Structured for success

INTEGRATED REPORT
2017
OUR DREAM
To be an internationally recognised university in Africa, distinguished for engaged scholarship, social responsiveness and an ethic of care.

OUR STRATEGY STATEMENT
To transform and position the NWU as a unitary institution of superior academic excellence, with a commitment to social justice.

OUR PURPOSE
To excel in innovative learning and teaching and cutting-edge research, thereby benefiting society through knowledge.
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This is the NWU’s integrated report, which the NWU Council approved at their meeting of 21 June 2018 and was submitted to the Department of Higher Education and Training (DHET) at the end of June.

It is available on the NWU website at http://www.nwu.ac.za/content/nwu-annual-reports.

For this report, we have focused on further embedding the principles and elements of the Integrated Reporting Framework of the International Integrated Reporting Council (IIRC), while still complying with the DHET’s reporting requirements. We welcome feedback on our reporting approach.

Purpose of the report

We prepared this integrated report to tell our internal and external stakeholders about our strategy and how we implemented this strategy to create value for ourselves and all our stakeholders.

In other words, you, our stakeholders, will see how we use and affect our resources and relationships (referred to as our “capitals”) to add value over the short, medium and long term.

We identify our stakeholders as those groups or individuals who are affected by the university’s activities and services, and whose actions can affect the ability of the university to successfully implement its strategies and achieve its objectives.

Although this report is addressed to our primary stakeholders, meaning students, alumni, Council, staff, the DHET, our peers, our collaboration partners and our business communities as future employers of our students, we also engage with other stakeholders as seen on pages 40 to 42.

Materiality of the report content

This report provides information that we believe is of material interest to any stakeholder who wishes to make an informed assessment of the NWU’s ability to generate value. (We agree with the definition of materiality as set out in the IIRC’s Integrated Reporting Framework, describing a material matter as an issue that substantively affects the university’s ability to create value over the short, medium and long term.)

In determining which matters are material and should be included in the report, the integrated reporting task team, led by the NWU’s registrar and including the deputy vice-chancellor for planning and the chief strategy officer in the office of the vice-chancellor, took the following into account:

- The strategy of the NWU and the goals and enablers set out in the NWU’s Annual Performance Plan (APP), the purpose of which is to put the strategic plan into action.
- The common strategic assumptions that underpin the strategy.
- The risk register which documents critical risks that we have identified.
- The IIRC’s Integrated Reporting Framework.
- The DHET reporting requirements.
- What the deputy vice-chancellors, executive directors and other senior management members see as the most important matters that affect their portfolios’ ability to create value. (The task team interviewed them individually.)

Materiality was also informed by the expectations and concerns of our stakeholders as discussed in the section How we engage at the NWU from pages 37 to page 42.

No material matters have been omitted from the report due to confidentiality, legal or information reliability constraints.
Our integrated report reflects the performance of all three NWU campuses for the period 1 January to 31 December 2017. Beyond the financial reporting boundary of our activities, we have considered internal and external factors that substantially influence our business and, where material, discussed their real and potential impact in this report.

Annually in December

Our reporting suite further includes:

- Annual financial statements for the year ending 31 December 2017 that can be found on the NWU website at: http://www.nwu.ac.za/content/nwu-annual-reports.
- Our website containing different documents for various stakeholders, which can be accessed at http://www.nwu.ac.za/content/nwu-our-publications.
- Green initiatives: http://www.nwu.ac.za/content/nwu-says-go-green-or-go-home.

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This integrated report has been prepared in accordance with the IIRC’s International Integrated Reporting (IR) Framework and the DHET’s Regulations for Annual Reporting by Higher Education Institutions (published in June 2014 and incorporating principles from the King IV Report). Our financial reporting boundary is determined in accordance with the International Financial Reporting Standards (IFRS).

After compiling the integrated report, we submitted it to the University Management Committee members who looked at the completeness and accuracy of the content and provided feedback where necessary, which was then incorporated into the integrated report. Only after that we submitted the report to Council for their approval.

The student and staff data provided in this report was obtained from our Institutional Planning and Strategic Intelligence Department, which is also responsible for submitting our data to the Higher Education Management Information System (HEMIS).

The summarised audited consolidated financial statements contained in this report were extracted from the audited consolidated financial statements, prepared in accordance with the IFRS, and were independently audited by our external auditors, KPMG Inc. The annual financial statements, including the auditors’ report, can be obtained on the NWU website at: http://www.nwu.ac.za/content/nwu-annual-reports.

KPMG Inc. also independently audited the information in Annexure 1: Performance assessment report on page 131.

More information about combined assurance can be found in the governance section of this report.
Council approval

Council and its subcommittees acknowledge their responsibility for overseeing the integrity and completeness of this integrated report. Council confirms that it has reviewed the contents of the report and applied its collective mind to the preparation and presentation of this report. Furthermore, it believes it has appropriately considered the accuracy and completeness of the material matters, as well as the reliability of the information presented herein.

Council believes it has sufficiently considered and materially presented these matters in accordance with the IR Framework of the IIRC.

Council approved the 2017 integrated report on 21 June 2018.

DR MB TYOBEKA
CHAIRPERSON OF COUNCIL

MR A REDELINGHUIS
CHAIRPERSON OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE
Performance highlights

In 2017 we had an uninterrupted academic year, allowing staff and students to put all their energy and focus on the core business. Throughout our integrated report you will notice huge strides in moving to a unitary university model, both in terms of our structure and strategy. On page 63 you will find an in-depth overview of our performance against our strategy and how we create value through our performance.

The following key trends are noteworthy:

- **16 004** qualifications awarded in 2017 (2016: 17 510)
- **235** PhDs awarded in 2017 (2016: 238)
- **229** total NRF-rated researchers (2016: 195)
- **229** total NRF-rated researchers (2016: 195)
- **215** postdoctoral fellows in 2017 (2016: 203)
- **2 609,64 units** total research output in 2016 (our highest recorded research output ever)
- **85%** undergraduate pass rate in 2017 (2016: 86,2%)
- **20 793** distance students enrolled (second highest in South Africa)
- **Over R208 million** spent on infrastructure and facilities
- **R1 104 million** financial aid administered by the financial aid offices on the three campuses
- **Clarivate Analytics (a bibliometrics company) has listed the NWU as one of the top five innovative universities in South Africa.**
  “The university was in the top five patent filers and had a filing strategy of more patent family members per invention than other universities.”
- **More than 900 academic programmes offered at the NWU**
Who we are

The North-West University is a multi-campus tertiary education institution located in the North-West and Gauteng provinces with a single set of policies, systems and standards, and is driven by a set of constitutionally based values, in particular human dignity, equality and freedom.

We want to promote unity in diversity by inculcating tolerance and respect for different perspectives and belief systems in order to ensure a suitable environment for teaching-learning, research, commercialisation of expertise and global engagement.

Our purpose is to excel in innovative learning and teaching and cutting-edge research, thereby benefiting society through knowledge.

Our dream is to be an internationally recognised university in Africa, distinguished for engaged scholarship, social responsiveness and an ethic of care.

This forms the basis for how our strategy (refer to page 58) ultimately delivers value to all our stakeholders and aligns with the South African Government’s National Development Plan 2030.

What we do

Our core business is teaching-learning and research, with community engagement and innovation intertwined in these activities. Ultimately, though, our role is about creating value, which refers to our output, as well as our obligation to address the social capital deficit in communities. In our planning, we closely link our long-term strategies to the goals of the National Development Plan, which has 2030 as its end date.

Where we operate

We operate mainly in South Africa, but through our daily activities we collaborate extensively with institutions and people all over the world. In 2017, the NWU had slightly more than 1 100 active agreements and memoranda of understanding, of which 285 were signed during 2017.

The external environment

The context in which the NWU operates often influences our ability to fulfil our purpose and create value for ourselves and for our stakeholders.

Changes to the higher education funding model may, for instance, affect our revenue-generation capacity and ultimately our financial capital, while the political and safety risk and the shortage of academic and research staff affect our ability to create value through our human capital.

The effect that the external environment has on our value-creation ability may also be felt in the short, medium or long term. For instance, in the short and medium term the security risk caused by crime in the areas surrounding our campuses endangers our students, whereas the longer-term effect may be that students may change their current perception that our campuses are safe, and this may impact our student value proposition adversely with a resulting decrease in student enrolments.

In the text below, we discuss each of the most material factors in our external environment that affect our ability to create value.

Higher education funding model

The funding model for public higher education institutions in South Africa continued to be a source of risk in 2017. The political instability caused by the #FeesMustFall campaign continued, but the NWU’s response to this was mature and we did not lose any academic days due to student unrest in 2017.

The end of 2017 saw an announcement by the President of the Republic of South Africa of a significant shift in the commitment of government to the provision of fee-free education. It was announced that for first-time entering undergraduate students, the National Student Financial Aid Scheme (NSFAS) will, from 2018, provide bursaries, rather than loans, to students whose family income is less than R350 000 per annum. This provision will be extended to second- and further-year students over a period of time.
The risk associated with the change in funding is that it may not be fiscally sustainable in the medium to long term. The other potential risk is that the effect of the change in funding may be to further worsen the prospects of access and success for the most vulnerable groups in South African society. The fact that NSFAS also pays for accommodation has dramatically increased the demand for student housing.

**Political and safety risk**

The risk of a potentially volatile political situation continued to affect the NWU during the course of 2017. The association of political parties with the election process for student representatives created a risk of student governance becoming overtly politicised and thus subject to external negative influence.

This, in turn, created the potential for destabilisation and with it the potential for disruption of the teaching and learning programme. Fortunately, we experienced virtually no disruption in 2017 and were able to conclude our programmes successfully and on time.

We continued in 2017 to experience unacceptable levels of crime in the areas adjacent to our campuses, which affected our staff and students. While the perception of students is that the campuses of the NWU are relatively safe, students are in reality exposed to a higher risk of crime in the areas that surround our campuses.

**Standards gap in future student market**

The degree to which students from the South African school system are properly prepared for university study continues to be a challenge.

In particular, the number of school leavers with adequate mathematics and science subjects is insufficient to meet the national skills needs and our own market direction decisions to increase science, engineering, technology and commerce enrolments.

Additional academic and counselling support services are offered to students in ensuring that throughput is maintained at an optimal level. These measures, which include preparatory bridging programmes, supplemental instruction and peer mentoring, mathematics bridging programmes and extended degree programmes, increase our costs (decreasing the value of our financial capital) but are essential to realise our social justice imperatives (thereby increasing the value of our social and relationship capital).

Our remuneration levels are often not sufficient to attract and retain academic and research staff from designated groups and from the major metropolitan centres. Another challenge is that our academic and research staff profile reveals an aging population which, despite initiatives such as the New Generation of Academics Programme (nGAP), is not always sufficiently replenished by our “grow our own timber” initiatives.

**Research and innovation environment**

**Inadequate funding**

In this time of economic austerity, inadequate funding for research and innovation is a growing challenge:

- Incentive funding from the National Research Foundation (NRF) for rated researchers has been significantly reduced and will eventually be phased out.
- The new University Capacity Development Grant (DHET funding) which replaced the Research Development Grant does not support postdoctoral fellowship funding.
- Reduced Technology and Human Resources for Industry Programme (THRIP) funding will add to the funding problem.
- Lack of full-time scholarships for postgraduate students affects completion rates among those who cannot afford to pay for their studies.
- There is pressure to diversify funding resources, i.e. increase third stream income.
- Diversification of funding resources is key in the face of increasing demands and dwindling resources. There is a need to increase south-south, north-south and BRICS collaborations to attract highly competitive funding.

**Predatory journal publishing**

Predatory journal publishing continues to present a moral hazard for our research community.

The involvement of staff with these journals may tarnish our reputation. The way we incentivise research publication heightens this risk. The challenge is to find ways to incentivise quality research output that improves our national and international standing.

Open educational resources continue to challenge the traditional model of research publication and have the potential to disrupt the manner in which research is conducted and financed. With greater access to knowledge comes the need to add value other than through the production of new knowledge.
The School of Mechanical Engineering designed a prosthetic limb for Theunis Nel (on the bike), presenter of the TV motorbike programme Woema, who lost his arm after a serious accident in 2014.

Here are lecturer CP Kloppers and Theunis Nel with master’s student Jako van Rooyen. Besides manufacturing a prototype prosthetic arm for Theunis, CJ and Jako also plan to modify the motorbike so that he will be able to ride it.

With 3D printing, anything is possible. This becomes clear when you visit the School of Mechanical and Nuclear Engineering.

Corene Möller, a 2017 final-year student in mechanical engineering, says she would like to specialise in 3D printing for the medical field. Artificial limbs can already be printed, and research into printing artificial organs and tissue promises to change the lives of patients in dire need of it.

The NWU Statute states that Senate is responsible for regulating all learning, teaching, research and academic support functions.

Senate also advises Council; firstly, about policies and rules concerning all academic matters and secondly about the formation and reconfiguration of faculties and other relevant academic structures. It does this to ensure administrative and academic coherence, efficiency, effectiveness and sustainable quality.

The composition of Senate is set out in Annexure 4 on page 136.

As Senate’s functions are mainly related to our core business, we present the Senate Report as a diagram and discussion of our business model. In this Senate Report you can read about our input, activities, output and outcomes in our value chain – all regulated by Senate.

For significant developments and achievements in teaching and learning and research, please refer to the section detailing our performance on page 63.

During 2017, the following changes were made in academic structures and recommended by Senate for Council approval:

- The establishment of the South African Centre for Digital Language Resources (SADiLar) as a new hosted research entity at the NWU.
- The establishment of Carbon-Based Fuels as a centre of excellence on the condition that a clear understanding between the centre of excellence and other participating entities was reached regarding the division of resources, funding and outputs (publications and students).
- Hypertension in Africa Research (HART) was upgraded to a centre of excellence.
- The closure of the Benchmark Centre, as recommended by Senate.
- Community-Based Educational Research (COMBER) was approved as an NWU niche area.
- The niche area Multilingual Speech Technologies (MuST) was moved from the Faculty of Natural and Agricultural Sciences to the Faculty of Engineering.
### INPUT

**Total number of students per qualification type (human capital)**

<table>
<thead>
<tr>
<th>Qualification Type</th>
<th>Number of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate diploma or certificate (three years)</td>
<td>10 503</td>
</tr>
<tr>
<td>General academic bachelor’s degree</td>
<td>16 710</td>
</tr>
<tr>
<td>Professional first bachelor’s degree (four years minimum)</td>
<td>8 182</td>
</tr>
<tr>
<td>Postgraduate diploma or certificate</td>
<td>6 177</td>
</tr>
<tr>
<td>Honours degree</td>
<td>3 142</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>1 597</td>
</tr>
<tr>
<td>Doctoral degree</td>
<td>3 236</td>
</tr>
<tr>
<td>Undergraduate diploma or certificate (one or two years)</td>
<td>2 041</td>
</tr>
<tr>
<td>Professional first bachelor’s degree (three years)</td>
<td>2 023</td>
</tr>
<tr>
<td>Advanced certificate</td>
<td>56</td>
</tr>
<tr>
<td>Diploma (360)</td>
<td>639</td>
</tr>
<tr>
<td>Bachelor’s degree (360 – NQF level 7)</td>
<td>1 947</td>
</tr>
<tr>
<td>Bachelor’s degree (480 – NQF level 7)</td>
<td>2 829</td>
</tr>
<tr>
<td>Bachelor’s degree (480 – NQF level 8)</td>
<td>1 538</td>
</tr>
<tr>
<td>Postgraduate diploma</td>
<td>129</td>
</tr>
<tr>
<td>Occasionally student / not instructional, research</td>
<td>228</td>
</tr>
</tbody>
</table>

**Key Financials**

- **Budget (financial capital)**
  - **Other income**: 21.3%
  - **Subsidy**: 43.2%
  - **Investment income**: 2.7%
  - **Tuition and related fees**: 32.8%
  - **Staff cost**: 54.7%
  - **Operating cost**: 36.7%

**NWU funded bursaries**: 3.3%

**Total number of students targeted by our recruiters**: 1 380

**First-time entering undergraduate students**: 11 824

**Spent on infrastructure**: R208.8 million

**Increase in total assets**: 28.7%

**The total area the university’s campuses occupy**: 1 110 ha

**The usable floor space the NWU takes up**: 433 288 m²
**OUTCOME**

**TOTAL 16 004**

**GRADUATES: educational subject matter distribution (human capital)**

- **2 734,75** Science, engineering and technology
- **3 072,17** Business and management
- **2 489,5** All other humanities and social sciences
- **7 707,33** Education

**Total number of graduates per qualification type (human capital)**

- Undergraduate diploma or certificate (three years)
- General academic bachelor’s degree
- Professional first bachelor’s degree (four years minimum)
- Postgraduate diploma or certificate
- Honours degree
- Master’s degree
- Doctoral degree
- Undergraduate diploma or certificate (one or two years)
- Professional first bachelor’s degree (three years)
- Advanced certificate
- Advanced diploma
- Bachelor’s degree (360 – NQF level 7)
- Bachelor’s degree (480 – NQF level 8)
- Postgraduate diploma

<table>
<thead>
<tr>
<th>Qualification Type</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate diploma or certificate (three years)</td>
<td>3 338</td>
<td>3 383</td>
</tr>
<tr>
<td>General academic bachelor’s degree</td>
<td>1 148,39</td>
<td>1 148,39</td>
</tr>
<tr>
<td>Professional first bachelor’s degree (four years minimum)</td>
<td>2 036</td>
<td>2 036</td>
</tr>
<tr>
<td>Postgraduate diploma or certificate</td>
<td>959</td>
<td>959</td>
</tr>
<tr>
<td>Honours degree</td>
<td>813</td>
<td>813</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>235</td>
<td>235</td>
</tr>
<tr>
<td>Doctoral degree</td>
<td>1 555</td>
<td>1 555</td>
</tr>
<tr>
<td>Undergraduate diploma or certificate (one or two years)</td>
<td>1 148,39</td>
<td>1 148,39</td>
</tr>
<tr>
<td>Professional first bachelor’s degree (three years)</td>
<td>2 036</td>
<td>2 036</td>
</tr>
<tr>
<td>Advanced certificate</td>
<td>473</td>
<td>473</td>
</tr>
<tr>
<td>Advanced diploma</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Bachelor’s degree (360 – NQF level 7)</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Bachelor’s degree (480 – NQF level 8)</td>
<td>231</td>
<td>231</td>
</tr>
<tr>
<td>Postgraduate diploma</td>
<td>98</td>
<td>98</td>
</tr>
</tbody>
</table>

**Spending according to the Annual Performance Plan (financial capital)**

- **16 004** Total graduates
- **3 138** Undergraduate diploma or certificate (three years)
- **2 036** Professional first bachelor’s degree (four years minimum)
- **959** Postgraduate diploma or certificate
- **813** Honours degree
- **235** Master’s degree
- **1 555** Doctoral degree
- **1 148,39** Undergraduate diploma or certificate (one or two years)
- **2 036** Professional first bachelor’s degree (three years)
- **473** Advanced certificate
- **45** Advanced diploma
- **16** Bachelor’s degree (360 – NQF level 7)
- **231** Bachelor’s degree (480 – NQF level 8)
- **98** Postgraduate diploma

**OUTPUT**

**Student support activities**

- **01** Presenting over 900 academic programmes (intellectual capital)
- **02** Conducting research (intellectual capital)
- **03** Staff development activities (intellectual capital)
- **04** Community engagement (social and relationship capital)

**Staff development activities (intellectual capital)**

- **Goal 1**: Teaching and learning; **Enabler 4**: Goal 2: Research and innovation; **Goal 3**: Community engagement and sustainability; **Goal 4**: Student value proposition; **Goal 5**: Staff and student equity; Enabler 1: Govern, lead and manage; Enabler 2: IT; Enabler 3: Communication and stakeholder engagement; Enabler 4: Financial sustainability

**Community engagement (social and relationship capital)**

- **Goal 1**: Teaching and learning; **Goal 2**: Research and innovation; **Goal 3**: Community engagement and sustainability; **Goal 4**: Student value proposition; **Goal 5**: Staff and student equity; Enabler 1: Govern, lead and manage; Enabler 2: IT; Enabler 3: Communication and stakeholder engagement; Enabler 4: Financial sustainability

**Research output 2016 (intellectual capital)**

- Article equivalents: 1 148,39
- Conference proceedings: 89,09
- Books: 118,99
- Total article equivalents published: 1 356,47
- Master’s degrees conferred: 813
- Research master’s: 539,17
- Research master’s weighted: 539,17
- Doctoral degrees conferred: 238
- Doctoral degrees weighted: 714
- Total weighted research output: 2 609,64
- Postdoctoral fellows: 203
- Publication units per permanent academic staff member: 0,92

**Financial sustainability (financial capital)**

- **R501,2 million** Net surplus for 2017 as reflected in the consolidated statement of comprehensive income.
- **R202 million** The university, from its own resources, contributed R202 million or 18% of the total funds allocated for financial aid.

**Collaboration (social and relationship capital)**

- We had slightly more than 1 100 active agreements and memoranda of understanding, of which 285 were signed during 2017.

