seoloane 12. Mr. M.P. Molapo	21/11/2014 to 22/11/2019
6. Section 14.6 (f) One person appointed by the Premier of the Limpopo Province after consultation with the Minister.	13. Mr. M.E. Selomo	21/11/2014 to 22/11/2019
7. Section 14.6 (g) Two persons elected by the Senate from among its members.	14. Prof. V.O. Netshandama 15. Prof. G.R.A. Mchau	21/11/2014 to 22/11/2019
8. Section 14.6 (h) Two persons elected by the Convocation	16. Mr. L.L. Ndou 17. Ms. K.S. Makgoka	21/11/2014 to 22/11/2019
9. Section 14.6 (i) One person designated by persons who, in terms of the statute are donors	18. Dr. N.B. Nthambeleni	21/11/2014 to 22/11/2019

9. Section 14.6 (j) One academic employee of the University other than members of the Senate, elected by the academic employees	19. Mrs. M.G. Maluleke	21/11/2015 to 22/11/2019
10. Section 14.6 (k) The President of the Student Representative Assembly and one (1) other member of cabinet elected by cabinet	20. Mr. M. Shikwambana 21. Mr. T.P. Raseala	10/03/2017 to 30/09/2017
11. Section 14.6 (l) One member of the service employees of the University elected by the service employees	22. Mr. N.A. Mutoti	21/11/2014 to 22/11/2019
12. Section 14.6 (m) One member of the administrative employees of the University elected by the administrative employees	23. Mr. B.L. Makhado	21/11/2014 to 17/08/2017
13. Section 14.6 (n) One person designated by the Thulamela Municipality	24. Mr. A.S. Tshifhango	14/09/2017 to 22/11/2019
14. Section 14.6 (o) Other persons, not exceeding six in number, designated by such bodies as determined by the Council	25. <b>Council for Scientific and Industrial Research (CSIR)</b> Dr. L.J. Phahlamohlaka	21/11/2014 to 22/11/2019
	26. <b>Human Sciences Research Council (HSRC)</b> Prof. K.G. Setswe	21/11/2014 to 17/09/2017
	27. <b>Women's University in Africa (WUA)</b> Prof. C.M. Nherera	21/11/2014 to 25/10/2017
	28. A College Principal's Organisation (SACPO) Mr. K.R. Madzhe	21/11/2014 to 22/11/2019
	29. <b>Mines</b> Mr. R.C. Chhagan	20/11/2015 to 22/11/2019
	30. <b>Local Traditional Authority</b> Thovhele Vho-MPK Tshivhase (Deputy Chairperson)	21/11/2014 to 22/11/2019
The University Registrar is ex-officio Secretary to Council (Prof. A.E. Nesamvuni)		
<b>Part B: Members who served on Council for only part of the period</b>		
15. Section 14.6 (b) Deputy Vice-Chancellors; Ex-officio	31. Dr. R.L. Martin	Ex-officio
16. Section 14.6 (k) The President of the Student Representative Assembly and one (1) other member of cabinet elected by cabinet	32. Mr. L.H. Lukhele	23/11/2017 to 30/09/2018
17. Section 14.6 (o) Other persons, not exceeding six in number, designated by such bodies as determined by the Council	33. <b>Human Sciences Research Council (HSRC)</b> Prof. K. Zuma	18/09/2017 to 22/11/2019

18. Section 14.6 (o) Other persons, not exceeding six in number, designated by such bodies as determined by the Council	34. <b>Women's University in Africa (WUA)</b> Dr. S. Mombeshora	26/10/2017 to 22/11/2019
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**Notes:**

- i The position of DVC: Operations was vacant until 01/07/2017 when Dr. R.L. Martin assumed duty.
- ii Mr. B.L. Makhado was dismissed from the University with effect from 18/08/2017. The position was vacant thereafter.
- iii The term of office of the Student Representative Council (SRC) representatives on Council, Mr. S. Shikwambana and Mr. T.P. Raseala, expired on 30 September 2017. Mr. L.H. Lukhele replaced Mr. S. Shikwambana with effect from 23/11/2017. The second position remained vacant pending elections by the SRC.
- iv Prof. K.G. Setswe resigned from the constituency that designated him on the Council of the University of Venda, the Human Research Science Council (HRSC). He was replaced by Prof. K. Zuma with effect from 18/09/2017
- v Prof. C.M. Nherera resigned from the constituency that designated him on the Council of the University of Venda, the Women's University in Africa. He was replaced by Dr. S. Mombeshora with effect from 26/10/2017

**Attendance of Council meetings for the Period 01 January 2017 to 31 December 2017 was as follows:**

NAME	21/04/2017	23/06/2017	25/07/2017 (Special)	29/07/2017 (Special)	15/09/2017	24/11/2017
Prof. P. A. Mbatl	X	X	X	X	X	X
Mr. Serobi Maja	X	X	X	X	X	X
Thovhele M.P.K. Tshivhase	A	X	X	X	X	X
Prof. J.E. Crafford	X	X	X	X	A	X
Ms. S.T. Baloyi	X	A	A	A	X	X
Mr. M.E. Selomo	X	X	X	X	X	X
Mr. M.P. Molapo	X	X	X	X	X	X
Ms. K.S. Makgoka	X	X	X	A	X	X
Prof. V.O. Netshandama	X	X	X	X	X	X
Mr. K.R. Madzhie	X	X	X	X	X	X
Mr. A.S. Tshifhango	X	X	X	X	X	X
Mr. S. Shikwambana	X	X	X	X	X	N/A
Mr. T.P. Raseala	X	X	X	X	X	N/A
Prof. G.R.A. Mchau	X	A	X	X	X	X
Mr. B.L. Makhado	X	A	X	X	N/A	N/A
Mr. N.A. Mutoti	X	X	X	X	X	X
Mr. L.L. Ndou	X	X	X	X	X	X
Dr. N.B. Nthambeleni	X	X	X	X	A	X
Dr. L.J. Phahlamohlaka	X	X	A	X	A	X
Prof. M.N. Phaswana-Mafuya	X	X	A	A	A	X
Prof. C.M. Nherera	X	X	X	X	A	N/A
Mr. J.M. Seoloane	X	X	A	X	X	A
Prof. K.G. Setswe	X	X	X	A	X	N/A
Mrs. E.S. Mabusela	X	X	X	A	X	X
Mr. K.K. Maimela	X	X	X	X	X	X
Mr. M.L. Mashego	X	X	X	X	X	X
Mrs. M.G. Maluleke	X	X	X	X	X	X
Mr. K.C. Razwiedani	X	X	X	X	X	X
Mr. R.C. Chhagan	X	X	A	A	X	X

Prof. A.E. Nesamvuni (Secretary to Council)	X	X	X	X	X	X
<b>Members who served on Council for only part of the period (after 30 June 2017)</b>						
Dr. R.L. Martin	NYA	NYA	X	X	X	X
Prof. K. Zuma	NYA	NYA	NYA	NYA	NYA	X
Dr. S. Mombeshora	NYA	NYA	NYA	NYA	NYA	X
Mr. L.H. Lukhele	NYA	NYA	NYA	NYA	NYA	X

Legend: X = Present A = Apology N/A = Not Applicable NYA = Not Yet Appointed

In each of the meetings that took place, Members of Council signed a conflict of interest and confidentiality declaration form to ensure effective governance of proceedings and governance of knowledge

management. Further, Council applied the Code of Practices and Conduct and the Code of Ethical Behaviour and Practice in every meeting.

## COUNCIL STATEMENT ON CORPORATE GOVERNANCE

The Council of the University of Venda operates under the principles of accountability, integrity and openness as expressed in the King IV Report on Corporate Governance. The composition of Council in terms of its sub- Committees is designed to meet standard governance requirements and compliance with Institutional Statute: University of Venda. Primarily, Council is aware of its responsibilities as required by the Higher Education Act, 1997, Act 101 of 1997 for governing the University as a public entity committed to becoming a centre of excellence in creating future leaders.

### Worker and Student Participation (Co-operative Governance)

The University relates to staff through their staff structures in their various categories, i.e., academic staff representatives, administrative staff representatives, and service staff representatives. Students have a Student Representative Council Cabinet which interacts with Management on a regular basis. The Student Representative Council is represented on the Council, on the Student Affairs Committee, and on other academic and administrative structures.

Students are represented on the Senate through the Chairpersons of the different School Councils. Students also participate on the Institutional Forum, and have regular and special meetings with Executive Management. Workers participate in statutory and non-statutory committees, such as the Institutional Forum, Senate, and Council and some of the Council committees through their representatives.

Participation of students and workers in the business of the University in 2017 was satisfactory.

### Effective Ethical Leadership and Corporate Citizenship

The Council of the University of Venda has put in place policies, procedures and processes to ensure that the University's core business is conducted in an ethical manner, taking into account the impact of education and skills on the economy, society and the environment in the interests of its diverse stakeholders.

In order to instil an ethical culture, the University of Venda has implemented a Code of Ethics – for Council and Staff of the University guided by King III/IV. 2017 was also devoted to conducting a gap analysis of all the Governance Framework based on King III / IV. The report has since been completed for implementation of projects towards improving our Governance Framework of the University. A Code of Conduct is also in existence and communicated to all Council Members. University Staff have conditions of service documents that guide their ethical conduct and behaviour. In addition, both management and Council Members declare conflict of interests annually.

University of Venda has implemented an independently managed tip-offs anonymous system managed by Deloitte and Touché to serve as a deterrent against corruption. Further, all employees and service providers are discouraged from corrupt activities by regular declaration of possible conflict of interest.

### Leadership and Institutional Transition

The University of Venda has been in transition as the term of office of Prof Mbatlana was coming to an end. Council was engaged through the Search Committee to appoint a New Vice Chancellor and Principal as Professor Peter Mbatlana second term contract was to end in January 2018. The position of Deputy Vice Chancellor Operations has since been filled by Dr Robert Martin. Stability was maintained in the DVC Academic with Professor Jan Ernst Crafford first term contract ending

December 2018. The University Registrar, Professor Edward Nesamvuni first term contract ends in June 2018. There has been several resignations coupled with retirements in important directorates of the university mainly Internal Risk, Institutional Planning & Quality Assurance, Information, Communication & Technology, Student Affairs and Deputy Registrar.

### **Effective Governance and Risk Management**

The Council of the University of Venda holds office for a period of five years. However, student leaders who are also Members of Council only hold office for a period of one year. The Council is constituted of members representing different constituencies within and outside the university. Further, members bring diverse competencies and skills in areas such as legal, financial, auditing, human resources and human rights. This diversity, coupled with executive management's academic background provides a reasonable balance of expertise to attend to matters before Council.

A Risk Management Committee has been established by the University of Venda to assist Council and the Vice-Chancellor to manage residual, current and projected Risks. This was mainly due to the University's growth, both in terms of student enrolment, financial portfolio and infrastructure construction. Of consideration was also the magnitude of infrastructure and value of construction projects. The Supply Chain Policy, its processes and governance had to be reviewed and strengthened to mitigate to the risks of lack of delivery in infrastructural projects. Primarily, the Committee discharges Risk Management and control responsibilities in accordance with prescribed legislation and corporate governance principles. The sub-committee is chaired by an External Person and met on four occasions in the course of 2017.

### **Governance of Information Technology**

The COBIT 5 framework for the governance and management of enterprises information technology is a leading-edge business optimisation and growth roadmap that leverages proven practices, global thought leadership and ground-breaking tools to inspire IT innovation and fuel business success. The University's Disaster Recovery plan approved by Council was implemented as per the procedures to recover and protect the University ICT infrastructure in the event of a disaster.



The IT Department has finalized the development of ICT Project Charter to manage Quality of the deliverables, budget for the project, risks associated with implementing IT project. IT Service Delivery Charter was piloted to ensure the quality of service offered to users.

### **Compliance with Overall National Statutory Framework**

The Council has delegated to the Audit and Risk Committee the role of ensuring compliance with all relevant legislation, statutory requirements, Council directives and the Code of Ethics as well as the critical role of enterprise risk management which includes the assessment of organisational risk and the management thereof. Monitoring compliance with the Code forms part of the mandate of the Audit and Risk Committee of Council.

The University of Venda's Directorate of Legal Services has ensured constant advice on new regulations and required institutional adjustments for compliance. While this is an ongoing process, I am delighted to report that the University of Venda is fully compliant with statutory provisions on human resources, finance, student matters, occupational health; accreditation of courses offered and associated built environment regulations.

### **Remuneration of Councillors**

It is the responsibility of Council to ensure effective governance of the university's finances and avoid conflict of interest. As such External Members of Council receive an honorarium per meeting in recognition of their role and commitment to institutional cause. Members are also reimbursed expenses on travelling within the prescribed rates approved by Council – at a level lower than prevailing National Treasury Regulations. Council reviews prescribed rates based on inflation rates to remain within reasonable reimbursement costs. Overall, there are no disclosures on the remuneration of Council Members as they are not paid for their services – and I wish to thank all Council Members for their commitment to the University of Venda.

### **COUNCIL STATEMENT ON SUSTAINABILITY**

Deteriorating socio-economic conditions in South Africa, due primarily to economic stagnation over the past few years, impact negatively on universities, who face diminishing income streams from government. With Higher Education inflation estimated at 9%, government funding to universities has been declining year-on-year in real terms. Unlike the established metropolitan universities, the University of Venda also does not have the capacity to generate substantial third-stream income to supplement the state funding we receive. The qualified audit of our 2016 financial statements raised going concern reservations. In addition, financial sustainability features high on the risk register of the University of Venda. Council therefore in 2017 approved

a management action plan, monitored by the Finance Committee of Council, to implement cost containment, particularly in terms of personnel expenditure, and austerity measures in non-core business. The Council is gratified to note the unqualified external audit opinion on the 2017 Annual Financial statements.

Ownership of the University by all its stakeholders, but particularly by the communities it serves, is key to its long-term sustainability. The University has been championing the University Town Concept among all our stakeholders as an important strategic imperative. To this end, multi-stakeholder engagements and extensive benchmarking with the University of Stellenbosch have taken place. The local municipality is fully on board with ensuring greater integration of University/town infrastructure and services.



Environmental sustainability has become an important consideration in the development of new infrastructure on the University of Venda Campus. Alternative energy provisioning from photovoltaics and biogas have been implemented at the University's Vuwani Science Resource Centre, serving as demonstration models for local communities and providing approximately 50% of the Centre's energy needs. Similar initiatives are underway on the main campus. Its proximity to a sensitive wetland area has also forced the University to be particularly sensitive to complying with relevant environmental legislation when new infrastructure is planned and developed.

## MATTERS APPROVED BY COUNCIL IN 2017

### Procurement

The University of Venda's procurement process is governed by the Supply Chain Management Policy and implemented by management under the oversight of Council's Bid Adjudication Committee. Identification of procurement requirements remains the responsibility of management with approval from full Council. During the course of 2017, the following bids were approved:

- Supply of library journals, periodicals and serial publications;
- That the UIGC builds and operates a 5000 bed privately funded student residence on campus with a 100% occupancy guarantee (please note that all approvals with regard to this development were rescinded in 2018);

- Construction of New African Languages building;
- Continuation of architectural services for a further period of twenty four months, for new multi-purpose hall, new house of prayer and new staff recreational Centre (please note that these developments were subsequently shelved in 2018);
- Supply of 3500 student tablets PC's;
- Provision of external audit services;
- Supply of photocopy machine;

### Policies

In order to meet new requirements and introduce policies consistent with institutional growth, in the course of 2017, there was a need to introduce new policies for proper governance of operations. These policies include the following:

- UNIVEN Postal Services Policy;
- Policy on the Campus Health Staff Uniform.

Further, the following policies were amended or revised due to their prescribed review date or for proper governance of operations. These policies include the following:

### Supply Chain Management Policy;

- Asset Management Policy;
- Conditional Grants Policy;
- Identification of Provisions, Contingent Liabilities and Assets Policy;
- Financial Close, Consolidation and Reporting Policy;
- Delegation of Authority Policy;
- Investment Policy;
- Cash Management Policy;
- Credit Balance on Student Accounts Policy;
- Financial Aid Policy;
- Cell phone Allowance Policy;
- Debt Management and Write-off Policy;
- Forfeited Minimum Payments Policy;
- Manual Receipts Policy;
- Fleet Management Policy;
- Store Management Policy;
- Non-Payroll Expense Policy;
- Subsistence and Travel Allowance Policy;
- Member of Professional Bodies Policy;
- Salary Advance Policy;
- Risk Management Policy;
- Fraud Prevention Policy;
- Whistle Blowing Policy;
- Higher Education Management Information Systems (HEMIS) Policy;
- Policy on Accreditation of Off-Campus Accommodation.

### Additional Matters

- Approval of dissolution of the UNIVEN Foundation in terms of section 20 of the Deed of Trust, and to re-establish a new entity to assist the University with

- fund raising;
- Approval of change of reporting lines of Risk Officer P6 from the Director: Internal Audit to the Vice-Chancellor and Principal;
  - Approval of change from the current provident fund contribution structure of member and employer contribution to member contribution only, to allow members to enjoy tax relief of up to 27,5% of the contribution towards provident fund, deducted from the employee total package as provided for in the Income Tax Amendment Act no.31 of 2013, with effect from 01 September 2017;
  - Approval of introduction of a third contribution option of 15,89% member only contribution, with effect from 01 September 2017;
  - Approval of review of the following programmes:
    - i Bachelor of Commerce in Business Management (BCOMBE)
    - ii Bachelor of Commerce in Business Management Honours (BCOMHB)
    - iii Bachelor of Commerce in Industrial Psychology
  - Approval of introduction of the Bachelor of Arts Honours in Media Studies programme;
  - Approval of outcome of students' appeal;
  - Approval of resolutions taken at the Finance Committee to address the 2016 audit qualification and mitigation strategies for a clean 2017 audit;
  - Approval of Internal Audit Charter;
  - Approval of Audit Committee Charter;
  - Approval of 2016 Consolidated Annual Financial Statements;
  - Approval of Subordination Agreement between the University of Venda and UIGC;
  - Approval of Management action plan to address the 2016 financial year external audit findings;
  - Approval of University of Venda 2016 Annual Report;
  - Approval of appointment of DVC: Operations as an authorized signatory to all the University's bank and investment accounts;
  - Approval of financing options for the projects on recovery as follows:
    - i The release of R139 million that had been earmarked for the four (4) projects (New Administration Building, New Multi-Purpose Hall, New House of Prayer and New Staff Recreational Facility), to fund the projects on recovery (New male residences, New female residences, Education phase 2 and Agriculture renewal project)
    - ii The application for recapitalization of the DBSA loan with an additional amount of R27 million to complete the DBSA projects
  - Approval of promotions of senior academic staff;
  - Approval of promotion from associate professorship to full professorship;
  - Approval of conversion of the existing position of Thuthuka Project Officer (P7) five year contract position to Thuthuka Project Officer (P7) permanent position in the Department of Accounting and Auditing;
  - Approval of promotions of junior academic staff who had obtained higher qualifications (Masters and PhD degrees) during 2015 and 2016;
  - Approval of Procedure Document, Flow of Activities and Advertisement for the position of Vice-Chancellor and Principal;
  - Approval of applications for the introduction of the following new programmes:
    - i Master of Social Work
    - ii Bachelor of Environmental Sciences in Disaster Risk Reduction
    - iii Diploma in Clothing Design and Construction and Entrepreneurship and End-User Computing
  - Approval to offer the position of Deputy Vice-Chancellor: Operations to Dr. R.L. Martin on a five year performance based contract.
  - Approval of 2017 Tariff list;
  - Approval of changes in signatories;
  - Approval of deviation from supply chain management processes, for sole supplier reason, to purchase the Teammate system to be used by internal audit;
  - Approval of use of the standardized construction contracts namely: Joint Building Contract Committee (JBCC), General Conditions of Contracts (GCC) and New Engineering Contracts (NEC), on infrastructure projects;
  - Approval to grant the UIGC permission to utilize UNIVEN's land for purposes of developing new infrastructure projects in support of the UNIVEN's master plan;
  - Approval of EXCO Task Team on Forensic Audit Report, and Management responses;
  - Approval of 2017 Internal Audit Plan;
  - Approval of three Year Rolling Strategy for the co-sourced internal audit function;
  - Approval of insourcing of cleaning and gardening services through the UIGC;
  - Approval of amendment of enrolment and efficiency targets 2017-2019 (amendments for 2017- 2019 to the ministerial statement on student enrolment planning 2014/15 – 2019/20 for universities);
  - Approval to appoint external Chairperson of the University of Venda's Infrastructure Project Board;
  - Approval to submit response on allegations letter from the Chairperson of Council to the Minister of Higher Education and Training;
  - Approval to introduce the new Bachelor of Environmental and Natural Resource Science;
  - Approval to change the name of existing programme from Bachelor of Science in Agriculture in Forestry to Bachelor of Science in Forestry;
  - Approval that the University should write a letter to DHET requesting for an extension with regards to

the submission of the 2016 Consolidated Annual Financial Statements and Annual Report, from the deadline of 30 June 2017 to 31 July 2017;

- Approval of staff remuneration package increase by eight percent (8%) with retrospective effect from 01 April 2017;
- Nomination of three external Council members to serve on the Search Committee and Interview Committee for the appointment of Vice-Chancellor and Principal;
- Report on the breakdown of legal costs for the University since 2010;
- Approval of recommendations by the Task Team on the review of the framework for external Council members and external experts;
- Approval of creation of a donor-funded position of Grants Administration Officer (PL8), funded by the National Research Council (NRF), on a three (3) year contract in the Department of Research and Innovation;
- Approval of revision of the composition of the Audit Committee, Bid Adjudication Committee, Finance Committee and the Human Resources Committee with the addition of one external Council member each;
- Approval for the changes in the signatories authorized to sign documents relating to cheques and electronic payments;
- Approval of appointment of external Council members on Committees of Council to replace those who have left UNIVEN Council;
- Approval of Protocol on the Management of Aggressive Persons on Campus Health;
- Approval of HEMIS Procedure Manual;
- Approval of reviewed Risk Register for 2018;
- Approval of Risk Management Committee Charter;
- Approval of Risk Management Strategy;
- Approval of Business Integrity Framework;
- Approval of Governance, Risk and Compliance Framework;
- Approval of 2018 Tariff List;
- Approval of 2018 Original Operational and Capital Budget;
- Approval of 2018 Adjusted Operational and Capital Budget;
- Approval of 2018 Budget Plan;
- Approval of revised Annual Performance Plan for 2017;
- Approval of Draft Annual Performance Plan for 2018;
- Approval of Mid-Year Report for 2017;
- Approval of reviewed Bachelor of Science in Botany and Zoology;
- Approval of Master of Science in e-Sciences;
- Approval of promotions for academic staff (13):
  - i Junior Lecturer to Lecturer (2)
  - ii Lecturer to Senior Lecturer (11)

It is through reviews and approvals outlined above that the University of Venda continues to remain relevant to

its Vision and Mission, its Statute and national statutory provisions governing South African Higher Education.

## THE COMMITTEES OF COUNCIL

The Council consists of persons elected in accordance with the University of Venda Statute of 2017. The ratio of Council members consists of 60% external members and 40% internal members to ensure objectivity as well as stakeholder participation in University governance.

For purposes of managing, controlling and executing its duties, Council has the following sub-committees:

- i Executive Committee of Council
- ii Executive Management Remuneration Committee
- iii Appeals committee
- iv Audit Committee
- v Bid Adjudication Committee
- vi Finance Committee
- vii Human Resources Committee
- viii Student Affairs Committee

The Senate deals with academic matters of the University and submit matters to Council for approval or ratification.

These committees meet four times per year prior to Council meetings and submit reports for consideration at each ordinary meeting of Council and makes recommendations to Council. All Committees of Council are chaired by external members of Council. Senate is chaired by the Vice-Chancellor and Principal.

Meetings of the Council were held as follows in 2017:

21/04/2017  
23/06/2017  
25/07/2017 (special)  
29/07/2017 (special)  
15/09/2017  
24/11/2017

### The Executive Committee of Council

The Committee has the following responsibilities:

- To advise Council on matters of policy.
- To make decisions on behalf of the Council on matters of an urgent nature provided that any such decisions be ratified by the Council at its next meeting.
- To consider and make recommendations to Council on the reports of all Council committees.
- To advise the Council on any matter which it deems expedient for the effective and efficient management of the University.
- To perform such other functions as the Council may determine.

Meetings of EXCO were held as follows in 2017:

07/04/2017

21/04/2017 (special)  
09/06/2017  
25/07/2017 (special)  
08/09/2017  
14/09/2017 (special)  
17/11/2017

### **The Executive Management Remuneration Committee (EMRC)**

The Committee has the following responsibilities:

- The Committee shall determine on behalf of Council remuneration packages of members of Executive Management.
- The Committee shall enter into remuneration negotiations with newly appointed members of Executive Management.
- The Committee shall review remuneration packages of members of Executive Management.
- Executive Management.