**Total activities**

- **01** Student support activities
- **02** Staff development activities
- **03** Conducting research
- **04** Community engagement

**96,4% Success rate of the 3 537 NWU merit bursary holders**

**R202 million The university, from its own resources, contributed R202 million or 18% of the total funds allocated for financial aid.**

**41,3% Number of graduates who completed their studies in minimum time.**

**The bibliometrics company Clarivate Analytics has listed the NWU as one of the top five innovative universities in South Africa.**

- For the results of the UNIVERSUM survey, see page 27.
- For the results of the Student Culture and Climate survey, see page 31.
- For the results of the Staff Climate survey, see page 16.
The NWU value chain unfolds through our access to, use of and effect on our various capitals. These include financial capital (our various sources of income, for instance), human capital (our skilled staff members), intellectual capital (for instance our academic programmes and our research results), social and relationship capital (our relationships with our alumni and with industry, for example), the effective utilisation of natural capital (our key natural resources), and manufactured capital (our infrastructure and IT hardware).

When it comes to our value chain, our operations centre on the student life cycle, as students are our most important stakeholder group. In the discussion of our value chain, we will indicate how we enhance value for ourselves and our stakeholders at each stage of the student life cycle, as reflected in the image below.

**OUR NWU VALUE CHAIN – Transforming our capitals to create value for ourselves and others**

When it comes to our value chain, our operations centre on the student life cycle, as students are our most important stakeholder group. In the discussion of our value chain, we will indicate how we enhance value for ourselves and our stakeholders at each stage of the student life cycle, as reflected in the image below.

**How our student life cycle relates to our value chain and capitals**
**INPUT: Harnessing resources, using opportunities**

The following input into our value chain is invaluable in the student life cycle to ensure that our core activities of teaching and learning, research and community engagement all contribute towards attaining student success and therefore also to reaching our strategic goal of improving our graduation rate. The input also resonates with our desire to promote an ethic of care at the NWU.

**Student recruitment**

One of our strategic goals is to reach our annual enrolment targets and therefore we see student recruitment as an important input into our value chain.

We use the skills (intellectual capital) of our staff (human capital) to recruit students (social and relationship capital) for the NWU. Our recruiters targeted 1 380 schools through direct marketing campaigns and activities. Of these, 47% are schools in quintiles one to three and 53% in quintiles four and five. Our nine undergraduate marketers reached a potential pool of 67 323 bachelor’s degree candidates through their efforts.

**Admission and financial aid**

Our skilled support staff (intellectual and human capital) help with the admission and registration of our students. In 2017, a total of 62 558 students (human capital) were enrolled at the NWU of whom 41 765 (66.7%) were contact and 20 793 (33.3%) distance students. Of these contact students, 12 138 were based at the Mafikeng Campus, 22 563 at the Potchefstroom Campus and 7 064 at the Vaal Triangle Campus.

**Access to financial aid**

The financial aid offices on the three campuses of the NWU administered R1 104 million in 2017. Government funding, including funding administered by NSFAS and Funza Lushaka, amounted to R622.3 million or 56%. An amount of R51.8 million was outstanding from NSFAS at year end, which will increase government’s contribution to 61%.

The university contributed R201.9 million (18% of the total funds allocated for financial aid) from its own resources. This confirms the university’s commitment to create value for our stakeholders (in this case our students), thereby also increasing the value of our human and intellectual capital.

In this way we change (decrease) the value of our own financial capital and increase the value of our human capital. By supporting needy students, we use our financial capital to support our strategy, especially in relation to our commitment to social justice. By assisting our students in this way, we also support and enhance academic performance, which in turn contributes to the future sustainability of our university.

One of the challenges we faced can be linked to our external environment (see page 6). This was the implementation in 2017 of the new, centrally managed model for the NSFAS loan scheme. The new management model, which became effective in July 2016, differed substantially from the one used in the past, where universities received allocations and their respective managements were responsible for distributing the funds within the NSFAS rules.

The NSFAS central application process was rolled out in the sector late in 2016, stretching higher education institutions’ capacity to the limit. As a result of the newly centralised application and funding model, institutions experienced significant administrative challenges during the registration period in January and February 2017. Information on first-time entrants was only received two weeks after registration had started. However, additional NSFAS funding for first-time entrants allowed for additional enrolments, resulting in higher tuition fee income than planned, which strengthened our financial capital and contributed towards the university’s future sustainability.

The NWU remains dependent on NSFAS funding to assist needy students. The number of students who received NSFAS funding increased significantly from 5 500 in 2016 to 10 000 in 2017. This impacted the funding analysis of the students: 64% of students were covered by bursaries in 2017, compared to the 54% in 2016 (excluding the outstanding amounts mentioned earlier).

For more information about changes in tuition fees, turn to pages 80 to 81.
The composition and size of our student body can be seen in the section on how we create value through our performance, on page 63. The table below shows our contact and distance student mix with regard to race and gender.

<table>
<thead>
<tr>
<th>Student mix: NWU contact and distance</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknown</td>
<td>3.7%</td>
<td>1.7%</td>
<td>2.6%</td>
<td>3.9%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>African</td>
<td>62.1%</td>
<td>64.8%</td>
<td>64.2%</td>
<td>63.6%</td>
<td>66.8%</td>
<td>66.2%</td>
</tr>
<tr>
<td>Coloured</td>
<td>4.4%</td>
<td>4.4%</td>
<td>4.3%</td>
<td>4.5%</td>
<td>4.4%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Indian/Asian</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.9%</td>
<td>1.0%</td>
</tr>
<tr>
<td>White</td>
<td>29.0%</td>
<td>28.3%</td>
<td>28.2%</td>
<td>27.1%</td>
<td>27.9%</td>
<td>28.3%</td>
</tr>
<tr>
<td>Female</td>
<td>66.6%</td>
<td>66.9%</td>
<td>67.5%</td>
<td>67.2%</td>
<td>66.7%</td>
<td>65.9%</td>
</tr>
<tr>
<td>Male</td>
<td>33.4%</td>
<td>33.1%</td>
<td>32.5%</td>
<td>32.8%</td>
<td>33.3%</td>
<td>34.1%</td>
</tr>
</tbody>
</table>

**Benchmarking** is intended to compare our own performance with that of other universities and to generate ideas for improving processes, approaches and technologies to reduce costs, increase income and strengthen our strategy.

We can compare the NWU with different universities or “clusters of universities”. We have selected universities that we compete with in terms of programme offerings and target markets as a result of geographical location. To determine our position in the sector, we benchmark with all 11 other traditional universities. These institutions are:

- UCT – University of Cape Town
- RU – Rhodes University
- UFS – University of the Free State
- UKZN – University of KwaZulu-Natal
- UJ – University of Johannesburg
- UWC – University of the Western Cape
- UP – University of Pretoria
- UL – University of Limpopo
- SU – Stellenbosch University
- UFH – University of Fort Hare
- Wits – University of Witwatersrand

On page 13 you can see how our total enrolment figures compare with those of other higher education institutions (based on 2015 audited HEMIS data).
Student enrolment by race

<table>
<thead>
<tr>
<th></th>
<th>UCT</th>
<th>UFS</th>
<th>UJ</th>
<th>UP</th>
<th>SU</th>
<th>Wits</th>
<th>NWU</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>6 921</td>
<td>19 409</td>
<td>40 943</td>
<td>28 050</td>
<td>4 970</td>
<td>20 340</td>
<td>40 772</td>
</tr>
<tr>
<td>Coloured</td>
<td>3 653</td>
<td>1 747</td>
<td>1 562</td>
<td>1 264</td>
<td>5 201</td>
<td>1 367</td>
<td>2 897</td>
</tr>
<tr>
<td>Indian</td>
<td>1 904</td>
<td>684</td>
<td>2 237</td>
<td>2 735</td>
<td>787</td>
<td>4 470</td>
<td>528</td>
</tr>
<tr>
<td>White</td>
<td>8 271</td>
<td>8 578</td>
<td>4 710</td>
<td>23 858</td>
<td>18 655</td>
<td>7 597</td>
<td>17 370</td>
</tr>
</tbody>
</table>

Student enrolment by gender

<table>
<thead>
<tr>
<th></th>
<th>UCT</th>
<th>UFS</th>
<th>UJ</th>
<th>UP</th>
<th>SU</th>
<th>Wits</th>
<th>NWU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>14 589</td>
<td>18 741</td>
<td>25 797</td>
<td>31 767</td>
<td>15 755</td>
<td>18 555</td>
<td>43 064</td>
</tr>
<tr>
<td>Male</td>
<td>13 208</td>
<td>11 677</td>
<td>23 655</td>
<td>24 217</td>
<td>13 858</td>
<td>15 222</td>
<td>21 006</td>
</tr>
</tbody>
</table>
**Registration and orientation**

Our registration and orientation programme for first-year students helps them with the transition between school and university. This is an important input into the value chain, as it includes introducing students to all support services available to ensure their academic success, and therefore also contributes towards the NWU improving its graduation rate.

**Staff development and support**

An important input into our value chain is our human capital, comprising our experienced and diverse staff members. Delivering all-round academic and support services, these employees are an invaluable part of the student life cycle. In all, we have 7,997 staff members, of whom 5,876 are support staff.

This is how our employee numbers compare with those of other universities in the higher education sector (based on 2015 audited HEMIS data).

**Number of staff**

![Graph showing the number of staff at various universities](image)

<table>
<thead>
<tr>
<th>NWU</th>
<th>UKZN</th>
<th>UP</th>
<th>UCT</th>
<th>Wits</th>
<th>SU</th>
<th>UFS</th>
<th>UWC</th>
<th>UL</th>
<th>UFH</th>
<th>RU</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,453</td>
<td>1,341</td>
<td>1,192</td>
<td>1,179</td>
<td>1,144</td>
<td>1,076</td>
<td>845</td>
<td>645</td>
<td>543</td>
<td>345</td>
<td>318</td>
</tr>
<tr>
<td>Academic</td>
<td>Professional Support</td>
<td>Technical &amp; Admin</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>518</td>
<td>310</td>
<td>825</td>
<td>698</td>
<td>290</td>
<td>484</td>
<td>210</td>
<td>185</td>
<td>81</td>
<td>129</td>
<td>126</td>
</tr>
<tr>
<td>1,506</td>
<td>1,514</td>
<td>1,027</td>
<td>1,569</td>
<td>1,452</td>
<td>1,495</td>
<td>1,079</td>
<td>762</td>
<td>372</td>
<td>395</td>
<td>372</td>
</tr>
<tr>
<td>Technical &amp; Admin</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>387</td>
<td>421</td>
<td>276</td>
<td>96</td>
<td>308</td>
<td>261</td>
<td>260</td>
<td>72</td>
<td>70</td>
<td>25</td>
<td>520</td>
</tr>
</tbody>
</table>

**Academic promotions and awards programmes**

By supporting and developing our staff members, we invest and ultimately enhance our human capital. Our investment paid off in 2017, as the percentage of staff members with doctoral degrees increased from 50.52% to 52.38%. We use various incentives, such as promotions and recognition for excellence in teaching and research, to motivate our employees.

In 2017 the following academic promotions were granted:

- Promoted to lecturer: 22
- Promoted to senior lecturer: 50
- Promoted to associate professor: 37
- Promoted to full professor: 24
The NWU annually acknowledges our best lecturers through a formal **awards programme**. Awards were presented in three categories, namely the Emerging Teaching Excellence Award (ETEA), the Teaching Excellence Award (TEA) and the Distinguished Teaching Excellence Award (DTEA). This is the fourth year that the awards have been given in these categories. (For more information about these awards, turn to page 29.)

We also reward our best and most productive researchers through our annual Excellence in Research Awards. In 2017, many outstanding researchers were acknowledged for excellence in research, innovation, community involvement and creativity.

<table>
<thead>
<tr>
<th>Award Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most productive researcher</td>
<td>1</td>
</tr>
<tr>
<td>Most productive junior researcher</td>
<td>1</td>
</tr>
<tr>
<td>Most productive research entity</td>
<td>1</td>
</tr>
<tr>
<td>Awards for creative outputs</td>
<td>6</td>
</tr>
<tr>
<td>Awards for community engagement</td>
<td>2</td>
</tr>
<tr>
<td>Awards for innovation in research</td>
<td>12</td>
</tr>
<tr>
<td>Awards: Student medals</td>
<td></td>
</tr>
<tr>
<td>Vice-chancellor’s Medal</td>
<td>4</td>
</tr>
<tr>
<td>S2A3 Bronze Medal</td>
<td>1</td>
</tr>
</tbody>
</table>

**Caring for our staff**

To ensure that our staff are physically and mentally healthy, NWU Wellness contributes towards creating an enabling environment at the university. It does this by conducting activities such as health screenings and workshops on handling stress at work, for instance. Staff members also have access to health clinics on our campuses.

In addition, various other projects and processes (intellectual capital) create a pleasant and empowering environment for staff. These include remuneration management processes, incentives, grievance procedures and skills development.

**Challenges:** Pertaining to our staff, we also face several challenges. A challenge that we face from our external environment is that the availability of skills is limited. In particular, the pool of academic experts is very small – these experts often only circulate among the various higher education institutions.

When it comes to salaries, we have to compete with other higher education institutions and the private sector. A challenge and risk is that our budget cannot keep up with what skilled people are paid in the market. This is especially true when it comes to information and technology experts, who are in high demand in the private sector, particularly in metropolitan areas.

Another challenge is that city dwellers recruited as staff members do not easily feel at home in the rural areas where our Potchefstroom and Mafikeng campuses are situated. To mitigate this, we engage with the communities, making them more receptive of our staff members.

**Future outlook:** We are concerned about the possibility of government requiring universities to cap their remuneration, paying employees the same as elsewhere in the public sector. To mitigate this possibility, it is important to engage with government now, thereby influencing policy.

We also have to develop and maintain a compelling employee value proposition to attract and retain high-quality employees, making it worth their while to join and stay at the NWU. We can do this through incentives and by emphasising selling points such as the positive influence that our environment and better traffic situation have on their work-life quality.

**Survey to improve engagement and climate:** One of the challenges that we have faced in our efforts to improve the climate at the university has been to identify the barriers preventing full staff engagement. We have realised that to mitigate this, we have to design a plan to remove these barriers and improve future engagement.

Helping us to accomplish this, we conduct an organisational climate survey every three years to capture the various items that are relevant for measuring organisational climate. These climate surveys give us an idea of how to retain staff – in other words they tell us what keeps people here – and help us chart the way forward.

As already mentioned, the department of People and Culture asked an independent company, Diversi-T, to conduct a Climate survey among employees in 2017. On the next page you can see a summary of the results from this survey.
Results: Climate survey among staff members

<table>
<thead>
<tr>
<th>Dimension</th>
<th>What it is about</th>
<th>% positive responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>Understanding the dream, strategy and values of the NWU, the work of my department/faculty and where my work fits into the unitary NWU structure.</td>
<td>70%</td>
</tr>
<tr>
<td>Opportunities</td>
<td>Seeing opportunities for me at the NWU. I will continue working here and encourage others to apply for work here.</td>
<td>58%</td>
</tr>
<tr>
<td>Strategy</td>
<td>I understand and am positive about the new strategy.</td>
<td>52%</td>
</tr>
<tr>
<td>Our leadership</td>
<td>The senior leadership team have the necessary skills to lead the change management initiative.</td>
<td>60%</td>
</tr>
<tr>
<td>My manager</td>
<td>How I see my manager.</td>
<td>64%</td>
</tr>
<tr>
<td>Atmosphere</td>
<td>I experience a climate of openness, transparency, trust, belonging, respect and feel equally valued with respect to how I am regarded and treated.</td>
<td>50%</td>
</tr>
<tr>
<td>Diversity</td>
<td>Respect for, and how I am treated in light of, my culture, language, religion, gender, age, disabilities.</td>
<td>53%</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>I am proud to work here and feel loyal and satisfied with my working environment.</td>
<td>64%</td>
</tr>
<tr>
<td>Climate index</td>
<td></td>
<td>57%</td>
</tr>
</tbody>
</table>

For 2018, we plan to implement various improvement plans based on the outcome of this survey.

Student development and support

Developing and supporting our students is an important input into our value chain, as we want students to succeed and complete their qualifications in the minimum time allocated.

This input into the education value chain takes place inside and outside the classroom. Our ability to generate value is enhanced by the human and intellectual capital we use in a well-oiled network of support service departments on all three campuses.

To enhance our students’ academic experience and contribute towards their academic achievement, we provide access to academic support, libraries, computers, bursary assistance and also health and wellness services, among many other support services. This hands-on approach to student and staff support adds to the value proposition for students and staff alike and therefore strengthens our human capital.

The libraries and computers mentioned above are part of providing the necessary infrastructure as input into the value chain and represent an important support base in the student life cycle. These, including our residences and other student facilities, are part of the manufacturing capital that enhances the student experience at the NWU.

<table>
<thead>
<tr>
<th>Campus</th>
<th>Students in residences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mafikeng</td>
<td>2 999</td>
</tr>
<tr>
<td>Vaal Triangle</td>
<td>1 985</td>
</tr>
<tr>
<td>Potchefstroom</td>
<td>5 144</td>
</tr>
<tr>
<td>Grand total</td>
<td>10 128</td>
</tr>
</tbody>
</table>

Our manufacturing capital is further strengthened by infrastructure investment (see page 83) to support the growth in student enrolment and also support the move to blended learning.
Research funding

The following funds were allocated to support research at our university:

<table>
<thead>
<tr>
<th>NRF-related grants and support (excluding THRIP)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freestanding bursaries</td>
<td>R22 070 126.00</td>
</tr>
<tr>
<td>Block grant bursaries</td>
<td>R6 919 000.00</td>
</tr>
<tr>
<td>NRF postdoctoral awards</td>
<td>R3 593 792.29</td>
</tr>
<tr>
<td>Chairs</td>
<td>R12 791 329.42</td>
</tr>
<tr>
<td>Research grants</td>
<td>R58 999 490.04</td>
</tr>
<tr>
<td><strong>Total received from the NRF</strong></td>
<td><strong>R78 709 819.46</strong></td>
</tr>
</tbody>
</table>

In the Technology and Human Resources for Industry Programme (THRIP) programme, the following amount was awarded: R5 066 250.24

Other funding

The Technology Transfer and Innovation Support Office tapped into a wide range of funding opportunities – locally and internationally – for research and commercialisation.

The table below shows which funds were brought in through grants and project funding:

<table>
<thead>
<tr>
<th>Grant/project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>MERSETA: Support for various projects within the Faculty of Engineering</td>
<td>R21,5 million over three years</td>
</tr>
<tr>
<td>DST: Collaborative project on Additive Manufacturing (CPAM) to support AM research in Engineering, Natural Sciences and Health Sciences: 2017/18 – 2019/20</td>
<td>R11,057 million over three years</td>
</tr>
<tr>
<td>BANKSETA: Bursaries</td>
<td>R6,468 million</td>
</tr>
<tr>
<td>CATHSETA: Bursaries</td>
<td>R4,04 million</td>
</tr>
<tr>
<td>EW-SETA: Bursaries</td>
<td>R3 million</td>
</tr>
<tr>
<td>Tenders supported by TTIS (TTIS one-stop service to researchers): Prof Klaus Kellner</td>
<td>R2,4 million</td>
</tr>
<tr>
<td>TIA: Seed Fund (2017/18 Call)</td>
<td>R2,038 million</td>
</tr>
<tr>
<td>DST: Intellectual Property Fund Support</td>
<td>R1,258 million</td>
</tr>
<tr>
<td>Hillensberg Trust: Bursaries</td>
<td>R1,1 million</td>
</tr>
<tr>
<td>TIA: Solar Car project</td>
<td>R1 million</td>
</tr>
<tr>
<td>Eyethu Education Trust (Nedbank): SETH Academy</td>
<td>R750 000</td>
</tr>
<tr>
<td>Career Wise / Kalter Tyre: Bursaries</td>
<td>R642 955</td>
</tr>
<tr>
<td>Pfizer: Starfish project and support for Nursing</td>
<td>R491 000</td>
</tr>
</tbody>
</table>
As a traditional university, the NWU strives for a more inclusive admissions policy and seeks to make undergraduate and postgraduate academic programmes accessible to as many qualifying candidates as possible. This is subject to annual enrolment targets, budget allocations (block and earmarked grants), available institutional capacity, and any specific admission requirements or criteria.

Our admissions policy is reviewed regularly to reflect changing policy directives (e.g. amendments to the list of non-designated subjects) and social justice and equity imperatives. This includes widening access through the development and offering of more forms of foundation provisioning, such as university preparatory and extended programmes. Our admission requirements are therefore in line with the complexity of learning required in the academic programme concerned, while keeping in mind the importance of widening access and promoting equity.

Some academic programmes are subject to professional council/board accreditation. Where this is the case, the councils or boards can sometimes be explicit on selection criteria for access. In most cases, this is to ensure that the number of students selected for a programme does not exceed the capacity available for offering good-quality education and training, and that candidates accepted can have a reasonable opportunity to pass when they sit for board exams.

Our mandate and institutional mission as a traditional university may place limitations on the development of certain qualification types that would widen access to higher education for more students. This raises the question of whether it might be necessary to enable traditional universities to develop and offer higher certificates. Lastly, the question needs to be asked whether any university in South Africa will be able to truly achieve student equity of access and success when state funding is declining so markedly.

### ACTIVITIES: Sharing knowledge, shaping minds

**Teaching, learning, research and community engagement**

When it comes to our core activities of teaching and learning, research and community engagement, we use our various capitals to support and reach our strategic objectives and, in the process, create value for ourselves and our stakeholders.

For teaching and learning in particular, we ensure consistent external compliance and internal alignment of a sustainable qualification and academic programme offering. For more information about our core activities, refer to the section on how we create value through our performance on page 63.

To further support and enhance these core activities, a number of enablers were included in the Annual Performance Plan. These can be seen on page 59.

**Increase student access, retention, attainment and success**

The first academic year is considered to be the most critical in shaping persistence decisions (meaning decisions to continue studying) and plays a formative role in influencing student attitudes and approaches to learning. In fact, this period has subsequently broadened to the first 18 months, as the impact of the transition between the first and second academic years is also significant.

We believe it is important to spend enough money to enhance the student experience over this period, as this will lead to savings if fewer students drop out in subsequent years. In this way we will be able to reap dividends in the form of improved student success. It also contributes to building our financial capital and thereby ensures the financial sustainability of our university.
In the external environment, it is clear that higher education institutions are required to adopt a unique institutional culture that puts the student at the centre and deploy strategies that prioritise student access, retention, attainment and success.

However, when it comes to promoting access and success, both the university and the students have an obligation. We, as the university, are responsible for providing students with an enabling environment that will allow them to achieve the outcomes of their academic programmes, but students also have to make the most of the learning environment that we provide.

For more information about how we promote student access and success, refer to Goal 1 on page 66, where these topics are discussed in detail.

**Support at-risk students**

An early warning and referral system was piloted during 2017. Resources that we use to support these students are staff and senior students (human resources) and Student Academic Development and Support services within the Centre for Teaching and Learning (intellectual capital). In 2017, we provided Supplemental Instruction (SI), which is an internationally recognised student academic support system, in at least 30% of at-risk modules.

In 2017, we achieved our goal of a 10% increase in the participation rate of first-year students in academic mentoring programmes at each campus. By helping at-risk students, we add value to our human capital.

**Develop a strategic framework for continuing education**

Our Annual Performance Plan is clear on the strategic significance of continuing education and the establishment of the Unit for Continuing Education was explicitly reaffirmed as a strategic project.

We developed a continuing education framework against the background of compliance with higher education legislation and national regulatory professional frameworks, rules and guidelines. We also focused on ensuring optimal interaction with the sector education and training authorities (SETAs), with due regard for compliance with legislation.

We made great strides in providing an effective financial and operating model, policies and structures for the provision of continuing education programmes.

The secondlast draft of the policy was discussed at a meeting of stakeholders, and timelines and targets have been set for implementation in 2018. In addition to the framework and policies (intellectual capital) that guide continuing education at the NWU, the Unit for Continuing Education (intellectual and human capital) is the nodal point for the offering of continuing education across faculties.

The unit creates financial and intellectual value for the university and our stakeholders and contributes to the economic development strategy of South Africa by providing lifelong learning opportunities designed to align with national skills development priorities.

The portfolio of courses and services also contributes to the creation of a sustainable future for the NWU in which the university will be adequately resourced to protect its institutional autonomy and academic freedom.

The unit will broaden its scope of services in future to support the significant growth of the portfolio over the next few years.

**Establish an international footprint**

We are constantly seeking to increase the international footprint of our academic staff, thereby increasing the value of our human and social and relationship capital. We do this by exposing our current staff members to international collaboration, and by recruiting international staff members.

Another trend in the external environment is that universities differentiate their brands through rating and ranking systems. In line with this, we participated in the global ranking system of the Quacquarelli Symonds (QS) university ranking system and were ranked in the 801+ ranking position.

We also realise it is necessary to compile a comprehensive international collaboration strategy. This strategy should consider opportunities such as resource sharing (joint degrees, co-chairs, collaborative research and complementary skills development), regional collaboration, joint research and innovation programmes, and international student recruitment and exchange.

By using these opportunities, we will strengthen our intellectual and human capital, as well as our social and relationship capital, which will in turn contribute to the financial sustainability of our university.

**Research**

Our research management revolves around our research entities (see next page). For a new entity to be approved, there must be a clear fit with the university’s strategic plan and the national research plan. In 2017, two new research entities were added and one entity was upgraded.
<table>
<thead>
<tr>
<th>NWU research entities</th>
<th>Faculty</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research centres of excellence</strong></td>
<td></td>
</tr>
<tr>
<td>Centre of Excellence for Nutrition (CEN)</td>
<td>Health Sciences</td>
</tr>
<tr>
<td>Centre of Excellence for Pharmaceutical Sciences (Pharmacen)</td>
<td>Health Sciences</td>
</tr>
<tr>
<td>Centre for Space Research</td>
<td>Natural and Agricultural Sciences</td>
</tr>
<tr>
<td>Centre of Excellence in Carbon-based Fuels</td>
<td>Engineering</td>
</tr>
<tr>
<td>Hypertension in Africa Research Team (HART)</td>
<td>Health Sciences</td>
</tr>
<tr>
<td><strong>Research units</strong></td>
<td></td>
</tr>
<tr>
<td>Unit for Business Mathematics and Informatics (BMI)</td>
<td>Natural and Agricultural Sciences</td>
</tr>
<tr>
<td>Research Unit for Law, Justice and Sustainability</td>
<td>Law</td>
</tr>
<tr>
<td>Education and Human Rights in Diversity (Edu-HRights)</td>
<td>Education</td>
</tr>
<tr>
<td>Unit for Energy and Technology Systems</td>
<td>Engineering</td>
</tr>
<tr>
<td>Unit for Environmental Sciences and Management (UESM)</td>
<td>Natural and Agricultural Sciences</td>
</tr>
<tr>
<td>Unit for Language and Literature in the South African Context</td>
<td>Humanities</td>
</tr>
<tr>
<td>Unit for Reformed Theology and the Development of the South African Society</td>
<td>Theology</td>
</tr>
<tr>
<td>Tourism Research in Economic Environs and Society (TREES)</td>
<td>Economic and Management Sciences</td>
</tr>
<tr>
<td>Africa Unit for Trans-disciplinary Health Research (AUTHeR)</td>
<td>Health Sciences</td>
</tr>
<tr>
<td>Workwell: Research Unit for Economic and Management Sciences</td>
<td>Economic and Management Sciences</td>
</tr>
<tr>
<td><strong>Research focus areas</strong></td>
<td></td>
</tr>
<tr>
<td>Ancient Texts: Text, Context and Reception</td>
<td>Theology</td>
</tr>
<tr>
<td>Chemical Resource Beneficiation (CRB)</td>
<td>Natural and Agricultural Sciences</td>
</tr>
<tr>
<td>Community Psychosocial Research (Compres)</td>
<td>Health Sciences</td>
</tr>
<tr>
<td>Enabling Optimal Expression of Individual, Social and Institutional Potential (OPTENTIA)</td>
<td>Humanities</td>
</tr>
<tr>
<td>Human Metabolomics</td>
<td>Natural and Agricultural Sciences</td>
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<tr>
<td>Material Science, Innovation and Modelling (MaSIM)</td>
<td>Natural and Agricultural Sciences</td>
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<tr>
<td>Physical Activity, Sport and Recreation (PhASRec)</td>
<td>Health Sciences</td>
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<tr>
<td>Population and Health</td>
<td>Humanities</td>
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<tr>
<td>NWU research entities</td>
<td>Faculty</td>
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<tr>
<td>Research focus areas</td>
<td></td>
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<tr>
<td>Quality in Nursing and Midwifery (NuMiQ)</td>
<td>Health Sciences</td>
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<tr>
<td>Self-directed Learning (SDL)</td>
<td>Education</td>
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<tr>
<td>Social Transformation</td>
<td>Humanities</td>
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<tr>
<td>Trade and Development (TRADE)</td>
<td>Economic and Management Sciences</td>
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<tr>
<td>Understanding and Processing Language in Complex Settings (UPSET)</td>
<td>Humanities</td>
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<tr>
<td>Research niche areas</td>
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<tr>
<td>Community-based Educational Research (COMBER)</td>
<td>Education</td>
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<tr>
<td>Edu-Lead</td>
<td>Education</td>
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<tr>
<td>Food Security and Safety</td>
<td>Natural and Agricultural Sciences</td>
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<tr>
<td>Global Innovative Focussed Talent (GIFT)</td>
<td>Economic and Management Sciences</td>
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<tr>
<td>Indigenous Language Media in Africa (ILMA)</td>
<td>Humanities</td>
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<tr>
<td>Lifestyle Diseases</td>
<td>Health Sciences</td>
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<tr>
<td>Medicine Usage in South Africa (MUSA)</td>
<td>Health Sciences</td>
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<tr>
<td>Multilingual Speech Technologies (MuST)</td>
<td>Engineering</td>
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<tr>
<td>Musical Arts in South Africa: Resources and Applications (MASARA)</td>
<td>Humanities</td>
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<tr>
<td>Occupational Hygiene and Health Research Initiative (OHHRI)</td>
<td>Health Sciences</td>
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<tr>
<td>Technology-enhanced Learning and Innovative Education and Training, South Africa (TELIT-SA)</td>
<td>Natural and Agricultural Sciences</td>
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<tr>
<td>Visual Narratives and Creative Outputs through Interdisciplinary and Practice-led Research (VINCO)</td>
<td>Humanities</td>
</tr>
<tr>
<td>Hosted entities (centres, platforms and institutes)</td>
<td></td>
</tr>
<tr>
<td>DST HySA Infrastructure Centre of Competence in hydrogen production, storage, reticulation and safety codes and standards</td>
<td>Engineering</td>
</tr>
<tr>
<td>DST/NWU Pre-clinical Drug Development Platform (PCDDP)</td>
<td>Health Sciences</td>
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<tr>
<td>dti Centre for Advanced Manufacturing</td>
<td>Engineering</td>
</tr>
<tr>
<td>DST Centre of Excellence in Indigenous Knowledge Systems (IKS)</td>
<td>Natural and Agricultural Sciences</td>
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<tr>
<td>Centre for Human Metabolomics</td>
<td>Natural and Agricultural Sciences</td>
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<tr>
<td>South African Centre for Digital Language Resources (SADILar)</td>
<td>Humanities</td>
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</table>
### NWU research entities

<table>
<thead>
<tr>
<th>Commercial research entities</th>
<th>Faculty</th>
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<tbody>
<tr>
<td>Centre for Pharmaceutical and Biomedical Services</td>
<td>Health Sciences</td>
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### Research chairs

<table>
<thead>
<tr>
<th>Research chairs</th>
<th>Faculty</th>
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<tbody>
<tr>
<td>Astrophysics and Space Research (SARChI)</td>
<td>Natural and Agricultural Sciences</td>
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<tr>
<td>Coal Research (SARChI)</td>
<td>Engineering</td>
</tr>
<tr>
<td>Biofuels and other clean alternative fuels (SARChI)</td>
<td>Engineering</td>
</tr>
<tr>
<td>Nuclear Energy (SARChI)</td>
<td>Engineering</td>
</tr>
<tr>
<td>Early Detection and Prevention of Cardiovascular Disease in Africa (SARChI)</td>
<td>Health Sciences</td>
</tr>
<tr>
<td>EDTP SETA research chair in early childhood education</td>
<td>Education</td>
</tr>
<tr>
<td>Eskom Chair in Emission Control</td>
<td>Engineering</td>
</tr>
<tr>
<td>Nutricia Research Foundation Chair in Clinical Nutrition</td>
<td>Health Sciences</td>
</tr>
<tr>
<td>World Trade Organisation Chair</td>
<td>Economic and Management Sciences</td>
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</tbody>
</table>

Differences in the number of research entities should be seen in the context of the research entities model. In order to become a centre of excellence (the highest level of research entity in our model), an entity must meet even higher standards than those applying to the other entities.

The requirements for a centre of excellence include having a clear focus (multi- and/or trans-disciplinary) that is linked to national priorities, appropriate national and international research impact, and leadership demonstrated through substantial international recognition and standing.

Challenges that our research entities face include financial constraints. A deteriorating economic environment might reduce resources for external funding and inhibit the future ability of entities to develop younger staff and support new research projects.

Another challenge is that some research entities are functioning beyond their staff capacity as a result of a disproportionate intake of postgraduate students in relation to the availability of study leaders.

In the external environment, universities increasingly compete with each other to become national (or international) centres of excellence. They also compete for research funding and for collaboration opportunities with science councils and other national and international research and development role players.

To increase our international standing and visibility, we have more than 40 collaboration agreements with some of the top 500 universities in the world (according to Quaquarelli Symonds). This enables us to share research expertise and allows other researchers to see our work. We also work with beneficiaries, industry, communities and government to increase the research impact in terms of influence on policy and development, thereby increasing the value of our social and relationship capital.

However, a challenge is that we should guard against chasing quantity instead of quality when it comes to our research output. The national imperative to publish and to perform in highly competitive environments creates the risk of researchers publishing in predatory journals or engaging in self-plagiarism and other unethical authorship practices.

The NWU has a clear action plan to address and eradicate such practices. To mitigate the risk of possible high-quantity-but-low-quality output, we encourage our researchers to publish their research articles in high-impact, open access, indexed and internationally recognised journals. We also encourage them to focus on specific research themes and to do multi-disciplinary research with partners who have the necessary resources to add value to the collaboration. (This adds maximum value to our social and relationship capital, as well as our intellectual capital.)

The position taken by the NRF to do away with incentive funding for rated researchers may affect our research output, but we are exploring internal mechanisms to address this, for instance using internal funds or sourcing other external funding.
When comparing ourselves to the 11 other traditional universities\(^1\), we are ninth in the sector.

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\(^1\) Traditional universities can be distinguished from comprehensive universities, universities of technology and colleges. In 2004 former technikons were either merged with traditional universities to form comprehensive universities or became universities of technology. Traditional universities were not merged with former technikons. The NWU, as a traditional university, is an institution of higher education and research which offers theoretically oriented undergraduate and postgraduate university degrees.
The unit responsible for community engagement was restructured as part of our larger restructuring process. The unit’s name also changed from Community Engagement (including the Green Campus portfolio) to Sustainability and Community Impact.

The new name underlines what we do: we promote sustainability and we impact communities (as one of our stakeholder groups) positively through our activities.

Let’s look at some of the material matters we attended to, in order to achieve this goal.

■ **Share our expertise for a better South Africa**

When looking at our external environment, we realise that a university has a specific role as a knowledge generator and trainer. By sharing our expertise through discipline-based outreach, we can enable civil society organisations in a sustainable and empowering way.

Engaging with communities is about facilitating cooperation between the university and our communities in such a way that both parties can actively discover knowledge and teach and learn from one another in a reciprocal, mutually beneficial manner. Achieving this goal means that we strengthen our social and relationship capital and create value for all stakeholders involved.

■ **Promote sustainability**

We agree with the Brundlandt Report of 1987 that we have an obligation to future generations “to meet the needs of the present without compromising the ability of future generations to meet their own needs”. In other words, we all have to use our assets responsibly.

We realise that universities and society do not function without impacting on the environment or being impacted on by the various environmental factors. We also have to implement some of the global initiatives in our external environment, for instance climate change mitigation planning and a movement away from fossil fuel usage.

The assets in society we draw on include natural capital (biodiversity), manufactured capital (buildings, electricity and transportation), human capital (population size, personal health and distribution), social capital (norms, values, institutions and trust in them) and intellectual capital (public knowledge created through experience, invention and research).
The diagram below is a roadmap for our journey towards ensuring sustainability across the NWU environment:

Roadmap for sustainability

- **Emissions and energy**
  - Greenhouse emissions
  - Energy reduction
  - Renewable energy

- **Nature and ecosystems**
  - Landscape operations
  - Campus design
  - Conservation and education
  - Biodiversity and water management

- **Campus operations**
  - New construction work
  - Building operations
  - Transportation
  - Climate preparedness and campus resilience
  - Procurement
  - Waste management

- **Culture and learning**
  - Community engagement / community impact
  - Teaching and research
  - Governance and compliance
  - External partnerships
  - Communication

- **Health and well-being**
  - Personal well-being
  - Healthy food
  - Outreach: staff and students

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**Develop a clearly differentiated student value proposition**

This is our student value proposition:

Quality of core business, equity of access (with the redress of the past having been achieved), sense of belonging, empowering and supportive learning experience, seamless learning and teaching, functional multilingualism (that promotes equity of access, academic performance, student growth and employability), diverse and integrated student life, employability, responsible, active and caring citizens, knowledgeable so as to be leaders in developing our country and continent, aligned programme offerings that are locally and regionally relevant and internationally competitive, value for money.

The diagram on the next page shows our integrated and holistic approach towards providing a unique student value proposition.

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Create a uniform student experience across the university

Some of the results of a Student Culture and Climate survey that we undertook among all our students in 2017 showed us that the quality of the student experience differs from campus to campus. This poses a big challenge to us: we have to create a uniform student experience across the university.

Bringing us closer to ensuring equity, a student affairs director has been appointed on each of the campuses (thereby adding value to our human capital as a resource for achieving this goal). These directors have already discussed sharing resources, experience and knowledge. They also intend working towards a uniform approach when it comes to matters such as student counselling and health services, student communication (for instance student newspapers and radio stations) and sport, arts and culture, among others.

Another step that we took to promote resource equity was to bring internet connectivity on par across the university. The students on the Mafikeng Campus were experiencing very slow internet connectivity, and to mitigate this challenge, we established a 10 GB link to that campus, which turned out to be a major improvement. Systems have since been relatively stable, and the uptake of video-conferencing functionality is acceptable. However, a concerted effort to stabilise the functionality is still needed.
A major move to promote unity among all students was the establishment — in terms of the new Statute — of the Student Representative Council, with the three campus student councils being accountable to this body. (This also strengthened our human capital as a resource to be used to create a uniform student experience.) However, it is still a challenge to sensitise the student leaders to look at the overall NWU picture and not merely at their own campuses.

Expectations of equity across our campuses will increase and become more important among students. This means that we will have to make sure that equal resources (such as staff, infrastructure and finances) are available on all three campuses and that these resources are effectively utilised. For this to succeed, we must ensure the institution-wide commitment of all stakeholders and role players and continue to engage with our students to make sure we know what their needs are.

- **Increase graduate employability**

It is of no use to produce graduates who are not employable, and so we take various steps to make sure that our students are suited to the market.

The attributes that we try to cultivate are set out in our Teaching and Learning Strategy. We would like our graduates to be: responsible and engaged members of society, knowledgeable, highly educated individuals and professionals, innovative and critical thinkers, principled leaders, effective communicators and skilled collaborators and team members.

We also want to assist our students to develop those skills that will make them culturally agile and internationally employable.

We support our students throughout their student life cycle so that they are able to develop these desired graduate attributes through their studies and also through their whole student life experience. (In this way we add value to our human capital.)

To achieve all of this, we are developing an employability strategy document, which will include benchmarks for graduate employment rates.

For the past three years, we have been participating in a survey called the Graduate Destination Survey, which is conducted among graduates six months after graduating. The results show that 87% of NWU graduates are either employed or continue with their studies within six months after graduating. Of those who were employed, 76% found work within three months.

- **Develop learning spaces**

In our external environment, distance education and online learning are becoming increasingly popular. This development challenges us to not only provide physical but also virtual learning spaces. In fact, some of our most important resources for ensuring student success are the physical and virtual learning spaces for students (manufactured capital).

Based on research and evidence-based educational value, we design and develop these spaces to be enabling, responsive, engaging and sustainable teaching and learning environments, providing access to support systems that help lecturers to teach effectively and students to learn optimally.

The spaces also create an environment where technologies and digital resources can be used for information-rich learning using high-quality interactive learning materials. Evidence that our efforts to create a high-quality learning environment have paid off is that, according to MyBroadband speed tests, the internet at the NWU is still the fourth fastest in South Africa and second fastest of the 26 universities.

From the above it is clear that our learning spaces provide a comparable quality learning experience for students, regardless of the mode of delivery (contact or distance) and overcome the realities of spatial and, to a lesser extent, temporal separation in each mode. The spaces also make provision for formal and informal learning, as well as individual and collaborative learning, and for online and offline settings.

By enhancing our learning spaces, we also add value to our manufactured capital (buildings and infrastructure) and our intellectual capital (our systems and expertise), which in turn makes life easier for our students and staff, thereby adding value to our human capital too.

It seems as if we are on the right track to reach our goal, namely to develop a clearly differentiated student value proposition, as the results of a UNIVERSUM survey show that our students are quite satisfied with the NWU. Evidence in support of this claim is that, based on the outcome of this survey, the NWU won the first prize in the satisfaction award for South African universities, followed by Stellenbosch University in second place and Wits University in third place.

- **Focus on academic professional development**

We believe in empowering our academic staff members as soon as they join the university. One way of doing this is to present an induction programme.

In 2017 we revised our induction programme for new academic staff to ensure that it accommodates staff with and without teaching experience. The programme allows staff to complete the programme within the minimum probation period as determined by People and Culture, allowing staff to demonstrate certain teaching and learning competencies.
The programme also models the university’s blended teaching and learning approach. Full implementation of this programme will start in January 2018.

**Develop the Life Cycle of the Lecturer project**

We developed the Life Cycle of the Lecturer project as part of the broader Transformation of Teaching and Learning project. This life cycle links the academic promotion policy with the career pathways of academics and will be used to design a framework for the career path mapping of NWU academic staff. The deputy vice-chancellor for teaching and learning, the Centre for Teaching and Learning, and the People and Culture portfolio were the key stakeholders in developing this framework.

**Other empowerment activities**

In another endeavour to enhance our academics’ professional development, an online Student Lecturer Evaluation (SLE) system was successfully implemented in 2017.

We also submitted activity plans and budgets for the transformation of programmes, subject groups and modules for the consideration of the University Capacity Development Grant task team. These plans will also be implemented by January 2018 and will further strengthen and support our academic and research capacity.