Meetings of the EMRC were held as follows in 2017:

07/04/2017  
21/04/2017

### **The Appeals Committee**

The Committee shall be responsible for the hearing of appeals of students against the findings and sentence of disciplinary hearings.

Meetings of the Appeals Committee were held as follows in 2017:

12/08/2017  
02/09/2017  
03/09/2017

### **The Audit Committee**

The Audit Committee is the most important oversight instrument at the disposal of Council and has the following broad focus areas:

- External Audit:
- Risk Management:
- Compliance:
- Financial statements:
- Internal control and internal audit:
- Ethics:
- IT Governance:
- Performance Management:

Meetings of the Audit Committee were held as follows in 2017:

06/04/2017  
08/06/2017  
08/06/2017 (Joint Audit and Finance Committees)  
21/07/2017 (Joint Audit and Finance Committees)  
01/09/2017 (special)  
03/11/2017

### **The Bid Adjudication Committee**

The Committee has the following responsibilities:

- To review tenders and expressions of interest for all procurement activity in excess of the University's procurement thresholds;
- To review the assessments undertaken by the Bid Evaluation Committee for all tender responses and where required:
  - Query discrepancies;
  - Request supporting documentation, more information or clarification if necessary;
  - Review recommendations provided by the Bid Evaluation Committee for all tender processes and where required amend, reject or endorse any recommendation(s);
  - To provide recommendations for all responses to tender to the Council.

Meetings of the Bid Adjudication Committee were held as follows in 2017:

07/09/2017  
26/09/2017  
10/10/2017 (special)  
16/11/2017

### **The Finance Committee**

The Committee has the following responsibilities:

- To consider matters of financial strategy and policy, including procurement and supply chain management, risk management and insurance, as they relate to the operation of the University, in particular the optimum use of available and potential financial resources (including internal investment options and their rate of return);
- To consider and assess all investment opportunities available to the University, in respect of all funds which it administers, and to determine the manner and extent to which funds are to be invested with a view to ensuring both security and optimization of income.
- To consider proposals for the raising of loan finance to fund capital development projects, including the acquisition of equipment, and to make recommendations to Council.
- To receive and consider budget proposals from the executive and to recommend to Council the annual operating and capital budgets.
- To approve the level of tuition fees and residential fees payable by students, and to make recommendations to Council on the policies governing the levels of these fees.
- To recommend to Council the appointment of the University bankers, investment managers and financial advisers
- To approve the classification of specific debts as irrecoverable
- To monitor the insurance arranged to cover the

- University's property and liabilities.
- To approve the annual salary adjustments of staff.

Meetings of the Finance Committee were held as follows in 2017:

17/03/2017  
 25/05/2017  
 07/07/2017 (Joint Audit and Finance Committees)  
 11/08/2017 (Joint Audit and Finance Committees)  
 29/07/2017 (special)  
 31/08/2017  
 14/09/2017 (workshop)  
 09/11/2017 (workshop)  
 10/11/2017  
 16/11/2017 (workshop)  
 16/11/2017 (special)

### The Human Resources Committee

- The Committee has the following responsibilities:
  - To recommend to Council on Human Resources policy matters, including but not limited to:
    - the recruitment and appointment of employees
    - the training and development of employees
    - the applicable job evaluation system
    - the performance management of employees
    - the promotion of employees
    - equity, including the equity plans of the University
    - the involvement of employees in external work
    - medical aid, group life and pension schemes
    - leave benefits of employees
    - succession planning
- To advise the Council on any matter which it deems expedient for the effective and efficient management of the University.
- To recommend to Council on the delegation of authority to line managers within the University.
- To recommend to Council on all new and revised human resources and employment equity policies.
- To monitor and evaluate the implementation of Council approved human resources and employment equity policies.

Meetings of the Human Resources Committee were held as follows in 2017:

03/03/2017  
 17/03/2017 (special)  
 09/06/2017  
 04/08/2017  
 13/10/2017

### The Student Affairs Committee

The Committee has the following responsibilities:

- To be responsible for the enhancement of the social, education and religious interest of students.
- To be responsible for the enhancement of the quality of lives of students, including but not limited to sporting and health related aspects of their

lives.

- To determine and review entitlements of the student leadership.
- To review rules and regulations on the student residences and management.
- To be responsible for the conduct of student governance, including consideration of the SRC's annual programme of action and to recommend same to Council.
- To review the Student Affairs organisational structure and make recommendation to the Human Resources Committee.
- To consider recommendations on the review of the SRC Constitution and other policy documents and make recommendations to Council.

Meetings of the Student Affairs Committee were held as follows in 2017:

08/03/2017  
 22/05/2017  
 07/09/2017  
 19/10/2017

### Conclusion

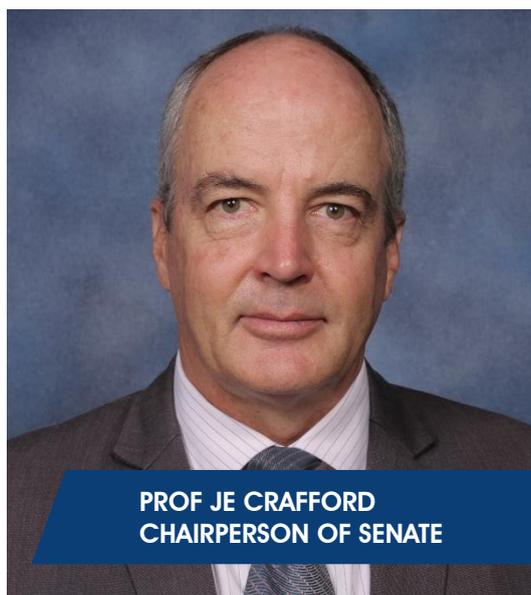
I am confident that the Committees of Council fulfilled their mandated responsibilities satisfactorily. These Committees were composed of individuals with the skills and knowledge to make informed decisions on matters before them. All Committees were chaired by people with the requisite competencies and experience to lead their respective portfolios.

My gratitude goes to the Executive Committee of Council, Committee Chairs, Council Members, Executive Management, Senior Management and staff for their hard work in 2017. I wish, in particular, to express my appreciation for the work of the Chairs of the Finance and Audit Committees, who worked with Management to ensure that we receive an unqualified external audit opinion on the 2017 Annual Financial Statements.



**MR SEROBI MAJA CHAIRPERSON OF COUNCIL**

## REPORT ON THE OPERATIONS OF THE UNIVERSITY OF VENDA IN 2017



**PROF JE CRAFTORD**  
**CHAIRPERSON OF SENATE**

### PERFORMANCE AGAINST THE TARGETS IN THE ANNUAL PERFORMANCE PLAN

#### STRATEGIC OBJECTIVE 1: CONVERSION TO A COMPREHENSIVE UNIVERSITY

##### Student Headcount



For the period under review, the size and shape annual performance figures indicate an extra 1 204 (or 8.3 percent) students enrolled by the university, against the approved Department of Higher Education and Training (DHET) target of 14 500 due to the re-admission of larger than expected number of returning students who had previously dropped out of the university for financial reasons. However, efforts will be made to ensure stringent enforcement of FTEN enrolment quota as per the enrolment plan. Rigorous screening of applications for re-admission will also be done in order to limit over-enrolment going forward. Although acceptable, the over-enrolment places an enormous burden on the university's limited financial, human and infrastructural resources. A 1.03% lower than targeted 3% enrolment in undergraduate diplomas and certificates is also recorded in the period under review as a result of insufficient interest in non-degree courses among prospective students. As part of the efforts to address this challenge, the university will ensure better marketing of non-degree offerings as well as the review of enrolment targets during the new enrolment planning cycle 2020-2024.

##### Enrolments by Major Field of Study



As at end of 2017, the enrolments were in excess of the target of 41% (5 945) set for science, engineering and technology (SET), including health by 2.1% (830) due to 8.3% (1 204) over-enrolment on total headcount target. In business and management fields of study, the performance shows enrolment of 2.6% (620) more students. Similarly, a 0.8% (396) more students were recorded in humanities and law against the set target of 23% (3 335), while the performance level in education is below the target of 17% (2 465), as 353 (3.6%) less students were enrolled by the university during the period under review. Important to note, is the fact that deviation from enrolment targets does not substantially alter size and shape directive and therefore is deemed acceptable. However, enrolment quotas in the different CESM's will be monitored and adhered to during registration at the beginning of the year, in order not to deviate from DHET size and shape directive.

##### Programme and Qualification Mix (PQM)

In view of constrained financial situation of the university, a targeted number of professional qualifications in engineering and related fields as well as career-focused diploma, certificate and bachelor programmes could not be submitted to Engineering Council for endorsement, CHE for accreditation and to DHET for approval respectively during the period under review. Given this circumstance, the university will, going forward, seek to ensure that costing of new programmes and analysis of their financial sustainability is done to address the shortcoming.

Key Performance Area 1: Adherence to Department of Higher Education and Training Size					
Key performance indicators	2017 Target	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Total student headcount enrolments	14 500	15 704	Target exceeded by 1 204 headcount enrolments.	Over-enrolment due to re-admission of larger than expected number of previous financial dropout students.	Strict enforcement of FTEN enrolment quota as per the enrolment plan. Rigorous screening of applications for re-admission.
Percentage enrolment in undergraduate diplomas and certificates	3%	1.97%	Target not achieved.	Insufficient interest in non-degree courses among prospective students	Better marketing of non-degree offerings. Enrolment targets will also be reviewed during the new enrolment planning cycle 2020 -2024
Percentage of enrolments for Science, Engineering, and Technology (SET) and Health	41% <b>(5 945)</b>	43.1% (6 775)	Target exceeded.	Not applicable	Not applicable
Percentage of enrolments for Business and management	17% <b>(2 465)</b>	19.6% (3 085)	Target exceeded.	Not applicable	Not applicable

Key Performance Area 1: Adherence to Department of Higher Education and Training Size					
Key performance indicators	2017 Target	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Percentage of enrolments for Education	17% <b>(2 465)</b>	13.4% (2 112)	Target not achieved.	Deviation from target does not substantially alter size and shape directive and therefore deemed acceptable.	Enrolment quotas in the different CESM's will be monitored and adhered to during registration at the beginning of the year, in order not to deviate from DHET size and shape directive.
Percentage of enrolment for humanities and law	23% <b>(3 335)</b>	23.8% (3 731)	Target exceeded.	Not applicable	Not applicable

Key Performance Area 2: A Programme Qualification Mix Reflective of the Comprehensive Mandate					
Key Performance Indicators	2017 Target	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under achievement of target	Action plan to address shortcomings
Number of professional qualifications in engineering and related fields submitted to Engineering Council for endorsement	3 <sup>1</sup>	1	Target not achieved.	Constrained financial situation of the university led to the programmes being put on hold	Costing of new programmes and analysis of their financial sustainability to be done
Number of new career-focused diploma programmes submitted to CHE accreditation and DHET for approval	5 <sup>2</sup>	2	Target not achieved.	Constrained financial situation of the university led to the programmes being put on hold	Costing of new programmes and analysis of their financial sustainability to be done
Number of new career-focused certificate programmes submitted to CHE accreditation and DHET for approval	3 <sup>3</sup>	0	Target not achieved	Constrained financial situation of the university led to the programmes being put on hold	Costing of new programmes and analysis of their financial sustainability to be done

Key Performance Area 2: A Programme Qualification Mix Reflective of the Comprehensive Mandate					
Key Performance Indicators	2017 Target	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under achievement of target	Action plan to address shortcomings
Number of new career-focused bachelor programmes submitted to CHE accreditation and DHET for approval	2 <sup>4</sup>	2	Target achieved	Not applicable	Not applicable
Number of student first intake for new career-focused National Diploma in Information Communications Technology	50	0	Target not achieved.	Pending approval and accreditation of the programme	Fast track the approval and accreditation process

<sup>1</sup> Mining Engineering; Water and Environmental Engineering; and Construction Technology Engineering

<sup>2</sup> Diploma in Agro-ecology; Diploma in Natural Resource Management; Diploma in Mine Safety, Health and Environment; Diploma in GIS and Remote Sensing; Diploma in Travel

<sup>3</sup> Certificate in Court Interpreting; Certificate in Business English; and Certificate in Sign Language

<sup>4</sup> Bachelor of Disaster Risk Science and Bachelor of Heritage Studies

## STRATEGIC OBJECTIVE 2: QUALITY TEACHING AND LEARNING

### Programme Reviews

The University of Venda continued to make great strides in enhancing the quality of the curriculum for the academic programmes with a focus on design, delivery and resourcing. To this effect, 85% of the identified and prioritized academic programmes was reviewed and quality recommendations implemented, exceeding the set annual target by 60%.

In order to ensure adherence to the national standards, the alignment of the academic programmes to Higher Education Qualifications Sub-Framework (HEQSF) and their ultimate introduction into the university's Programme and Qualification Mix (PQM) is of paramount importance. However, the phasing out of all the targeted 137 category C programmes resulted in the target not being met during the period under review. Only the category C programmes that may still be required by the university will be considered and re-introduced as new.

#### Student Success

Of the total of 3 488 first time entering undergraduates, only 2 829 students could be retained in the system, resulting in an attrition rate of 18.6% against the annual target of 10%. This recorded percentage reflects a significant increase in the number of the students who

drop out of the university (previously enrolled first year students who do not re-enrol or do not complete their studies). The undergraduate degree credit success rates for 2017 are given in the table below.

### 2017 Degree credit success rates per Academic School (undergraduate only)

School	2016	2017
Agriculture	81.36%	88.4%
Education	95.45%	95.8%
Environmental Sciences	81.97%	89.4%
Health Sciences	93.39%	95.1%
Human and Social Sciences	87.53%	88.6%
Law	83.38%	76.7%
Management Sciences	81.63%	84.1%
Mathematical and Natural Sciences	77.75%	76.7%
Average	<b>85.90%</b>	86.85%

At the time of this report, the total number of students who graduated from the university in the 2017 academic year stood at 2 779 (17.7%), which is below the target of 20% set in the Annual Performance Plan. This figure is however likely to change, owing to the outstanding final submission that is due on 31 July 2018. It is worth noting that the low number of graduates has a potential to impact negatively on the funding the university receives from the public fiscus via DHET.

Key Performance Area 1: Quality of the Curriculum					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Percentage of programmes reviewed and quality recommendations implemented	25%	25%	Target achieved.	Not applicable	Not applicable
Number of programmes aligned to higher education qualifications sub-framework and added to programme mix	137 category C programmes	0	Target not achieved.	The phasing out of all 137 category C programmes have led to the target not being met	To re-introduce as new, only category C programmes that may still be required

Key Performance Area 2: Delivery of the Curriculum					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Number of teaching staff evaluated by students in at least one module they teach	120	141	Target exceeded.	Not applicable	Not applicable
Percentage of academics trained in delivery of e-learning	25%	63%	Target exceeded.	Not applicable	Not applicable
Percentage of modules in electronic format and uploaded onto the e-learning platform	25%	20%	Target not achieved. Actual	Capacity constraints as a result of understaffing in E-Learning (resignation)	Employment of new staff in 2018

Key performance area 3: Academic Support for Students					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Number of First Year Experience programme sessions conducted per academic year	1	1	Target achieved	Not applicable	Not applicable
Number of first year students participating in First Year Experience programme sessions per academic year	1000	100	Target not achieved. Actual	Capacity constraints as a result of understaffing in Academic Development Unit	Introduction of online academic literacy modules (FYE for a start, to only focus on academic literacies until such time when appropriate personnel for this portfolio is appointed)
Number of identified students with disabilities trained on services offered within the Disability Unit	20	13	Target not achieved. Actual	Low intake of students with disabilities in 2017	Increase intake of students with disabilities through targeted recruitment.

Key Performance Area 4: Student Success					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Percentage decrease in first-year attrition	10%	18.6%	Target not achieved.	High dropout rate due to both academic and financial reasons	Continuous refinement of academic support interventions through CHETL. Early identification of students at risk and subsequent student tracking through improved utilization of ICT (HDI grant application for smart campus initiative)
Increased graduation rate	20%	17.7% (2 779 graduates)	Target not achieved.	Graduate list not yet finalized	
Increased student success rate	85%	84.2%	Target not achieved.	Reasons not yet clear but will be investigated through improved institutional data management and research in 2018.	Continuous refinement of academic support interventions through CHETL. Early identification of students at risk and subsequent student tracking through improved utilization of ICT (HDI grant application for smart campus initiative)
Increased undergraduate student throughput rate	34%	35.4%	Target exceeded.	Not applicable	Not applicable

### STRATEGIC OBJECTIVE 3: RESEARCH AND INNOVATION NRF Rated Researchers



During the period under review, the university's number of NRF rated researchers increased to 25, exceeding the target of 23 by two. Increasing the number of NRF rated researchers is critical in ensuring improved research capacity at the university. The university's active researchers, whose research outputs are rated by the National Research Foundation on the basis of

quality and impact over a specific number of years are encouraged and mentored to apply for NRF rating. At the same time, university researchers are encouraged to publish quality outputs in high impact journals/outlets. Rated researchers, as supervisors, are more likely to impart cutting edge skills to the next generation of researchers.

#### Special Category Academics

The appointment of experienced academics on a non-remunerative basis from outside the university (i.e. special category academics) forms a crucial part of the university's continued efforts to improve supervisory capacity and research outputs. These academics are mostly appointed as adjunct professors in academic departments. For the period under review, the university increased the number of postdoctoral fellows from 13 to 23, research professors from 4 to 5 as well as adjunct professors from 36 to 34.

#### Research Output Per Capita

Research output per capita measures the number of research outputs produced by the university (which

include Masters and Doctoral graduation units and all accredited publication units) per permanently employed academic. Given the overlapping timeframes between the University's Annual Report and the DHET Research Output Report, the reported research output is as per the 2016 Research Output Report from DHET. The University was awarded 188.87 publication

units in 2016, down 82.76 units from 2015. However, the weighted per capita research output remained steady (0.93 in 2016 against 0.94 in 2015), because of the improved postgraduate output and accordingly higher number of units allocated for Masters (131 units) and PhD (84 units) graduates in 2016.

<b>Key Performance Area 1: Increased Research Capacity</b>					
<b>Key performance indicators</b>	<b>Target 2017</b>	<b>Actual achievement against target</b>	<b>Deviation from planned target to actual achievement</b>	<b>Reason for under-achievement of target</b>	<b>Action plan to address shortcomings</b>
Increased number of National Research Foundation-rated researchers	23	25	Target exceeded	Not applicable	Not applicable
Increased number of special-category academics in support of the academic core project <sup>5</sup>	3	18	Target exceeded	Not applicable	Not applicable

<b>Key performance area 2: Research Output</b>					
<b>Key performance indicators</b>	<b>Target 2017</b>	<b>Actual achievement against target</b>	<b>Deviation from planned target to actual achievement</b>	<b>Reason for under-achievement of target</b>	<b>Action plan to address shortcomings</b>
Increased research outputs per capita units aligned to Department of Higher Education and Training targets	0.8	0.94	Target exceeded.	The total research output per capita increased to 0.94 as per the 2016 Research Output Report from DHET	Still awaiting the 2017 DHET Research Output Report.

<sup>5</sup> Research professors, Postdoctoral fellows, Adjunct professors, Visiting fellows, Professor emeriti

Key performance area 3: Renewable Energy					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to Actual Achievement	Reason for under-achievement of target	Action plan to address shortcomings
Number of integrated renewal energy projects (biogas and solar) implemented for teaching and research - as alternative energy sources on campus	1	2	Target exceeded.	Not applicable	Not applicable

Key Performance Area 4: Technology Transfer					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Number of technology transfer projects initiated for community use	3	4	Target exceeded.	Not applicable	Not applicable

**STRATEGIC OBJECTIVE 4: INTEGRATED COMMUNITY ENGAGEMENT INITIATIVES**  
**Science-Enhancement Programme at Vuwani Science Resource Centre**



The number of learners from rural schools who participated in mathematics and science enhancement programmes at Vuwani Science Resources Centre in the period under review reflects 59 334 (or 287%) more, compared to 20 666 which was recorded in the previous year. The enhancement programmes are aimed at improving among other things, the pass rate

of Mathematics and Science subjects of rural learners, teaching of STEM subjects by engaging educators, as well as to improve the public understanding of Science and Technology, Engineering and Mathematics (STEM).

**Community Development and Poverty Alleviation**

As part of the university's resolute effort to reduce poverty within rural communities, a total of 11 more communities for which evidence of positive impact on development and poverty alleviation is documented, was attained during the period under review. This level of achievement is higher than the university's targeted number of 2 communities for 2017.

The University of Venda values the importance of engaging in dialogues with multiple community stakeholders who raise their voices regarding their needs, to which the university responds through research and innovation as well as teaching and learning programmes. In this regard, a total of nine (9) more structured engagements with communities in well-publicized community engagement forums were held during the period under review.

Key Performance Area 1: Community Engagement Flagship Project					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Increased number of participating learners from rural schools in the maths and science and science-enhancement programme at Vuwani Science Resource Centre	25 000	30 000	Target exceeded.	Not applicable	Not applicable
Number of target rural communities for which evidence of positive impact on development and poverty alleviation is documented	2	13	Target exceeded.	Not applicable	Not applicable
Key Performance Area 1: Community Engagement Flagship Project					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Number of structured engagements with communities in a well-publicized community engagement forum	1	10	Target exceeded.	Not applicable	Not applicable

## STRATEGIC OBJECTIVE 5: FINANCIAL SUSTAINABILITY

### Increasing University Income

The University could not meet the target of 5% increase of its income due to a decrease in income from contracts. In order to address the shortcoming the university need to ensure that there is more focus on research activities and other activities that will in turn impact positively on the effort to improve and sustain financial stability of the university.

### University's Third-Stream Income

The University could not meet the target of 10% increase of third stream income due to absence of income

contribution from UIGC and Foundation. As part of the efforts to address this shortcoming, the university will have to engage in the discussion with the UIGC Board as well as to review the current funding arrangement between UIGC and university in order to strike a balance between funding of university students and operations.

### Implementation of Investment Strategy

Ensuring prudent management of the university's investment and maximization of returns on investment is one of the university's key financial priority areas. To this effect, the university has in the period under review successfully managed to attain a targeted 100% on the implementation of the investment strategy on short-term, medium term and long term investments.

Key Performance Area 1: Prudent Financial Management					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Percentage Increase in university income	5%	9%	Target exceeded.	Target achieved	Not applicable

Key performance area 2: Continuously increasing revenue					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Percentage increase of third-stream income (from UIGC, Foundation, Research and Agriculture revenue)	10%	6%	Target not achieved.	No contribution of income from UIGC and Foundation. Agriculture revenue decreased.	Discuss the variance with UIGC Board. Review the current funding arrangement between UIGC and university in order to find a balance between funding university students and operations. Establishment of advancement unit. Commercialization of agricultural school.
Implementation of investment strategy on short-term, medium-term and long-term investments (%)	100%	100%	Target achieved	Not applicable	Not applicable

## STRATEGIC OBJECTIVE 6: INTEGRATED PEOPLE MANAGEMENT

### Staff Development

One of the university's key priorities is to develop a strong cadre of senior and middle managers for the institution. To this effect, a total of 49 out of 109 senior and middle managers completed Higher Education Leadership and Management Programmes in the period under review. Similarly, 28 out of 32 female senior and middle managers completed Women in Leadership Programmes (HERS-SA; Women in Leadership and DIES University Leadership and Management). The increased level of participation in these programmes will ensure that senior and middle management officials of

the university are competent and certified in higher education leadership and management.

### Human Resources Policies

The University of Venda aspires among other things, to become an employer of choice. It does this by ensuring that there is availability of streamlined, clear and fair human resources that are aligned to the university strategic plans. In this regard, there was a total of 13 human resources policies that needed to be reviewed during the period under review, out of which 9 were reviewed. This resulted in the university exceeding the set annual target of 5 policies by 4. The Human Resources Directorate is currently continuing with the review of the remaining four policies.

Key Performance Area 1: Staff Development					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Percentage of senior and middle managers completed Higher Education leadership programme	40%	45%	Target exceeded.	Not applicable	Not applicable
Percentage of female middle and senior managers completed Women in Leadership programme	40%	87.5%	Target exceeded.	Not applicable	Not applicable

Key Performance Area 2: Become Employer of Choice					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Number of Human Resources policies reviewed	5	9	Target exceeded.	Not applicable	Not applicable

Key Performance Area 3: Transforming Univen					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Submit report on the implementation of UNIVEN Integrated Transformation Plan via Institutional Forum to Council in 2018	n/a	No target set for 2017 To be reported only in 2018	Not applicable	Not applicable	Not applicable

## STRATEGIC OBJECTIVE 7: LINKAGES, PARTNERSHIPS AND INTERNATIONALISATION

### International Student and Staff Exchange Programmes and Exchange Visits

It is of utmost significance to ensure that there is an increased level of students' participation in

international exchange programmes or exchange visits in order to position the university as locally relevant and internationally competitive. To this end, the total number of 5 more students against the target of 25 was recorded during 2017. However, the number remained the same as compared to the previous year's performance. Furthermore, the targeted

number of university staff members who participated in international staff exchange programmes, including training and workshops, though marginal, was also exceeded by one (1).

### International Collaborative Projects

Increasing the number of collaborative research projects with international institutions and other international partners, and also the number of collaborative international and community engagement projects together form part of the university's key priority deliverables. Accordingly, in the period under review, there was a total of 2 collaborative research projects which was undertaken in line with the target. A total of 3 collaborative community based engagement projects were also implemented with international partners with an aim to strengthen international community engagement activities using participatory approach that involve staff, students and community members.

### International Students



The university intends to strengthen international marketing and recruitment strategies by increasing international student numbers. In this regard, the university's has set to achieve a target of 3% during the

period under review, against which at least 1.8% was attained, resulting in a performance shortfall of 1.2%. This underperformance is attributed to among others, the end of the Zimbabwean Presidential Scholarship Programme in 2015 and impact of the stricter legal framework for immigration which adversely affected international student numbers. The introduction of fee free education for local students and the consequent impact on a reduced admission of international students could also be a factor.



Friends of UNIVEN in Nigeria group photo

A Friends of UNIVEN Forum which was established and also launched in Nigeria is expected to contribute towards increasing the number of international students in 2018. The university will also strengthen participation of staff at international exhibitions and career programmes in order to attract higher numbers of international students. Participation of staff at international conferences and workshops, and visits to other institutions with promotional materials, is also expected to assist in this regards.

### Key Performance Area 1: Internationalization of the Academic Core Project

Key performance indicators	Target 2017	Actual achievement	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Number of students participating in International student exchange programmes or exchange visits	25	30	Target exceeded.	Not applicable	Not applicable
Number of staff members participating in international staff exchange programmes, including training and workshops	15	16	Target exceeded.	Not applicable	Not applicable

Number of International research collaborative projects	2	2	Target achieved	Not applicable	Not applicable
Number of collaborative international and community engagement projects	2	3	Target exceeded.	Not applicable	Not applicable

#### Key Performance Area 1: Internationalization of the Academic Core Project

Key performance indicators	Target 2017	Actual achievement	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Percentage increase of international students through the implementation of International Marketing and Recruitment Strategy	3%	1.8%	Target not achieved.	<p>The end of the Zimbabwean Presidential Scholarship Programme in 2015 and impact of the stricter legal framework for immigration adversely affected international student numbers in 2017.</p> <p>The introduction of fee free education for local students and the consequent impact on a reduced admission of international students.</p>	<p>A Friend of UNIVEN forum was established to increase the number of international students. The forum was launched in Nigeria and it is expected to assist in increasing numbers in 2018.</p> <p>The university will also strengthen the participation of staff at international exhibitions and career programmes with an aim to attract more international students.</p> <p>Participation of staff at international conferences, workshops and visit to other institutions with promotional materials will also assist in this regards.</p> <p>Relevant brochures and materials will be produced for this task.</p>

## STRATEGIC OBJECTIVE 8: ENHANCING THE QUALITY OF STUDENT LIFE

### Graduate Students Support

During the period under review, a total number of 10 graduate students (7 males and 3 females), consisting of former leaders, women and students with disabilities were assisted with internships through various sponsorships (ETPD -SETA, DST-NRF, and Service Seta).

### Diverse Student Body

In a quest to ensure that the university community participates in annual national programmes that are aimed at promoting social cohesion and diversity, the university hosted Freedom Day and Africa Day celebrations as per the approved Annual Performance Plan 2017. Human Rights Day as well as Zimbabwean Independence Day were also celebrated institutionally during the year under review.

### Health and Wellness



A total number of 3 health and wellness promotion workshops were conducted with a purpose of equipping students with knowledge on health issues so that they can in turn educate others. These included a training workshop of 47 new peer educators, a training update workshop for peer educators regarding Alcohol and Substance Abuse, Rape, Sexual Harassment and Sexual Coercion and the training of 24 peer educators on Pre-exposure Prophylaxis (PrEP).

Campus Health has successfully conducted a number of health and wellness campaigns in line with the WHO calendar during the period under review, one of which includes Sexually Transmitted Infections (STI), Condom and Pregnancy Awareness campaign through which 1 620 of the university community (staff and students) were reached, with 694 having screened for STI. A TB Awareness during the First Things First Awareness campaign was also held and reached out to 525 people, coupled with a total of 887 screened for TB. Breast cancer campaign, and Mental Health and Substance Abuse campaign were also conducted, reaching 297 and 282 of the university community respectively.

There were also a series of campaigns that the University

conducted in its quest to contribute towards reducing the spread of new HIV/AIDS infections and provide necessary support to the affected ones. The Sexually Transmitted Infections (STI), Condom and Pregnancy Awareness Campaign reached a total of 694 clients who were counselled and tested. The First Things First Awareness Campaign had a total of 887 clients counselled and tested. The Sexual and Gender- Based Violence (SGBV) Dialogue reached out to 887. The "She Conquers" campaign reached a total of 1795, with 1094 clients having been counselled and tested.

A commemoration of National AIDS Day was also held, accompanied by Alcohol and Substance Abuse as well as Mental Health campaigns. Pre-Exposure Prophylaxis (PrEP), which is the treatment for the prevention of transmission of new HIV infection also featured among the campaigns conducted in the period under review, through which a total of 154 of clients was reached. Intimate Partner Violence (IPV) counselled and tested a total of 466 clients.

### Sports and Recreation



The number of students participating in arts and cultural programmes at national, regional and international levels could not increase in the period under review due to limited budget to fund large group of participants. In this regard, only 200 students could participate in the arts and cultural programmes, which represent 50% or half of the targeted number of participants.



The fact that only Goalball qualifies as an adaptive sports, has led to a limited number of students with disabilities participating in adaptive sports, where at least 30 students against the target of 40 have participated during the period under review.

Key Performance Area 1: Student Leadership & Residences					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Number of graduate students supported to register for postgraduate studies	10 <sup>6</sup>	10	Target achieved	Not applicable	Not applicable
Number of quality living & learning support programmes implemented for students in residences	2	2	Target achieved	Not applicable	Not applicable
Number of students in university residences participating in living & learning support programmes	1000	1022	Target exceeded.	Not applicable	Not applicable
Number of accredited off-campus residences that complies with DHET minimum standards	5	10	Target exceeded.	Not applicable	Not applicable

Key Performance Area 2: Student Diversity					
Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Number of annual commemorative days celebrated <sup>7</sup>	3	2	Target not achieved.	Human Rights Day and Zimbabwean Independence Day were celebrated in the year under review in addition to Freedom Day and Africa Day	

<sup>6</sup> Former student leaders, women and students with disabilities

Number of religious activities carried out	2	1	Target not achieved.	During the first semester the religious activity was disturbed by student protests	Alternative dates in case of unplanned student protests
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### Key Performance Area 3: Health and Wellness

Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Number of wellness programmes in student residences	3	4	Target exceeded.	Not applicable	Not applicable
Number of health awareness campaigns in line with World Health Organization calendar	2	3	Target exceeded.	Not applicable	Not applicable
Number of health and wellness promotion workshops conducted	2	3	Target exceeded.	Not applicable	Not applicable
Number of HIV/AIDS counselling, testing and safe sex campaigns	4	5	Target exceeded.	Not applicable	Not applicable

### Key Performance Area 4: Student Counselling and Career Development Services

Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Number of students trained in life skills programmes to enhance quality of life of students and future careers	234	157	Target not achieved.	The Academic Development Unit had fewer than targeted number of trainees in life skills programmes	Target to be reviewed to ensure proper alignment

<sup>7</sup> Freedom Day; Africa Day; and Heritage Day

Number of training workshops for peer helpers	15	1	Target not achieved.	Only one workshop is provided per annum	Performance indicator and target will be reviewed to ensure proper alignment
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#### Key Performance Area 5: Student Welfare

Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Increased number of beneficiaries of the Thohoya-nzie sharing scheme <sup>8</sup>	100	50	Target exceeded.	Understaffing in the CHETL unit	Office-to-office donations to be done by interns in order to raise enough funds. Writing of funding proposal

#### Key Performance Area 6: Sports and Recreation

Key performance indicators	Target 2017	Actual achievement against target	Deviation from planned target to actual achievement	Reason for under-achievement of target	Action plan to address shortcomings
Increased number of students participating in arts and cultural programmes at national, regional and international levels	400	200	Target not achieved.	Limited budget to fund large group of participants	Request for sufficient funding for these programmes
Number of students in adaptive sports	40	30	Target not achieved.	Only Goalball serves as an adaptive sports leading to limited number of participants	Request for sufficient funding for these programmes

<sup>8</sup> Student feeding scheme

## ENROLMENT (SIZE AND SHAPE) AGAINST APPROVED MINISTERIAL TARGETS (2017)

The following performance report provides a progress overview on the enrolment (size and shape) performance

of the institution against the approved ministerial targets as contained in the Annual Performance Plan.

Key Performance Indicators	Targets 2017	Actual Year-end performance	Reason for Variance
<b>A. ACCESS</b>			
<b>Headcount totals</b>			
First-time entering undergraduates	3100	3 086	The target number of 3 100 was enrolled but 14 students cancelled their registrations after the first HEMIS census date
Headcount enrolments	14 500 <sup>9</sup>	15 704	Larger than expected number of returning students through re-admission of previous financial dropouts.
Headcount enrolments (Foundation Provisioning)	305	291	Insufficient number of applicants referred for foundation provisioning.
Headcount enrolments total UG	13 205	13 966	Larger than expected number of returning students through re-admission of previous financial dropouts.
Headcount enrolments total PG	1 600	1738	Large number of pipeline students leads to excessive headcount
<b>Enrolments by Major field of study</b>			
Science, Engineering, Technology	5 945	6 775	Headcount enrolments exceed targets because of 8.3% over-enrolment on total headcount target.
Business/management	2 465	3 085	
Education	2 465	2 112	Lower than targeted number of students registered in education. Deviation from target does not substantially alter size and shape directive and therefore deemed acceptable.
Other humanities	3 335	3 731	Headcount enrolments exceed targets because of 8.3% over-enrolment on total headcount target.
Distance education enrolments	0	0	No target set
<b>B. SUCCESS</b>			
Graduates UG	2 505	2 779	This consists of only those who graduated in September 2017. Final 2017 graduates will include those who will graduate in May 2018
Graduates PG	365	433	
Success rate	85% <sup>10</sup>	84.2%	Reasons not yet clear but will be investigated through improved institutional data management
<b>Undergraduate output by scarce skills</b>			
Engineering	70	16	Pending the finalisation of endorsement, accreditation and approval process of the engineering programmes and related fields

<sup>9</sup> (2016-2020 strategic plan)

<sup>10</sup> (2016-2020 strategic plan)

Life and physical sciences	466	482	Target exceeded
Animal and human health	600	354	Few number of students registered
Teacher education	236	559	Target exceeded
Success rate	85%	84.2%	Reasons not yet clear but will be investigated through improved institutional data management
<b>C. EFFICIENCY</b>			
Instructional/Research Professional Staff			
Headcount and FTE of permanent instructional/research professional staff	390/372	387/330	Staff turnover and slow recruitment process but deviation deemed acceptable
% Staff with doctoral degrees	38%	38%	Target achieved
Number of nGap staff	8	8	Target achieved
Ratio of FTE students to FTE instructional/research staff	28	40	Over-enrolment of students and inadequate academic staff complement
<b>D. RESEARCH OUTPUTS</b>			
Publication units per FTE staff	0.8 <sup>11</sup>	0.93 <sup>12</sup>	The total research output per capita increased to 0.93 as per the 2016 Research Output Report from DHET.
Research masters graduates	100	92	This consists of only those who graduated in September 2017.
Doctoral graduates	30	30	Final 2017 Masters and PhD graduate output will include those who will graduate in May 2018.

<sup>11</sup> (Target set in 2016-2020 Strategic Plan)

<sup>12</sup> The research output data are always a year late. DHET provides this information.

## SENATE REPORT



**PROF JE CRAFFORD  
CHAIRPERSON OF SENATE**

Senate is the highest decision making body on matters relating to the academic core business of the university. Through its executive Committee, Senex, it oversees the day-to-day functioning of the core business, deliberates on strategic and operational matters affecting the core business and receives and discusses quarterly reports from six standing Senate committees and from the academic boards of the eight schools. Senate oversees the continuous review of the programme qualification mix to ensure that only duly approved, recognised and accredited programmes are offered. Enrolments in 2017 occurred only in Department of Higher Education and Training approved and Council on Higher Education accredited programmes. Two professional programmes (Bachelor of Laws and Bachelor of Social Work) were undergoing professional accreditation during the year under review.

The academic programmes leading to qualifications offered by the university are delivered by 61 academic departments hosted in eight academic schools. These are -

- School of Agriculture
- School of Education
- School of Environmental Sciences
- School of Health Sciences
- School of Human and Social Sciences
- School of Law
- School of Management Sciences
- School of Mathematical and Natural Sciences

Senate reports to Council only on strategic matters that

require approval. These include the introduction of new programmes and policies and the appointment of academic managers – heads of departments, deans and vice deans of schools.

### The Committees of Senate

The standing committees of Senate, which receive reports from parallel committees at school level and meet on a quarterly basis, are -

- Senate Teaching and Learning Committee
- Research and Publications Committee
- Community Engagement Committee
- Senate Higher Degrees Committee
- Senate Linkages, Partnerships and Internationalisation Committee
- Library Committee.

### THE COMPOSITION OF SENATE

1. The Senate consists of -
  - (a) The vice chancellor, who is the chairperson;
  - (b) The deputy vice chancellors, one of whom must be designated by the vice chancellor to be the chairperson in the absence of the vice chancellor;
  - (c) Two members of Council, elected by Council;
  - (d) All deans of schools;
  - (e) All vice deans;
  - (f) All heads of academic departments;
  - (g) 50 percent of the professors of the university who are not deans or vice deans or heads of academic departments, elected by the professors from their own ranks, provided there must be at least one professor from each school;
  - (h) 30 percent of the senior lecturers of the university who are not deans or vice deans or heads of academic departments, elected by the senior lecturers from their own ranks, provided there must be at least one senior lecturer from each school;
  - (i) 10 percent of the lecturers of the university who are not deans, or vice deans or heads of academic departments, elected by the lecturers from their own ranks, provided there must be at least one lecturer from each school;
  - (j) The Director: Library Services of the University;
  - (k) The Director or Head of a Bureau, Section or Department of the University designated by the Senate;
  - (l) One student, other than a first year student, for each school, elected by the students of the school concerned;
  - (m) The Directors of Academic Centres and Institutes; and
  - (n) One Member of the Student Representative Council, elected by the Student Representative

Council.

2. The Control and Regulation of Teaching, Learning and Research at the University is vested in the Senate in accordance with its rules for that purpose and approved by the Council.
3. A vacancy in the Senate must be filled in the same manner as that in which the member who previously held the office was appointed, elected or designated.
4. A person appointed, elected or designated holds office for the unexpired portion of the term of office of his or her predecessor.
5. Senate submits to Council –
  - (a) Reports of its activities;
  - (b) Recommendations as it may deem expedient regarding any matter or interest to the University; and
  - (c) Recommendations regarding any matter referred to it by Council.
6. The Registrar is the secretary to Senate and has no voting powers.
7. Members of Senate sign the conflict of interest and confidentiality declaration form at the beginning of every meeting.
8. Senate applies the code of practices and conduct and the code of ethical behaviour and practice in every meeting.

Meetings of Senate were held as follows in 2017:

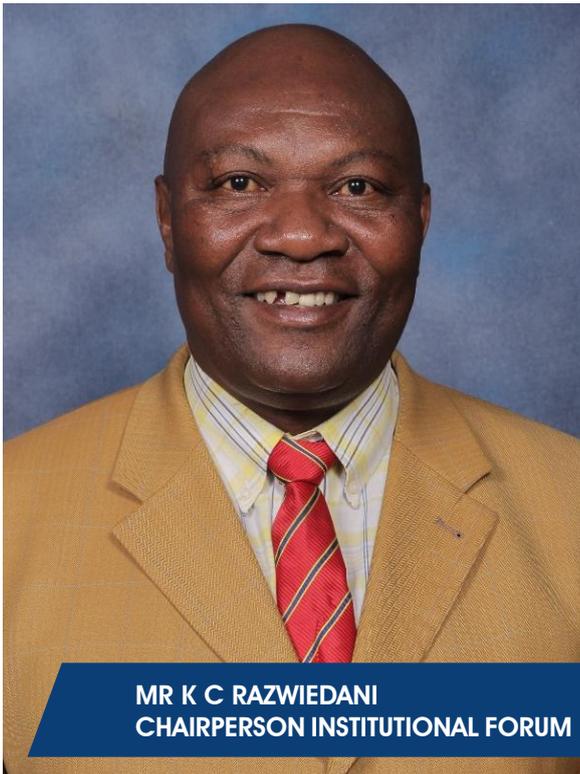
15/03/2017  
24/05/2017  
16/08/2017  
12/09/2017 (Special)  
25/10/2017



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**PROF JE CRAFFORD**  
**CHAIRPERSON OF SENATE**

## INSTITUTIONAL FORUM REPORT TO COUNCIL FOR 2017



The Institutional Forum has, since its establishment, been engaged in its advisory role in various activities on campus such as the appointment of the Vice Chancellor and approval of the Executive and Senior Management Structure.

### Composition of the Institutional Forum (IF)

The members were elected from internal and external constituencies. The following constituencies are represented by three of their members each in the Institutional Forum:

- Council
- University Management
- Senate
- Academic Staff
- Administrative Staff
- Service Staff
- Convocation
- Student Representative Council

The nomination of representatives was transparent and democratic. The following members represented their structures on the Institutional Forum:

### Convocation

Mr K.C. Razwiedani (Chairperson)  
Mr T. Modau (Deputy Chairperson)  
Thovhele M J Masia

### Council

Ms S T Baloyi  
Mr K R Madzhe  
Thovhele M P K Tshivhase

### Management

Prof. V O Netshandama  
Mr L Charlie (replaced by Mr. L.G. Tshikhudo from 18 August 2017)  
Vacant (following retirement of Prof. D.T. Ngobeli of the incumbent from the services of the University)

### Senate

Dr. P K Chauke  
Prof. M P Mulaudzi  
Vacant

### Academic Staff

Dr. N E Phaswana (vacant following his passing away on 08 October 2017)  
Dr. L.M. Masehela  
Mrs M G Maluleke

### Administrative Staff

Ms O M Ramaboe (replaced by Ms S.I. Baloyi from 09 May 2017)  
Mr B L Makhado (replaced by Mr N.C. Muloiwa from 20 October 2017)  
Mrs M R Nelwamondo

### Service Staff

Mr N A Mutoti  
Ms N E Masala  
Ms T Marwala

### Student Representative Council (SRC)

Mr I M Mkhatywa  
Ms Z P Maake  
Mr M G Mulaudzi  
Ms N J Phathela represented Mr I M Mkhatywa on 18/08/2017  
Mr. M. Shikwambana represented Mr M G Mulaudzi on 09/05/2017  
Mr. M. Shikwambana represented Ms Z P Maake on 12/09/2017

All participants on the Institutional Forum have an identifiable and significant constituency and mandated capacity to act on behalf of their constituencies.

The Executive Committee of the Institutional Forum consists of:-

- The Chairperson - Mr K C Razwiedani
- The Deputy Chairperson - Mr T Modau
- Three additional members -  
Prof. M P Mulaudzi  
Thovhele M J Masia  
Mr M G Mulaudzi

The functions of the Institutional Forum are to:

- Advise Council on issues affecting the institution, including:
  - The implementation of the Act and the national

- policy on higher education;
- Race and gender equity policies
- The selection of candidates for senior management positions;
- The code of conduct, mediation and dispute resolution procedures
- The fostering of an institutional culture which promotes tolerance and respect for fundamental human rights.

b. Perform such other functions as determined by Council

Meetings of the Institutional Forum were held as follows in 2017:

i 16/03/2017

- ii 09/05/2017 (workshop)
- iii 09/05/2017
- iv 18/08/2017
- v 12/09/2017 (special)
- vi 27/09/2017 (workshop)
- vii 20/10/2017

Members of the IF sign the conflict of interest and confidentiality declaration form at the beginning of every meeting. The IF applies the Code of Practices and Conduct and the Code of Ethical Behaviour and Practice in every meeting.

Attendance of the IF meetings for the Period 01 January 2017 to 31 December 2017 was as follows:

NAME	16/03	09/05 (workshop)	09/05	18/08	12/09 (special)	27/09 (workshop)	20/10
Thovhele M P K Tshivhase	A	A	A	A	A	X	A
Ms. S.T. Baloyi	A	X	X	X	X	X	X
Mr. K.R. Madzhie	X	X	X	X	X	X	X
Mr. K.C. Razwiedani	X	X	X	X	X	X	X

Legend: X = Present      A = Apology      N/A = Not Applicable

## MATTERS CONSIDERED BY THE INSTITUTIONAL FORUM IN 2017

The Institutional Forum at Univen is fully operational. It meets regularly as scheduled or when the need arises. In 2017 it dealt with several matters that were placed before it, some of which are indicated below:

### Revised Senior and Executive Management structure of the University

The IF recommended that the University should wait for the appointment of the new Vice- Chancellor and Principal, and that the structure should be developed in line with the strategic plan considering all the inputs given. The IF further recommended that critical positions at Senior Management level in the University should be filled.

### Higher Education Amendment Act, Act No. 9 of 2016, a code of Good Governance practice and Indicators of Good Governance

Dr. P. Vukea and Mr S. Meje from the Department of Higher Education and Training made presentations on the Higher Education Amendment Act, Act No.9 of 2016 and A Code of Good Governance Practice and Governance Indicators for South African Universities, at the Transformation Workshop.

### Insourcing

The IF noted that a Task Team comprising Management,

UNIVEN Innovation and Growth Company (UIGC) and Joint Structures had been revived. The Memorandum of Understanding between management and representatives of outsourced employees was finalized by 27 October 2017. The employees would be paid in accordance with their sectorial determinations. The IF agreed that there should be a presentation on the composition and operations of the UIGC in its subsequent meeting.

### Induction of New Members of the IF

The IF resolved that newly-elected SRC representatives on the IF should be inducted by the first quarter of 2018.

### Review of Policies

The IF resolved that all policies that were due for review should be reviewed, and report submitted to its first ordinary meeting in 2018. An item on the review of policies should be a standing item on the IF agenda.

### Establishment of the IF Code of Conduct

The IF noted that all its members should stand by the decisions of the Forum; and communicate them to their structures. Report from Council to IF should be a standing item in the agenda of IF.

### Benchmarking the Operations of the IF

The IF wanted to establish if it could get resources to operate independently of the Office of the University Registrar. The Forum resolved that the University Registrar should benchmark with other institutions of higher

learning on the operations of their IFs, and submit a report to its first ordinary meeting in 2018.

### **Recognition of Prior Learning (RPL) at the University of Venda**

The IF noted that the University had an RPL policy in place. The RPL Coordinator would develop the procedure document.

### **Guiding Principles for Strengthening Institutional Forums and Community of Practice Forum of IF Chairpersons**

The IF agreed that the University Registrar should disseminate the above documents from DEHT to all IF members for inputs.

### **Disciplinary Code for Staff Members**

The IF resolved that the Disciplinary Code for Staff Members should be revised.

### **Grievance Procedure Manual**

The IF resolved that the Disciplinary Code for Staff Members should be revised.

### **Nomination of three IF members to serve on the Search Committee and Interview Committees of Council for the appointment of a new Vice-Chancellor and Principal, in terms of Section 4(B)(VII) of the procedure document**

The IF nominated the following members to serve on the Search Committee and Interview Committee for the appointment of Vice-Chancellor and Principal:

- a. Mr. K.C. Razwiedani
- b. Mr. K.R. Madzhe
- c. Ms. M.G. Maluleke

### **Constitution of the IF (Powers and Functions of the IF)**

The Director: Legal Services presented the Constitution of the IF.

### **Employment Equity**

The Director: Human Resources made a presentation on the implementation of employment equity at the University of Venda.

### **Integrated Transformation Plan Themes and Integrated Transformation Policy**

The Vice-Chancellor and Principal made a presentation titled "The Growth and Transformation at the University of Venda: A rural-based Historically Black University."

Champions of the transformation themes made presentations on the following transformation themes:

- i Theme 1. Diversity : Director: International Relations
- ii Theme 2. Institutional Culture: Dean: Health Sciences
- iii Theme 3. People Management: Director: Library Services

- iv Theme 4. Student Centricity: University Registrar
- v Theme 5. Core Business: DVC: Academic
- vi Theme 6. Governance: Vice-Chancellor and Principal

The IF suggested that the new DVC: Operations should develop an Integrated Transformation Policy together with the champions of the six themes of Integrated Transformation Plan of the University. The IF agreed that the University Registrar should organize a one-day workshop to discuss the Integrated Transformation Policy before its first ordinary meeting of 2018.