As SETA rebates for staff development will decrease in future, we have to come up with creative alternatives to sustain and increase our own funding for staff development. If we do not, the NWU will become less competitive, with the risk of decreasing our human capital.

**OUTPUT: producing excellence, realising dreams**

**Graduates**

The NWU uses the various capitals as inputs and, through our interactions and core business activities inside and outside the classroom, strives to achieve the strategic outcomes as outlined in the section on how we create value through our performance on page 63.

Ultimately, we seek to enhance our intellectual and human capital by optimally developing our students in a holistic way, so that they are competent and empowered for life and for the world of work. We promote leadership opportunities in various levels of structures within the university, including the student leadership structures, house committees and affiliated student societies. We invest in leadership training so we can contribute to the output of prominent globally competitive leaders in the form of graduates.

For the number of degrees awarded at each qualification level, please refer to our business model on page 9.

Our Career Centre plays an important role in linking graduates and industry and was crowned the best centre of its kind in South Africa in the UNIVERSUM Global Surveys Awards.

**Levels of academic progress in different disciplines**

Satisfactory academic performance and progression requirements are regulated by the NWU general academic rules and faculty-specific rules, and carefully monitored by the management structures of each faculty. A sufficient percentage of the credit load of the programme for which the student is registered must be completed within the maximum duration allowed for the study. In order to ensure this, the rules require the following:

- A contact student must obtain at least 66% of the total credits required for the programme up to the historic year level for which the student is registered.
- A distance student must obtain at least 50% of the total credits that are required for the curriculum up to the historic year level for which the student is registered.

A student who fails to comply with the progression requirements does not automatically qualify to continue study in the programme concerned. After every examination period, the executive dean of each faculty must, in consultation with the faculty management committee or other faculty structure concerned, review the academic records of all students to determine the students’ compliance with the progression requirements and to intervene where necessary to better support students and enhance advancement and throughput.

**Alumni**

When our students graduate, they become our alumni, which is a highly valued stakeholder group and very important output in our value chain. We encourage our alumni to maintain a lifelong relationship with the university, which strengthens our social and relationship capital. This capital is further strengthened by the functioning of the Convocation, a formal structure comprising alumni and permanently appointed staff members.
The Convocation promotes the welfare of the university and actively influences its affairs through representation on the NWU Council.

Over the years we have produced many exemplary alumni and in 2017 we again publicly recognised them for their personal and career achievements and excellent contributions to society.

Alumni who have made their mark – not only in South Africa, but also internationally – received the coveted NWU Alumni Awards. Here are our 2017 recipients:

- NWU Lifetime Achievement Award: Prof Tjaart van der Walt
- Community involvement: Thamsanqa Manzi
- Community involvement: Prof Koos van Rooy
- Education: Prof Kobus Pienaar
- Public service: Advocate Sejako Senatle, SC
- Research: Prof Rudi van Eldik
- Sport: Dr Elsje Jordaan
- Young Alumnus Award: Daniëlla van Heerden
- Ambassador’s Award: Demi-Leigh Nel-Peters

The following output is also linked to our student life cycle model, as it reflects the success of our students, especially when it comes to teaching and learning activities. A substantial number of our students, in particular postgraduate students, are also involved in research projects, making our research output an important part of the student life cycle.

Teaching and learning output

Our success rate is 85%. This good academic performance is further enhanced through an improvement in the contact undergraduate graduation duration factor, which has improved from 1.21 in 2016 to 1.15 in 2017. This means that more students complete their degree in the minimum time.

Our student-to-academic staff full-time equivalent (FTE) ratio is 31.51:1; in other words, one academic staff member is available for every 31 full-time equivalent students.

The good return on our investment in academic support is evident in the first-time entrant dropout rate for contact degrees. This decreased from 15.3% in 2015 to 11.11% in 2017.

Teaching and learning awards

The university celebrated the cream of its lecturing crop during its Institutional Teaching Excellence Awards ceremony (ITEA). Acknowledging the best lecturers, this annual event took place on 20 April in Potchefstroom.

Prof Alfred Henrico of the Faculty of Economic and Management Sciences took top honours during the ceremony when he received the coveted Distinguished Teaching Excellence Award.

Forty-eight academics received awards. The NWU faculty that produced the most winners was Humanities on the campus in Vanderbijlpark, with eight winners. Next, in joint second place with six winners each, were the faculties of Humanities and Health Sciences at the campus in Potchefstroom. That campus’s Faculty of Theology took third place with five awards.

The awards are presented to show appreciation to lecturers for their commitment and dedication to student success and also to encourage academics to develop in the field of teaching and learning.

The ETEA rewards emerging lecturers for excellent teaching. It specifically recognises lecturers who display a long-term vision for their professional and career development by means of exceptional and proven achievement towards innovation in teaching and learning in their field.

The TEA is awarded to lecturers who have exceptional and proven achievements in teaching excellence. They use innovative approaches to facilitate learning that inspires and challenges students.

The DTEA commends distinguished scholars for leadership and achievement in the scholarship of teaching and learning.
Participants in the awards must comply with at least 80% of the criteria in the individual categories and must submit a reflective portfolio as evidence of their teaching and learning activities and teaching philosophy. They are also observed in action during at least two learning opportunities, one of which is unannounced. The reflective portfolio of DTEA winners is moderated internally and externally.

TEA Award participants are also expected to make presentations at an annual campus or faculty colloquium on teaching and learning.

**Research output**

In 2016, we achieved a weighted research output of 2 609.64 units. In the section on how we create value through our performance on page 70 we elaborate on our research performance. We also compare it with that of other South African higher education institutions (see page 23).

**OUTCOMES: Changing lives, creating a better future**

The value-adding outcome of 16 004 graduates in 2017 is a significant contribution to the knowledge economy of South Africa. However, at the end of the student life cycle, the graduates should be more than career-ready. They should also be well-rounded people who can live their lives as responsible, caring citizens with a commitment to social justice. When looking at the calibre of alumni that we produce (see page 29) we can conclude that we are on the right track in this regard.

In addition, our research and innovation results (see pages 70 to 71) are more than figures on paper – these results add value by solving real-life problems. One example – out of the numerous examples that exist at the NWU – is the research that the Medical Research Council Unit for Hypertension and Cardiovascular Disease at the NWU does to identify early markers or predictors for the development of cardiovascular diseases in black South Africans.

Likewise, our community engagement is more than a number of projects (see page 72) – we use community engagement as a catalyst for change agents to empower people and communities to improve their lives in a sustainable manner. One of the many examples that we can mention is a partnership between ourselves and a German renewable energy company that is empowering communities to grow food in unique agro-solar greenhouses while generating energy.

Pertaining to sustainability, our natural resources are a valuable capital. Some of our buildings are designed to use natural ventilation and we extensively use solar technology to save electricity and use borehole water and water from the nearest river for irrigation.

In the end, the ultimate outcome is to bring our strategy to life, realise our dream and achieve our purpose. (See page 6.)

To do this, we source, use and transform our capitals in a responsible way to ensure a sustainable future during which we can once again harness these capitals to create value. For instance: being financially stable is an outcome that ensures our future ability to create value. In this respect we are grateful to report that we maintained a sound solvency position and optimal liquidity levels during 2017 (see pages 91 to 92) to make sure that the NWU remains a going concern. As in the past few years, we have once again ended the year with a modest surplus (see page 87).

Whereas the outcomes mentioned above are mainly external, we also have internal outcomes, for instance the climate surveys among our students and staff members.

These are some of the alumni who received NWU Alumni Awards in 2017. They attest to our commitment to produce responsible, caring citizens committed to social justice.

Thamsanqa Manzi received an award for community involvement. He is a successful entrepreneur whose thriving businesses are creating job opportunities for people in his community.

The Young Alumnus Award went to award-winning journalist Daniëlla van Heerden, who is an inspiration to many up-and-coming journalists.
The overall results of the student survey for the NWU indicate a strong and positive culture that emanates from the teaching and learning environment and a supportive learning experience.

The survey also identified barriers to a caring culture, including inequities in the facilities on different campuses, certain artefacts in and around buildings of the university, the way staff treat students, substance abuse and issues of sexual harassment.

The results reflect very little experience of discriminatory practices in the past 12 months based on HIV/Aids status, gender-based violence, disability, sexual orientation and nationality.

*Residence students* portray positive results overall. The lowest-ranked statements refer to residence traditions which make some students feel excluded.

*Students with disabilities* are most satisfied with aspects such as accessibility and adequate support. The lowest-ranked aspect appears to be student activities that do not cater for them.

The questions pertaining to *functional multilingualism* indicate positive overall results related to language matters for administration, lectures and academic performance. The aspect that concerns many students is the use of language in social settings, which makes some students feel excluded.

What is important to note from the results is that various groups experience the NWU culture differently, that subcultures do exist within the student community and that the perception of some students is that language practices retard their academic progress.

Although many of the survey results were positive, we realise that there is still much work to be done to transform the climate and culture among students on our campuses. With the survey results in mind, we will compile extensive improvement plans to be implemented in 2018.

### A last word from the university management

We, as members of the University Management Committee, are fully aware of our role as an interface for the university community and of the internal and external environments in which we operate.

We also acknowledge our responsibility towards our stakeholders and know that we should remain alert and respond with agility to the needs of our partners, interest groups and the public.

**PROF ND KGWADI**

CHAIRPERSON OF SENATE
INTRODUCTION:
Taking a bird’s eye view

When looking back at 2017, it is clear that it was both a very interesting and a challenging year, with adjustment required by all to the changes brought about by our new strategy and structure.

Another major challenge was the uncertainty about the changes to the higher education funding framework, and the expansion of fee-free education that government announced late in December, challenging our capacity.

National political events influence events at the NWU; however, despite political turmoil, we had an uninterrupted academic year. We could focus on our core activities as an influential development driver in the information-knowledge system. We did this through the production of new knowledge and through creating opportunities for social mobility while strengthening equity and social justice.

Our managerial and administrative acitivities

Our performance against the goals and targets set out in our Annual Performance Plan is reported on extensively in the section on how we create value through our performance on page 63 of this report.

However, there were a few major developments during the year that are worth mentioning here.

- New senior executive/administrative appointments

For more information about senior appointments, please refer to the section Governance supporting value on p107.

Managerial and administrative aspects of our operations

Managerial and administrative aspects of operations are discussed throughout our report. Turn to the Report of Senate on page 11 to learn about administrative aspects relating to teaching-learning and research, and to the reports detailing our strategy (page 58) and our performance (page 63) to learn about aspects relating to other support departments and operations.

The adequacy of staffing levels, particularly in critical areas

Our student-to-staff ratios in the teaching and learning environment are better than the sectoral average but are generally worse than those of our major competitors.

We are not able to increase our academic staff complement as a result of our relatively low funding base. This is due to high levels of enrolment in qualifications that are low in the funding framework’s funding grid categories, our lower tuition fees and our low ratio of third stream income.

In addition, the adequacy of the staffing levels in our Information Technology division continues to pose a significant risk to the NWU. The war for IT talent appears to be intensifying annually and we are not able to fill critical vacant posts, let alone increase the overall staffing levels in IT. This poses a serious risk, as IT forms the backbone for the successful functioning of our core business.

Furthermore, the Finance Committee of Council has expressed concern about the increase in expenditure on support staff over the past four years and has mandated an investigation into this during 2018.
Adequate staffing is a priority for the NWU. During the restructuring process, we embarked on a rigorous consultative process to ensure that the new structure is adequately resourced.

This was done through a job analysis and evaluation of the support functions at the NWU, and by establishing the Talent Management department, which focuses on strategic workforce planning and ensures there is effective staffing (having the right people in the right place at the right time).

Future outlook: We intend to do a staffing analysis within the academic space in 2018 to ensure that we have adequate human capital aligned to our strategy and business levels. We will continually monitor staffing levels to ensure they are adequate.

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**The extent to which the equity targets in the workplace have been realised**

The purpose of the Employment Equity Act, as described in the Act itself, is to “achieve equity in the workplace by:

- promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and
- implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure their equitable representation in all occupational categories and levels in the workforce”.

**Our response is to implement measures to:**

- Create an enabling and empowering institutional culture that generates a sense of ownership and commitment among all employees.
- Ensure equal opportunity and fair treatment in all aspects of employment including recruitment, promotion, training and advancement.
- Improve the participation rate of members of designated groups in all jobs and at all levels where they are underrepresented. In this way, we can capitalise on the full range of human potential available to us.
- Encourage the development of a diverse workplace.

Employment equity is a key and critical strategic input that assists the NWU to drive transformation. This means that our profile should reflect the demographic of South Africa, based on the national Economically Active Population (EAP).

We are lagging behind the national EAP in a number of categories. When it comes to employing African females and African males, the gap is 19% and 26%, respectively, while the gap is 1% for Coloured females, 3% for Coloured males, 0% for Indian females and 1% for Indian males. On the other hand, we have 32% more white females than the EAP and 17% more white males.

This picture must be contextualised by the relative scarcity of appropriately qualified academic staff from designated groups. While concerted efforts have been made to reconfigure the NWU workforce profile, this has not been without its challenges.

**Key challenges in meeting employment equity targets**

- As we have mentioned before, our campuses are located in semi-urban and rural areas, making it a challenge to attract people from the bigger cities and metros across the country.
- Remuneration is a key aspect of attracting talent and the NWU has limited resources to compete in the marketplace.
- The prevailing perception is that the NWU culture is not conducive for the attraction and retention of employees from designated groups.

**Looking ahead, there are a few key considerations for 2018**

We have already built a sound foundation for future positive steps in strengthening our employment equity profile. After Council approved the Employment Equity Plan on 20 November 2016, we reconstituted consultative employment equity structures in line with the Employment Equity Act, and finalised statutory consultative forums, as well as the NWU Bargaining Forum.

As soon as the university has finalised and implemented the new NWU structure, we will start setting employment equity targets. This will necessitate an amendment to the current Employment Equity Plan and should be finalised as soon as possible for approval by Council, in line with the NWU strategy.

We will also do a proper audit of employees living with disabilities, with their consent, so that we can carry out enabling initiatives and provide assistance where required.

For more information about the realisation of equity targets during 2017, refer to the section on how we create value through our performance on page 75 (under the heading: Improve staff and student equity).

The Employment Equity Plan is set for review in 2018.
As information is used daily to make crucial strategic and operational decisions at the NWU, it is necessary to collect, store and process data in a manner that ensures the quality of the information. To this end, the NWU Strategic Intelligence department develops and maintains a data warehouse.

Data related to student academic performance, as well as staff data and research performance data, is made available to management through interactive reporting. The data is extracted monthly from various data sources including the Varsité Student System, Oracle HR and InfoEd Research Database.

This data goes through various validations throughout the import process to ensure data accuracy and quality. These validations include tests to check that the data entered is in the correct format and that it complies with the business rules of the functional processes involved. If any errors are found, error reports are created and sent to the relevant owners of the source systems for their attention.

The above activities, combined with an annual IT audit of the data warehouse and its processes, ensure that we report accurate data.

One of our greatest priorities is to create value for all our students, as they are a primary stakeholder group and also part of our human capital. Student life at the NWU is geared towards holistic growth and development, and students are encouraged to participate in a wide range of cultural, sport, counselling, health and well-being activities. Our ultimate aim is to see our students joining the South African workforce as entrepreneurs or employees.

For more information about the academic support available to students, turn to page 73 in the section on how we create value through our performance under the heading Goal 4: Develop a clearly differentiated student value proposition.

In addition to academic support, we also encourage our student leaders to continue their leadership roles after leaving the university, and so are committed to providing training for our student leadership.

Close to 90 student leaders participated in a Leadership Summit in 2017. The event exposed students to a number of thought leaders, including a judge and corporate and civic leaders. This offered students a platform for networking and an opportunity to learn from these respected guest speakers and panellists.

Besides having numerous sports teams and clubs at our university, the Student Representative Council arranged inter-campus sport days to facilitate social cohesion and also organised a number of benchmarking activities within residences and the management of student structures.

All our qualifications are now fully aligned with the new Higher Education Qualifications Sub-framework (HEQSF). The data on the verified programmes has been uploaded to the online system of the Institutional Committee for Academic Standards for that committee’s consideration and approval for use in the 2018 yearbooks.

We exceeded our contact enrolment target by 5,9%. The appointment of academics did not increase at the same rate as our student enrolment, however, which meant that our student-to-staff ratio increased from 31,16 in 2016 to 31,51 in 2017.

This is still a favourable ratio when compared to national benchmarks and our academic performance confirms that this slightly higher ratio did not negatively affect the quality of teaching and learning. Our first-time entrant dropout rate decreased from 12,2% in 2016 to 11,11% in 2017. Similarly, our contact undergraduate graduation duration factor improved from 1,21 in 2016 to 1,15 in 2017.

It is concerning to note that our distance enrolments fell 35,6% short of our enrolment target. This can be explained by the fact that we are phasing out the Advanced Certificate in Education, as well as the fact that the remaining students are graduating sooner than anticipated in our planning. Our graduation rate is 23,78% for contact students and 29,21% for distance students.

Regarding enrolment diversity on the three campuses, the following trends can be observed: On the Potchefstroom Campus, the number of African students increased from 4 583 in 2015 to 5 579 in 2017 (22%). The number of white students increased from 14 973 in 2015 to 15 410 in 2017 (2,9%). Indian student numbers increased from 48 to 44 and Coloured students increased from 95 to 121 (27,4%).

On the Mafikeng Campus, the number of African students increased from 9 780 in 2015 to 11 884 in 2017 (21,5%), while white student enrolments dropped from 188 in 2015 to 88 in 2017. The number of Indian students decreased from 48 to 44 and Coloured students increased from 95 to 121 (27,4%).

On the Vaal Triangle Campus, the number of African students increased from 4 986 in 2015 to 5 723 in 2017 (14,8%).
Over this period, the number of white students dropped from 1 294 to 1 082 (16,4%), with Indian students stable at around 120 (120 in 2015 and 128 in 2017) and the number of Coloured students increasing from 106 in 2015 to 128 in 2017 (20,8%).

The finalisation of the eight new faculty structures and the appointment of deputy deans for teaching and learning will provide strategic leadership in the development of faculty curriculum development plans. This will ensure that social justice and transformation, as key elements in our Teaching and Learning Strategy, will either be embedded via new curriculum development or integrated via current curriculum revision cycles.

The information contained in the plans, from a facilities, finance and enrolment planning perspective, will also be integrated into the various support divisions to ensure improved integrated planning and budgeting.

Focused attention will be needed in 2018 to improve our employment equity profile. We will also need to attend to issues of institutional culture highlighted in our 2017 surveys among staff and students.

In conclusion, we are confident that we have substantially attained the objectives set out in our Annual Performance Plan for 2017.

**Summary and outlook**

As indicated earlier, a major focus for 2017 was the implementation of our new strategy and structure. At the end of 2017, new structures and reporting lines were already in place and we could see these bearing fruit. For the future, I envisage greater synergies, efficiencies and quality improvement as a result of the restructuring initiatives.

Our ethic of care must pervade all our activities to ensure that we achieve the strategic and restructuring objectives. Each member of the NWU community should view this as a personal objective and embrace it in the coming year.

Our focus for 2018 will be to ensure that the new structure is populated with staff able to fully implement our strategy and to begin identifying those elements of our institutional culture which have the potential to impede the implementation of strategy.

This integrated report is both a message of gratitude for what has already been achieved, and a message of hope for what we are working towards. The NWU is a place for optimists and problem-solvers, a place for achievers and leaders. We will embrace the challenges that the future may bring with the same level of enthusiasm and competence that we applied in 2017.

As student life at the NWU is geared towards holistic growth and development, we encourage our students to participate in a wide range of activities, including cultural and sport activities.
Meet our University Management Committee members

PROF ND KGWADI
Vice-Chancellor

PROF JJ JANSE VAN RENSBURG
Vice-Principal and Deputy
Vice-Chancellor: Assigned Functions and Potchefstroom Campus Operations

PROF RJ BALFOUR
Deputy Vice-Chancellor:
Teaching and Learning

PROF RN PHASWANA-MAFUYA
Deputy Vice-Chancellor: Research and Innovation

PROF L DU PLESSIS
Deputy Vice-Chancellor: Assigned Functions and Vaal Triangle Campus Operations

PROF M SETLALENTOA
Deputy Vice-Chancellor: Assigned Functions and Mafikeng Campus Operations (as from 1 January 2018)

PROF M VERHOEUF
Registrar

MR K OAGILE
Executive Director: People and Culture

MR C MANOKO
Executive Director: Corporate Relations and Marketing

MS E DE BEER
Executive Director: Finance and Facilities

PROF L LALENDELE
Executive Director: Student Life

PROF ND KGWADI
VICE-CHANCELLOR
When looking at our external environment, it is apparent that the South African higher education sector has been experiencing challenges across a range of issues over the past few years, including barriers to access, curriculum transformation and equity. Against this background, continuous and proactive engagement with all stakeholders has become an absolute necessity.

Our response is to establish and maintain strong and mutually beneficial relationships and ties with our various stakeholders. These relationships are aimed at strengthening key areas of teaching-learning, research and innovation, as well as community engagement and development. We engage proactively with our stakeholders on the implementation of our 2015-2025 strategy and on developments taking place within the higher education sector and their impact on the NWU.

Creating value for ourselves and for our stakeholders

We realise that value is not created by or within the NWU alone, but through relationships with others. We also acknowledge that we cannot create value only for the university; there is an obligation to create value for our stakeholders too.