### **Transformation dialogue and workshop**

The IF's Transformation Dialogue and Workshop took place on 09 May 2017 and 27 October 2017, respectively.

### **Shortlisting of candidates for the position of Vice-Chancellor and Principal**

The Institutional Forum recommended the following three applications to the Search Committee for the position of Vice-Chancellor and Principal for possible shortlisting:

- Prof. A.E. Nesamvuni  
Prof. M. Davhana - Maselesele  
Prof. J.E. Crafford

### **Report on the appointment of the Deputy Vice-Chancellor: Operations**

The IF agreed that for confidentiality purposes, future reports on the outcome of interviews should not be submitted to the IF and that the matter should be reported as work in progress until Council pronounces its decision and the decision has been communicated to the candidate.

### **Approval of the Procedure Document, Flow of Activities and Advertisement for the Appointment of a New Vice-Chancellor and Principal**

The IF approved and recommended to Council for ratification, the Procedure document, flow of activities and advertisement for the position of Vice-Chancellor and Principal, with recommendations.

### **Nomination of an Additional Member on the Executive Committee of the IF**

The IF unanimously nominated Mr. M.G. Mulaudzi as an additional member to the Executive Committee of the IF.

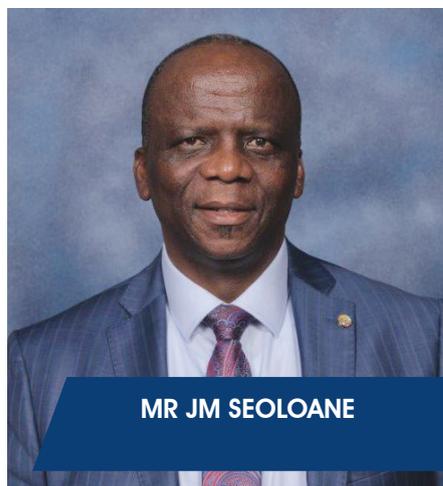


**MR K C RAZWIEDANI**  
**CHAIRPERSON INSTITUTIONAL FORUM**

## REPORT ON RISK, INTERNAL ADMINISTRATION, OPERATIONAL STRUCTURES AND CONTROLS



TINYIKO SIBIYA



MR JM SEOLOANE

### Introduction

The University of Venda seek to maintain systems of internal control to mitigate identified risks, control over financial reporting, safeguarding of assets of the University and ensuring the integrity of teaching and research activities. Such systems are designed to provide reasonable assurance to the University Council that a reliable control environment exists, and that the control environment promotes a culture of Good Governance and promotes proper preparation of reliable financial information and reporting.

It is the responsibility of Management to establish and maintain a sound system of internal controls.

### THE UNIVERSITY RISK MANAGEMENT COMMITTEE

The University of Venda has a Risk Management Committee (RMC) with risk owners from all divisions appointed as members. The RMC is tasked with the identification, assessment and management of risks faced by the University of Venda. Four RMC meetings were held during the 2017 financial year. The University of Venda also has a risk management policy and strategy which were adopted in 2017. The current risk register emanated from risk assessments conducted with the participation of members of Executive and Senior Management. Risk assessment will henceforth be conducted regularly at strategic and operational levels. The risk register is updated with emerging risks and revised mitigating actions. The University Risk Management Committee reports on a quarterly basis to the Audit Committee of Council on progress made in mitigating risks that are above the University's risk appetite. The Audit Committee provides advice and oversight on implementation of risk management activities throughout the University. The Risk Management Committee has advised the Risk Management office to appoint Risk Champions. The University is still in the process of appointing and training appropriate line

managers as risk champions.

Although the external auditors gave an unqualified opinion on the 2017 Annual Financial Statements, a qualification based on prior year comparative figures remains. They also issued a disclaimer on the Annual Performance Report, due primarily to insufficient evidence provided to substantiate performance claims made by management. The quality of institutional data capturing and analysis for performance reporting will be enhanced in 2018 through a data enhancement project funded by DHET through the Univen HDI grant. All significant findings, and in particular repeat findings raised by the auditors on the 2017 annual report, will be addressed by Management through a Council-approved management action plan. The implementation of the management action plan will be monitored by the Audit and Finance Committees of Council.

The following are prioritised risks of the University of Venda:

Risk No.	Detailed Risk	Risk Category	Link to Strategic Objectives	Likelihood	Impact	Inherent Risk	Inherent Risk Rating	Current Controls	Control effectiveness exposure	Residual Risk
7	Inadequate Infrastructure in support of the university core and operational business (e.g. Insufficient student accommodation and teaching venues).	Strategic	Strategic Objective 1: Conversion to a Comprehensive University	4.8	4.5	22	<b>High</b>	Infrastructure grant allocated by DHET and set aside to address infrastructure backlog. Funding from Council has been set aside to address infrastructure backlog. Contract management policy in place. Appointment of compliance officer. Oversight of infrastructure projects by legal service and the infrastructure project board.	80%	17
15	Procurement irregularities and unauthorised deviations from SCM policy.	Compliance	Strategic Objective 5: Financial Sustainability	4.5	4.6	21	<b>High</b>	SCM policy in place. Appointment of interns within SCM. Implementation of a revised process for the evaluation of bids.	80%	17
1	Inadequate funding that guarantees financial sustainability.	Strategic	Strategic Objective 5: Financial Sustainability	3.8	4.7	18	<b>High</b>	Continuous engagement with USAf, DHET and National Treasury.	90%	16

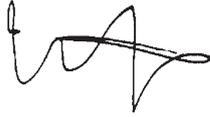
Risk No.	Detailed Risk	Risk Category	Link to Strategic Objectives	Likelihood	Impact	Inherent Risk	Inherent Risk Rating	Current Controls	Control effectiveness exposure	Residual Risk
45	Integrity of examination process.	Strategic	Strategic Objective 2: Quality Teaching and Learning	4	5	20	High	Examination policy governs the examination process. Invigilation guideline. Electronic submission of question papers. Training of academics on teaching methods, including assessment methods and management of teaching venues (post graduate diploma through CHETEL).	80%	16
8	Interruption of university operations.	Strategic	Strategic Objective 2: Quality Teaching and Learning	4.4	4.5	20	High	Continuous engagement and meetings between management and student leaders. Students are encouraged to apply for funding.	80%	16

Risk No.	Detailed Risk	Risk Category	Link to Strategic Objectives	Likelihood	Impact	Inherent Risk	Inherent Risk Rating	Current Controls	Control effectiveness exposure	Residual Risk
47	Risk of misaligned strategy.	Strategic	Strategic Objective 1: Conversion to a Comprehensive University	4.3	4.6	20	<b>High</b>	Annual performance planning sessions. Executive Management Committee, Senior Management Committee, Student Representative Council and Parliament, Council and subcommittees providing oversight.	80%	16
11	Damage to the reputation and image of the university.	Strategic	Strategic Objective 1: Conversion to a Comprehensive University	4.3	4.4	19	<b>High</b>	All media related issues are addressed by the Communication section in accordance with Univen policy. Existing manner of communication is via UNIVEN radio, website, nendia newsletter and bulk sms to staff and students. The Code of conduct has confidentiality clauses. Conflict of interest and confidentiality declarations are conducted at the start of all meetings.	80%	15



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**MR T SIBIYA**  
**RISK OFFICER**



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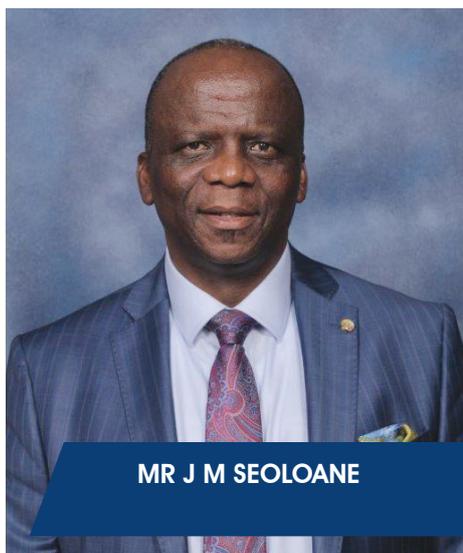
**MR J LEKGETHA**  
**CHAIRPERSON: RISK MANAGEMENT COMMITTEE**



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**MR J M SEOLOANE**  
**CHAIRPERSON: AUDIT AND RISK COMMITTEE**

## THE UNIVERSITY AUDIT COMMITTEE



MR J M SEOLOANE

### COMPOSITION OF THE AUDIT COMMITTEE AS AT 31 DECEMBER 2017

NAMES	DESIGNATION / MEMBER STATUS
<b>Members</b>	
Mr J M Seoaloane	Council Representative (Chairperson)
Prof. P A Mbatl	Vice Chancellor and Principal
Dr. N.B. Nthambeleni	Council Representative
Ms. S.T. Baloyi	Council Representative
Vacant	DVC: Operations
Prof. J.E. Crafford	DVC: Academic (Acting)
Prof. A.E. Nesamvuni	University Registrar (Secretary to Council)
<b>Auditor General</b>	
Mr. P. de Ru	Auditor General
<b>External Auditors</b>	
Mr J. Gondo	External Audit (Ngubane & Co.)
Ms C. Kurebwatira	External Audit (Ngubane & Co.)
Mr M. Sikonxa	External Audit (Ngubane & Co.)
<b>External Experts</b>	
Ms. N.V. Makhari	External Expert
Mr. J. Lekgetha	External Expert
Ms. M.F. Taukobong	External Expert
<b>Resource Persons</b>	
Mr. E.N. Lambani	Director: Legal Services
Mr. T.A. Ramawa	Director: Internal Audit
Ms N.R. Mgobo	Director: Finance

## The Committee has the following focus areas:

### EXTERNAL AUDIT:

- Consider the liaison with the Auditor General and where appropriate, the appointment and retention of external audit services and deal with matters regarding dismissal and resignation of the external auditors.
- Will nominate the external auditors for appointment; Evaluate the independence, objectivity and effectiveness of the external auditor and consider any non-audit services rendered by such auditors as to whether this materially impair their independence;
- Review external auditors' proposed audit scope, approach and fees, including coordination of audit effort with internal audit.
- Will approve the contract of non-audit service by external audit;
- To monitor annually the performance and effectiveness of the external auditor and to make recommendations to the Council concerning their re-appointment, where appropriate;
- Committee must be informed of reportable irregularity identified and reported by external auditors;
- Discuss and review, with the external auditor before the audit commences, the auditor's engagement letter, with particular reference to the terms, nature and scope of the audit function, the timing and nature of reports and the related audit fee;
- Negotiate procedures, subject to agreement, beyond minimum statutory and professional duties. There are certain minimum procedures required from the external auditors which are not negotiable;
- Agree to the timing and nature of reports from the external auditor;
- Consider any problems identified in the organisation as a "going concern" or statement of internal control;
- Make suggestions as to poor internal control environments where audit efforts can also be focused on;
- Consider any accounting treatments, significant unusual transactions, or accounting judgements, which could be continuous;
- Review accounting and auditing concerns identified as a result of internal and external audits and satisfy itself that these are being properly followed up;
- Consider whether any significant ventures, investments or operations are not subject to external audit;
- Will nominate the external auditors for appointment; Evaluate the independence, objectivity and effectiveness of the external auditor and consider any non-audit services rendered by such auditors as to whether this materially impair their independence;
- Review external auditors' proposed audit scope, approach and fees, including coordination of audit effort with internal audit.
- Will approve the contract of non-audit service by external audit;
- To monitor annually the performance and effectiveness of the external auditor and to make recommendations to the Council concerning their re-appointment, where appropriate;
- Committee must be informed of reportable irregularity identified and reported by external auditors;
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- Negotiate procedures, subject to agreement, beyond minimum statutory and professional duties. There are certain minimum procedures required from the external auditors which are not negotiable;
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- Consider any problems identified in the organisation as a "going concern" or statement of internal control;
- Make suggestions as to poor internal control environments where audit efforts can also be focused on;
- Consider any accounting treatments, significant unusual transactions, or accounting judgements, which could be continuous;
- Review accounting and auditing concerns identified as a result of internal and external audits and satisfy itself that these are being properly followed up;
- Consider whether any significant ventures, investments or operations are not subject to external audit;
- In relation to combined assurance, review overall audit role to explore objectives, minimise duplication, discuss, implications of new auditing standards and ensure that external audit fee will sustain a proper audit and provide value for money;
- Review and recommend the Combined Assurance Framework and Model to Council for approval;
- Obtain assurance from the external auditor that adequate accounting records are being maintained;
- To identify key matters identified in management letters requiring follow-up;
- To monitor the implementation of agreed audit-based recommendations;
- To ensure that all significant losses have been properly investigated and that the internal and external auditors have been informed.

### **RISK MANAGEMENT:**

- The procedures for identifying business risks and controlling their impact on the University.
- Review and advise the Council on risk management control activities undertaken by the University Executive, with a view to ensuring that the University is managing all forms of risk effectively and adopting best practice in risk management generally.
- Review and recommend the Enterprise Risk Management Framework and Policies to Council for approval.

### **COMPLIANCE:**

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including corrective action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to University's personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and university legal counsel regarding compliance matters and status of legal action taken against the University.

### **FINANCIAL STATEMENTS:**

- Review quarterly financial statements (income and expenditure statements).
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, focussing on, inter alia:
  - Completeness, consistency with information known to Committee members, and whether statements reflect appropriate accounting principles;
  - The implementation of new systems;
  - Tax and litigation matters involving uncertainty;
  - Any changes in accounting policies and practices;
  - Major judgemental areas;
  - Significant adjustments resulting from the audit and the efficiency thereof;
  - The basis of going concern determination;
  - Funding adequacy;
  - Internal control;
  - Compliance with accounting standards and legal requirements;
  - Compliance with financial conditions of loan

agreements; and

- Major adjustments processed at year-end.
- Approve the Annual Financial Statements before submission to the external auditors.
- Review other sections of the annual or integrated report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- Review interim financial reports with management and the external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.
- Assist Council in reviewing, the expertise, resources and experience of the finance function/ department.
- Considering the appropriateness of the expertise and experience of the Director Finance.

### **INTERNAL CONTROL AND INTERNAL AUDIT:**

An important role of the Committee will be to monitor and supervise the effective function of internal audit, ensuring that the roles and functions of external audit and other assurance providers with internal audit are sufficiently clarified and co-ordinated to provide an objective overview of the operational effectiveness of the University's systems of internal control and reporting.

- Reviewing the effectiveness of the University's systems of internal control, including internal financial control and business risk management;
- Reviewing the safeguarding of University's assets against unauthorised use or disposal;
- Reviewing the controlling of the overall operational and financial reporting environment;
- Monitoring the maintenance of proper and adequate accounting records;
- Reviewing significant matters reported by the internal audit function and the adequacy and effectiveness of corrective actions taken in response to significant internal audit findings, including any significant differences of opinion between management and internal audit and monitor the implementation of agreed audit-based recommendations;
- To satisfy itself that satisfactory value for money arrangements are in place to promote economy, efficiency and effectiveness;
- Directing and supervising investigations into matters within its scope, for example, evaluations of the effectiveness of the University's internal control, cases of employee fraud, misconduct or conflict of interest;

- Ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.
- Assist Council in the discharge of its responsibilities relating to the governance of Information Technology.
- On a regular basis, meet separately with the chief audit executive to discuss any matters that the Committee or internal audit believes should be discussed privately.
- To recommend to Council the appointment and retention, dismissal or re-assignment of the chief audit executive;
- Reviewing with management and the chief audit executive the charter, activities, staffing, and organisational structure of the internal audit function.
- To annually evaluate the independence, effectiveness and performance of the internal audit function, and make recommendations to Council concerning the re-appointment of internal auditors, where appropriate;
- Have final authority to review and approve the annual audit plan and all major changes to the plan;
- To review externally appointed internal auditors' engagement letters, with particular reference to the terms, nature and scope of the function, the timing and nature of reports and the related audit fees;
- In consultation with the internal audit function, establish an audit charter to guide the internal audit approach;
- Reviewing and approving the internal audit charter and internal audit's conclusions with regard to internal control – ensuring appropriate cover of risk areas in the scope of work;
- Reviewing the objectives and the operations of the internal audit function;
- Reviewing the internal audit function's compliance with its mandate as approved by the Committee;
- Ensure there are no unjustified restrictions or limitations, and review and approve the appointment, replacement, or dismissal of the chief audit executive.
- At least once per year, review the performance of the chief audit executive and concur with the annual compensation;
- Review the effectiveness of the internal audit function, including compliance with applicable Standards, the adequacy of available internal audit resources, reviewing the co-operation and co-ordination between the internal and external audit functions and other assurance providers;
- Co-ordinating the formal internal audit work program with external auditors to avoid duplication of work;
- Reviewing significant differences of opinion between management and the internal audit

function;

- Obtain the status and advise on fraud cases under investigation
- Review the policies for preventing or detecting fraud;
- Review the operational effectiveness of the policies and procedures;
- Review the results of work performed by the internal audit relating to financial reporting, risk management and corporate governance; and

#### **ETHICS:**

- Monitoring the ethical conduct of the University's Council, its executives and senior officials through submissions made to the Audit Committee;
- Review any statements, standards or requirements on business ethical standards;
- Making recommendations on any potential conflict or material questionable situations as requested by Council;
- Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the University; and
- Review and monitoring environmental and social issues as requested by Council.

#### **IT GOVERNANCE:**

- Assisting the Council in carrying out its IT governance responsibilities and report quarterly to the Council on IT Governance.
- Ensure that reasonable steps have been taken in regard to implementing an IT governance framework;
- Review, on behalf of Council, IT policies, the University's IT governance framework and IT internal control frameworks;
- Perform oversight over significant IT investments and expenditure;
- Advise on IT and information projects to ensure it supports the achievement of University's objectives;
- Ensure that IT forms an integral part of the University's risk management process; and
- Review independent assurance on the effectiveness of IT internal controls.

#### **PERFORMANCE MANAGEMENT:**

- Review the adequacy and effectiveness of the performance management system and reporting which are to ensure accurate and complete reporting;
- Review the University's compliance with the performance management system and reporting requirements;
- Review whether the performance reporting and information uses appropriate targets and benchmarks;
- Review whether performance management targets reflect the University's purpose and

- objectives; and
- Review the performance information which has been quality assured by internal audit on a quarterly basis based on Proof of Evidence (POE) as submitted by Management.

**OTHER RESPONSIBILITIES:**

- Perform other activities related to this charter as requested by Council.
- Direct and oversee *ad hoc* special investigations as mandated as and when requested by Council.
- Review adequacy of the Committee charter annually, requesting Council approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Ensure assessment of the Committee’s and individual members’ performance on a regular basis.
- Disclose the Committee’s views on the effectiveness of the Director Finance.
- Disclose the arrangements in place for combined assurance and the Committee’s views on its effectiveness.
- Ensure the required disclosures are made within the integrated report.

**REPORT ON TRANSFORMATION**

The University of Venda works towards transformation that will result in a locally relevant, but globally competitive institution of higher learning in which all people, irrespective of race, gender, nationality and sexual orientation are embraced and empowered to develop their full potential. In 2013, the University adopted and Integrated Transformation Plan. Six transformation themes have been defined: Diversity, Institutional Culture, People Management, Student Centricity, Core Business, and Governance.

The process of transformation is catalysed through transformation task teams, which have been appointed by the Vice-Chancellor and Principal:

- Non-discrimination and diversity – Champion Dr. Segun Obadire, Director: International Relations (Acting)
- Institutional culture - Champion Senior Professor Base Khoza, Dean of Health Sciences
- People management – Champion Mrs. Mushoni Mulaudzi, Director: Library Services
- Student centricity – Champion Prof Edward Nesamvuni, University Registrar
- Core business – Champion Prof Jan Crafford, Deputy Vice Chancellor: Academic
- Governance - Champion Dr Robert Marin, Deputy Vice Chancellor: Operations

In the year under review, substantive progress was made with the implementation of the integrated transformation plan:

**Theme 1: Non-discrimination and Diversity**

#	Objectives	Progress	Targets and Achievement Dates
1	Create a culture among staff and students that embraces and promotes diversity in its broadest sense through the creation and monitoring of an enabling environment for behavioural change, development of new and the review of existing policies, creating disability access and disability-friendliness infrastructure.	Policy review is ongoing and taking place through an inclusive process involving Council members, staff and structures.	Ongoing
2	Consider recommendations from anti-Xenophobia task team and implement approved actions. like the transformation charter, social dialogue platform, aggressive marketing and publicity, module on diversity, language policy, language skills, sharing local language and culture, mixing of cultures in residences, diversity celebrations, reaching out to 'silent' members of the community, student involvement, partnerships with other universities and enhancing positive institutional culture elements.	Transformation Charter approved by Council. Cultural days recognised - Africa Day, Zimbabwe, Nigerian and Botswana Independence Days. Social dialogue platform held and Univen transformation charter launched. Signed memorandum of understanding with the University of Zambia, renewed memorandum of understanding with Walter Sisulu University	April 2015  Ongoing in 2017  May 2015

## Theme 2: Institutional Culture

#	Objectives	Progress	Targets and Achievement Dates
3	Dissemination of transformation charter	Transformation charters are disseminated to relevant internal and external stakeholders	Ongoing
4	Enhance communication by creating formal engagement platforms between senior management and specific stakeholder groups like students, academic, support and service staff.	EMC meets schools and departments and divisional heads twice a year. Regular meetings with Student Representative Council and joint structures. Engagement with joint structures on in- and outsourcing.	Ongoing  Ongoing
5	Ensure a corrupt and fraud-free environment by developing and implementing a fraud prevention strategy, anti-fraud and anti-corruption policy, whistleblowing policy and implementing an off-campus independent whistleblowing hotline for use by staff and students.	Fraud prevention plan developed and submitted to Risk Management Committee. Whistle-blowing policy adopted. Tip-off anonymous implemented in two ways - Policy on gifts part of revised and Supply Chain Management policy adopted	June 2015  2016  2016

## Theme 3: People Management

#	Objectives	Progress	Targets and Achievement Dates
6	Developing a "Staff Rights and Responsibilities Charter"	Work in progress	To be adopted in 2018
7	Creating a staff performance and recognition framework in conjunction with all stakeholders directly affected. This framework to be de-linked from recurring remuneration and should emphasise non-cash recognition by means of celebrating specific extraordinary work-related achievements by both academic and support/service staff.	Performance management now allows for staff recognition  Long service recognition  Recognition of excellence for administrative staff draft document  Recognition of Excellence for Academic Staff in the form of the following categories of the Vice Chancellor's excellence awards: • Teaching and Learning • Research • Community Engagement	June 2015  Ongoing  2016  Ongoing
8	Develop staff attraction and retention strategy	Consultant is assisting with development of a recruitment and retention strategy  Consultant was appointed to assist with the review of UNIVEN's tax dispensation. The review has been completed and resulted in the review of the Remuneration Policy.  Review of provident fund contributions	2016  2016  Ongoing

#	Objectives	Progress	Targets and Achievement Dates
9	Ensure that Univen becomes an employer of choice by benchmarking and reviewing the practical aspects of recruitment, selection and retention processes against best practice at comparable universities nationally and internationally.	The Directorate Human Resources is implementing e-recruitment, following comprehensive benchmarking The University is currently using the PwC's REMeasure job evaluation system. Most positions have been evaluated. Job grading has been done for 231 out of 300 positions to be evaluated.	To be launched in 2018  Ongoing
10	Verify CV's regarding qualifications and background checks.	Verification of CVs and background checks are conducted externally by Lexis-Nexis	2016
11	Ensure that staff has an equitable workload by reviewing workload versus staffing levels including but not limited to the staff/student ratio to comply to 2011 Higher Education Quality Committee recommendation number 3.	The DVC Academic has developed a proposal on Univen's Academic Work Load.	To be ready for implementation in the 2018 academic year.
12	Devising People Development Strategy comprising programmes and initiatives aimed at raising levels of staff commitment/ an improved work ethic and dedication.	People Development is undertaken in various departments including Staff Development, Research, ICT Training and CHETL interventions.	Ongoing
13	Develop mechanisms to monitor staff productivity	Performance management has been implemented for all levels of staff	Ongoing
14	Implement "Grow own Timber" strategy	Growing next Generation of Academics programme and targeted employment of our own graduates. Three channels are currently in use and they are: <ul style="list-style-type: none"> <li>• Teaching assistants:</li> <li>• Research Assistants:</li> <li>• Interns:</li> </ul> Supported by various SETAS and DST-NRF <ul style="list-style-type: none"> <li>• nGAP:</li> </ul> There are Masters and PhD students sponsored by various SETA's with the aim of building Univen's Next Generation Academics	Ongoing

#	Objectives	Progress	Targets and Achievement Dates
15	Devising people development strategy, comprising programmes and initiatives to raise levels of staff commitment, an improved work ethic and implement a modern and effective staff code of conduct to ensure that it is in line with best practice at comparable universities.	<p>People development is undertaken in various departments including Staff Development, Research, ICT Training and CHETL interventions.</p> <p>Over R47million is invested in various capacity development interventions within the university.</p>	Ongoing
16	Implement equity plan with emphasis on gender progress and achieving targets of staff with disabilities.	<p>Annual Equity Plan submitted to Department of Labour annually. Significant investment in training and development of female staff members was made.</p> <p>The university submitted a new Employment Equity plan to the Department of Labour for a period of five years</p>	Ongoing
17	Implement 'Succession Planning' for key posts	<p>Consultants appointed, they are in the process of conducting an online survey on staff retention. Views of service workers are collected through focus group discussions. The final report will serve in the Human Resources Committee of Council.</p>	To be completed in 2018
18	Insourcing	<p>Council approved the insourcing through UIGC model, security services, cleaning and grounds are now under UIGC. Staff cafeteria is not on the current dispensation. This will however raise capacity issues with UIGC. UIGC has signed an agreement with NEHAWU which amongst others will include setting up a branch on campus.</p>	Ongoing

#### Theme 4: Student Centricity

#	Objectives	Progress	Targets and Achievement Dates
19	<p>Improve Univen's student centricity whilst maintaining a sound balance with the interests of other stakeholders while upholding standards of good governance.</p>	<p>The strategic plan 2016 - 2020 has identified critical success factor 2 as an enabling environment - from admission to graduation of students. Some of the areas identified for student centred services include - improved online application, efficient online registration, user-friendly information communications technology connectivity, fit for purpose class and exam time tabling, effective and efficient examination processes.</p> <p>Several projects have also been identified to enhance the quality of student life at Univen. These will be implemented as part of the new strategy 2016 - 2020 strategic objective 8. Interventions will be needed for risk students through the Centre of Higher Education Teaching and Learning. However, student housing will play a pivotal role in a project 'Resident leaving and learning' for students to also be tutored by their peers and seniors. The emphasis on student academic excellence to the Student Representative Council leadership should also be enhanced through the student development project which will encourage articulation from degree to postgraduate level. Instruments to be used for postgraduate students should include research assistantship, research internship and new generation of academics.</p>	Ongoing

#	Objectives	Progress	Targets and Achievement Dates
20	Consider the region and geographic location of Univen's student population, novel ways and all existing forms of student financial aid to improve support to needy students.	<p>SETA and National Student Financial Aid Scheme bursaries assist financially needy Univen students.</p> <p>From 2008 to 2017, Univen harnessed substantive funding from SETAs.</p> <p>Ongoing engagement with student leaderships on fees.</p> <p>More than 60 corporate meetings were held to secure funding.</p> <p>An amount of R 121 300 was raised for the best performing students.</p> <p>Social responsibility fund "Touch of Hope" established</p> <p>In 2017, an amount of R90 000 from the Social Responsibility Fund supported 20 academically talented and deserving students.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>May 2017</p> <p>2016</p> <p>2017</p>
21	Improve the student quality of life as articulated in Strategic Objective 8.	<p>These items have been captured under Strategic Objective 8 of the 2016 – 2021 Strategic Plan and continue to be monitored closely. PC Tablets have been rolled out to all undergraduate students, Masters and PhD students have been issued laptops. This ensures equal access to E-learning and electronic knowledge resources.</p> <p>Continuous support for students through the programmes of the Centre for Higher Education Teaching and Learning.</p> <p>A swimming pool and various sporting facilities have been erected. The student entertainment area is undergoing a R 3 m upgrade.</p> <p>Dedicated student services building is under construction</p> <p>Additional student residences to accommodate approximately 2400 students are under construction.</p>	<p>Since June 2015</p> <p>Ongoing</p> <p>Ongoing</p> <p>Will be ready for occupation in 2018</p> <p>Will be ready for occupation in 2019</p>

#	Objectives	Progress	Targets and Achievement Dates
22	Improve through the re-engineering of the student academic administration to move to a fully electronic system on- and off-campus and ensure that Univen is becoming an automated 'Smart'.	Registrar's Academic Committee meetings chaired by Registrar and all re-engineering projects managed from there.	Ongoing
23	Improve the classroom experience of students through appropriate curriculum delivery modes and intervention for at risk students.	<p>Academics received training to capacitate them for curriculum transformation, for example, through enrolment in Post Graduate Diploma in Higher Education,</p> <p>Regular curriculum reviews and departmental evaluations, which include an assessment of the curriculum of the relevant programmes, take place under the oversight of the Directorate Institutional Planning and Quality Assurance.</p> <p>Adequate resources for the relevant research and curriculum review processes are available.</p>	Ongoing

#### Theme 5: Core business

#	Objectives	Progress	Target Date
24	Performing an audit of programmes offered by Univen which have not yet been accredited by either the higher education quality committee and/or external organisations such as the South African Institute of Chartered Accountants and that the remaining programme accreditations be fast tracked.	<p>The Univen programme qualification mix has been audited and, in 2016, approved by DHET. Only programmes which are duly approved by the Department of Higher Education and Training and accredited by the Council on Higher Education are being offered.</p> <p>The South African Institute of Chartered Accountants programme has seen its second third-year intake. The University received a positive support from the Mining Qualifications Authority on the introduction of the Mining Engineering Programme.</p>	<p>2016</p> <p>2017</p>

#	Objectives	Progress	Target Date
25	During the debates regarding the conversion of the university to become fully comprehensive, the debate takes internal shape and size modalities into account.	The size and shape directives of the Department of Higher Education and Training, in particular the 4% ministerial target for enrolments in diploma and certificate courses by 2019, has given urgency to the finalisation of new career- focused programmes currently being developed, fast-tracking the accreditation of those previously submitted.	Ongoing
26	The Director of Communications and Marketing initiated the development of specific campaigns and initiatives in raising Univen's profile that go beyond generic marketing and brand building.	Close collaboration between the Director of Communications and Marketing, and deans and academic directors continued in 2017. This has resulted in more external communication of academic events and highlights.	Ongoing
#	Objectives	Progress	Target Date
27	Developing standardised operating parameters that impact on delivery within the university's core business, for example setting and enforcing starting and stopping times for support/service staff and establishing/enforcing minimum campus presence parameters for academic staff.	An academic workload allocation model, which specifies minimum presence on campus for academic staff, was developed in 2016 and submitted to EMC and School Board approval. Enforcement will form part of the evolving performance management system.	2017
28	Infrastructure and utilities masterplan for campus development in line with enrolment strategy of Univen for next ten years.	Ministerial targets regarding future enrolment to inform the infrastructure and utilities masterplan.	Ongoing
29	Occupational health and safety and firefighting practises to be world-class.	New occupational health and safety consultant appointed Approval of the Process Control Manual (PCM) for Occupational Health and Safety Committee trained on evacuation.	Ongoing
30	Implementing a disability access and disability-friendliness infrastructure audit and ensuring the implementation of the outcomes. Disability awareness e.g. notes to disability unity, recording.	Disability assessment done. Walkways and ramps under construction. Old Student Affairs building to become part of Disabled Student Unit when new student centre is completed.	Ongoing

#	Objectives	Progress	Target Date
31	Information technology - Ensure paid up site licences for software for staff and students with disabilities Workshop with information technology systems, Microsoft, service providers and Tenet to finalise information technology systems masterplan/ Establish hi-tech Smart Campus by end 2014.	Acquisition of the Blackboard e-learning platform has been finalised and three modules are being piloted on the platform. Three e-learning practitioners have been appointed in the Centre for Higher Education, Training and Learning and in-house training of academics in e-learning commenced in April 2015. The roll-out of student tablets continued in 2017.	Ongoing
#	Objectives	Progress	Target Date
32	Information technology available to all students for teaching and learning	Blackboard available to all students, PC tablets disseminated to all undergraduate students / Laptop PC's to all postgraduate students. Consequently, equal access for all students to electronic teaching and learning resources.	Ongoing
33	IT support for core business	Edu-roam fully functioning across campus.	Ongoing

#### Theme 6: Governance

#	Objective	Progress	Target Date
34	Create an effective Institutional Forum by undertaking an independent external assessment of the current state of functionality of the forum. Report on the outcomes, along with recommendations to be presented to Council.	Institutional Forum well-established under new leadership, especially in view of recent national student strikes. Co-option of more management and student members to facilitate healthy debate.	Ongoing
35	Ensure Council members understand the role and responsibilities of the Council through an indaba or team building event. Establish a clear understanding of the oversight monitoring role of Council regarding consistency of policy implementation. Monitoring of policy compliance and enforcement. Establish a clear understanding of the monitoring role of Council regarding transformation oversight and monitoring of compliance.	Council performance measurement instrument completed and approved. Council orientation and training session done in February 2015. Approved reviewed statutes of Univen. Analyse risks and monitor effective and efficient Risk Management Committee established. Monitored formalisation of Council sub-committees with clear mandates.	Ongoing  Ongoing
36	Monitor compliance with laws and regulations.	Approval of the creation and filling of the position Head: Legal Compliance	2017

#	Objective	Progress	Target Date
37	Review of policies	Build database of policies and monitor its regular review.	Ongoing
38	Monitor information communications technology compliance.	King IV compliance completed for information communications technology. Information communications technology governance structure approved by Council. Review of information communications technology policies. Strengthening of the Information Communications Technology Steering Committee. Information communications technology disaster recovery finalised and approved. Information communications technology masterplan designed and implemented. Develop business continuity plan to be approved.	Ongoing
39	Monitor fraud prevention.	Monitor accuracy of conflict of interest forms at various Committees. Monitor implementation of blacklisting policy. Re-launched hotline and staff and students work shopped. Developed whistleblowing policy. Develop investigation mechanisms. New supply chain management policy. New controls on Infrastructure projects.	October 2015 and Ongoing

## ANNUAL FINANCIAL REVIEW

### REPORT OF THE AUDIT AND RISK COMMITTEE

#### Audit and Risk Committee charter

The Audit and Risk Committee has adopted a formal charter that has been approved by the University Council. The Committee has conducted its affairs in compliance with this charter and has discharged to a substantial extent its responsibilities contained therein. The overall purpose and objective of the Audit Committee is to assist Council in fulfilling its oversight responsibilities in regard to financial reporting, internal control and management of financial risks, the audit process and the University's process for monitoring compliance with laws and regulations and its own code of ethics.

#### Audit Committee Members and Attendance at Meetings

The Committee consists of six independent members with the requisite skills and experience to serve on the Committee and meets at least four times per annum as required by the Committee charter.

The University's Vice-Chancellor and Principal, Registrar, Deputy Vice-Chancellors Academic and Operation are ex-officio members of the committee.

Director Finance, Information Technology (IT), Legal Services, Human Resource, Internal and external auditor attend meetings by invitation as resource personnel.

During the financial year under review seven meetings, including two joint Audit and Finance Committee Meetings, were held.

#### Roles and Responsibilities

Role of Audit and Risk Committee is to assist the Council in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, governance process, risk management, the audit process, and the University's process for monitoring compliance with laws and regulations and the code of conduct.

#### External Auditors

The Committee satisfied itself that the external auditor, Ngubane & Co., is independent of the University, and that the firm is accredited with the Independent Regulatory Board for Auditors (IRBA). It also considered the firm's compliance with criteria relating to independence or conflicts of interest as prescribed by the IRBA. The Committee subsequently recommended, for approval by Council, Ngubane & Co. as the external auditor for the 2017 financial year. It has further satisfied itself.

#### Internal Financial Control

In addition to the report on internal operational structures and controls set out in this Annual Report we have reviewed and discussed the formal reports submitted by the internal auditors of the University. Based on these reports and the limited internal control checks carried out as part of their statutory audit by the external auditors during the 2017 financial year and, in addition, considering information and explanations given by management, the Committee is of the opinion that the University's system of internal financial controls were effective and forms a basis for the preparation of reliable financial statements except for those identified in the report of external auditors.

#### Financial Statements (including accounting practices)

The Committee has reviewed the financial statements of the University and its subsidiaries and is satisfied that they comply with International Financial Reporting Standards (IFRS) and regulation for reporting by public higher education institution.

#### Expertise and Experience of the Finance Function

The finance function is resourced and is currently going under review to ascertain if the current resource is still adequate.

#### Internal Audit

The Committee has considered and approved the internal audit plan for 2017 financial year.

The internal audit function is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment. The head of internal audit is responsible for reporting the findings of the internal audit work against the agreed internal audit plan to the Committee on a regular basis. The head of internal audit has direct access to the Committee.

#### Recommendation of the Annual Report for approval by Council

The Committee recommends the 2017 Annual Report for approval by the Council.



**MR J M SEOLOANE**  
**CHAIRPERSON: AUDIT AND RISK COMMITTEE**

## (Footnotes)

- 1 Mining Engineering; Water and Environmental Engineering; and Construction Technology Engineering
- 2 Diploma in Agro-ecology; Diploma in Natural Resource Management; Diploma in Mine Safety, Health and Environment; Diploma in GIS and Remote Sensing; Diploma in Travel
- 3 Certificate in Court Interpreting; Certificate in Business English; and Certificate in Sign Language
- 4 Bachelor of Disaster Risk Science and Bachelor of Heritage Studies
- 5 Research professors, Postdoctoral fellows, Adjunct professors, Visiting fellows, Professor emeriti
- 6 Former student leaders, women and students with disabilities
- 7 Freedom Day; Africa Day; and Heritage Day
- 8 Student feeding scheme
- 9 (2016-2020 strategic plan)
- 10 (2016-2020 strategic plan)
- 11 (Target set in 2016-2020 Strategic Plan)
- 12 The research output data are always a year late. DHET provides this information.

# ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED

### 31 December 2017

Prepared by Mr B Ngobeni  
Head: Management Accounting and Reporting

Reviewed by Ms NR Mgobo  
Director Finance

Mr Serobi Maja	Chairperson of Council
Thovhele M P K Tshivhase	Deputy Chairperson of Council
Prof P A Mbatl	Vice Chancellor and Principal
Prof J E Crafford	Deputy Vice Chancellor (Academic)
Dr R L Martin	Deputy Vice Chancellor (Operations)
Prof AE Nesamvuni	University Registrar
Ms S T Baloyi	
Prof V O Netshandama	
Mr M E Selomo	
Mr M P Molapo	
Ms K S Makgoka	
Mr K R Madzhie	
Mrs S E Mabusela	
Prof K G Setswe	
Mr L L Ndou	
Dr N B Nthambeleni	
Prof C M Nherera	
Dr L J Phahlamohlaka	
Mr J M Seoloane	
Mr A S Tshifhango	
Prof M N Phaswana-Mafuya	
Prof G R A Mchau	
Mr N A Mutoti	
Mr B L Makhado	
Mr R C Chhagan	
Mr K K Maimela	
Mr M L Mashego	
Mrs MG Maluleke	
Mr KC Razwiedani	
Mr M Shikwambana	
Mr T P Raseala	
Mr K Zuma	
Dr S Mombeshora	
Prof K Zuma	

The Council is responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2017, statement of comprehensive income, statement of changes in funds and statement of 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 ("IFRS") and the requirements of the Minister of Higher Education and Training, as prescribed by section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended.

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

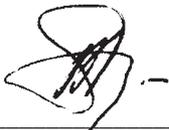
and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Council's responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

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

#### **Approval of the financial statements**

The financial statements on pages 3 to 61 were approved by the Council on 27 July 2018 and are signed on its behalf by:



**Mr Serobi Maja**  
Chairperson of Council



**Prof J E Crafford**  
Acting Vice-Chancellor and Principal



**Mr M P Molapo**  
Chair: Finance Committee



**Mr J M Seoloane**  
Chair: Audit Committee



**Ms N R Mgobo**  
Director: Finance

	Notes	2017 R'000	Restated 2016 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2 264 468	1 782 960
Investments	6	41 347	37 979
Investment in subsidiary		879	879
		<b>2 306 694</b>	<b>1 821 818</b>
<b>Current assets</b>			
Investments	6	396 770	310 133
Trade and other receivables	7	321 777	216 159
Inventory	8	1 298	1 720
Cash and cash equivalents	9	126 484	207 618
Non-current asset held for sale	10	3 586	3 586
		<b>849 915</b>	<b>739 216</b>
<b>TOTAL ASSETS</b>		<b>3 156 609</b>	<b>2 561 034</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Funds and reserves</b>			
Assets revaluation reserve		966 929	619 411
Restricted funds		207 146	207 146
Unrestricted funds		386 192	429 479
		<b>1 560 267</b>	<b>1 256 036</b>
<b>Non-current liabilities</b>			
Borrowings	11	210 000	127 105
Post – retirement medical obligation	13	75 345	68 535
Leave obligation	14	12 971	13 183
Long service award	15	1 901	1 968
Deferred revenue	16	936 468	807 794
		<b>1 236 685</b>	<b>1 018 585</b>
<b>Current liabilities</b>			
Borrowings	11	-	7 895
Finance lease liability	12	-	379
Post – retirement medical obligation	13	1 525	1 680
Leave obligation	14	3 191	3 659
Long service award obligation	15	368	315
Deferred revenue	16	114 322	136 566
Trade and other payables	17	238 951	131 375
Provisions	18	1 300	4 544
		<b>359 657</b>	<b>286 413</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 156 609</b>	<b>2 561 034</b>

	Notes	Council Controlled Unrestricted	Specifically funded activities Restricted	Sub -Total 2017	Student and staff accom- modation Unrestricted	Total 2017	Restated Total 2016
		R'000	R'000	R'000	R'000	R'000	R'000
<b>TOTAL INCOME</b>		<b>926 229</b>	<b>90 503</b>	<b>1 016 732</b>	<b>32 448</b>	<b>1 049 180</b>	<b>989 952</b>
State subsidies and grants	19	468 166	43 126	511 292	-	511 292	476 197
Tuition and other fee income	20	442 696	-	442 696	32 448	475 144	437 659
Income from contracts		12 628	47 377	60 005	-	60 005	72 102
For research	21	7 441	47 377	54 818	-	54 818	62 279
For other activities	22	5 187	-	5 187	-	5 187	9 823
Sales of goods and services	23	1 747	-	1 747	-	1 747	3 257
Private gifts and grants		992	-	992	-	992	737
<b>TOTAL EXPENDITURE</b>		<b>1 031 974</b>	<b>90 503</b>	<b>1 122 477</b>	<b>12 125</b>	<b>1 602 134</b>	<b>1 013 123</b>
Personnel costs	24	593 013	15 021	608 034	-	608 034	530 350
Academic professional		325 152	13 904	339 056	-	339 056	305 821
Other personnel		267 861	1 117	268 978	-	268 978	224 530
Other current operating expenses	25	338 978	75 482	414 460	12 125	426 585	425 386
Depreciation	5	46 619	-	46 619	-	46 619	40 934
Impairment	5 & 8	53 364	-	53 364	-	53 364	16 453
<b>OPERATING PROFIT / LOSS FOR THE YEAR</b>		<b>(105 744)</b>	<b>-</b>	<b>(105 744)</b>	<b>20 323</b>	<b>(85 421)</b>	<b>(23 171)</b>
Interest from investments	26	34 614	-	34 614	-	34 614	28 212
Profit fair value adjustment of investments		3 368	-	3 368	-	3 368	2 538
Finance costs		(7 950)	-	(7 950)	-	(7 950)	(8 051)
Actuarial gain /(loss) on post – retirement obligations		2 072	-	2 072	-	2 072	3 722
Actuarial gain / (loss) on long service award		115	-	115	-	115	60
Actuarial gain /(loss) on leave obligations		(934)	-	(934)	-	(934)	(3 360)
<b>Profit / (loss) for the year</b>		<b>(74 459)</b>	<b>-</b>	<b>(74 459)</b>	<b>20 323</b>	<b>(54 136)</b>	<b>(50)</b>
<b>Other comprehensive income</b>		<b>358 377</b>	<b>-</b>	<b>358 377</b>	<b>-</b>	<b>358 377</b>	<b>(6 817)</b>
Gain on revaluation of PPE	5	358 377	-	358 377	-	358 377	-
Impairment of previously revalued buildings		-	-	-	-	-	(6 817)
Comprehensive income / (loss) for the year		283 918	-	283 918	20 323	304 241	(6 867)

	Restricted use funds	Unrestricted use funds	Asset revaluation reserve	Total
	R'000	R'000	R'000	R'000
<b>2016</b>				
<b>Opening Balance 01.01.2016</b>	<b>198 509</b>	<b>435 738</b>	<b>628 685</b>	<b>1 262 932</b>
Prior period error	-	(29)	-	(29)
<b>Restated balance 01.01.2016</b>	<b>198 509</b>	<b>435 709</b>	<b>628 685</b>	<b>1 262 903</b>
Transfer from revaluation reserve	-	2 457	(2 457)	-
Profit / (Loss) for the period	8 637	(8 687)	-	(50)
Impairment of previously revalued buildings	-	-	(6 817)	(6 817)
Other comprehensive Income	-	0	-	0
<b>Balance at 31.12.2016</b>	<b>207 146</b>	<b>429 479</b>	<b>619 411</b>	<b>1 256 036</b>

<b>2017</b>				
<b>Opening Balance 01.01.2017</b>	<b>207 146</b>	<b>429 479</b>	<b>619 411</b>	<b>1 256 036</b>
Transfer from revaluation reserve	-	10 849	(10 849)	-
Gain on revaluation	-	-	358 377	358 377
Other movement	-	-	(10)	(10)
Profit /(loss) for the period	-	(54 136)	-	(54 136)
<b>Balance at 30.12.2017</b>	<b>207 146</b>	<b>386 192</b>	<b>966 929</b>	<b>1 560 267</b>

	Notes	2017 R'000	Restated 2016 R'000
Cash flows from operating activities			
Cash generated from operations	28	16 693	82 072
Finance Cost		(18 291)	
<b>Net cash generated from operations</b>		<b>(1 598)</b>	<b>107 137</b>
Cash flows from investing activities			
Acquisition of property plant and equipment	5	(204 499)	(244 015)
Investment received / (made)	6	(90 005)	133 758
Investment Income	26	27 956	25 065
<b>Net cash used in investing activities</b>		<b>(266 548)</b>	<b>(110 257)</b>
Cash flows from financing activities			
Increase in deferred income	16	106 430	9 986
Repayment of finance lease	12	(379)	(4 705)
Increase in long term liabilities	11	75 000	135 000
Increase / (decrease in benefit obligation)		5 961	-
<b>Net cash generated from financing activities</b>		<b>187 012</b>	<b>140 281</b>
Increase/ (decrease) in cash and cash equivalents		(81 126)	137 161
Cash and cash equivalents at beginning of year		207 618	70 457
<b>Cash and cash equivalents at end of year</b>	9	<b>126 484</b>	<b>207 618</b>

## 1. GENERAL INFORMATION

The University of Venda (UNIVEN) is a South African Comprehensive rural based university, located in University Rd, Thohoyandou in Limpopo province. The University as an educational institution is primarily involved in tuition, research and community service in South Africa and beyond.

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**University address:**

University of Venda  
Private Bag X5050  
Thohoyandou  
Limpopo Province  
0950

**Bankers:**

Absa Bank Limited  
76 Schoeman Street  
Polokwane  
0699

**Auditors:**

Ngubane & Co (Jhb) Inc.  
Chartered Accountants  
Registered Auditors

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## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

New and revised IFRS issued and effective

The following new standards and amendments to existing standards have been published and are applicable in the current accounting periods and adopted by the University. The application of the standards and amendments was assessed and had no material impact to University:

Standard	Details	Effective date
IFRS 12	Disclosure of Interests in Other Entities	01 January 2017
IAS 7	Statement of Cash Flows	01 January 2017

### 2.2. New and revised IFRS issued but not yet effective

The following new standards and amendments to existing standards have been published that are applicable for future accounting periods but have not been adopted early by the University. The impact of the initial application of the standards listed below is not yet known by the university.

Standard	Details	Effective date	Date at which Univen plan to apply the standard / IFRS
IFRS 3	Business Combinations	01 January 2018	01 January 2019
IFRS 4	Insurance contracts	01 January 2018	01 January 2018
IFRS 9	Financial Instruments	01 January 2019	01 January 2019
IFRS 10	Consolidated Financial Statements	The effective date of this amendment has been deferred indefinitely until further notice.	On the effective date of this amendment.
IFRS 11	Joint Arrangements	01 January 2019	01 January 2019
IFRS 15	Revenue from Contracts with Customers	01 January 2018	01 January 2018
IFRS 16	Lease	01 January 2019	01 January 2019
IFRS 17	Insurance contracts	01 January 2021	01 January 2021
IAS 19	Employee Benefits	01 January 2019	01 January 2019
IAS 23	Borrowing costs	01 January 2019	01 January 2019
IAS 28	Investment in associates and joint ventures	The effective date of this amendment has been deferred indefinitely until further notice.	On the effective date of the amendment
IAS 40	Investment property	01 January 2018	

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below were applied consistently to all periods presented in these financial statements, unless otherwise stated.