An example is that we provide our students with education of a high standard, thereby giving their parents value for money, while the South African people benefit from graduates’ expertise when they start their careers.

Another example is that we share our knowledge by doing cutting-edge research that leads to solutions to real-life problems in communities.

Assessment of the effectiveness of our current methods of engagement

During 2017, the university conducted several surveys to find out what our stakeholders’ engagement and other preferences were. Corporate Relations and Marketing undertook two communication surveys, one among NWU staff and the other among alumni. The People and Culture department and the department of Student Life conducted climate and culture surveys and the Career Centre undertook a survey among graduates (alumni).

- The internal communication survey was undertaken to determine the communication preferences of our internal stakeholders. The results of this survey helped us to know and understand our stakeholders’ communication needs and preferences when it comes to the mode(s) and frequency of communication.

- The alumni communication survey was undertaken to determine the communication preferences of our alumni. In a nutshell, this survey highlighted the communication needs of NWU alumni, the frequency of communication they prefer and the topics or issues that are of interest to them.

A total of 2,285 responses were received for the alumni survey, with more than 80% indicating their preference for e-mail as a communication channel for updates on NWU matters. Altogether 83% indicated that they would like to receive updates about the university’s language policy review and more than 80% indicated that they would like to be kept abreast of short courses and new programmes in teaching and learning.

We will use the feedback from our stakeholders as the basis of our plans to enhance the quality of our stakeholder engagement initiatives for 2018 and beyond. More targeted interventions that seek to address the specific needs and preferences of stakeholders will be developed and implemented to ensure improvement and stakeholder value maximisation.

- As stated earlier in this integrated report, climate surveys were conducted among employees and students. These were initiated by the departments of People and Culture, and Student Life respectively, and conducted by independent companies, Diversi-T and Laetoli.
Our challenges and risks

While we are actively working to make our programmes accessible to more prospective students, the existing pool of eligible students is relatively small. The NWU competes with other higher education institutions in South Africa for a very limited student market. The university’s student value proposition needs to be competitive and relevant in order to attract top Grade 12 performers – regardless of race, language or religion – across South Africa and neighbouring countries.

Our future outlook

We believe that strong and constructive relationships with our various stakeholders will ensure the ongoing successful implementation of our strategy. These relationships will also enable us to continue to offer quality education and produce graduates who can readily contribute towards the development and growth of our country and develop sustainable solutions that address societal problems.

Our main stakeholders

We have categorised our stakeholders according to the issues they have raised or that are relevant to them and the engagement mechanisms most appropriate to them. The tables on the next few pages indicate the engagement channels we use and our response to our stakeholders’ expectations and concerns.

Investments. The purpose of these surveys was to determine how staff and students feel about the NWU. (For more information about this, turn to pages 16 and 31.)

- The Career Centre survey was conducted to better understand the career needs of NWU graduates and the perceptions and attitudes of alumni towards the NWU as a whole and also the alumni services it provides.

It is important to maintain strong and mutually beneficial relationships and ties with our various stakeholders.

This year’s homecoming event on 30 September saw more than 300 members of the Young Alumni fraternity gathering on the banks of the Vaal River in Vanderbijlpark.

We have a strategic student recruitment project called Ikateleng whose main objective is to assist learners from grades 10 to 12 improve their performance in science, mathematics and physics.

Our Career Centre engages with employers in the different industries through visits and regular career fairs on the NWU campuses.
### Level 1 stakeholders

**Students (current, postgraduate)**

**How we engage**

We engage with our students through the formal governance structures such as the Student Representative Council, the three student campus councils and the academic councils in the faculties.

Students are also represented on various Senate and Council committees, for instance the Student Oversight Committee.

More information is also available in the Council Statement on worker and student participation on page 130.

We use SMS, social media, campus radio stations and newspapers, mass meetings, video messages and vice-chancellor engagement events to engage with students.

Engagement sessions with specific student focus groups are also held to ensure that we embrace student diversity fully and meet expectations of groups which have a perception of being marginalised, for instance foreign students.

**Our response to stakeholder expectations and concerns**

**Equity of student life experience** – It is part of our strategy to integrate student life in a unitary way across the campuses, particularly when dealing with matters such as equity of provision and experience.

**Academic excellence on all campuses** – Some of the issues raised had already been identified during our strategy formulation process. Therefore, we have begun to work towards integrated and aligned programmes to ensure equitable resources – including academic support programmes – across our three campuses.

**Safety challenges** – We recognise that safety and security is perceived as a challenge in areas surrounding our campuses and are working on solutions to partner with local authorities and the South African Police Services to improve off-campus safety.

**Employability of graduates** – As part of our strategic commitment to improve graduate employability, we do surveys among our graduates to establish appropriate benchmarks and liaise with employers to make sure our academic programmes remain relevant.

Our Career Centre plays an integral part in facilitating linkages between our students and potential employers through various initiatives such as career fairs and exhibitions.

**Uneven access to IT services** – Equity of provision is an important driver of our unitary and inclusion strategy and we aim for equal access to services such as WiFi and computer laboratories.

**Language policy** – A language policy and plan revision commenced in 2017 to address challenges with the implementation of our functional multilingualism policy and we kept our stakeholders continually updated about progress.

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**Staff (academic, support, contract)**

**How we engage**

We engage with our staff members through the University Bargaining Forum where the recognised staff union is represented.

More information is available in the Council Statement on worker and student participation on page 130.

The channels that we use for staff engagement include email, social media, SMS, internal publications, face-to-face communication and video messages.

Under the leadership of our vice-chancellor, the NWU has a targeted programme of employee engagement aimed at addressing the issues employees at all levels raise.

The vice-chancellor hosted 14 engagement sessions with staff and students, and important Council decisions were communicated to staff after each Council meeting.

**Our response to stakeholder expectations and concerns**

**Job security** – During the restructuring, we kept staff updated about the process in order to mitigate uncertainty. Very few staff members lost their jobs – most were either retained in their positions or placed in other positions.

**Career development** – We have various programmes for staff development and make sure that staff are aware of them. (Find more information under the heading Focus on academic professional development on page 27.)

**Safety challenges** – See our response under “Students” above.

**IT systems and cyber security** – Equity of provision is an important driver of our unitary and inclusion strategy and we aim for equal access to services such as WiFi.

We manage cyber security carefully and ensure business continuity and sufficient access for staff to state-of-the-art technology, including teaching and learning technology and connection to national research networks.
### Level 1 stakeholders

#### Alumni

**How we engage**

We engage with our alumni through formal structures such as the Alumni Association and the Convocation.

During our engagement with alumni, we inform them about developments at the NWU, for instance about teaching-learning programmes, events and policy-related matters.

Channels that we use include digital media, meetings, publications and the NWU website.

We published five editions of our alumni magazine, the NWU & U, and hosted a total of 102 alumni events during 2017. These events included residence and faculty reunions, wine guild and regional chapter meetings and 22 golf days.

**Language policy** – See our response under “Students” on page 39.

**Restructuring and change of leadership** – We keep our alumni informed about the restructuring process and the appointment of senior management members.

**Financial sustainability** – We assure them that the NWU continues to be in a healthy financial position. Proof of that can be found in our annual integrated reports, in particular in the Finance Report section.

#### Employers, business, industry

**How we engage**

Our Career Centre engages with employers in the different industries through visits and regular career fairs on the NWU campuses.

The vice-chancellor hosted a range of stakeholder engagements, including six business dinners and three industry dinners.

Channels that we use include meetings, workshops and visits.

**Employability of graduates** – See our response under “Students” on page 39.

**Rating/ranking of the university** – We make sure employers know that the NWU participated in the global Quacquarelli Symonds (QS) university ranking system and was ranked in the 801+ ranking position.

**Relevance of qualifications to industry needs** – We ask industry’s input to ensure that our academic programmes remain relevant.

**Financial stability of the university** – See our response under “Students” on page 39.

**Competence of management** – Proof of management’s achievements can be found in our annual integrated reports, particularly in the section on how we create value through our performance on page 63.

**Research excellence** – We have a well-established system of research entities, and our research output (see page 70) bears testimony to our research excellence.

### Level 2 stakeholders

#### Parents, families (of registered students)

**How we engage**

In addition to the three welcoming and opening ceremonies for parents and new students, the vice-chancellor and deputy vice-chancellors for campus operations regularly host parents to discuss issues relating to student life and experience on our campuses.

**Sound management and financial sustainability** – During engagement opportunities we assure students’ parents that we are cautious in managing our budget and that we launch initiatives to increase our revenues. (See risks and mitigating actions on page 50).
## Level 2 stakeholders

### Parents, families (of registered students)

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<tr>
<th>How we engage</th>
<th>Our response to stakeholder expectations and concerns</th>
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<tr>
<td>We engage with the parents and families of our students through social media, SMS and the traditional media. We also use NWU publications to reach them.</td>
<td><strong>Academic excellence on all campuses</strong> – See our response under “Students” on page 39. We also inform parents about the growth in the number of graduates, our positive throughput rates and the many academic support opportunities available to students. (More information on page 66.)</td>
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<td><strong>Relevance of academic programmes and employability of graduates</strong> – See our response under “Students” on page 39.</td>
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<td><strong>Safety challenges</strong> – We recognise that safety and security is perceived as a challenge in areas surrounding our campuses and are working on solutions to partner with local authorities and the South African Police Services to improve off-campus safety.</td>
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<td></td>
<td><strong>Affordable fees and bursaries availability</strong> – We give parents information about the way we manage our tuition fees and about the bursaries available for students. For more information about bursaries, see page 11.</td>
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<td></td>
<td><strong>Language policy</strong> – See our response under “Students” on page 39.</td>
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### Department of Higher education and training (DHET), Council on Higher education, South African Qualifications Authority, Education Quality Committee, Universities South Africa

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<th>How we engage</th>
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<tr>
<td>Formal engagement with the DHET and its various structures takes place mainly from the offices of the vice-chancellor and the registrar. Meetings were held with the DHET and its structures regarding updates on a range of issues. These include the review and review outcome of the LLB degree. (See page 108.) Channels that we use to engage with stakeholders in this subcategory include regular meetings, symposia and workshops.</td>
<td><strong>Compliance with regulations and the Higher education Act</strong> – Management, and in particular the office of the registrar, is responsible for the university’s day-to-day adherence to these regulations. The NWU Council plays an oversight role, driving and monitoring compliance. We report to the DHET during the year and submit an integrated report at the end of June each year. <strong>Excellence of the institution</strong> – In our regular reporting activities we keep the DHET and other stakeholders in this category abreast of our achievements. We also annually submit audited information to the DHET via the Higher Education Management Information System (HEMIS).</td>
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### Schools (Grade 11 and 12 learners)

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<th>How we engage</th>
<th>Our response to stakeholder expectations and concerns</th>
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<tr>
<td>Our marketing and recruitment team reached 672 schools via direct marketing and 471 schools via social media. In addition, our three campuses hosted more than 50 school visits and tours, with more than 20 schools and 3 000 learners taking part. We also communicated with schools and learners through the NWU website, face-to-face communication and regular open days.</td>
<td><strong>Academic excellence and equity of student life</strong> – We tell learners about the NWU’s excellent academic programmes and the vibrant student life on our campuses and explain how our new unitary model strives towards equity of resources and quality of student life on all our campuses. <strong>Relevance of academic programmes and employability of graduates</strong> – We assure learners that the qualifications which they will obtain from us are relevant. We tell them that, as part of our strategic commitment to improve graduate employability, we do surveys among our graduates to establish appropriate benchmarks and liaise with employers to make sure our academic programmes remain relevant.</td>
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## Level 2 stakeholders

### Schools (Grade 11 and 12 learners)

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| Four open days were hosted, with more than 15 000 attendees on our campuses. We have a strategic student recruitment project called Ikateleng whose main objective is to assist learners from Grades 10 to 12 improve their performance in science, mathematics and physics. A total of 1 800 learners participated in the Ikateleng project during 2017. | **Safety challenges** – Learners rest assured that we value students’ safety – on and off campus. We recognise that safety and security is perceived as a challenge in areas surrounding our campuses and are working on solutions to partner with local authorities and the South African Police Services to improve off-campus safety.  

**Affordable fees and bursaries available** – We tell the learners that we manage our tuition fees carefully so as to maintain market-related student fees. We also make them aware of the different kinds of bursaries available to students. (More information about bursaries is available on page 11.)  

**Range of academic offerings** – We offer a wide range of qualifications and make sure that the learners know about them. For more information about our qualifications, see our business model on page 9.  

**Language policy** – See our response under “Students” on page 39. |

### Donors, sponsors, patrons

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<th>How we engage</th>
<th>Our response to stakeholder expectations and concerns</th>
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| We formally engage with these stakeholders through our Commercialisation and Advancement team and our Board of Donors. The two Board of Donors meetings which we host annually give us an opportunity to engage with our donors and obtain their input on key matters that affect the university. In addition, our fund-raising team and academics meet regularly with specific donors and patrons to share project developments and progress. The communication channels that we use include meetings, email and NWU publications. | **Financial stability** – We give our stakeholders feedback on the financial state of the university and show them how their contributions added to this stability. We also inform them of the controls and other measures that are in place to ensure sound financial management, and how the Financial Committee of Council ensures good governance.  

**Academic and research excellence** – We share information about our output, results and achievements, for instance via our annual integrated report.  

**Transparency and sound management** – Our Board of Donors is also represented on the Council, which is the highest governance body at the university. |

### Media

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<th>How we engage</th>
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| Formal engagement with the media takes place through the Corporate Relations and Marketing portfolio. Communication channels include networking sessions, one-on-one engagements, media interviews, media visits and tours, and media conferences and statements. | **Honouring of deadlines and transparency** – We keep to deadlines, answering media enquiries timeously, honestly and in full. We also arrange for interviews with the vice-chancellor or the chairperson of the NWU Council if necessary.  

**Availability of information and experts** – We keep an up-to-date list of experts on our website and empower these experts through workshops to be able to assist the media in the best possible way.  

We send out media releases when applicable. We also send our regular research newsletter to the relevant media. In 2017, we hosted three media networking sessions. The media relations team also handled ad hoc enquiries and organised press conferences to respond about and update the public on a range of issues including progress with the implementation of our new strategy. |
Introduction

As you might know by now, the NWU’s strategy statement is to transform and position itself as a unitary institution of superior excellence, with a commitment to social justice.

Value creation lies at the heart of the transformation at the NWU. Through transformation we want to create and increase value for our stakeholders, in particular for our students and staff members.

We want to make sure that they feel at home and that their experience of life at the NWU is fair, equal and of a high quality. By creating value for them, we are also strengthening our human capital, which is an important input in our value chain.

We strive to create an environment where our students and staff may enjoy greater social cohesion, inclusiveness and diversity. Redressing past injustices and ensuring participation and access for all, especially for the disadvantaged groups,

is integral in our drive to transform the educational and work context.

We are also committed to transforming our policies, practices and processes, thus ensuring equity in provisioning, resourcing and student and staff experience. By doing this, we increase our intellectual capital and ensure that transformation at the NWU is closely connected to issues of justice, culture, communal well-being, excellence and relevance.

Guided by the university’s Transformation Barometer, we pledge to be responsive to environmental and political changes in our external environment, and to the current needs of the communities we serve. Our commitment is self-evident in our strategy statement, dream and purpose – see page 6.)

Another way in which we add value through our transformation is by creating an institutional culture underpinned by the values of human dignity, equality and freedom as enshrined in the Constitution of South Africa.

In this reporting period, we focused on transformation within our teaching and learning, research and innovation, and community engagement environments. Some of the institutional programmes covered staff and student equity and the transformation of curricula. Others promoted sustainability by monitoring efficiency and the effectiveness of our core business processes, and by measuring staff and student perceptions of the prevailing institutional culture and its role as an enabler or disabler of the university’s agreed upon strategic goals. (The results of these surveys are included in this report on pages 16 and 31.)

Transforming the student experience

As set out in our strategy documents (for instance our internal success model), we are committed to creating a diverse and integrated student experience where all our students have a sense of belonging and enjoy the same high-quality education and student life.

Committed to social justice and an ethic of care, we are especially set on adding value for individuals from disadvantaged backgrounds, needy students and people with disabilities.

Trained staff provided counselling and psycho-social services to all students and in particular to those from historically disadvantaged backgrounds. Through various programmes such as our Meal-a-Day programme, needy students who would otherwise go hungry due to their socio-economic status received healthy meals each day.

Striving for equity of resources

Part of our new strategy is to ensure equity of resources, for instance academic, sporting and recreational facilities across the campuses. This means that we have to add equal value to all our students, resulting in the student experience being the same across the NWU. The big challenge is that resources are still not equitably spread across our three campuses.

A major input in this respect will be an injection of strategic funds in 2018 on campuses where the majority of disadvantaged students are serviced, ensuring an equitable student experience and providing some much-needed stability across our campuses.
Effective student governance is another way in which we can add value to student life. Student leaders can play an important role in helping to build a culture of tolerance, openness and respect for human rights at the university and, by extension, in our broader society. To sensitise our students about diversity and human rights, programmes on these topics were designed to train student leaders. Management specifically engaged with students on critical matters such as social justice, decolonisation of the curriculum and human rights.

Our student leaders are a diverse group of young men and women who are committed to the future and refuse to be captives of their past. They occupy 15 portfolios that speak to student governance, transformation and the provision of an equitable student experience for all students. They are engaged leaders, impacting policy, participating in curriculum transformation debates and helping to create inclusive environments by leading projects on constitutionalism and anti-racism.

Students are able to canvas freely and fair Student Campus Council elections are held.

We made provision for political parties to address students on the campuses during the year. While some members from the Mafikeng and Vaal Triangle campuses were elected in association with political parties, there is a culture on the Potchefstroom Campus of student leaders distancing themselves from political involvement during elections.

We are moving more and more into an environment where students are given opportunities to canvas freely, without fear or favour, as we are committed to an environment that protects students’ constitutional and human rights.

If we decolonise our curricula, we increase the value of our intellectual capital, of which our academic programmes and qualifications are part. Furthermore, when teaching these transformed, decolonised curricula to our students, we add value to their learning experience.

We also launched projects geared towards the integration of HIV/Aids as a topic in the curriculum across faculties, with wide participation from Health Sciences, Humanities and Education faculties across the three campuses.

The university’s teaching staff attended a number of conferences in 2017, presenting work on decolonisation and activities geared towards improving students’ experiences of teaching and learning, research development and implementation of expertise in activities that involve communities.

We also hosted a conference with the South African Sociological Association, focusing on the decolonisation of the curriculum, the promise of a free education and student activism.

Late in 2017, Senate received a draft Declaration on Decolonisation of the Curriculum. Faculties submitted feedback, which has resulted in a third draft and a task team being set up to finalise the declaration.

The Council on Higher Education’s revision of the category C academic programmes (those programmes that need to be reconceptualised and resubmitted for accreditation) provided opportunities for some academics to take another look at the curricula and to include topics and approaches that talk to a transformed programme.

We also launched projects geared towards the integration of HIV/Aids as a topic in the curriculum across faculties, with wide participation from Health Sciences, Humanities and Education faculties across the three campuses.

The university’s teaching staff attended a number of conferences in 2017, presenting work on decolonisation and activities geared towards improving students’ experiences of teaching and learning, research development and implementation of expertise in activities that involve communities.

If we decolonise our curricula, we increase the value of our intellectual capital, of which our academic programmes and qualifications are part. Furthermore, when teaching these transformed, decolonised curricula to our students, we add value to their learning experience.

Keeping the above in mind, the university took various steps to address the challenges around the transformation of the curriculum. Examples of these steps are workshops conducted with executive deans and a series of debates among students on all three campuses.

We also hosted a conference with the South African Sociological Association, focusing on the decolonisation of the curriculum, the promise of a free education and student activism.

Late in 2017, Senate received a draft Declaration on Decolonisation of the Curriculum. Faculties submitted feedback, which has resulted in a third draft and a task team being set up to finalise the declaration.

The Council on Higher Education’s revision of the category C academic programmes (those programmes that need to be reconceptualised and resubmitted for accreditation) provided opportunities for some academics to take another look at the curricula and to include topics and approaches that talk to a transformed programme.
Pursuing staff and student equity

As mentioned earlier, staff equity is one of the most important matters on our transformation agenda, given the history of our campuses that were either predominantly black or white. By exposing our students to the rich cultural diversity of our country while they are studying, we add value to their experience and prepare them for the diverse world of work.

Initiatives driven by the vice-principal and executive director for people and culture addressed staff equity profiles. We also have a plan for the next five years that will be submitted to Council for approval before the end of 2018.

In the area of student equity, we are guided by our enrolment plan. This plan directs us to improve access to and success in engineering, science and technology and economic sciences programmes, targeting students from disadvantaged backgrounds, especially those from schools in quintiles 1 to 3 (non-fee-paying schools).

For more information on our student equity targets, turn to page 75, where you will also find the steps that we took to work towards a representative staff complement.

Caring for staff and students with disabilities

There have been healthy increases in the numbers of students with disabilities, and seeing most of them graduating and pursuing postgraduate qualifications is very gratifying.

We have embarked on a number of activities to transform and add value to the living experiences of people and students with disabilities.

The disability units on our campuses assist people who are living with disabilities to become fully integrated into the university so that they can develop their potential.

We have also been conducting the necessary infrastructure audits. We are currently adapting our old buildings and making sure that new building projects cater for the needs of people living with disabilities. At the Potchefstroom Campus, four buildings will be made compliant as of 2018, while new lecture and tutorial spaces at the Mafikeng Campus already accommodate the needs of people living with disabilities.

We realise that we have to increase the numbers of staff with disabilities as a developmental area in the years to come.

Building capacity for women

One of our value-adding programmes empowers female staff members to compete for positions previously occupied by men. We also make special provision for women in our internally driven capacity development programmes such as the Growing Our Own Timber programme and the New Generation of Academics bursaries for studies in postgraduate programmes.

Overseeing transformation

The Transformation Oversight Committee, a subcommittee of the NWU Council, has an oversight role when it comes to transformation, thereby ensuring that our transformation processes really add value to the university and our stakeholders.

As part of its responsibilities, the committee focuses on the elimination of discriminatory practices and on monitoring the induction and orientation of new NWU students and staff.

The committee also holds management accountable for issues raised by Chapter 9 institutions (state institutions supporting constitutional democracy) such as the Commission for Gender Equality and the South African Human Rights Commission, among others, as well as the Council on Higher Education. It gives recommendations to Council on projects and activities that could be explored to ensure compliance with national transformation goals in higher education.
Facing challenges and risks

As you will see in the section about our risks and opportunities, the demand for ongoing organisational change and transformation ranks second on our list of material risks. (More information about this is available on page 48.)

We acknowledge that transformation is a national imperative at higher education institutions in South Africa and that it is important that we create an inclusive and welcoming culture for our diverse populations.

Our greatest challenge as a university is that, as a microcosm of our society, different constituencies have different past experiences and expectations that tend to define our reactions to transformation.

Looking to the future

The NWU has moved from a federal management model to a unitary model which has prioritised resourcing and service provision to create an excellent student and staff experience, thereby creating fair and equal value for these valued stakeholder groups.

We realise that we have to focus on cohesion and inclusivity as critical goals in the transformation process. We pledge to engage in change activities in a manner that ensures maximum participation to reach our set goal of achieving superior academic excellence within a socially just setting.

We have budgeted for the following strategic areas, and most of them will be rolled out in 2018:

- **Alignment of student life practices for residence and day students**
  
  We want to ensure that the student life and support that day students enjoy is comparable to that of students who stay in campus residences. This could be achieved by, for instance, appointing house parents for day students, where house parents do not exist at present.

- **Student Leadership Academy**
  
  Plans for a Student Leadership Academy to hone students’ leadership skills started taking shape in 2017. The idea is to have the academy established by July 2018. The academy will have an intake of 36 student leaders who will be exposed to a variety of leadership training and experiences.

- **Benchmarking and alignment of practices**
  
  We want to ensure that all policies, rules and practices concerning student life are aligned across our campuses and that they are benchmarked against those in use at other universities.

- **Social entrepreneurship**
  
  Various entrepreneurship projects are currently running. The Enactus group, for instance, participates in a national competition where students have to implement social entrepreneurial ventures to improve the lives of people in the community. Instead of having different campus teams participating, only one united team will represent the NWU in 2018.

- **Forum for benchmarking activities by heads of units**
  
  The foundation was laid in 2017 for greater collaboration among the directors and heads of units such as those responsible for healthcare or for looking after the needs of people living with disabilities. The starting point entailed establishing a Director’s Forum and, as a next step, a forum for the heads of units. These forums will serve as platforms where they will discuss common strategies, experiences and improvements necessary in their areas of operation.
A final word

We believe that value-adding transformation should be deeply embedded in all our activities, from the transformation of the curriculum to transformation of the institutional culture. All leaders, managers and supervisors are required to further the transformation objectives of the university and to be change champions of transformation initiatives.

We have made good strides in the past year and will continue to have courageous conversations on our transformation agenda. The university is committed to meaningful changes that will impact positively on the lives of our staff and students.

As part of the national Student Entrepreneurship Week, coordinated by the Department of Higher Education and Training, students from all disciplines on the Vaal Triangle Campus took part in an Entrepreneurship Boot Camp. Hosted by the bhive Enterprise Development Centre, the boot camp addressed topics such as idea generation, idea to concept, the development of a business model, networking and pitching.

This is our Student Representative Council for 2017-2018. To sensitise our students about diversity and human rights, programmes on these topics were designed to train student leaders. Management engaged with them on critical matters such as social justice, decolonisation of the curriculum and human rights.

As part of the national Student Entrepreneurship Week, coordinated by the Department of Higher Education and Training, students from all disciplines on the Vaal Triangle Campus took part in an Entrepreneurship Boot Camp.
Higher education in South Africa finds itself in a dynamic environment. The recent developments within the sector and the ongoing uncertainties around events of the past few years, especially concerning fee-free education, had an effect on the extent to which the university could realise its strategic objectives over the past year.

Although uncertainties in the external environment have shaped the risk management process in distinct ways during the past few years, the inherent risks and opportunities identified during the restructuring process at the university played a role in determining the focus of the risk management events during the last year.

2017 also saw the implementation of King IV, necessitating a concerted effort at the university to ensure our processes are streamlined and aligned to this code. For the risk management project, we undertook a definitive alignment exercise to ensure all processes comply with the principles of King IV.

Given our dynamic environment, it is important that we conduct ongoing materiality determination processes. These take place by means of engagements with business process owners and other internal stakeholders, as well as regular engagements with external stakeholders. The results of these engagements are reflected in the integrated risk register that the business process owners formally update twice a year. Each update is followed by reports to the University Management Committee, the Combined Assurance Forum, the Audit, Risk and Compliance Committee and to Council.

We keep the risk register in two formats, namely the integrated risk register (mentioned above) and the material risk register:
- The integrated risk register is a comprehensive document, clustered in accordance with eight main risk categories. It acts as an inventory of all the risks and opportunities that have been identified over the past three years.
- The material risk register is a distillation of the integrated risk register and focuses on the specific risks and opportunities that affect the university’s ability to create value.

For the past two years, we have been using the risk cluster categorisation approach as a tool for the optimal understanding and management of the material risks at the NWU.

This approach has proved useful in enabling us to identify the material risk clusters that are considered important for the university’s strategy, governance and management, performance and future planning. These clusters, listed in the following table, make up the core content of the risk management process.

<table>
<thead>
<tr>
<th>Risk ranking</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Uncertainties in the higher education sector, largely related to uncertainties about financial matters and the funding model for universities</td>
</tr>
<tr>
<td>2</td>
<td>The demand for organisational change and ongoing transformation</td>
</tr>
<tr>
<td>3</td>
<td>Risks related to academic matters (teaching-learning, research and innovation and academic administration)</td>
</tr>
<tr>
<td>4</td>
<td>Ensuring compliance</td>
</tr>
<tr>
<td>5</td>
<td>Risks related to student life, both in the academic and non-academic environments</td>
</tr>
<tr>
<td>6</td>
<td>IT risks (including cyber security) and university systems</td>
</tr>
<tr>
<td>7</td>
<td>Commercialisation</td>
</tr>
<tr>
<td>8</td>
<td>Operational risks</td>
</tr>
</tbody>
</table>
An integral part of the risk cluster approach is to continually identify opportunities for the university to adapt to our changing environment. The following opportunities are considered vital:

- Continually safeguarding the financial sustainability of the university by ensuring the implementation of a balanced, healthy financial turnover. This entails managing profitability proactively and ensuring vitality in the percentage of costs in relation to turnover and careful management of the university’s balance sheet.

- The opportunity to adopt a new strategy and resultant new structure and operating model for the university. This will enable an optimal governance, leadership and management environment to ensure sustainability and transformation.

- The opportunity to work towards excellence in teaching and learning and to reposition the university to attain the size and shape required by market direction decisions and to intensify research and innovation.

- The establishment of a clearly differentiated student value proposition.

- The development and retention of excellent staff and the creation of an equitable staff and student profile.

- The opportunity to deploy best-in-class information technology in support of the core business.

- The provision of an effective financial model, policies and structure for continuing education offerings and increased commercialisation opportunities.

The residual risk map gives an indication of the status of the most recent risk assessment, focusing on the end-year evaluation of the risk management process. We conduct ongoing assessments to determine the possible effect and impact of an identified risk and the likelihood of its occurrence, balanced against existing control measures.

The following graph gives an indication of the risks in untreated states (2014-2017) and treated (end of 2017) states:

**Legend**

Risk consequence (impact and control effectiveness) is indicated on the y-axis and risk likelihood on the x-axis. Risks are categorised according to the mentioned criteria on a scale of 1 to 5 (with 1 being low and 5 being high), for every criterion, and placed on the risk heat map accordingly. The numbers in the blocks indicate the number of risks at score.
The following table provides detailed information on the risk clusters, including the potential impact of the risks listed and the effect of the mitigating measures taken during the past year.

### 1. Uncertainties in the higher education sector

<table>
<thead>
<tr>
<th>Risk indications</th>
<th>Impact on value creation</th>
<th>Mitigating actions</th>
<th>Future outlook (what we intend to do)</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ The prevailing uncertainties over insufficient funding for higher education and lack of certainty about the funding model for higher education</td>
<td>■ Uncertainties in the higher education sector impact significantly on the financial outlook of the university.</td>
<td>■ Careful monitoring of external developments and adaptation of internal goals. ■ Active management of tuition fees and subsidies alongside the budgeting process, with active monthly monitoring of these processes. ■ Launching of an income-optimising initiative to identify opportunities to increase revenues. (e.g. introduce more short courses, optimise on-campus and off-campus student mix, market-related student fees, optimal use of blended learning and infrastructure, innovation income, international funding opportunities, investment income maximisation)</td>
<td>■ Finalise the fundraising framework. ■ Align integrated planning to the university’s financial processes. ■ Develop a new reserve policy. ■ Implement a full cost recovery financial contribution model.</td>
</tr>
<tr>
<td>■ The financial sustainability of the university could come under pressure as a result of internal (structural) and external (sector) factors.</td>
<td>■ The larger-than-planned NSFAS funding to the NWU assisted in mitigating risks initially identified.</td>
<td></td>
<td></td>
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<tr>
<td>■ The drive for fee-free higher education and the #Fees-must-fall campaign</td>
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<tr>
<td>■ Uncertainties about the success of a centralised NSFAS system</td>
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<tr>
<td></td>
<td>Finalise the fundraising framework.</td>
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<tr>
<td></td>
<td>Align integrated planning to the university’s financial processes.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Develop a new reserve policy.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Implement a full cost recovery financial contribution model.</td>
<td></td>
<td></td>
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<tr>
<td><strong>How it relates to our strategy</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><img src="image" alt="Annual Performance Plan (APP), Enabler 4: Ensure financial sustainability." /></td>
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</tbody>
</table>

### 2. Demand for organisational change and ongoing transformation

<table>
<thead>
<tr>
<th>Risk indications</th>
<th>Impact on value creation</th>
<th>Mitigating actions</th>
<th>Future outlook (what we intend to do)</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ From an external perspective, the national drive for the transformation of the curriculum and related matters</td>
<td>■ The perception within the higher education sector that the NWU opposes transformation potentially has a negative effect on the reputation of the institution.</td>
<td>■ The approval of a new strategy, resulting in a new university Statute and reorganised structure. ■ The adoption of a new success model as an idealised future state and approach to management that moves away from linear thinking and towards a collaborative and visionary approach. ■ Council’s establishment of an ad hoc committee to monitor the restructuring process provided assurance. ■ A declaration by Senate on the decolonisation and transformation of the curriculum as an imperative</td>
<td>■ Full-scale implementation of the new structure: ■ Appoint senior management teams and populate governance structures. ■ Review and adapt systems to the new structure. ■ Review all policies. ■ Implement the shared services model.</td>
</tr>
<tr>
<td>■ Internal pressure since 2014 for organisational change and feedback from external reviews about discrepancies in equal provision of resources across all NWU campuses</td>
<td>■ In the internal environment, the challenge was that buy-in and ownership of the new management model were not shared across all spheres of the university community.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>■ Leadership transition and institutional culture</td>
<td>■ Staff uncertainties existed in terms of the Section 189A process.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>■ Incoherent marketing and communication efforts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>■ Lack of capacity in the core business</td>
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</tr>
</tbody>
</table>
2. Demand for organisational change and ongoing transformation

<table>
<thead>
<tr>
<th>Risk indications</th>
<th>How it relates to our strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ The possibility of losing competent and senior staff</td>
<td><strong>APP, Enabler 1</strong>: Govern, lead and manage in a sustainable and transformed way with an effective operating model.</td>
</tr>
<tr>
<td>■ Challenges in staff recruitment and retention</td>
<td></td>
</tr>
</tbody>
</table>

3. Academic matters

<table>
<thead>
<tr>
<th>Risk indications</th>
<th>Impact on value creation</th>
<th>Mitigating actions</th>
<th>Future outlook (what we intend to do)</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Low staff morale, academic staff losses and shortages; also challenges in recruiting and retaining staff</td>
<td>A failure to establish a quality-driven academic environment in support of students may negatively affect internal and external opinions of the NWU as a reputable institution of higher learning.</td>
<td>■ Working towards the adoption of technology-enabled learning to support the use of innovative teaching and learning designs as per the approved NWU Teaching and Learning Strategy</td>
<td>■ Establish the NWU as a leader in multimodal education in the SA higher education sector.</td>
</tr>
<tr>
<td>■ Standards gap between basic and tertiary education – the view is that the general quality of students entering higher education is declining and that school leavers are increasingly unprepared for university studies</td>
<td></td>
<td>■ Provision of well-designed student support</td>
<td>■ Ensure that the NWU meets the expectations of employers for highly employable graduates.</td>
</tr>
<tr>
<td>■ Student success rates and adequate support for students – poor student throughput rates (both undergraduate and postgraduate) may prevent faculties from reaching targets and place strain on resources.</td>
<td></td>
<td>■ Provision of professional development of staff as university lecturers</td>
<td>■ Align the NWU’s approved enrolment plan with the NWU’s strategic plan, ensuring programmes that address national skills priorities and development needs.</td>
</tr>
<tr>
<td>■ Skills mismatch of students into labour market (mix and level) considering mega trends</td>
<td></td>
<td>■ Development of research management model</td>
<td>■ Adopt innovative teaching and learning designs in all programmes, with effective use of teaching and learning technology.</td>
</tr>
<tr>
<td>■ The relevance and quality of programmes and teaching technologies – the apparent lack of understanding of delivery channels to staff and students (face-to-face/ blended/distance), and the inability to deliver work-integrated-learning</td>
<td></td>
<td>■ Promotion of research excellence</td>
<td>■ Develop a coherent framework for the professional development of academic staff.</td>
</tr>
<tr>
<td>■ With regard to research, perceptions related to “publish or perish”</td>
<td></td>
<td>■ Investment in research equipment</td>
<td></td>
</tr>
<tr>
<td>■ Drop in NRF ratings</td>
<td></td>
<td>■ Readiness programme for Quacquarelli Symonds (QS) university ranking</td>
<td></td>
</tr>
<tr>
<td>■ Sustainable management model for patenting and the commercialisation process</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

How it relates to our strategy

**APP, Goal 1**: Promote excellent learning and teaching, and reposition the NWU to attain the size and shape required by market direction decisions.

**APP, Goal 2**: Intensify research and innovation.
3. Academic matters

Risk indications

- Difficulties in sustaining a positive research trajectory owing to university restructuring
- Unsatisfactory research productivity
- The pursuit of internationalisation and difficulties in attracting international staff and students.

4. Compliance

<table>
<thead>
<tr>
<th>Risk indications</th>
<th>Impact on value creation</th>
<th>Mitigating actions</th>
<th>Future outlook (what we intend to do)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of compliance that, in the absence of adequate control mechanisms, might lead to more instances of fraud</td>
<td>Lack of understanding of the importance of compliance and the establishment of an internal control environment that is diligently managed, may impact on the effectiveness and efficiency of the management and governance of the university.</td>
<td>Strengthening of the internal audit function and the development of an anti-fraud strategy.</td>
<td>Adopt an anti-fraud strategy.</td>
</tr>
<tr>
<td>Risks pertaining to instances of degree certification fraud, as well as bursary fund fraud</td>
<td></td>
<td>Security measures implemented for the printing and re-issuing of degree certificates</td>
<td>Allow only online verification of qualifications and transcripts.</td>
</tr>
<tr>
<td>Inadequate policy, systems and procedures to counter plagiarism</td>
<td></td>
<td>Review of Plagiarism policy; finalisation of a streamlined investigation process and grid for investigating and understanding instances of alleged plagiarism</td>
<td>Finalise the Plagiarism policy, with a focus on enhancement of academic integrity.</td>
</tr>
<tr>
<td>Lack of controls in the administration of the student academic life cycle, leading to examination irregularities</td>
<td></td>
<td>Alignment of student academic life cycle administration across campuses, and the development of quality manuals for an enhanced control environment</td>
<td>Establish an electronic work-flow environment for contract management.</td>
</tr>
<tr>
<td>Non-compliance with matters related to international students</td>
<td></td>
<td>Alignment of the admission of international students through the new university structure</td>
<td></td>
</tr>
<tr>
<td>Inadequate understanding of the legal and regulatory implications of MoUs and contracts</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

How it relates to our strategy

APP, Enabler 1: Govern, lead and manage in a sustainable and transformed way with an effective operating model.
### 5. Student experience

<table>
<thead>
<tr>
<th>Risk indications</th>
<th>Impact on value creation</th>
<th>Mitigating actions</th>
<th>Future outlook (what we intend to do)</th>
</tr>
</thead>
</table>
| ■ The unpreparedness of students for university life (including academic preparedness) | The lack of proper student academic support and an inability to create a value-driven and enriched student life experience across the NWU may result in disengaged and disgruntled students. | ■ With regard to student academic support:  
  • Continuing provision of Supplemental Instruction  
  • Forum for Access and Success as a mechanism to coordinate work on student access and success  
  • Institutional support for the continuation and extension of the UnivPrep Programme  
  • Growth in peer mentoring programmes | ■ Finalise the fundraising framework.  
■ Align integrated planning to the university’s financial processes.  
■ Develop a new reserve policy.  
■ Implement a full cost recovery financial contribution model. |
| ■ Challenges related to access to technology and the blended mode of delivery |  |  |  |
| ■ Challenges in taking ownership of the learning experience |  |  |  |
| ■ Integration of a unitary student way of life across the multi-campus NWU, particularly when it comes to equity of provision and equity of experience |  |  |  |
| ■ The ongoing challenge of violence and unrest spurred by internal and external issues |  |  |  |

**How it relates to our strategy**

**APP, Goal 4:** Develop a clearly differentiated student value proposition.

**APP, Goal 1:** Promote excellent learning and teaching, and reposition the NWU to attain the size and shape required by market direction decisions.

### 6. Information technology and the provision of university systems

<table>
<thead>
<tr>
<th>Risk indications</th>
<th>Impact on value creation</th>
<th>Mitigating actions</th>
<th>Future outlook (what we intend to do)</th>
</tr>
</thead>
</table>
| ■ The provisioning of cyber and information security in an environment in which cyber threats are evident | Cyber-attacks can lead to the loss of important and sensitive information.  
Vulnerabilities in the IT environment can lead to the halting of all university processes.  | Careful monitoring of the agility of the university to manage cyber-security, substantiated by internal audits  
Development of business continuity plans within the IT environment | ■ Finalise a cyber-security strategy.  
■ Finalise the information governance framework. |
| ■ The development and implementation of business continuity in all relevant environments |  |  |  |

**APP, Goal 4:** Develop a clearly differentiated student value proposition.

**APP, Goal 1:** Promote excellent learning and teaching, and reposition the NWU to attain the size and shape required by market direction decisions.
### 6. Information technology and the provision of university systems

<table>
<thead>
<tr>
<th>Risk indications</th>
<th>Impact on value creation</th>
<th>Mitigating actions</th>
<th>Future outlook (what we intend to do)</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ IT capacity matters (internal and external):</td>
<td>■ A dated student information system can have a negative effect on the effectiveness and efficiency of student academic life cycle administration, causing frustration among students.</td>
<td>■ Addressing staff capacity by means of strategic funding</td>
<td>■ Focus on the development of a new student information system as a priority</td>
</tr>
<tr>
<td>▪ South African National Research Network (SANReN) capacity</td>
<td></td>
<td>■ Project launched for the renewal and optimisation of the student information system</td>
<td></td>
</tr>
<tr>
<td>▪ Internal staff capacity (in the IT department and non-IT departments)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Ageing study material production system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>■ Ageing student information system leading to inefficient business processes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>■ Focus on the development of a new student information system as a priority</td>
<td></td>
</tr>
</tbody>
</table>

#### How it relates to our strategy

**APP, Enabler 2:** Develop best-in-class information and communications technology to support the core business.

**APP, Enabler 1:** Govern, lead and manage in a sustainable and transformed way.

### 7. Commercialisation

<table>
<thead>
<tr>
<th>Risk indications</th>
<th>Impact on value creation</th>
<th>Mitigating actions</th>
<th>Future outlook (what we intend to do)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inability to commercialise opportunities, leading to:</td>
<td>■ The lack of systematic information on continuing education courses, as well as the lack of clear information on revenue generated from continuing education, leaves the university vulnerable, both financially and in compliance matters.</td>
<td>■ The provisioning of an effective financial and operating model, policies and structures for the provision of continuing education programmes</td>
<td>■ Finalise the establishment of the Unit for Continuing Education.</td>
</tr>
<tr>
<td>▪ Possible irregularities in the management of non-formal programmes, which might in turn lead to penalties/litigation</td>
<td></td>
<td>■ Concerted effort to increase commercialisation opportunities</td>
<td>■ Finalise the policy on continuing education.</td>
</tr>
<tr>
<td>▪ Overreliance on certain third-party SLAs in order to expand commercialisation opportunities</td>
<td></td>
<td>■ Establishment of a management structure for continuing education provisioning</td>
<td></td>
</tr>
</tbody>
</table>

#### How it relates to our strategy

**APP, Goal 1:** Promote excellent learning and teaching, and reposition the NWU to attain the size and shape required by market direction decisions.