#### 3.1. Statement of compliance

The financial statements of the University of Venda are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretation Committee. In addition, financial statements are in accordance with Higher Education Act no 101 of 1997 as prescribed by the Minister of Higher Education and Training.

#### 3.2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the financial instruments at fair value through profit or loss and Land and buildings – measured at fair values, at the end of the reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services. Fair value the price that would be received to sell asset or paid to transfer liability in orderly transaction between market participants at the measurement date, regardless of whether that prices is directly observable or estimated using another valuation technique.

#### *Going concern*

These annual financial statements have been prepared based on the expectation that the University will continue to operate as going concern for at least the next twelve (12).

#### *Functional currency*

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

#### 3.3. Separate Activities reporting and accumulated funds

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

- i The utilisation of the resources of the University that are under the absolute control of its council;
- ii Those for which the utilisation is prescribed in terms of the legal requirements of the providers of such resources. In addition
- iii Because Universities vary significantly in the provision of accommodation for students and/or staff, this component, is also treated separately.

#### 3.4. Specifically funded activities restricted (Education and general)

Specifically funded activities restricted consist mainly

of funds for purposes that have been specified in legally binding terms by the provider of such funds or by another legally empowered person. Here decision-making rights over income earned and related expenses rest with funders. Council retains an oversight role regarding ensuring that expenditure incurred is in accordance with the mandate received from funders.

#### *Unrestricted Council controlled funds*

The unrestricted Council controlled activities predominantly represent the teaching component of the University of Venda. Decision-making rights relating to income earned rests with Council.

#### *Restricted use funds (Residences)*

Restricted use funds (Residences) consist of student housing activities. These activities are not funded from government subsidy funds. Decision-making rights relating to income earned rests with Council. However the use of income is restricted to these activities.

#### *Non-distributable Reserves*

This reserve relates to the funds earmarked for investment in property, plant and equipment, and the fair value reserve which comprises the movement in the fair value of investments that are classified as available for sale.

#### 3.5. Property, plant and equipment

Property, plant and equipment include land, buildings, work in progress, other infrastructure assets, motor vehicle, computer equipment, office equipment and other equipment. Land comprises university land, land with residential houses and vacant land. Buildings comprise mainly lecture halls and facilities, student residences, staff residence and administrative offices. Other infrastructure assets include internal roads and streets, walkways and parking.

#### *Recognition and Measurement*

Assets are recognised upon on purchase and when it is probable that the future economic benefits associated with the assets will flow to the university and the cost of the asset can be measured reliable.

Item of property, plant and equipment shall be measured at its cost at initial recognition. The cost of the asset is an amount of cash paid or fair value of the other consideration given to acquire an asset at acquisition including all cost involved in acquiring the asset. Property, plant and equipment acquired by means of donations are recorded at fair value at the date of the donation. Property, plant and equipment items are capitalised if the life expectancy of an item is more than one year and the cost thereof exceeds R5 000.

#### *Subsequent measurement*

Subsequent costs are included in the asset's carrying

amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance costs are charged to the statement of profit and loss and other comprehensive income during the financial period in which they are incurred.

Land are stated in the statement of financial position at revalued amounts, being the fair value at the date of revaluation.

Buildings and other infrastructure assets are stated in the statement of financial position at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Work in progress includes all expenditure that is directly attributable to the construction of property plant and equipment, until the construction is completed, and the certificate is issued. Work in progress is capitalised when the asset is available for use and only depreciated once the building is available for occupation. Properties during construction are carried at cost, less any recognised impairment loss.

Other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, the assets are depreciated over the shorter of the lease term and useful life.

#### Revaluation

Land and buildings are revalued by independent professional valuers every 3 years. Revaluations are carried out with sufficient regularity such that the carrying amounts do not differ materially from those that would have been determined using fair values at the end of each reporting period. When assets are revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in

the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to that asset.

#### Asset revaluation reserve

This reserve relates to the revaluation of property, plant and equipment. The surplus arising from the revaluation of property, plant and equipment is transferred to retained earnings as the asset is used by the University. The amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Transfers from revaluation surplus to retained earnings are not made through profit or loss.

#### Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in accounting estimate accounted for on a prospective basis. Depreciation is charged to profit or loss for the period. The depreciation rates are as follows:

Land	Infinite
Buildings	10-100 years
Street lights	10-100 years
Motor vehicles	4-5 years
Computer equipment	3-5 years
Office equipment	5-10 years
Other equipment	3-20 years

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### De-recognition

The carrying amount of an item of property, plant and equipment is derecognised:

- on disposal; or
- when no future economic benefits are expected from its use or disposal.

On disposal of an item of property, plant and equipment, any amount in revaluation reserve relating to that asset is transferred to retained funds directly.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss in the statement of comprehensive income.

### 3.5 Impairment of non-financial assets

#### Recognition and measurement

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. At the end of each reporting date, the University reviews the carrying amount of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If such indication exist, the recoverable amount of the individual assets is estimated in order to determine the extent of impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The impairment loss is recognised in profit or loss unless the asset is carried at revalued amount in accordance with IAS 16. When impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimates of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for asset in the prior period. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with IAS 16.

#### *Calculation of recoverable amount*

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

### 3.6. Financial instruments

#### *Recognition and measurement*

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

Financial assets / liabilities are initially recognised at fair value plus transaction costs for all financial assets / liabilities except for financial assets / liabilities at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Investment Income' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the University's right to receive payments is established.

After initial recognition non-derivative financial instruments are measured as described below.

#### 3.6.1. Financial assets

##### *Classification*

The University classifies its financial assets in the following categories:

- Loans and receivables;
- Held-to-maturity financial assets and
- Designated at fair value through profit and loss.

The classification depends on the nature and purpose of the financial assets and management determines the classification of its financial assets at initial recognition.

##### **a) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The University's amortised cost assets comprise 'trade and other receivables', 'other receivables' and 'cash and cash equivalents, short term and long term investments in the statement of financial position.

##### *(i) Trade and other receivables*

Trade receivables are amounts due from students for services rendered in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method, less impairment losses.

##### *(ii) Other receivables*

Other receivables may include items like other sundry receivables. Other receivables are subsequently classified as loans and receivables and measured at amortised cost using the effective interest method less any impairment losses.

##### *(iii) Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts

are shown within borrowings in current liabilities on the statement of financial position.

#### *(iv) Investments*

Investment are non-derivative financial assets with fixed or determinable payments and fixed maturity that management has the positive intention and ability to hold to maturity. Investments that meet the criteria for classification are carried at amortised cost using the effective interest method less any impairment losses.

If the University was to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

An instrument is classified as at fair value through profit or loss if it is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the University manages such investments and makes purchase and sale decisions based on their fair value in accordance with the University's documented risk policy.

Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss. Fair value movement recognised in profit or loss excludes interest and dividends. Designated at fair value through profit and loss consist of equity securities.

#### *De-recognition*

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the University has transferred substantially all risks and rewards of ownership.

On de-recognition of financial assets in its entirety, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain and losses that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

### **3.6.2. Financial liabilities**

Debts of the university are classified as financial liabilities in accordance with the substance of the contractual arrangements and the definition of financial liability. Financial liabilities are classified as other financial liabilities. Other financial liabilities of the university is trade and other payables and borrowings.

#### *i Trade and other payables*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due

within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

#### *ii Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

### **3.7. Impairment of financial assets**

The University assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the University uses to determine that there is objective evidence of an impairment loss include:

- i Significant financial difficulty of the issuer or obligor;
- ii A breach of contract, such as a default or delinquency in interest or principal payments;
- iii The University, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- iv It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- v The disappearance of an active market for that financial asset because of financial difficulties; or
- vi Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

- Adverse changes in the payment status of borrowers in the portfolio; and
- National or local economic conditions that correlate with defaults on the assets in the portfolio.

The carrying amount of the asset is reduced using an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within other operating costs. When a receivable is uncollectible, it is written off against the allowance account for such receivables. The asset's carrying amount is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the original effective interest rate determined under the contract.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. 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 securities designated as at fair value through other comprehensive income are recognised by transferring the cumulative gain that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, 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 security designated as at fair value through other comprehensive income, 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, and recognised in other comprehensive income.

### **3.8. Inventories**

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition, cost is determined using the weighted average method. Obsolete, redundant and slow-moving inventories are identified on a regular basis and

are written down to their estimated net realisable values. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Inventory consists of trading stock for the bookshop, consumables, promotional items, stationary and workshop goods (such as building materials) which will be utilised within the respective training courses presented by the University.

## **3.9. Employee benefits**

### **3.9.1. Post-retirement medical benefits**

The University provides post-retirement medical benefits to its retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period.

The post – retirement benefits obligation is unfunded. As such, the expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. The post – retirement benefits obligation is determined by an actuarial valuation at the end of each annual reporting period. Current-service costs and interest costs are recognised immediately in profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

### **3.9.2. Privately administered fund**

The University contributes to a defined contribution scheme (provident fund). A defined contribution plan is a pension plan under which the University pays fixed contributions into a separate entity. The University has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

Past-service costs are recognised immediately in the statement of comprehensive income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

### **3.9.3. Leave obligation**

The University staff are allowed to accumulate up to 20 days leave that is payable upon resignation, death or retirement. Leave is only encashed when an employee resigns, retires or dies in service. As a result, it is not possible to estimate the anticipated repayment periods. The leave obligation is determined by an actuarial valuation

at the end of each annual reporting period.

Current-service costs and interest costs are recognised immediately in profit or loss. Actuarial gains/losses are recognised in other comprehensive income in the period in which they occur.

#### **3.9.4. Long service award obligation**

The University awards long service payments to qualifying staff as predetermined milestones are reached. The actuarially determined liability which is reduced by the provision made by the University was valued at 31 December 2017 and accounted for in 2016 for the first time. This obligation is funded from University reserves. Current-service costs and interest costs are recognised immediately in profit or loss. Actuarial gains/losses are recognised in other comprehensive income in the period in which they occur.

#### **3.10. Provisions**

Provisions are recognised when the University has a present legal or constructive obligation because of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### **3.11. Revenue**

##### **3.11.1. Tuition and residence fees**

Tuition and residence fees are recognised as income at the fair value of the consideration received or receivable in the period to which they relate (academic year). Revenue from tuition and residence services is recognised fully in the year of registration. Deposits provided by prospective students are treated as current liabilities until the related fees become due to the University.

##### **3.11.2. State appropriations: subsidies and grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the University will comply with all attached conditions.

The University follows the income approach whereby the grant is taken to income (over one or more periods, where relevant) and not the capital approach whereby the grant is credited directly to funds and reserves. Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs

that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets. The portion of the grants that will be released to the statement of comprehensive income during the next 12 months are included in current liabilities.

##### **3.11.3. Other grants, donation and bequests from non-government organisation or individuals / private grants**

###### *a Grants with specific condition*

Private gifts, grants and donations are recognised as income at the fair value of the consideration received or receivable in the period to which they relate. Any such income is recognised as income in the financial period when the University is entitled to use those funds. Therefore, funds that will not be used until some specified future period or occurrence are deferred to deferred income and released to the statement of comprehensive income as the University becomes entitled to the funds.

Grants received to compensate for expenses to be incurred are often prescriptive in nature and therefore it is recognised over a certain period under the terms of the grant. Prescriptive grant income is recognised with reference to the stage of completion at the reporting date. If the stage of completion cannot be measured reliably, the recognition of this income is limited to the expenses incurred. The balance is recognised as deferred income in the statement of financial position.

##### **3.11.3. Other grants, donation and bequests from non-government organisation or individuals / private grants (cont..)**

###### *b Grants with no specific conditions*

Private gifts, grants and donations with no specific condition relation to either the expense it aims to compensate, period in which it needs to be spend, conditions to repay when certain conditions are not fulfilled, etc. but with stipulation that the grant should be used to compensate certain type of expenditure (e.g. bursaries, research (whether in general or within certain areas)) are recognised as income at the fair value of the consideration received or receivable in the period in which they are received or the University becomes entitled to it.

Any unspent portion of such grant at the end of the financial year is transferred on the statement of change in funds to Restricted Funds (separately from unrestricted funds / council controlled funds). When expenditure is incurred in following years, a transfer from these Restricted Funds is made to Unrestricted funds / Council controlled funds.

#### **3.11.4. Interest income**

Interest income is recognised using the effective interest method taking account of the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the University. When a loan and receivable is impaired, the University reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

#### **3.11.5. Rental income**

Where the university retains the significant risks and benefits of ownership of an item under a lease agreement, is classified as an operating lease. Receipts in respect of the operating lease are recognised on a straight line basis in the statement of comprehensive income over the period of the lease.

#### **3.11.6. Other sales and services**

Income derived from other sales and services (business unit income, project income and income from student support services) are recognised at the fair value in the period in which they accrue.

#### **3.11.7. Research costs**

Research costs are written off in the year in which they arise, since these types of costs are inherent in the normal operations of a university.

#### **3.11.8. Contingencies**

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 32 and note 33.

#### **3.11.9. Commitments**

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised contractual commitments. Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

#### **3.11.10. Borrowing costs**

Borrowing costs are interest and other expenses incurred

by an entity in connection with the borrowing of funds. Interest is measured using the effective interest rate method.

Specific borrowing costs are capitalised to the related capital projects.

#### **3.11.11. Leases**

##### **3.11.1. Operating leases**

Leases where the lessor retains the risk and rewards of ownership of the underlying assets are classified as operating lease. Payments made under operating lease (net of any incentives received from the lessor) are charged against statement of comprehensive income on a straight line basis over the period of lease.

##### **3.11.2. Finance leases**

The University leases certain items of property, plant and equipment. Leases of property, plant and equipment where the University has substantially all the risks and rewards of ownership of the underlying asset to the University are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the reporting date as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments and depreciated over the shorter of the useful life of the asset and the lease term. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against statement of comprehensive income over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### **3.12. Taxes**

The University is exempted from tax in terms of section 10(1) (cN) of the Income Tax Act.

## **4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES**

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is

revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### **4.1.1. Held to maturity financial assets**

The council has reviewed the University's held – to – maturity assets in the light of its capital maintenance and liquidity requirements and have confirmed the University's positive intention and ability to hold those assets to maturity. The carrying amount of the held-to-maturity financial assets is R396 770 000 (2016: R310 133 000). Details of these are set out in note 6.

#### **4.1.2. Discount rate used in actuarial valuations**

The University's post-employment medical obligations, leave obligations and long service awards obligations are discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria for bonds to be include the size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded.

The University's post-employment medical obligations, leave obligations and long service awards obligations are discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria for bonds to be include the size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded.

#### **4.1.3. Deferred revenue**

University of Venda recognises private grants received, to compensate for expenses incurred, as income. These grants are often subject to various requirements and therefore each grant is recognised over a certain period (specific to each grant) under the terms of the grant. In several instances, the contract's terms do not specifically determine that unspent amounts are refundable but the nature of the grants and historic experience necessitate the deferral of unspent amounts to deferred income.

Grants received are therefore limited to the expenses incurred and the balance is recognised as deferred grant income in the statement of financial position. Grants obtained, to reimburse expenses incurred, are analysed on a 'portfolio' basis by grouping similar grants together. The deferral of income therefore necessitates a degree of judgement by management.

The carrying amount for deferred revenue at 31 December 2017 R 1 050 790 (31 December 2016:953 038 000).

## **4.2. Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a key risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year:

### **4.2.1. Impairment of receivables**

Determining the impairment loss for trade and other receivables requires calculation of the present value of estimated cash flows discounted at the financial asset's original effective interest rate. Where the present value of future cash flows is less than the carrying amount, an impairment loss is recognised.

The carrying amount of trade and other receivables as at 31 December 2017 was R 321 777 000 (2016: R 219 023 000) after providing for impairment in 2017 amounting to R 62 229 000 (2016: R 31 809 000).

### **4.2.2. Post - retirement medical obligation**

The post – employment medical obligation is determined by an actuarial valuation at the end reporting period. The actuarial valuation involves assumptions and professional judgement by the actuary. Refer to note 14 for the detailed assumptions and amounts recognised for post – employment medical at 31 December 2017.

### **4.2.3. Leave obligation**

The leave obligation is determined by an actuarial valuation at the end of each reporting period. The actuarial valuation involves assumptions and professional judgement by the actuary. Refer to note 15 for the detailed assumptions and amounts recognised for the leave obligation at 31 December 2017.

### **4.2.4. Long service award obligation**

The long service award obligation is determined by an actuarial valuation at the end of each reporting period. The actuarial valuation involves assumptions and professional judgement by the actuary. Refer to note 16 for the detailed assumptions and amounts recognised for the long service award obligation at 31 December 2017.

### **4.2.5. Useful lives of property, plant and equipment**

The University reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, management determined that the useful lives of certain items of property, plant and equipment should be revised.

### **4.2.6. Fair value measurements and valuations process**

Some of the University's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an estimate or a liability, the University uses market-observable data to the extent it is available. Where level 1 inputs are not available, the

University uses third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 36.4.

## 5. PROPERTY, PLANT AND EQUIPMENT

	2017			Restated 2016		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
	R'000	R'000	R'000	R'000	R'000	R'000
Land	17 906	-	17 906	7 475	-	7 475
Buildings	1 551 316	-	1 551 316	1 307 053	(36 622)	1 4 27031
Office equipment	32 587	(22 359)	10 228	31 814	(19 340)	12 474
Motor Vehicles	30 290	(13 786)	16 503	27 631	(9 403)	18 228
Computer equipment	59 931	(34 447)	25 484	59 025	(24 072)	34 953
Other equipment	148 841	(60 469)	88 372	135 042	(49 103)	85 939
Street lights	1 437	-	1 437	-	-	-
Capital-Work in Progress	553 221	-	553 221	353 460	-	353 460
	<b>2 395 529</b>	<b>(131 061)</b>	<b>2 264 468</b>	<b>1 921 500</b>	<b>(138 540)</b>	<b>1 782 960</b>

	Buildings <sup>1</sup>	Land	Work in progress	Office equipment	Street lights	Motor vehicles	Computer equipment	Other equipment	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Cost/valuation	1 551 316	17 906	553 221	32 587	1 437	30 290	59 931	148 841	2 395 529
Accumulated depreciation	-	-	-	(22 359)	-	(13 786)	(34 447)	(60 469)	(131 061)
<b>Net Book Value at 31 December 2017</b>	<b>1 551 316</b>	<b>17 906</b>	<b>553 221</b>	<b>10 228</b>	<b>1 437</b>	<b>16 504</b>	<b>25 484</b>	<b>88 372</b>	<b>2 264 468</b>
As at 01 January 2017	1 270 440	7 475	353 460	12 474	-	18 228	34 953	85 939	1 782 960
Additions	357	3 099	189 629	773	-	2 659	906	7 076	204 499
Interest capitalised on qualifying assets	-	-	18 291	-	-	-	-	-	18 291
Transfers	-	-	(8 159)	-	1 437	-	-	6 722	-
Impairment	(53 049)	-	-	-	-	-	-	-	(53 049)
Depreciation	(17 476)	-	-	(3 019)	-	(4 383)	(10 375)	(11 365)	(46 618)
Revaluation	351 053	7 332	-	-	-	-	-	-	358 385
<b>Closing carrying value</b>	<b>1 551 316</b>	<b>17 906</b>	<b>553 221</b>	<b>10 228</b>	<b>1 437</b>	<b>16 504</b>	<b>25 484</b>	<b>88 372</b>	<b>2 264 468</b>

(Footnotes)

1 <sup>1</sup>A complete schedule of land and buildings is available for inspection at the main administration building of the University.

	Buildings	Land	Work in progress	Office equipment	Street Lights	Motor vehicles	Computer equipment	Other equipment	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Cost/valuation	1 332 303	7 475	363 150	31 814	-	27 631	59 025	135 042	1 468 927
Accumulated depreciation	(35 489)	-	-	(16 596)	-	(9 403)	(23 182)	(49 103)	(133 774)
<b>Net book value at 31 December 2016</b>	<b>1 843 267</b>	<b>7 475</b>	<b>363 150</b>	<b>15 218</b>	<b>-</b>	<b>18 228</b>	<b>35 842</b>	<b>85 939</b>	<b>1 793 695</b>
Prior year adjustments	2 597	-	(9 690)	(2 744)	-	-	(889)	-	(10 726)
<b>Restated balance</b>	<b>1 270 431</b>	<b>7 475</b>	<b>353 460</b>	<b>12 474</b>	<b>-</b>	<b>18 228</b>	<b>34 953</b>	<b>85 939</b>	<b>1 782 960</b>
Net book value 01 Jan 2016	1 245 213	7 475	200 449	14 017	-	18 793	41 154	89 347	1 616 448
Additions	56	-	229 654	2 719	-	1 222	1 573	8 791	244 015
Non-current assets held for sale	-	-	-	-	-	-	(2 358)	(1 250)	(3 608)
Impairment	(2 939)	-	(13 515)	-	-	-	-	-	(16 454)
Transfers <sup>2</sup>	53 438	-	(63 128)	-	-	-	-	-	(9 690)
Transfer to building reserve	(6 817)	-	-	-	-	-	-	-	(6 817)
Depreciation	(18 520)	-	-	(4 262)	-	(1 787)	(5 416)	(10 949)	(40 934)
<b>Closing carrying value</b>	<b>1 270 431</b>	<b>7 475</b>	<b>353 460</b>	<b>12 474</b>	<b>-</b>	<b>18 228</b>	<b>34 953</b>	<b>85 939</b>	<b>1 782 960</b>

Part of the University campus was built on land belonging to the Tshivhase Traditional Council and part on proclaimed land. The parties involved are in the process of transferring title deed to the University name. University has three pieces of land that were sold to Individual personnel. The parties involved are in the process of transferring the title to third parties.

University bought land from the Municipality, and before the transfer, the municipality sold the same land to another party. University was given replacement land by the Municipality. During the transfer of title deeds the land was registered in the name of the University. The university is in the process of transferring the title deed.

The fair values of the University's land and buildings are determined every three years. Due to the nature and location of the University's land and buildings, frequent revaluations are unnecessary as the land and buildings only have insignificant changes in fair value.

The last revaluation of the Universities was performed as at 31 December 2017, by DDP valuers, independent valuers not related to the University. DDP valuers are members of the South African Council of the Property Valuers Profession and they have appropriate qualifications and experience in the fair value measurement of properties in the relevant locations.

*(Footnotes)*

2 Amounts are transferred from work under construction to the relevant asset class when the asset is available for use.

## 6. INVESTMENTS

### Non - current financial assets

*Designated at fair – value through profit and loss*

*Held to maturity instruments*

2017

R'000

2016

R'000

1 307

1 184

40 040

36 795

41 347

37 979

### Current financial assets

*Held to maturity instruments*

396 770

310 133

Financial assets designated at fair – value through profit and loss include the following:

#### Listed securities

*Equity securities – RSA*

1 307

1 184

The fair values of equity securities are based on quoted market prices at the statement of financial position statement of financial position date. The maximum exposure to credit risk at the reporting date in respect of financial assets designated at fair value through profit and loss is the carrying value of the equity securities designated at fair value through profit and loss. Management of credit risk is discussed in note 35.3. None of these Investments are past due and impaired.

Financial assets held to maturity include the following:

Fixed deposit account

40 040

36 795

Short-term deposits

396 770

310 133

The University has not reclassified any financial assets measured at amortised cost to fair value during the year (2016: Rnil).

There were no gains or losses realised on the disposal of held-to-maturity financial assets in 2017 and 2016 as all the financial assets were disposed of at their redemption date. During the financial year the university has withdrawn (R90 005 000) at redemption date. The fair value of held-to-maturity financial assets is the same as the carrying amounts based on quoted market bid prices.

The above investments are neither past due nor impaired. The maximum exposure to credit risk at the reporting date is the carrying amount of the held-to maturity financial assets. All investments are denominated in South African Rands.

The break down below indicate investments for the University,

	<b>2017</b>	<b>2016</b>
	<b>R'000</b>	<b>R'000</b>
<b>Investments</b>		
DHET infrastructure grants and Money received for grants:		
Univen	148 186	21 613
DHET-Infrastructure	157 346	144 668
Own-Infrastructure	22 461	115 259
National Research Foundation	7 000	12 858
Efficiency	-	525
Clinical	1 000	-
Foundation	3 017	-
HDI	55 037	-
NGAP	2 723	15 210
<b>Total</b>	<b>396 770</b>	<b>310 133</b>

## 7. TRADE AND OTHER RECEIVABLES

Student accounts receivable	292 604	188 742
<u>Less</u> Allowance for impairment	(62 229)	(31 809)
Net carrying amount	<b>230 375</b>	<b>156 933</b>

### *Other receivables*

Univen Foundation	17 229	15 292
University Income Generating Company (UIGC)	47 952	12 479
Tshivenda National Lexicography Unit (TNLU)	5 415	3 492
Advance Research	2 445	2 315
Advance S&T	25	119
Accrued interest	6 658	3 147
Department of Higher Education and Training (DHET)	-	6 903
Receivable Grant other sources	-	13 473
Deposit Electricity	3 288	3 126
Sundry accounts receivable	3 735	30
<u>Less:</u> Allowance for impairment	(1 111)	(1 178)
Net carrying amount	<b>316 011</b>	<b>216 131</b>

	2017 R'000	2016 R'000
<b>Non - financial assets</b>		
Receiver of Revenue	1 604	1 490
Prepayments	4 161	1 402
<b>Trade and other receivables</b>	<b>321 777</b>	<b>219 023</b>
<i>Less: Non – current portion</i>	-	-
<i>Current portion</i>	<b>321 777</b>	<b>219 023</b>

The fair values of the trade and other receivables represent approximately the carrying amounts due to are short term in nature.