### 8. Operational matters

<table>
<thead>
<tr>
<th>Risk indications</th>
<th>Impact on value creation</th>
<th>Mitigating actions</th>
<th>Future outlook (what we intend to do)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks in terms of facilities such as:</td>
<td>■ The inability to provide the necessary facilities and secure people’s safety within buildings compromises the core business.</td>
<td>■ We launched a project to optimise space management.</td>
<td>■ Further strengthen integrated planning on the provisioning of academic infrastructure.</td>
</tr>
<tr>
<td>▪ Inadequate library, lecturing, practical and office space</td>
<td></td>
<td>■ We applied to the DHET for infrastructure funding.</td>
<td></td>
</tr>
</tbody>
</table>

#### How it relates to our strategy
8. Operational matters

<table>
<thead>
<tr>
<th>Risk indicators</th>
<th>Impact on value creation</th>
<th>Mitigating actions</th>
<th>Future outlook (what we intend to do)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laboratory and simulation facilities and equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water pressure challenges</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Wi-Fi coverage</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Protection against fire</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following roles and responsibilities for ongoing assurance provision have been mapped out:

- The University Management Committee is primarily responsible for risk management and sees to the establishment of sound internal controls, while safeguarding public and other funds and assets.
- Academic and support managers are responsible for the implementation of risk management strategies in their areas of responsibility, and for seeing to active mitigation of risks through the ongoing improvement of internal controls.
- The registrar administers the process of identifying and interpreting/assessing risks, as well as intervention measures and all aspects of the management of risks affecting the university. In addition, the registrar drives the process at the university management level and maintains the NWU risk register.
- A designated risk and compliance officer, reporting to Corporate and Information Governance Services, liaises with managers across the university to coordinate risk identification and consolidation of the inputs into our risk register.
- The Audit, Risk and Compliance Committee (ARCC) advises Council on the effectiveness of the university’s risk management process. The ARCC oversees the role of management in creating and maintaining a proper risk management process and ensuring an effective control environment. It regularly reports to Council on key significant risks facing the university.
- Two other committee structures dealing with risk management and risk oversight are the Compliance Committee and the Combined Assurance Forum (CAF).
  - The Compliance Committee, a subcommittee of the University Management Committee, monitors and reports on the compliance risks concerning all legislation with which we need to comply.
  - The committee consists of internal members from Legal Services, Internal Audit, Corporate and Information Governance Services, Finance, Occupational Health and Safety and the registrar (as chairperson). It also involves managers and other members from different business processes.

Report on risk exposure and risk management

Effective assessment of risk exposure and risk management is crucial for the university, especially at the operational, managerial and governance levels where risks are controlled. Value is added to the university by having a sufficient risk management process in place.

A comprehensive risk management model has been mapped and rolled out and satisfactory progress has been made, assisting in the provision of ongoing assurance by all assurance providers.

The following roles and responsibilities for ongoing assurance provision have been mapped out:

- The University Management Committee is primarily responsible for risk management and sees to the establishment of sound internal controls, while safeguarding public and other funds and assets.
- Academic and support managers are responsible for the implementation of risk management strategies in their areas of responsibility, and for seeing to active mitigation of risks through the ongoing improvement of internal controls.
- The registrar administers the process of identifying and interpreting/assessing risks, as well as intervention measures and all aspects of the management of risks affecting the university. In addition, the registrar drives the process at the university management level and maintains the NWU risk register.
- A designated risk and compliance officer, reporting to Corporate and Information Governance Services, liaises with managers across the university to coordinate risk identification and consolidation of the inputs into our risk register.
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- Two other committee structures dealing with risk management and risk oversight are the Compliance Committee and the Combined Assurance Forum (CAF).
  - The Compliance Committee, a subcommittee of the University Management Committee, monitors and reports on the compliance risks concerning all legislation with which we need to comply.
  - The committee consists of internal members from Legal Services, Internal Audit, Corporate and Information Governance Services, Finance, Occupational Health and Safety and the registrar (as chairperson). It also involves managers and other members from different business processes.
Four meetings are scheduled annually and minutes are kept for all these meetings.

- The purpose of the CAF is to assist the ARCC to fulfil its responsibility of giving assurance to Council that the university’s operations with regard to risk management, control and governance are adequately addressed. The CAF also assists in optimising the assurance coverage obtained from management, as well as internal and external assurance providers, on all risks affecting the university.

The CAF gathers information from all relevant business process owners, assesses risks and reports all high-level risks to the ARCC. It also gives assurance on risk mitigation actions, procedures and controls.

The forum comprises (as per the prescriptions of King IV) identified internal operational line managers/staff, the registrar (representing the University Management Committee and chairing the CAF), organisational specialist functions, internal and external audit, external assurance providers (representatives from external audit) and representatives from other committee structures (Senate, Institutional Forum, Audit, ARCC and the Compliance Committee).

Two meetings are scheduled every year and minutes are kept for all meetings.

- Internal Audit plays a substantial role in establishing a university environment conducive to risk management.

**Identification and continuous assessment of risk**

As mentioned, the university has a framework for risk management and ensures that the regulatory requirements for corporate governance are sufficiently covered.

This framework seeks to increase the value-add of risk management as a strategic tool, and to improve our compliance with the principles of King IV.

Regular reporting of risks takes place at the appropriate governance level of the particular risk category, and all oversight structures receive bi-annual updates on the status of risk management in the risk categories.

Risk profiles are controlled within the normal internal control structures and procedures.

Notwithstanding these structures and procedures, the potential exists that adverse events may occur and affect operations throughout the institution.

Thus, we view risk management as an iterative process of identifying potential risk events that might emerge and assessing the likelihood that these will occur and their potential impact.

Our assessment scale includes ratings for impact, probability, control effectiveness and residual risk. This scale assists us in determining the priority of the identified risks and managing these risks accordingly. Furthermore, we link responsible business process owners to each risk. They then provide feedback on the progress of managing the particular risk event, and ensure that the risk register is updated regularly.

**Management and control of consequences of risk (intervention and physical/financial control)**

From the above, our stakeholders can rest assured that we continued in 2017 to identify and evaluate potential risk consequences in a responsible way. In summary, while the overall management and control of risk lies at the University Management Committee, it remains the responsibility of each risk owner to ensure that appropriate abatement strategies are established to allow for risk management. The heart of the university’s risk management project lies with operational managers who take responsibility and accountability for this enterprise.
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Report on internal/administrative structures and controls

The NWU maintains a system of internal control in order to provide reasonable assurance for the achievement of effectiveness and efficiency of operations, the reliability of financial reporting and overall compliance with relevant laws and regulations, the prevention of loss of resources and assets, and also to reduce legal liability.

We give particular attention to financial reporting and the safeguarding of assets against unauthorised acquisition, use or disposal. The internal control system is designed with the aim of providing reasonable assurance that an operational environment promotes the safeguarding of the university’s assets and the preparation and communication of reliable financial and other kinds of relevant information.

Internal control objectives are pursued to ensure the fostering and enhancement of a strong ethical climate.

Our control objectives include measures to ensure completeness, accuracy and proper authorisation in relation to documented organisational structures, setting out the division of responsibilities, as well as established policies and procedures. These include a code of ethics and a communication programme to make these known throughout the university.

In addition, we use a performance management system, with adequate job descriptions in line with key performance indicators, to ensure individual accountability and proper assignment of responsibilities.

With regard to information systems, we use modern information technology that, among others, enables the development and implementation of core systems that use defined and documented standards to ensure efficiency, effectiveness, reliability and security. For the protection of privacy and ensuring control over data, we apply accepted standards, including disaster recovery and backup procedures. Password controls are strictly maintained.

Based on the outcomes of a cyber-maturity assessment done in 2016, we were advised to improve our cyber-security maturity by implementing adequate information security awareness, training, business continuity and risk management plans.

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

The Audit, Risk and Compliance Committee (ARCC), which exercises the primary oversight role on behalf of Council on the effectiveness of internal controls, is of the opinion that the university’s internal control system as at 31 December 2017 has met the criteria for effective internal control for purposes of financial reporting and safeguarding of assets against the unauthorised acquisition, use or disposal of assets met the criteria for effective control for purposes of financial reporting. The committee is also confident that internal control measures assisted the NWU to achieve its goals in effective and efficient ways.

Compliance with all relevant policies, guidelines and procedures related to financial reporting is monitored continuously. Both the internal and external audit functions do this monitoring, as do the relevant financial divisions and employees assigned with the responsibility. The monitoring takes place on a regular basis while transactions are being processed, and when internal and external audits are being carried out.

Internal Audit provides assurance and includes audits in accordance with the risk-based Internal Audit Plan that ARCC has approved. This plan provides for the examination of relevant systems, procedures and controls in those areas considered as high risk.

A further responsibility of Internal Audit is to identify major control deficiencies and to report these to the relevant responsible managers, the University Management Committee and ARCC. Internal Audit also conducts follow-up reviews within 12 months in order to report progress on the implementation and improvement of controls to the ARCC.

In light of the above, the ARCC is confident that, at 31 December 2017, the NWU systems of internal control over its operational environment, information reporting and safeguarding of assets against the unauthorised acquisition, use or disposal of assets met the criteria for effective control for purposes of financial reporting. The committee is also confident that internal control measures assisted the NWU to achieve its goals in effective and efficient ways.

The ARCC reviewed this report on internal administrative/operational structures and controls for the 2017 financial year under review at its meeting of 5 June 2018 (which was a quorate) and confirms that the documentation for approval by the committee was circulated by means of the meeting agenda that reached members in advance and with due notice.

Mr A Redelinghuys
Chairperson: Audit, Risk and Compliance Committee

Ms M Van Der Merwe
Director: Internal Audit
The NWU’s strategy for the next 10 years is to transform and position itself as a unitary institution of superior academic excellence, with a commitment to social justice.

Introduction

In this section we share our vision for the future with our stakeholders – where we want to go and how we intend to get there. In the image on the next page, you can see the different elements that help us in realising this strategy. Besides being connected to our dream, purpose and brand promise, our strategy is realised through our Annual Performance Plan, which comprises five core performance goals and four enablers. The image also indicates the clear alignment between our strategic plan, the Annual Performance Plan, our integrated report, budget documents and the mid-year performance report.

In the text following the image, we explain how the Annual Performance Plan drives the implementation of our strategy and how this plan was changed in 2017.

Part of our strategy is to create a unitary institution. Reaching this goal is about promoting social inclusion and a sense of belonging, for instance by encouraging students to work and socialise together to create an integrated student life.

Working together for the benefit of the community and boosting inclusivity at the same time, is a win-win situation.

Kumbewe Liwewe and Gabriel Strydom, together with fellow student Jacques Hugo, started an enterprise, Let’s Grow Together. This project involves selling the vegetables that they grow in the NWU’s unique SUNfarming greenhouses. They plan to expand their project to include other producers in the community, for instance residents or small farmers in the Potchefstroom area. In this way, they can also support local businesses.

Cultural Day, an annual highlight on the events calendar at the Vaal Triangle Campus, aims to encourage students and staff to learn more about other cultures.
OUR STRATEGY: Transform and position the NWU as a unitary institution of superior academic excellence, with a commitment to social justice.

Core Performance
Promote excellent learning and teaching and reposition the NWU to attain the size and shape required by the market direction decisions.

Intensify research and innovation.
Integrate and align community engagement with core activities (teaching and learning and research) and promote sustainability principles.
Develop a clearly differentiated student value proposition.

Enablers
Govern, lead and manage in a sustainable and transformed way with an effective operating model.
Develop best-in-class information and communications technology to support the core business.
Communicate, engage and develop core business capability to increase brand equity, leadership efficacy and community solidarity.
Ensure the financial sustainability of the NWU.

Key performance indicators
Contact student success rate
International student enrolment
First-time entrant dropout rate for contact degrees
Publications per permanent academic staff member
Student: academic staff FTE ratio
Permanent academic staff with PhDs
Contact undergraduate graduation duration factor
Weighted research output
Student mix: contact and distance
The strategic agenda was informed by our common strategic assumptions, which provided the context within which our strategy is to be implemented. The common strategic assumptions refer to key trends, developments, anticipated significant events and important current realities that will continue or may intensify. Included are anticipated risks and opportunities that are likely to impact the NWU in the short, medium and long term.

**Five goals to realise our strategy**

*The following five long-term goals embody our key business areas and our commitment to social justice. The strategic key performance indicators (auditable predetermined objectives) have been externally audited to ensure that we excel towards the achievement of our strategic agenda.*

1. **Promote excellent learning and teaching and reposition the NWU to attain the size and shape required by the market direction decisions.**

   **Where we want to go:** We want to continue to promote quality and excellence in our teaching and learning activities and ensure access and success in pursuit of our commitment to social justice.

   **How we intend to get there:** The alignment of our academic programmes remains a critical strategic priority as we aim to provide comparable quality across all our campuses, with equity of resources and outcomes. We remain committed to pursuing our market direction decisions, which entails a shift to growth in science, engineering, technology and commerce programmes.

2. **Intensify research and innovation.**

   **Where we want to go:** Our goal remains to move towards a more research-intensive university and make ever greater impact in our research.

   **How we intend to get there:** We will continue to attract enhanced research funding and excellent research and innovation staff, and exploit commercialisation opportunities. Our research and innovation model comprises focused themed areas of research which are reviewed periodically.

3. **Integrate and align community engagement with core activities and promote sustainability.**

   **Where we want to go:** We remain committed to our challenging goal of integrating community engagement into our teaching and learning, and research and innovation activities.

   **How we intend to get there:** Our community engagement involves research about, with and in communities. It is interactive, embraces learning from our communities and also provides work-integrated learning or service-learning opportunities for students.

4. **Develop a clearly differentiated student value proposition.**

   **Where we want to go:** We strive towards differentiating ourselves and building a competitive advantage for the NWU by realising our student value proposition.

   **How we intend to get there:** Reaching this goal is about further enhancing the quality of our programmes, the vibrancy of the student experience and the promotion of social inclusion and a sense of belonging.

5. **Develop and retain excellent staff and create an equitable staff and student profile.**

   **Where we want to go:** Developing a high-performance culture is a key element of our people strategy.

   **How we intend to get there:** Pursuing equity goals is not merely a compliance issue but, more importantly, is a way to fully benefit from the competitive edge created by promoting diversity among our staff and students.

**Four enablers to help us realise our strategy**

*Enablers are defined as those support areas that are critical and essential for achieving the strategic goals. The enablers, as identified by the University Management Committee and informed by the goals and core performance indicators, are the following:*  

1. **Govern, lead and manage in a sustainable way with an effective operating model.**

   **Where we want to go:** The intention expressed in our strategy statement is to position the NWU as a “unitary institution”. This reflects our strategic shift from a quasi-federal model to a fully unitary university. (The demand for organisational change and ongoing transformation in our external and internal environment is our number two risk – see page 48.)

   **How we intend to get there:** A major focus of 2017 was the restructuring project, where we sought to implement and align the structure (that Council approved on 8 December 2016) with our strategy.

   At the senior management level, the structure was operationalised on 1 July 2017. We will continue to
make appointments of executive deans, academic directors and other managerial staff during the course of 2018.

2. **Develop best-in-class information and communication technology to enable and support the core business.**

Where we want to go: We want to develop information and communications technology as a key differentiator. This is especially important in light of the shift that we plan in our open distance learning environment in carrying out our market direction decision around delivery. This entails moving from mainly teacher further training to the full range of degree programmes in the distance mode of delivery.

How we intend to get there: We allocate enough resources for the necessary development of information and communications technology to enable us to develop a competitive platform for the expansion of our open distance learning offering. (We allocated the major part of our Strategic Fund to IT in 2017 – see page 80 – and will continue to so if necessary.)

3. **Communicate, engage and develop core business capability to increase brand equity, leadership efficacy and community solidarity.**

Where we want to go: Developing brand equity and leadership efficacy remains at the heart of this goal.

How we intend to get there: To remain financially sustainable, we will continue to adapt to developments in our external environment where necessary, we will carefully manage our tuition fees and subsidies in our budgeting process, and we will identify new opportunities to diversify and increase revenues.

4. **Ensure the financial sustainability of the NWU.**

Where we want to go: Our goal of financial sustainability became more prominent after the #FeesMustFall environment and the announcement of the change in the funding model as announced by the President at the end of 2017. This announcement will profoundly change the manner in which we do business in future. The changes open up important opportunities but also pose significant risks that are not all foreseeable at this time. (This is our number one risk – see page 48.) This enabler therefore remains relevant and critical for the years to come.

How we intend to get there: To remain financially sustainable, we will continue to adapt to developments in our external environment where necessary, we will carefully manage our tuition fees and subsidies in our budgeting process, and we will identify new opportunities to diversify and increase revenues.

Our purpose is to excel in cutting-edge research, thereby benefiting society through knowledge.

Two of our long-term goals that embody our key business areas are to promote excellent learning and teaching and intensify research and innovation.

We remain committed to pursuing growth in science, engineering, technology and commerce programmes.

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How the Annual Performance Plan drives the implementation of our strategy

A dynamic cycle of planning, evaluation, decision-making and action, dream, purpose, brand promise, values, strategic market directions, people and infrastructure are all optimally used to support the long-term goals of the university.

We use a core set of indicators to monitor the achievement of our institutional goals. Workshops are held with staff members responsible for executing, monitoring and reporting against the key performance indicators (KPIs). The KPI owners monitor and report on the KPIs at regular intervals. This includes the timely gathering of supporting information/documentation for audit purposes.

The deputy vice-chancellor responsible for planning is the coordinator of this process and also responsible for coordination, monitoring and facilitating the functions of (i) integrated data collection; (ii) documenting, scheduling and disseminating information pertaining to the Annual Performance Plan (APP) and mid-term review, as well as (iii) the annual review process.

The APP is a working document and although changes after approval by Council are not encouraged, certain events may require a revision of the implementation plan in order to respond to environmental factors.

The following schematic presentation depicts the flow of processes dealing with the compilation of the APP:

---

How the Annual Performance Plan was revised in 2017

All core performance indicators are “SMART”. This means that performance indicators and targets are specific, clearly identifying the nature and required level of performance, that they are measurable and that they specify a time period or deadline for delivery with clear and unambiguous data definitions.

As part of the revision, the following changes were made:

- Five and 10-year targets were taken out of the APP and will be displayed in a separate dashboard.
- Objectives concerning the drafting and finalisation of policies were classified as operational tasks and were subsequently moved to the implementation plans of the appropriate faculty or department.
- A distinction was made between core performance objectives and objectives that are essential for supporting the achievement of the key objectives, referred to as enablers.

The APP is a living document and our progress is reported to Council and the Department of Higher Education and Training through a mid-year performance report, which also informs the next planning cycle and forms the basis for the integrated annual report.
Introduction

In this section we will discuss our performance mainly in relation to the five goals identified in our Annual Performance Plan (APP), which drives our strategy.

Our value creation story is about what we did, the resources we used, the risks and challenges we had to face and overcome, and our plans to enhance our performance in the future. While telling this story, we will also illustrate how we change the value of our capitals, how our performance relates to our stakeholders and how it influences the financial sustainability of the university. Comparative figures and trends information will add further context to our performance.

To understand the NWU’s performance in the broader South African higher education landscape, we will also give benchmark information (where available) that measures our performance against other higher education institutions in the country.

At the end of each part of our performance narrative, we will include performance data – meaning quantitative information that will show how much value we have created.

Our value creation story

Through our 2017 performance story, we show you, our stakeholders, how we continued to advance our dream of being an internationally recognised university in Africa, distinguished for engaged scholarship, social responsiveness and an ethic of care.

Goal 1: Promote excellent learning and teaching and reposition the NWU to attain the size and shape required by the market direction decisions.

The image on the next page shows our market direction decisions (our ideals), and how we overcome challenges by removing constraints and implementing the interventions to increase our market share in the teaching-learning environment.

In 2017, we achieved our goal of a 10% increase in the participation rate of first-year students in academic mentoring programmes at each campus.
### IDEAL

1. Student enrolment $\geq 1.5\%$ per annum, with science, engineering and technology (SET) and commerce at each site, and significant growth at the Vaal Triangle Campus

2. Growth in contact full-time enrolled students (FTE) mix through aggressive growth in SET, significant growth in commerce and moderate growth in humanities

3. Innovation and creativity in research, teaching and learning with an increased postgraduate market focus

4. Maintain the current campuses and grow virtual access through investment in innovative teaching and learning.

5. Rapid re-positioning of distance learning to reflect decisions 1 and 2 above. Integrate all open distance learning programmes into faculties.