### Student receivables

Student debtors that are less than two years past due are not considered impaired. As of 31 December 2017, student receivables of R 230 375 000 (2016: R156 933 000) were past due but not impaired. These relate to student for whom there is no recent history of default (i.e. making regular payments) and the historical students whose debts are covered by DHET and NSFAS. Students whose terms have been negotiated also fall in this category.

The ageing of these receivables are:

Enrolled in current year	207 263	126 990
Enrolled in prior years	23 112	29 943
	<b>230 375</b>	<b>156 933</b>

As of 31 December 2017, student receivables of R 62 229 000 (2016: R 31 809 000) were impaired and provided for. The individually impaired student receivables mainly relate to students experiencing financial difficulty and who have defaulted on their payments. University has intention to recover portion of the student receivables.

The ageing of these receivables is as follows:

Enrolled in current year	-	17 871
Enrolled in prior year	17 079	474
Enrolled more than two years ago	45 150	13 464
	<b>62 229</b>	<b>31 809</b>

Movements in the provision for impairment of student accounts receivables are as follows:

At 1 January	<b>31 809</b>	13 198
Provision for impairment	30 420	18 683
Receivables written off during the year as uncollectable	-	(65)
Unused amounts reversed	-	(7)
<b>At 31 December</b>	<b>62 229</b>	<b>31 809</b>

The creation and release of the provision for impaired student receivables has been included in other operating expenses in the statement of comprehensive income. Amounts charged to the statement of comprehensive income are generally written off when there is no expectation of recovering additional cash.

## 8. INVENTORY

Consumables	1 613	1 720
Less impairment	(315)	-
Net inventory	<b>1 298</b>	<b>1 720</b>

All items that show no movement has been impaired due to the fact that the future use of such items are unlikely.

## 9. CASH AND CASH EQUIVALENTS

Bank accounts	56 026	45 764
Call accounts	70 457	161 854
	<b>126 483</b>	<b>207 618</b>

Breakdown of the money invested in the call account:

Efficiency	-	562
Teaching	2 156	1 041
Foundation	1 013	7 667
NGAP	11 207	1 630
NRF	2 051	-
Clinical	810	-
HDI	10 107	-
Own infrastructure	11 871	-
University funds	10 992	150 954
DHET Infrastructure	20 250	-
Total	<b>70 457</b>	<b>161 854</b>

## 10. NON-CURRENT ASSETS HELD FOR SALE

As at 31 December 2017	Cost	Accumulated Depreciation	Carrying Amount
	R'000	R'000	R'000
Laboratory equipment	8	(5)	3
Computer Equipment	4 593	(2 235)	2 358
Security Equipment	2 257	(1 032)	1 225
<b>As at 31 December 2017</b>	<b>6 858</b>	<b>(3 272)</b>	<b>3 586</b>

The balance is represented by items of office furniture and other sundry asset items that were no longer used in normal operations. The items were sold during an open auction planned for April 2018.

## 11. BORROWINGS

### Non-current

DBSA Loan

### Current

DBSA Loan

Total borrowings

	2017 R'000	2016 R'000
	210 000	127 105
	-	7 895
	<u>210 000</u>	<u>135 000</u>

### Interest bearing loan facility

The University has an undrawn facility with the Development Bank of South Africa (DBSA) amounting to R90 000 000 (2016: R 165 000 000). The facility will mature on 31 July 2018 at a floating interest rate of 9.47% (average). The interest paid of R18 300 000 (2016: R3 500 000) was capitalised against 1800 student bed residence, the cost of the qualifying asset. The University is expected to start with monthly capital repayments Jan 2019 after re- negotiation with DBSA and final repayment will be 31 December 2036. The current interest base for the outstanding liability is 9.498%.

The facility is for the construction of new student residences and is guaranteed by the Department of Higher Education and Training (DHET). The exposure of the University's borrowings to interest changes and the contractual repricing dates at the end of the reporting period is included in note 35.3.

## 12. FINANCE LEASE LIABILITY

The University lease certain of its equipment under finance lease arrangements. The finance lease liabilities are effectively secured since the rights to the leased asset revert to the lessor in the event of default. The escalation clause is 0%. The ownership of asset will be transferred to the University at the end of the lease term.

### 31 December 2016

	Future minimum Lease payments	Future finance charge	Present value of Future minimum Lease payments
	R'000	R'000	R'000
Within 1 year	243	23	220
Within 2 years to 5 years	136	4	132
Later than 5 years	-	-	-
<b>Total future minimum lease payments</b>	<u>379</u>	<u>27</u>	<u>352</u>
Less current portion	(379)	(27)	(352)
Non-current future minimum lease payment	<u>-</u>	<u>-</u>	<u>-</u>

The finance lease was settled in 2017 financial year hence there are no future minimum lease payments disclosed. Weighted average effective interest rates:

	2017	2016
Finance lease liabilities	-%	8.5%

### 13. POST -RETIREMENT MEDICAL OBLIGATION

The University's staff members are entitled to a 60% subsidy of the medical aid risk contributions, post - retirement. This subsidy does not include any elected savings. Dependants of staff members who die in service are not entitled to the subsidy of the medical aid risk contributions.

2017	2016
R'000	R'000

The movements in the Post – retirement medical obligation over the year is as follows:

<b>As at 1 January</b>	<b>70 215</b>	<b>65 084</b>
Current service cost	4 364	3 806
Interest on obligation	6 455	6 559
Actuarial (gain)/loss recognised	(2 072)	(3 722)
Benefits paid	(2 092)	(1 512)
<b>At 31 December</b>	<b>76 870</b>	<b>70 215</b>
<u>Less amounts payable within one year, included in current liabilities</u>	<u>(1 525)</u>	<u>(1 679)</u>
<b>Non - current portion</b>	<b>75 345</b>	<b>68 536</b>

**Amounts recognised in the statement of comprehensive income are as follows:**

Current service costs	4 364	3 806
Interest expenses	6 455	6 559
	<u>10 819</u>	<u>10 365</u>

**Amounts recognised in other comprehensive income are as follows:**

Actuarial (gain)/loss recognised	<b>(2 072)</b>	<b>(3 722)</b>
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The principal actuarial assumptions used were as follows:

*Key financial assumptions*

Assumption	Value p.a.
Discount rate	10%
Health care cost inflation rate	8%
Net effective discount rate	1.62%

Key demographic assumptions

Assumption	Value		
Average retirement age	63,00		
Continuation of membership at retirement	50%		
Proportion assumed married at retirement	100%		
Proportion of eligible current non-member employees joining the scheme by retirement	35%		
Mortality during employment	SA 85-90		
Mortality post-retirement	PA(90) -1		
Withdrawal from service (sample annual rates)	Age	Females	Males
	20	24%	16%
	30	18%	12%
	40	10%	8%
	50	4%	4%
	55	2%	2%

The sensitivity of the overall post-retirement medical liability to changes in the weighted principal assumptions is:

Assumption	Change	In services	Continuation members	Total R'000	% change
<b>Central assumptions</b>		58.424	18.858	77.282	
<b>Health care inflation</b>	1%	68.123	20.199	88.322	14%
	-1%	50.411	17.655	68.067	-12%
<b>Discount Rate</b>	1%	50.364	17.604	67.967	-12%
	-1%	68.362	20.282	88.645	15%
<b>Post-retirement mortality</b>	-1 yr	60.676	19.701	80.377	4%
<b>Average retirement age</b>	-1 yr	64.609	18.858	83.467	8%
<b>Continuation of membership at retirement</b>	-10%	45.707	18.858	64.566	-16%

Amounts for the latest actuarial valuation and previous four periods are as follows (R millions):

Liability History	31/12/2013	31/12/2014	31/12/2015	31/12/2016	31/12/2017
Accrued liability	48.385	58.164	65.084	70.215	77.282
Fair value of plan asset	0.000	0.000	0.000	0.000	0.000
<b>Profit / ( loss)</b>	<b>(48.385)</b>	<b>(58.164)</b>	<b>(65.084)</b>	<b>(70.22)</b>	<b>(77.282)</b>

History of experience adjustments: Gains and Losses (R millions)

Experience adjustments	Year ending 31/12/2014	Year ending 31/12/2015	Year ending 31/12/2016	Year ending 31/12/2017
Liabilities: (Gain) / Loss	(0.092)	3.522	2.759	2.672
Assets: Gain / (Loss)	0.000	0.000	0.000	

## 14. LEAVE OBLIGATION

This is the net liability on accrued leave balances at the end of the reporting period. The University staff are allowed to accumulate up to 20 days leave that is payable upon resignation, death or retirement. Leave is only encashed when an employee resigns, retire or die in service.

	2017 R'000	2016 R'000
Movements in the present value of the net liability:		
<b>As at 1 January</b>	<b>16 842</b>	<b>14 972</b>
Current service cost	733	633
Interest	1 313	1 293
Expected employer benefit vesting	(3 659)	(3 416)
Actuarial gain / loss recognised	934	3 360
<b>As at 31 December</b>	<b>16 163</b>	<b>16 842</b>
<u>Less amounts payable within one year, included in current liabilities</u>	<u>(3 191)</u>	<u>(3 659)</u>
<b>Non – current portion</b>	<b>12 972</b>	<b>13 183</b>

### Amounts recognised in the statement of comprehensive income are as follows:

Current service costs	733	633
Interest expenses	1 313	1 293
	<b>2 046</b>	<b>1 926</b>

### Amounts recognised in other comprehensive income are as follows:

Actuarial gain / loss recognised	934	3 360
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The principal actuarial assumptions used were as follows:

#### Key financial assumptions

Assumption	Value p.a.
Discount rate	8.21%
General Salary Inflation (long-term)	6.12%
Net effective discount rate	1.97%

#### Key demographic assumptions

Assumption	Value	
Average retirement age	63	
Mortality during employment	SA 85-90	
Withdrawal from service (sample annual rates)	<b>Age</b>	<b>Rate</b>
		Female
		Male
	20	24%
	30	18%
	40	10%
	50	4%
	55	2%

Sensitivity Analysis on the Unfunded Accrued Liability (in R millions)

Assumption	Change	Liability	% change
Central assumptions		16.162	
General salary inflation	1%	17.132	6%
	-1%	15.279	-5%
Discount Rate	1%	15.303	-5%
	-1%	17.122	6%
Average retirement age	-2 yrs	17.464	8%
	+2 yrs	14.959	-7%

Amounts for the latest actuarial valuation and previous four periods are as follows (R millions):

	31/12/2013	31/12/2014	31/12/2015	31/12/2016	31/12/2017
Accrued Liability	12.021	13.084	14.972	16.842	16.162
Plan asset	0	0	0	0	0
Profit or loss	(12.021)	(13.084)	(14.972)	(16.842)	(16.162)

History of experience adjustments: (Gains) and Losses (R millions)

	Year ending 31/12/2013	Year ending 31/12/2014	Year ending 31/12/2015	Year ending 31/12/2016	Year ending 31/12/2017
Liabilities: (Gain) / Loss	2.930	2.930	3.431	3.609	1.245
Assets: Gain / (Loss)	0	0	0	0	

## 15. LONG SERVICE AWARD OBLIGATION

The University awards long service payments to qualifying staff as predetermined milestones are reached. This obligation is funded from University reserves.

	2017 R'000	2016 R'000
Movements in the present value of the net liability:		
<b>As at 1 January</b>	<b>2 283</b>	<b>2 527</b>
Current service cost	233	236
Interest	183	199
Expected employer benefit vesting	(315)	(619)
Actuarial (gain) / loss recognised	(115)	(60)
<b>As at 31 December</b>	<b>2 269</b>	<b>2 283</b>
Less amounts payable within one year, included in current liabilities	(368)	(315)
<b>Non – current portion</b>	<b>1 901</b>	<b>1968</b>
<b>Amounts recognised in the statement of comprehensive income are as follows:</b>		
Current service costs	233	236
Interest expenses	183	199
	<b>416</b>	<b>435</b>
<b>Amounts recognised in other comprehensive income are as follows:</b>		
Actuarial (gain) / loss recognised in other comprehensive income	(115)	(60)

The principal actuarial assumptions used were as follows:

Key financial assumptions:

Assumption	Value p.a.
Discount rate	8.17%
CPI inflation rate (long-term)	5.10%
Net effective discount rate	2.92%

Key demographic assumptions:

Assumption	Value		
Average retirement age	63		
Mortality during employment	SA 85-90		
Withdrawal from service (sample annual rates)	Age	Rate	
		Female	Male
	20	24%	16%
	30	18%	12%
	40	10%	8%
	50	4%	4%
	55	2%	2%

Sensitivity Analysis on the Unfunded Accrued Liability (in R millions):

Assumption	Change	Liability	% change
Central assumptions		2.269	
Inflation Rate	1%	2.393	5%
	-1%	2.155	-5%
Discount Rate	1%	2.152	-5%
	-1%	2.398	6%
Average retirement age	-2 yrs	1.971	-13%
	+2 yrs	2.532	12%
Withdrawal rates	-50%	2.536	12%

Amounts for the latest actuarial valuation and previous two periods are as follows (R millions):

	31/12/2015	31/12/2016	31/12/2017
Accrued Liability	2.527	2.282	2.269
Fair value of Plan asset	0	0	0
Profit or loss	(2.527)	(2.282)	(2.269)

History of experience adjustments: (Gains) and Losses (R millions):

	Year ending 31/12/2016	Year ending 31/12/2017
Liabilities: (Gain) / Loss	(40.705)	(79.369)
Assets: Gain / (Loss)	0	0

## 16. DEFERRED REVENUE

Movements in the deferred income recognised in the statement of financial position are as follows:

<b>As at 31 December 2017</b>	<b>Received from DHET</b>	<b>Restricted use private grants</b>	<b>TOTAL</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>As at 1 January 2017</b>	<b>868 467</b>	<b>75 893</b>	<b>944 360</b>
Allocated during the year	138 987	42 680	181 667
Interest earned	15 266	-	15 266
Transferred to revenue	(43 126)	(47 377)	(90 503)
<b>As at 31 December 2017</b>	<b>979 594</b>	<b>71 196</b>	<b>1 050 790</b>
Broken down as follows:			
Current portion	43 126	71 196	114 322
Non – current portion	936 468	-	936 468
<b>As at 31 December 2016</b>	<b>979 594</b>	<b>71 196</b>	<b>1 050 790</b>
<b>As at 1 January 2016</b>	<b>872 558</b>	<b>70 493</b>	<b>943 051</b>
Allocated during the year	69 985	60 397	130 382
Interest earned	14 274	-	14 274
Re-allocated Funds	68	-	68
Transferred to revenue	(60 674)	(54 997)	(115 671)
Grant receivable written off	(27 744)	-	(27 744)
<b>As at 31 December 2016</b>	<b>868 467</b>	<b>75 893</b>	<b>944 360</b>
Broken down as follows:			
Current portion	60 673	75 893	136 566
Non – current portion	807 794	-	807 794
	<b>868 467</b>	<b>75 893</b>	<b>944 360</b>

The Deferred revenue recognised in the statement of financial position arises from the following:

- Conditional government and other grants, which will only be recognised in revenue when the conditions have been met.
- Capital government grants which will be recognised in revenue on a straight-line basis over the expected lives of the related assets.
- Restricted use private grants with stipulations and conditions.

## 17. TRADE AND OTHER PAYABLES

### *Financial liabilities*

	2017 R'000	2016 R'000
Sundry creditors	33 055	10 163
Retention fees on infrastructure projects	18 281	15 915
Bursaries creditors	96 323	81 291
Account Payable TLNU	5 122	3 434
Account Payable UIGC	25 120	-
Other creditors	19 569	7 401
Student Allowances	2 159	-
Foundation Creditors	-	-
Government and Private bursaries	9 667	-
NRF-Deposit	7 000	7 000
Grants	-	6 171
Bonus	5 476	-
Pension control	7 328	-
Accrued Expenses	9 851	-
<b>Total</b>	<b>238 951</b>	<b>131 375</b>

The fair values of the trade and other payables represent approximately the carrying amounts as the trade and other payables are short term in nature.

## 18. PROVISIONS

At 1 January	4 544	2 764
Increase / (decrease) provision	(3 244)	1 780
<b>As at 31 December</b>	<b>1 300</b>	<b>4 544</b>

### **Analysis of provisions**

#### **(a) Legal Cost**

At 1 January	4 544	2 764
Additional /(reversal) of provision	(3 244)	1 780
<b>As at 31 December</b>	<b>1 300</b>	<b>4 544</b>

The amounts represent provisions legal claims brought against the University by parents and against the University radio. The provision charge is recognised in profit or loss within administrative expenses. The balance at 31 December 2017 is expected to be utilised in 2018 financial year. In the Council's opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at 31 December 2017.

	2017 R'000	2016 R'000
<b><i>(b) Land acquisition-Tshivhase Traditional</i></b>		
At 1 January	1 300	1 300
Additional provision	-	-
<b>As at December</b>	<b>1 300</b>	<b>1 300</b>

The amounts represent a provision for outstanding amount on agreement of the transfer of land to the University. The University of Venda and Tshivhase Traditional Council entered into an agreement with the primary objective of facilitating the transfer of the proclaimed and unproclaim land under the jurisdiction of Tshivhase Traditional Council.

## 19. STATE SUBSIDIES AND GRANTS

State subsidy: General	468 166	415 523
Subsidy: Teaching Development	2 226	6 591
Subsidy: Foundation	6 754	14 526
Subsidy: Infrastructure Development	11 238	28 602
Subsidy: Research Development	5 129	6 765
Subsidy: Clinical training	6 150	2 396
HDI: Income	6 743	-
State Subsidy: Efficiency	562	-
Subsidy: NGAP	4 324	1 794
	<b>511 292</b>	<b>476 197</b>

There are no unfulfilled conditions or other contingencies attached to the subsidies and grants that have been recognised above, some of which are classified as restricted income.

## 20. TUITION AND OTHER FEE INCOME

<i>Tuition fees</i>		
Tuition fees	392 704	356 784
Registration fees	32 347	33 011
Application fees	2 411	2 807
Graduation fees	106	119
Sundry student fees	2 315	2 284
SRC levies	12 810	12 425
Funds Raised (SRC)	3	20
SA Nursing Council	-	1
Hostel fees	30 800	28 468
Rent received staff housing	1 648	1 740
	<b>475 144</b>	<b>437 659</b>

Revenue from short courses is included in tuition fee income.

## 21. INCOME FROM CONTRACTS

### *Specifically Funded Activities – Restricted*

NRF Research Fund Received

Research Fund Received

Thuthuka Project Income

2017

R'000

2016

R'000

32 722

25 495

12 559

14 087

2 096

15 415

**47 377**

**54 997**

### *Specifically Funded Activities – Unrestricted*

Research Council

Other private grants

1 495

1 497

5 946

5 785

**7 441**

**7 282**

**54 818**

**62 279**

## 22. INCOME FROM OTHER ACTIVITIES

### *Other income*

Income from projects

Income – motor vehicles

Other

-

10

-

1 362

5 187

8451

**5 187**

**9 823**

## 23. SALE OF GOODS AND SERVICES

Conference Fees

Sale of Stock

Other services

203

2 143

456

465

1 088

649

**1 747**

**3 257**

## 24. PERSONNEL COST

### *Academic professionals*

Salaries

Univen Contribution (Academic)

Salaries – Part Timers

259 895

224 558

60 768

62 953

7 153

9 329

Univen Contribution (Part Timer)

Research – Salaries

Research – honoraria

3

14

3 871

2 965

7 366

6 002

**339 056**

**305 821**

	<b>2017</b>	<b>2016</b>
	<b>R'000</b>	<b>R'000</b>
<b>Non Academic staff</b>		
Salaries (Administration)	186 219	156 945
Univen Contribution (Administration)	42 790	30 531
Salaries (Service Workers)	20 022	20 242
Univen Contribution (Service Staff)	1 101	72
Rent - Houses	1 247	1 530
Leave Gratuity	2 726	2 205
Study support personnel	14 873	13 005
Total	<b>268 978</b>	<b>224 530</b>
	<b>608 034</b>	<b>530 350</b>

#### DISCLOSURE OF REMUNERATION OF SENIOR MANAGEMENT AS REQUIRED BY THE HIGHER EDUCATION REGULATIONS

##### Payments to senior management

NAMES	Position	2017			2016	
		SALARY R'000	BENEFITS R'000	SUBSISTANCE & TRAVELLING ALLOWANCES R'000	TOTAL R'000	TOTAL R'000
Mbati P	Vice Chancellor	2 411	1 618	209	4 238	3 922
Zaaiman J J	DVC – Operations	-	-	-	-	2 251
Martin RL	DVC – Operations	846	380	54	1 280	-
Crafford JE	DVC – Academic	1 675	828	38	2 541	2 338
Nesamvuni E	Registrar	1 461	608	76	2 145	2 022
		<b>6 393</b>	<b>3 434</b>	<b>377</b>	<b>10 204</b>	<b>10 533</b>

Payment for attendance at meetings of council and its committees

Numbers of council	Name	Sitting allowance council members	S&T council members	2017 Total	2016 Total
		R'000	R'000	R'000	R'000
1	S Maja (Chair of Council)	84	35	119	123
2	MPK Tshivhase (Deputy Chairperson of Council)	51	24	75	52
3	KR Madzhe	92	47	139	93
4	JM Seoloane	49	3	52	38
5	MP Molapo	133	14	147	66
6	ME Selomo	124	43	167	120
7	KK Maimela	138	50	188	126
8	ML Mashego	64	28	92	55
9	LL Ndou	127	44	171	134
10	NB Nthambeleni	41	42	83	66
11	MN Phaswana-mafuya	17	2	19	28
12	RC Chhagan	12	15	27	16
13	LJ Phahlamohlaka	30	30	60	55
14	NG Mahosi	-	-	-	4
15	KC Razwiedani	134	74	208	132
16	KS Makgoka	53	41	94	59
17	KG Setswe	21	-	21	13
18	E Mabusela	22	-	22	22
19	AS Tshifhango	36	17	53	10
20	MJ Masia	8	18	26	-
21	ST Baloyi	41	32	73	56
22	K Zuma	4	-	4	-
		<b>1 281</b>	<b>559</b>	<b>1 840</b>	<b>1 268</b>
<b>Members of committee</b>					
1	MS Mukhola	6	3	9	17
2	NV Makhari	14	8	22	22
3	JM Lekgetha	67	23	90	56
		<b>87</b>	<b>34</b>	<b>121</b>	<b>95</b>
	<b>TOTAL</b>	<b>1 368</b>	<b>593</b>	<b>1 961</b>	<b>1 363</b>

	2017 R'000	2016 R'000
<b>Number of employees as at 31 December 2017</b>		
Full time	930	934
Part Time	59	427
	<b>989</b>	<b>1 361</b>

## 25. OTHER CURRENT OPERATING EXPENSES

Administration expenses	86 923	76 585
Audit Fees	3 371	3 830
Bursary Costs	22 255	45 377
Communication	20 989	18 558
Conferences and workshops	14 507	13 301
Consulting Fees ( Including Internal Audit)	9 355	12 537
Maintenance Expenses	56 217	65 839
Other Expenses	8 829	10 734
Research Expenses	68 584	71 721
Security and Safety costs	14 805	12 551
Student Expenses	20 650	17 041
Stationary and consumables	56 170	38 936
Subsistence and travel expenses	29 694	27 660
Legal Costs	14 236	10 716
	<b>426 585</b>	<b>425 386</b>

## 26. INTEREST FROM INVESTMENTS

Interest in investment	53 248	45 022
Transferred to deferred income	(15 266)	(14 272)
Profit fair value adjustment of Investments	(3 368)	(2 538)
Recognised in statement of comprehensive income	<b>34 614</b>	<b>28 212</b>

For the purpose of the statement of cash flow, investment income excludes accrued income. Investment income for the reporting period as shown in the statement of cash flow can be reconciled to the related items in the statement of comprehensive income as follows:

Recognised in statement of comprehensive income	34 614	28 212
Accrued interest	(6 658)	(3 147)
	<b>27 956</b>	<b>25 065</b>

## 27. MATERIAL ITEMS INCLUDED IN NET PROFIT / (LOSS)

The following items have been charged/ (credited) to arrive at net profit / (loss) for the year:

	<b>2017</b>	<b>2016</b>
	<b>R'000</b>	<b>R'000</b>
Audit fees	3 371	3 850
Impairment of debtors movement	-	18 683
Bad debts written off	2	65
Repairs and maintenance	56 217	63 810
Research expenditure	68 584	71 721
Bursaries	22 255	45 377
Impairment of PPE	53 049	16 454
Depreciation of property, plant and equipment	(46 618)	(40 394)
<i>Buildings</i>	(17 476)	(18 520)
<i>Office furniture</i>	(3 019)	(4 262)
<i>Motor vehicles</i>	(4 383)	(1 787)
<i>Computer equipment</i>	(10 375)	(5 416)
<i>Other equipment</i>	(11 365)	(10 949)
Executives remuneration	10 204	10 533
Councillors' remuneration	1 961	1 515
<i>Payments for attending council meetings</i>	1 368	879
<i>Reimbursement of expenses</i>	593	636
Operating lease charges	11 993	479
<i>Hiring of Building</i>	11 993	479

## 29. CASH GENERATED FROM OPERATIONS

	2017 R'000	2016 R'000
Profit / (loss) for the year	(54 136)	(50)
Adjustments for:	<b>68 450</b>	<b>42 806</b>
Depreciation	46 619	40 934
Impairment loss on property, plant and equipment	53 049	16 453
Impairment loss recognised on accounts receivables	30 420	18 676
Impairment of stock	315	-
Finance cost in P/L	7 950	8 051
Investment income	(34 614)	(28 212)
Deferred income recognised	(90 503)	(27 600)
Expense recognised in respect of post-retirement medical obligation	10 819	10 365
Actuarial loss on leave obligation	934	3 360
Decrease in provision	(3 244)	-
Interest allocated to deferred revenue	15 264	14 274
Actuarial gain on long service award	(115)	(60)
Bonus provision expense	5 476	-
Expense recognised in respect of leave obligation	2 046	1 926
Pension Control	7 328	-
Expense recognised in respect of long service award	416	435
Accrued expenses	10 904	-
Actuarial gain on post medical employment benefits	(2 072)	(3 722)
Fair value adjustment	(3 368)	(2 538)
Other non-cash	10 826	4 738
Working capital changes:	<b>2 379</b>	<b>39 316</b>
Increase in accounts receivable and prepayments	(105 618)	3 677
Decrease / (Increase) in inventories	422	1 224
Increase in payables and provisions	107 575	34 415
Cash retained from operations	<b>16 693</b>	<b>82 072</b>

### 30. PRIOR PERIOD ERROR

Errors were identified on some prior year figures relating to assets, depreciation and other expenses. The errors related to the following matters:

- The properties that were previously de-recognised as they were marked for demolishing, the assets were still in use and these were restated.
- Depreciation on Hired computer equipment that was not processed in the accounting records and the financial statements.
- The work in progress that were completed and not transferred to buildings.
- The expenditure that were incurred and capitalised which was not of capital nature

The followings adjustments were processed to correct the errors:

	<b>2016 R'000</b>
Decrease in Accumulated Funds	(30)
Decrease in deferred income liability	(8 679)
Decrease in Property, plant and equipment	(11 219)
Increase in Revenue	8 679
Increase in Depreciation	1 498
Increase in Other expenses	9 690
	<hr/> <b>6 061</b> <hr/>

### 30. RELATED PARTIES

The institutions below are deemed related parties of the university:

<b>Party</b>	<b>Relationship</b>
Senior officials	Key Management
Department of Higher Education and Training	Regulatory authority
National Student Financial Aid Scheme (NSFAS)	Controlled by the Regulatory authority

Senior officials include executive management and council members

	<b>2017</b>	<b>2016</b>
	<b>R'000</b>	<b>R'000</b>
<b>(a) Senior management remuneration</b>		
Salaries	10 112	9 885
Allowances	228	228
Other short-term benefits	420	420
	<b>10 760</b>	<b>10 533</b>
<b>(b) Transactions with related parties</b>		
NSFAS	401 793	475 931
UIGC Security Services	12 428	11 022
UIGC Gardening & Cleaning	8 927	-
DHET – grants received	614 242	511 258
	<b>1 037 390</b>	<b>998 211</b>
<b>(c) Receivables from related parties</b>		
DHET – Grants receivables	-	6 903
Univen Foundation	17 232	15 292
University Income Generating Company (UIGC)	47 952	12 479
Tshivenda National Lexicography Unit (TNLU)	5 415	3 492
	<b>70 599</b>	<b>38 166</b>
<b>(d) Payables from related parties</b>		
Account Payable TLNU	5 415	3 434
Account Payable UIGC	25 120	-
Univen Foundation	707	-
	<b>31 242</b>	<b>3 434</b>
<b>31. COMMITMENTS</b>		
<b>(a) Capital commitments</b>		
Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, plant and equipment	137 612	327 679
<b>(b) Inventories and other services</b>		
Orders issued for inventories and other services	14 125	9 800
<b>(c) Contractual commitment</b>		
Operational Contractual commitment	36 000	32 400
<b>TOTAL COMMITMENTS</b>	<b>187 737</b>	<b>369 879</b>

### 32. CONTINGENT LIABILITIES

#### Claims

A claim has been lodged against the University radio station and three other people or staff for alleged broadcasting which undermined the equality rights. The Applicant is suing the University for defamation of character. The matter is before equality court and Univen is cited on the case as an interested party. The attorneys served and filled university plea. University of Venda has a disclaimer liability hence is defending the action. It is premature to estimate the potential effects of this claim however, the legal advice indicates that it not probable that significant liability will arise. A claim emanating from death of a student on campus has need lodged against the university and service provider. University of Venda is defending the matter in court. It is premature to estimate the potential effects of this claim however, the legal advice indicates that it not probable that significant liability will arise.

### 33. CONTINGENT ASSET

University of Venda submitted Historical Disadvantages Institution Development Grants (HDI) and Infrastructure and Efficiency Allocation Grants business plans to Department of Higher Education and training.

The HDI grants is used to fund projects that were approved by DHET as part of the business plan. The funds are disbursed over a period of 5 years. The remaining future cash flows amount to R76 743 000. The Infrastructure and Efficiency Allocation Grant is also used for projects that were approved by DHET. The funds amount to R44 302 000 will be paid to the university over a period of 3 years. Both grants are subject to conditions, and university submitting audited financial reports.

### 34 GOING CONCERN

The university's forecast and projections takes account of reasonable possible changes in operating circumstances and show that the University might

have negative cash flow challenges late in the 2018 financial year. Council has a reasonable expectation that the University has adequate resources to continue in operational existence for the next 12 months. The university will continue to adopt the going concern basis in preparing its financial statements. The university is solvent with a R1, 8 billion net asset value.

It is accepted that the university's income is largely dependent on student tuition fees and government subsidy which comprises of 49% of the income in tuition fees and 46% of income in government subsidies. The Department of Higher Education and Training has made a commitment for the grant subsidy. The payments of the cash flow have commenced in April 2018 and the last receipts is expected in October 2018. In addition, NSFAS has confirmed that more than 75% of the students will be funded and the institution is in the process of allocating funds to qualifying students. Taking the above into account, management is confident of the going concern status of the university for the next 12 months.

### 35. EVENT AFTER REPORTING DATE

University withdrawn its investment with VBS amounting to R 10. 7 million on the 12 January 2018.

### 36. FINANCIAL RISK MANAGEMENT

#### 36.1 CAPITAL MANAGEMENT

The University's objectives when managing capital (which includes all items of capital and funds as presented on the statement of financial position) are to safeguard the ability of the University to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. In this regard, the University has ensured a sound financial position by limiting exposure to debt and increasing investments and cash balances. This position is managed through a comprehensive budgeting and review process each year.

### 36.2 CATERGORIES OF FINANCIAL INSTRUMENTS

The following table represents the financial instruments of the university per category:

31 December 2017	Loans and receivables	Held-to- maturity	At fair – value through profit and loss	Total
	R'000	R'000	R'000	R'000
<b>Assets as per statement of financial position</b>				
Investments	-	436 810	1 307	438 117
Cash and cash equivalents	126 483	-	-	126 483
Trade and other receivables	316 011	-	-	316 011
<b>Total financial assets</b>	<b>442 494</b>	<b>436 810</b>	<b>1 307</b>	<b>880 611</b>

	Total
	R'000
<b>Liabilities as per statement of financial position at amortised cost</b>	
Borrowings	210 000
Finance lease liability	-
Trade and other payables	238 949
<b>Total financial liabilities</b>	<b>448 949</b>

31 December 2016	Loans and receivables	Held-to- maturity	At fair – value through profit and loss	Total
	R'000	R'000	R'000	R'000
<b>Assets as per statement of financial position</b>				
Investments	-	346 686	1 425	348 111
Cash and cash equivalents	207 618	-	-	207 618
Trade and other receivables	213 239	-	-	213 239
<b>Total financial assets</b>	<b>423 749</b>	<b>346 686</b>	<b>1 425</b>	<b>768 968</b>

	Total
	R'000
<b>Liabilities as per statement of financial position at amortised cost</b>	
Borrowings	135 000
Finance lease liability	-
Trade and other payables	134 239
<b>Total financial liabilities</b>	<b>269 239</b>

### 36.3. FINANCIAL RISK MANAGEMENT OBJECTIVES

A Risk Management Committee comprising members of the Senior Management Committee, identifies, evaluates and co-ordinates the management of strategic risks faced by the University. Risk management processes are reviewed regularly for continuing relevance and effectiveness. The Risk Management Committee reports to the Audit Committee. A report on the risk management process that is being followed, as well as a summary of the risk register, is presented to the Audit Committee and to the Council of the University on a regular basis. These risks include market risk (interest rate risk) credit risk and liquidity risk. The University varies its investment philosophy by the term of the liabilities and the risk profile. To this end, two portfolios have been established, namely:

- Stable Portfolio – Medium term investing (2 to 5 years) where the investment objective and risk constraint is set relative to inflation and a low risk of capital loss over the medium term;
- Money Market Portfolio – Short term investing (2 years and less) where the investment objective and risk constraint is set relative to short term interest rates and a high degree of capital security.

The University's investment channels have strong investment characteristics and no portfolios that have speculative characteristics are utilised.

#### Financial management risk factors

##### Market risk

###### *a) Foreign exchange risk*

The University has limited foreign exchange exposure in respect of its normal operating activities and therefore no formal policy is in place to manage this risk.

###### *b) Price risk*

The University is not exposed to commodity price risk in respect of its normal operating activities and therefore no formal policy is in place to manage this risk.

###### *c) Cash flow and fair value interest rate risk*

The University's interest rate risk arises from long - term borrowings. Borrowings issued at variable rates exposes the University to cash flow interest rate risk, which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the University to fair value interest rate risk. Interest rates attributes of new loans are to be reviewed and approved in accordance with policies approved by Council to ensure interest rate exposure will not exceed acceptable levels to the Council. In practice, the University also have a best practice to pay creditors within agreed settlement periods to avoid further interest exposures.

###### *d) Interest rate sensitivity*

The interest rate is expected to stable for the rest of the year with a possibility of going down or up depends on what happens in the market.

##### Credit risk

Credit risk refers to the risk that a counter party will default on the its contractual obligations resulting in financial loss to the university. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures due to outstanding receivables from students and other debtors. Credit risk may also arise from debt securities. The University has no significant concentrations of credit risk. For banks and financial institutions, only independently rated parties are accepted and the University have policies in place to ensure that credit exposure to any one institution is limited. It also has policies in place to ensure that rendering of education service are made to students with an appropriate credit history.

The University's maximum exposure to credit risk is represented by the carrying amount of these financial assets on the statement of financial position Receivables comprise of outstanding student fees, student loans and a number of customers dispersed across different industries and geographical areas. The University is exposed to credit risk arising from student receivables related to outstanding fees and loans.

This risk is mitigated by requiring students to pay an initial instalment in respect of tuition and accommodation fees at registration, the regular monitoring of outstanding fees, the institution of debt collection action in cases of long outstanding amounts. In addition, students with outstanding balances from previous years of study are only permitted to renew their registration after either the settling of the outstanding amount or the conclusion of a formal payment arrangement.

The Universities Investment and cash and equivalent are invested with the following institution:

	<b>2017</b>	<b>2016</b>
	<b>R'000</b>	<b>R'000</b>
<b>Cash and cash equivalent</b>		
Investec	13 234	90 268
Nedbank	26 105	-
ABSA	76 407	117 350
VBS	10 736	-
	<b>126 482</b>	<b>207 618</b>
<b>Total Investments</b>		
Investec	235 415	68 582
Nedbank	146 358	268 258
ABSA	55 037	-
Old Mutual	1 308	1 184
VBS	-	10 087
	<b>438 118</b>	<b>348 111</b>

### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the University aims to maintain flexibility in funding by keeping committed credit lines available. The University has minimised risk of liquidity as shown by its sufficient cash, cash equivalents and investment portfolio. The University manages a cash budget that is continually updated and reported to Executive

Management. An Investment Committee also oversees the investment portfolio managed by independent fund managers. A multi-manager approach is also followed in appointing investment managers to limit investment risk further. The table below analyses the University's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within a year equal their carrying amount, as the impact of discounting is not significant.

<b>At 31 December 2017</b>	<b>Less than 1 year</b>	<b>Later than 1 year but not more than 5 year</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Interest bearing</b>				
Borrowings	-	15 789	194 211	210 000
<b>Non- interest bearing</b>				
Trade and other payables	238 949	-	-	238 949
<b>Total</b>	<b>238 949</b>	<b>15 789</b>	<b>194 211</b>	<b>448 949</b>
<b>At 31 December 2016</b>	<b>Less than 1 year</b>	<b>Later than 1 year but not more than 5 year</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Interest bearing</b>				
Borrowings	7 895	78 947	48 158	135 000
<b>Non-interest bearing</b>				
Finance lease liability	379			379
Trade and other payables	134 239	-	-	134 239
<b>Total</b>	<b>142 513</b>	<b>78 947</b>	<b>48 158</b>	<b>269 618</b>

### 36.4 FAIR VALUE ESTIMATIONS

Financial instruments that are measured in the statement of financial position at fair value are categorised by disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, pricing services or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the University is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily FTSE/JSE 100

equity investments classified as available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at year-end, with the resulting value discounted back to present value. Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instrument

	Level 01	Level 02	Level 03
	R '000	R '000	R '000
<b>Financial Assets 2017</b>			
Loans and other receivables	126 483	-	316 011
Held to maturity	436 810	-	-
At fair value through Profit and loss	1 307	-	-
<b>Total</b>	<b>564 600</b>	<b>-</b>	<b>316 011</b>

<b>Financial Liabilities 2017</b>	-	-	-
Financial liabilities at amortised cost	-	210 000	238 949
<b>Total</b>	<b>-</b>	<b>210 000</b>	<b>238 949</b>

	Level 01	Level 02	Level 03
	R '000	R '000	R '000
<b>Financial Assets 2016</b>			
Loans and other receivables	207 618	-	216 131
Held to maturity	347 807	-	-
At fair value through Profit and loss	1 184	-	-
<b>Total</b>	<b>556 609</b>	<b>-</b>	<b>216 131</b>

<b>Financial Liabilities 2016</b>	-	135 000	134 239
Financial liabilities at amortised cost	-	135 000	134 239
<b>Total</b>	<b>-</b>	<b>135 000</b>	<b>134 239</b>

# REPORT OF THE INDEPENDENT AUDITORS TO THE MINISTER OF HIGHER EDUCATION AND TRAINING AND THE COUNCIL ON UNIVERSITY OF VENDA

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the consolidated financial statements of the University of Venda set out on pages 11 to 72, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in funds and the statement of cash flows as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University of Venda as at 31 December 2017, and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa, 1997 (Act no. 101 of 1997).

### BASIS FOR OPINION

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

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

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

### GOING CONCERN

We draw attention to note 38 to the consolidated financial statements which shows that the university has negative cash generated from operations and a net loss of R 53 158 000 during the year ended 31 December 2017. These events along with other matters set forth in note 37 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the university's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### EMPHASIS OF MATTER

We draw attention to the matters below. Our opinion is not modified in respect of these matters.

#### I Land

Without qualifying our opinion, we draw attention to note 5 to the consolidated financial statements which indicate that there are land parcels belonging to the university which have not yet been transferred to the university at the deeds office. There are also land parcels belonging to other parties currently registered in the university's name.

#### II PRIOR PERIOD ERROR

Without qualifying our opinion, we draw attention to note 32 to the consolidated financial statements, which indicate that the corresponding figures for 31 December 2016 have been restated as a result of errors in the financial statements of the University at, and for the year ended 31 December 2016.

#### III IMPAIRMENT ON PROPERTY, PLANT AND EQUIPMENT

Without qualifying our opinion, we draw attention to note 5 to the consolidated financial statements, which indicate that there was significant impairment on the property, plant and equipment.

### OTHER MATTERS

#### Recovered projects

We draw attention to page 10 of the annual report on additional matters approved by the Council which states that the university's council approved the release of R139 million of Council Controlled Infrastructure funds that were previously reserved for the construction of other projects to fund the completion of previously abandoned projects. New contractors were appointed in February 2018 to complete these projects. Our opinion is not modified with respect to this matter.

#### Responsibilities of Council for the consolidated financial statements

The council is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act 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.

In preparing the consolidated financial statements, the council is responsible for assessing the University of Venda's ability to continue as a going concern, disclosing, as applicable, matters relating to going

concern and using the going concern basis of accounting unless the council either intends to liquidate the university or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the annual financial statements

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

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

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

### INTRODUCTION AND SCOPE

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof we have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. We performed procedures to identify findings but not to gather evidence to express assurance.

Our procedures address the reported performance information, which must be based on the approved performance planning documents of the university. We have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. Our procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.

We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives

presented in the annual performance report of the University of Venda for the year ended 31 December 2017:

Objectives	Pages in the annual performance report
Strategic objective 1 – Conversion to a comprehensive university	18 – 21
Strategic objective 2 – Quality teaching and learning	21 – 24
Strategic objective 3 – Research and innovation	24 – 26

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

The material findings in respect of the usefulness and reliability of the selected objectives are as follows:

### I Strategic Objective 1 – Conversion to Comprehensive University

#### Various indicators

We were unable to obtain sufficient appropriate evidence for the reported achievement of 6 of the 11 indicators relating to this objective. This was due to limitations placed on the scope of our work. We were unable to confirm the reported achievements by alternative means. Consequently, we were unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator No.	Indicator name	Reported achievement
1	Total student headcount enrolments	15704
2	Percentage enrolment in undergraduate diplomas and certificates	1.97%
3	Percentage of enrolments for Science, Engineering, and Technology (SET) and Health	43.1%
4	Percentage of enrolments for Business and management	19.6%

5	Percentage of enrolments for Education	13.4%
6	Percentage of enrolment for humanities and law	23.8%

**Indicator 7: Number of professional qualifications in engineering and related fields submitted to Engineering Council for endorsement**

The achievement for target of 3 number of professional qualifications submitted to Engineering Council for endorsement reported in the annual performance report was 1. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 0.

**Indicator 10: Number of new career-focused bachelor programmes submitted to CHE accreditation and DHET for approval**

The achievement for target of 2 new career-focused bachelor programmes submitted to CHE accreditation and DHET for approval reported in the annual performance report was 2. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 1.

**II Strategic Objective 2 – Quality of Teaching and learning**

**Various Indicators**

We were unable to obtain sufficient appropriate evidence for the reported achievement of 6 of the 12 indicators relating to this objective. This was due to limitations placed on the scope of our work. We were unable to confirm the reported achievements by alternative means. Consequently, we were unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator No.	Indicator name	Reported achievement
17	Number of first year students participating in First Year Experience programme sessions per academic year	100
18	Number of First Year Experience programme sessions conducted per academic year	1
20	Percentage decrease in first-year attrition	18.6%
21	Increased graduation rate	17.7%

22	Increased student success rate	84.2%
23	Increased undergraduate student throughput rate	35.4%

**Indicator 14: Number of teaching staff evaluated by students in at least one module they teach**

The achievement for target of 120 teaching staff evaluated by students in at least one module they teach reported in the annual performance report was 141. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 30.

**III Strategic Objective 3 – Research and Innovation**

**Various indicators**

We were unable to obtain sufficient appropriate evidence for the reported achievement of 2 of the 5 indicators relating to this objective. This was due to limitations placed on the scope of our work. We were unable to confirm the reported achievements by alternative means. Consequently, we were unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

No	Indicator name	Reported achievement
27	Number of integrated renewal energy projects (biogas and solar) implemented for teaching and research - as alternative energy sources on campus	2
28	Number of technology transfer projects initiated for community use	4

**Indicator 25: Increased number of special-category academics in support of the academic core project**

The achievement for target of 3 special category academics in support of the academic core project reported in the annual performance report was 18. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 16.

**OTHER MATTER**

We draw attention to the matter below.

**ACHIEVEMENT OF PLANNED TARGETS**

Refer to the annual performance report on pages 18 to 40 for information on the achievement of planned targets for the year and explanations provided for the

under/overachievement of a significant number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs above to this report.

## REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

### Introduction and scope

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

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

### Material Misstatements

The financial statements submitted for auditing contained material misstatements. Material misstatements identified by the auditors in the submitted financial statement were corrected resulting in the financial statements receiving an unqualified audit opinion.

### Non-compliance with the Income Tax Act Section 58

Univen Income Generation Centre did not submit its tax returns for the 2017 financial year to SARS on or before 7th day of each month as required by section 58 of the Income Tax Act.

## OTHER INFORMATION

The council is responsible for the other information. The other information comprises the information included in the annual report which includes the report of the chairperson of council, the report of the Vice-Chancellor, the report of the Senate to Council, the report of the institutional forum to Council, the statement of the Finance Executive Manager and the Chairperson of the Finance Committee on the financial results and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

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

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether

the other information is materially inconsistent with the consolidated and financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We have nothing to report in this regard.

## INTERNAL CONTROL DEFICIENCIES

We considered internal control relevant to our audit of the consolidated financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

### Financial and performance management

The council did not implement proper record keeping in a timely manner to ensure accurate, complete and reliable performance reporting.

The council did not design and implement the key controls to address the systems of collecting, collating, verifying and storing the performance information as well as to plan, manage and report on performance information.

## OTHER REPORTS

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

Agreed upon procedures engagements performed for the University of Venda during the period under review:

- As requested by the University, an engagement was conducted on the grants received and expenditure incurred specific to the grant allocation letter from the Department of Higher Education and Training regarding the 2017/18 Teaching Development Grant. The reports covered the period 1 April 2017 to 31 December 2017 and were issued on 22 March 2018.
- As requested by the University, an engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the Department of Higher Education and Training regarding the 2017/18 Research Development Grant. The report covered the period 1 April 2016 to 31 March 2017 and was issued on 26 March 2018.

- As requested by the University, an engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the National Research Foundation. The report covered the period 1 January 2017 to 31 December 2017 and was issued on 24 April 2018.
- As requested by the University, an engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the Department of Higher Education and Training regarding the 2017/18 Clinical Training Grant. The report covered the period 1 April 2017 to 31 March 2018 and the report was issued on 31 May 2018.
- As requested by the University, an engagement was conducted on the grants received and expenditure incurred specific to the grant allocation letters from the Department of Higher Education and Training regarding the 2016 Infrastructure and Efficiency Funded Projects. The reports covered the period 1 April 2017 to 31 March 2018 and the report was issued on 31 May 2018.
- As requested by the University, an engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the Department of Higher Education and Training regarding the 2017/18 New Generation Academics (nGAP) Programme. The report covered the period 1 April 2017 to 31 March 2018 and the report was issued on 31 May 2018.
- As requested by the University, an engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the Department of Higher Education and Training regarding the 2017/18 Historical Disadvantaged Institutions Development Grant. The report covered the period 1 April 2017 to 31 March 2018 and the report was issued on 31 May 2018.
- As requested by the University, an engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the Department of Higher Education and Training regarding the 2017/18 Foundation Programme. The report covered the period 1 April 2017 to 31 March 2018 and the report was issued on 20 June 2018.
- As requested by the University, an engagement was conducted on the research output journals to be claimed as grant from the department of higher education and training. The report covered the period 1 January 2017 to 31 December 2017 and the report was issued on 31 May 2018.
- As requested by the University, an engagement was conducted on the HEMIS information. The report covered the period 1 January 2017 to 31 December 2017 and the audit is still in progress.
- As requested by the University, an engagement was conducted on the Clinical grant head count enrolment. The report covered the period 1 January 2017 to 31 December 2017 and the audit is still in progress.

*Ngubane & Co. (Jhb) Inc.*

**Ngubane & Co. (Jhb) Inc.**

Per: James Gondo – CA (SA)

Director

Registered Auditor

**31 July 2018**

Suite 12

43 Biccard Street

Polokwane

## ANNEXURE – AUDITORS' RESPONSIBILITY FOR THE AUDIT

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

### Consolidated Financial statements

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

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

regarding the consolidated financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

### Communication with those charged with governance

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

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