### REMOVE CONSTRAINTS

- Provide extended programmes
- Improve registration practice (allow enrolment earlier in the year)
- Accelerate programme approvals at the Higher Education Quality Committee
- Develop infrastructure for growing programmes
- Remove language barriers while using language as a strength
- Procure/develop student accommodation

### MARKET GROWTH

- Develop existing markets
- Grow new markets

### INTERVENTIONS

- Extended programmes to increase access
- Develop new programmes and initiatives
- Develop new distance programmes
- Expand programmes to other campuses
- Grow international student numbers
- Provide postgraduate bursaries
- Provide studentships for postgraduate students
- Introduce initiatives such as postgraduate part-time employment
- Launch special recruitment initiatives
- Use bursaries as an instrument to achieve programme mix
- Cap some programmes

Increase market share
In the teaching component of the NWU’s strategic plan and Teaching and Learning Strategy, we clearly state that we are committed to quality teaching in a blended environment across supported modes of delivery (contact and distance) and that we prioritise student access and success.

In order to achieve this – and also the teaching and learning goal in the APP – we identified a few material matters:

**Ensure a sustainable qualification and academic programme offering**

All our qualifications are now fully aligned with the new Higher Education Qualifications sub-framework (HEQSF). Resources that we used to support the process include intellectual capital (systems) and human capital (staff). Systems that we used are the Curriculum Mapping System and the Outcomes Builder Application. The data of the verified programmes has already been uploaded to the online system of the Senate Committee for Academic Standards for that committee’s consideration and approval for use in the 2018 yearbooks.

When it comes to our programme offering, we realise that in future we will have to be more sensitive about social context, equal opportunity, curriculum and cultural contexts, functional interdependence among all stakeholders and competence-driven pedagogic practices.

Without a sustainable qualification and academic programme offering, the value that we add for our main stakeholder group, our students, will diminish. In fact, we might lose students, which in turn may negatively affect the financial sustainability of our university.

**Focus on reaching our enrolment targets**

We created a deputy vice-chancellor portfolio for integrated planning as part of our new structure. This portfolio focuses on the critical role of integrated planning and reporting, which also includes enrolment management.

Although the actual number of contact students enrolled was higher than the number planned for in 2017, the shortfall in distance students was greater than the over-enrolment of contact students. The enrolment shortfall had a direct influence on the teaching input subsidy that the NWU is to receive in 2019, which may affect the future financial stability of our university.

To mitigate the risk of falling short of our enrolment target, our Strategic Intelligence department created a dashboard to monitor the number of applications and accepted students for undergraduate, postgraduate and open distance learning programmes. This helped us to effectively monitor our progress towards achieving the enrolment plan for all courses and faculties.

### How much value we created, compared to previous years

<table>
<thead>
<tr>
<th>Headcount enrolments</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>58 752</td>
<td>60 975</td>
<td>63 135</td>
<td>64 070</td>
<td>63 395</td>
<td>62 558</td>
</tr>
<tr>
<td>Contact</td>
<td>34 387</td>
<td>36 195</td>
<td>37 193</td>
<td>37 943</td>
<td>39 552</td>
<td>41 765</td>
</tr>
<tr>
<td>Distance</td>
<td>24 365</td>
<td>24 780</td>
<td>25 942</td>
<td>26 127</td>
<td>23 843</td>
<td>20 793</td>
</tr>
<tr>
<td>First-time entering enrolments</td>
<td>7 864</td>
<td>8 796</td>
<td>9 078</td>
<td>9 407</td>
<td>11 281</td>
<td>11 824</td>
</tr>
</tbody>
</table>

### How much value we created, compared to our targets

<table>
<thead>
<tr>
<th>Enrolments</th>
<th>Target</th>
<th>Definition</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headcount enrolments</td>
<td>71 738</td>
<td>Based on Higher Education Management Information System (HEMIS) data and refers to the number of active students in the reporting year.</td>
<td>62 558</td>
</tr>
<tr>
<td>First-time entering enrolments</td>
<td>13 659</td>
<td>Based on HEMIS data. Number of active first-time entering students in the reporting year.</td>
<td>11 824</td>
</tr>
</tbody>
</table>

We did not meet our target in the enrolment plan; we enrolled 87.3% of the expected target. Our enrolment targets are set for a three-year cycle and we experienced a drop in our distance numbers due to the Advanced Certificate in Education phasing out more quickly than anticipated and the approval of our new distance offering taking longer than expected.
Presentation method | 2016 | 2017
--- | --- | ---
| Planned first-time entrants | Actual first-time entrants | Planned first-time entrants | Actual first-time entrants |
Contact | 9 143 | 9 578 | 8 927 | 9 673 |
Distance | 1 703 | 4 801 | 2 151 |
Total | 11 076 | 11 281 | 13 728 | 11 824 |

We are 7.3% over-enrolled on our contact first-time entering students. However, we only reached 35% of our enrolment target for distance first-time entering undergraduates.

Future outlook: We are going to develop our 2020-2026 enrolment strategy in 2018 in consultation with the new faculty deans.

**Increase student access and success**

Increasing student access and success is a national challenge that is amplified by a related external challenge, which is that secondary education does not prepare learners adequately for tertiary education. Our response includes making several programmes and projects available to increase access and success.

Because more and more students want to be part of our University Preparatory Programme (UnivPrep), we increased the number of students who may enrol and added two more specialisations, namely Gr R UnivPrep and BComm with IT UnivPrep. (For more information, see Goal 1 on page 63.)

Another way of ensuring access and success is through our extended programmes in commerce, science and information technology. In 2017, 3 498 students were enrolled in these extended programmes, compared to the 3 276 students in 2016.

Other steps that we are taking to make it easier for students to gain access to the NWU include mathematics bridging courses and the Ikateleng project, where we help Grade 12 learners prepare for their matriculation exams.

When it comes to promoting success, we identified various material matters and the necessary steps that we have to take to establish an empowering and supportive learning experience that helps students to be successful in their studies.

Our libraries are one of the key resources that we use to promote success. The year 2017 saw the Library and Information Services team intensifying collaboration with faculties and support departments such as the Teaching and Learning Centre and Information Technology. We believe this collaboration was the result of our new university strategy to transform the NWU as a unitary institution.

Key challenges – in this case also stemming from our external environment – include the unstable Rand, which affected the library budgets since most resources are paid for in foreign currency. Another challenge was students’ demand for extended library hours as part of the #FeesMustFall agenda.

**Sources that we used, as well as library performance 2015-2017**

| Item | 2015 | 2016 | 2017 |
--- | --- | --- | --- |
Volumes (total number of books) | 886 265 | 908 462 | 909 640 |
Computers for students’ use | 332 | 433 | 409 |
Computers for use of library staff | 147 | 112 | 127 |
Professional staff | 65 | 54 | 57 |
Total number of library visits | 2 781 342 | 1 876 711 | 1 787 344 |
The availability of technology is another key enabler and through dedicated resources and prudent financial investments, we experienced very little downtime. This is our uptime for 2017:

<table>
<thead>
<tr>
<th>Service</th>
<th>Uptime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Management System (eFundi)</td>
<td>99,93%</td>
</tr>
<tr>
<td>Email</td>
<td>99,5%</td>
</tr>
<tr>
<td>Varsité Vending</td>
<td>98,77%</td>
</tr>
<tr>
<td>Varsité Student System</td>
<td>99,38%</td>
</tr>
<tr>
<td>Kuali Financial System</td>
<td>99,45%</td>
</tr>
</tbody>
</table>

How much value we created, compared to previous years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact student success rate</td>
<td>84%</td>
<td>86%</td>
<td>86%</td>
<td>85%</td>
<td>86%</td>
<td>86%</td>
</tr>
<tr>
<td>Contact undergraduate graduation duration factor</td>
<td>1,23</td>
<td>1,25</td>
<td>1,98</td>
<td>1,88</td>
<td>1,21</td>
<td>1,15</td>
</tr>
<tr>
<td>Graduation rate</td>
<td>24,97%</td>
<td>25,36%</td>
<td>24,16%</td>
<td>24,34%</td>
<td>27,62%</td>
<td>25,6%</td>
</tr>
</tbody>
</table>

How much value we created, compared to our target

<table>
<thead>
<tr>
<th>Academic performance</th>
<th>Target</th>
<th>Definition</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact student success rate</td>
<td>85%</td>
<td>Based on HEMIS data. Completed FTEs divided by enrolled FTEs on a module level.</td>
<td>86%</td>
</tr>
<tr>
<td>Contact undergraduate graduation duration factor</td>
<td>1,21</td>
<td>Based on HEMIS data. The time (in years) it takes a student to graduate divided by the minimum time of the qualification.</td>
<td>1,15</td>
</tr>
</tbody>
</table>

We maintained a good pass rate of 86%. According to the 2015 HEMIS data, the sectoral average was 79%. Our contact undergraduate, graduation duration factor has improved from 1,21 in 2016 to 1,15 in 2017.

This can be attributed to enhanced strategies for student support, early identification of at-risk students and improved NSFAS funding with provision for books and accommodation.
Establish an international footprint

Looking at our external environment, it is clear that universities are becoming increasingly globalised and that competition for international students is fierce. One of the challenges we faced in attracting international students was the national requirement for an unabridged birth certificate for minors and the new immigration regulations. Nationally, this had a negative impact on international student enrolments: at the NWU, the number of international students dropped from 3 558 in 2016 to 3 224 in 2017.

Another challenge was to ensure that internationalisation at the NWU reflects our new unitary structure and its focus on equity of standards and experiences. In 2017 we therefore focused on ensuring consistent internationalisation standards across all three campuses.

How much value we created, compared to previous years

<table>
<thead>
<tr>
<th>International students</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolment</td>
<td>6,9%</td>
<td>6,2%</td>
<td>5,9%</td>
<td>5,9%</td>
<td>5,9%</td>
<td>5,2%</td>
</tr>
</tbody>
</table>

How much value we created, compared to our target

<table>
<thead>
<tr>
<th>International students</th>
<th>Target</th>
<th>Definition</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolment</td>
<td>5,86%</td>
<td>Based on HEMIS data; any non-RSA student.</td>
<td>5,2%</td>
</tr>
</tbody>
</table>

Our international student numbers dropped from 5,9% in 2016 to 5,2% in 2017. This is a national trend that can be attributed to stricter visa requirements that are hampering international enrolments.

How much value we created, compared to previous years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>14 669</td>
<td>15 464</td>
<td>15 254</td>
<td>15 597</td>
<td>17 510</td>
<td>16 004</td>
</tr>
<tr>
<td>Contact</td>
<td>8 172</td>
<td>9 214</td>
<td>9 295</td>
<td>9 410</td>
<td>9813</td>
<td>9 931</td>
</tr>
<tr>
<td>Distance</td>
<td>6 497</td>
<td>6 250</td>
<td>5 959</td>
<td>6 187</td>
<td>7 697</td>
<td>6 073</td>
</tr>
<tr>
<td>Graduation rate</td>
<td>25,0%</td>
<td>25,4%</td>
<td>24,2%</td>
<td>24,3%</td>
<td>27,6%</td>
<td>25,5%</td>
</tr>
</tbody>
</table>

How much value we created, compared to our target

<table>
<thead>
<tr>
<th>Output</th>
<th>Target</th>
<th>Definition</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduates</td>
<td>15 844</td>
<td>Based on HEMIS data; number of graduates in reporting year.</td>
<td>16 004</td>
</tr>
<tr>
<td>Graduation rate</td>
<td>22,1%</td>
<td>Based on HEMIS data and refers to the number of graduates in the reporting year divided by the number of active students in the reporting year.</td>
<td>25,6%</td>
</tr>
</tbody>
</table>
The number of graduates is slightly higher (1%) than envisaged. Our graduation rate is 23.7% for contact students and 29.2% for distance students. Below are our graduates for contact and distance students per CESM category:

<table>
<thead>
<tr>
<th>Field of study</th>
<th>Contact</th>
<th></th>
<th></th>
<th>Distance</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All other humanities and social sciences</td>
<td>2 476</td>
<td>2 379</td>
<td>2 370</td>
<td>1 012</td>
<td>74</td>
<td>120</td>
</tr>
<tr>
<td>Business and management</td>
<td>2 880</td>
<td>2 971</td>
<td>3 072</td>
<td>14</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Education</td>
<td>903</td>
<td>1 685</td>
<td>1 754</td>
<td>4 786</td>
<td>7 614</td>
<td>5 953</td>
</tr>
<tr>
<td>Science, engineering and technology</td>
<td>3 151</td>
<td>2 778</td>
<td>2 735</td>
<td>375</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>9 410</td>
<td>9 813</td>
<td>9 931</td>
<td>6 187</td>
<td>7 697</td>
<td>6 073</td>
</tr>
</tbody>
</table>

This is how our enrolment figures compare to other South African higher education institutions:

In 2016 the NWU was the second-largest university in South Africa based on the total headcount. Of the 63 395 students enrolled here in 2016, a total of 23 843 were distance students.

<table>
<thead>
<tr>
<th>University</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of South Africa</td>
<td>299 324</td>
</tr>
<tr>
<td>North-West University</td>
<td>63 395</td>
</tr>
<tr>
<td>Tshwane University of Technology</td>
<td>58 901</td>
</tr>
<tr>
<td>University of Pretoria</td>
<td>53 232</td>
</tr>
<tr>
<td>University of Johannesburg</td>
<td>51 795</td>
</tr>
</tbody>
</table>

We also had the second highest number of graduates

<table>
<thead>
<tr>
<th>University</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of South Africa</td>
<td>43 287</td>
</tr>
<tr>
<td>North-West University</td>
<td>17 510</td>
</tr>
<tr>
<td>University of Pretoria</td>
<td>13 499</td>
</tr>
<tr>
<td>Tshwane University of Technology</td>
<td>13 137</td>
</tr>
<tr>
<td>University of Johannesburg</td>
<td>12 865</td>
</tr>
</tbody>
</table>

* These are the 2016 figures published by the Department of Higher Education and Training in 2018.
This is how our pass rates compare with other South African higher education institutions:

NWU undergraduate pass rate for contact students in 2016: 86.7%  
(The national average for 2016 was 83%)

NWU undergraduate pass rate for distance students in 2016: 85.5%  
(The national average for 2016 was 67.6%).

This is how our graduation rates compare with other South African higher education institutions:

NWU graduation rate in 2016: 27.6%  
(The national average for 2016 was 20.8%).

* These are the 2016 figures published by the Department of Higher Education and Training in 2018.

Research and innovation

Goal 2: Intensify research and innovation.

This goal links to our purpose of excelling in cutting-edge research, thereby benefiting society through knowledge.

The quantity and quality of our research show an upward trajectory. Pockets of excellence within the university are expanding and various entities are internationalising their research, while the mass of expertise is improving.

To ensure that we reach our goal of intensifying our research and innovation activities, we have been attending to these material matters:

Improve research and innovation output

When talking about improving our research and innovation output, we do not only consider the quantity, but also the quality.

How much value we created, compared to previous years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Publications per academic staff member</td>
<td>0.70</td>
<td>0.91</td>
<td>0.84</td>
<td>0.86</td>
<td>0.92</td>
</tr>
<tr>
<td>Weighted research output</td>
<td>1 764.1</td>
<td>2 179.3</td>
<td>2 146.4</td>
<td>2 437.1</td>
<td>2 609.64</td>
</tr>
</tbody>
</table>

How much value we created, compared to our target

<table>
<thead>
<tr>
<th>Research</th>
<th>Target</th>
<th>Definition</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publications per permanent academic staff member</td>
<td>1.09</td>
<td>Based on staff HEMIS data and approved publications for reporting year -1. Number of approved publications divided by number of permanent instruction/research professionals.</td>
<td>0.92</td>
</tr>
</tbody>
</table>

Our research portfolio is growing steadily. We set a stretch target for publications and improved our publication rate from 0.86 in 2015 to 0.92 in 2016. Our weighted research output confirms that our investment in human capital is paying off.

Our tally of postdoctoral fellows increased from 203 in 2016 to 215 in 2017 and NRF-rated researchers from 195 in 2016 to 229 in 2017. The numbers of researchers in the different rating categories are set out in the table on the next page.
Resources: We used various resources to produce our intended outputs and outcomes. These include our researchers (human capital), our infrastructure such as buildings, laboratories and research equipment (manufactured capital) and research funding (financial capital).

Another important resource is our intellectual property such as our different information and communication technology systems (intellectual capital).

The technology used to support our researchers includes broadband networks, big data capabilities (storage and analytics), high-performance computing, and national repositories and databases. The risk here is that we won’t be able to keep up with the fast-changing world of technology. One of the reasons that this might pose a risk is that our IT department is experiencing a high staff turnover rate as these IT experts are in great demand in the private sector, where they receive very high salaries.

To mitigate this, we have to invest in resourcing our IT department, strive for appropriate international and local partnerships, use Internet II and undertake appropriate outsourcing.

Future outlook: Research funding will be inadequate in future and competition for funding will be fierce. As a possible solution, we will have to increasingly focus on international funding and smart partnerships with high-level, resourceful institutions.

Disclose new inventions

The innovation team has been significantly strengthened, thereby adding to our human capital as a resource to use to achieve our goal.

Another important resource that we use is our innovation strategy (intellectual capital). This strategy focuses on new inventions, which then drive the complete innovation value chain. While the TTIS office stimulates the process through regular discussions and intellectual property awareness initiatives, the bottom line is the disclosure of new inventions flowing from novel research.

In 2017, we exceeded our target for invention disclosures and new patents. New invention disclosures grew from 16 to 26. This does not directly translate to new patents, however, as some disclosures are in a very early stage. We increased our number of first internationally registered patents from 23 in 2016 to 25 in 2017 (thereby strengthening our intellectual capital). Other outputs included three new spin-off companies (a total of 26 compared to 16 in 2016) and two licensing agreements (we also had two in 2016).

The total income from royalties and invention-based product sales registered was R18 597 683, down from R19 780 050 registered in 2016. (These figures are based on market uptake/sales). This adds to our financial capital and therefore also our financial sustainability. It also adds value to our stakeholders who benefit from our research results and, in this case, new inventions flowing from these results.

As it is important to us to stimulate entrepreneurial and innovation activity at the NWU, we organised an innovation competition called Leopards Lair. From the 45 entries received, we chose 12 finalists and four winners, investing a total of R175 000 towards the concepts of these winners. In addition, the Industrial Development Corporation contributed support services worth R50 000 to one of the student projects.

A major achievement was that the bibliometrics company Clarivate Analytics has listed the NWU as one of the top five innovative universities in South Africa. Their report, “A focus on the top five innovative universities in South Africa”, examined universities and how their contributions are distributed across the total national landscape. The key objective of the report was to look for innovation indicators and identify what universities are doing in relation to collaborative and industry partners. Another important factor was whether research impact can be attributed to innovation output.

The report commended us as the university that stood out the most. “The North-West University was in the top five patent filers. NWU had a filing strategy of more patent family members per invention than other universities and hence their published patent output is higher, helping them to attain the number one position regarding innovation. This is a significant observation and something which clearly is different to other universities.”

<table>
<thead>
<tr>
<th>NRF</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>B</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>C</td>
<td>137</td>
<td>155</td>
</tr>
<tr>
<td>P</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Y</td>
<td>34</td>
<td>46</td>
</tr>
<tr>
<td>TOTAL</td>
<td>195</td>
<td>229</td>
</tr>
</tbody>
</table>
In addition, some of our researchers received National Science and Technology Forum Awards:

- Prof Alta Schutte received the NSTF-TW Kambule Award for her research and its outputs over the past 15 years.
- Prof Melville Saayman received the Special Sustainable Tourism for Development Award.

**Future outlook:** Despite our successes, we also face challenges. An internal challenge, for instance, is to create an aligned structure for the various centres of commercialisation, innovation and technology transfer across the three campuses – something that we will attend to in the near future. (This will reflect our new organisational structure and add value to our intellectual capital.)

Looking at our external environment we realise that in future, and more specifically towards 2030, even greater global emphasis will be placed on innovation.

In response to this trend, we should compile a comprehensive innovation strategy. This strategy should consider opportunities such as implementing a regional innovation structure and developing knowledge partnerships to create new mechanisms for collaborative knowledge generation. Another opportunity the strategy should make provision for, is the steering and management of research outcomes towards innovation and commercialisation and a move towards a cluster approach to support the development of the knowledge economy.

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**Community engagement**

**Goal 3:** Integrate and align community engagement with core activities (teaching and learning and research) and promote sustainability principles.

In order to create value, our community engagement activities must be impactful and result in measurable change. (Impactful projects are sustainable, build capacity, alleviate poor socio-economic conditions and increase employability.)

The diagram below illustrates how we share our expertise in such a way that we integrate and align community engagement with our core activities (teaching and learning and research). It also shows a third aspect, namely civic service or philanthropy.
**Resources**: One of the resources we rely on to conduct our community engagement successfully is our human capital, for instance our staff and students who are involved in the many projects. To further enhance our human capital, we appointed deputy deans for community engagement in 2017 as part of our new university structure. In addition to this, we also enlarged our team from two full-time staff members (the director and financial administrator) to six.

We also rely on several external partners to collaborate with us, in this way using our existing social and relationship capital and strengthening it further through our various activities. These partners include non-governmental organisations, public benefit organisations, civil society-based organisations, and national and international governments and industry.

We also use internal and external funds (financial capital) to do our work.

**Future outlook**: Our next steps – probably from February 2018 onwards – will be to finalise the community engagement database and then train staff members to use it effectively.

**Challenges and risks**: Internally, many academics still view community engagement as an additional task for which there is neither time nor money. Although we have pockets of community engagement excellence in some faculties, this is not yet a dominant trend.

Another internal challenge is that, in general, service learning at the NWU is underutilised. We intend to overcome this challenge through capacity building and by making academics aware of the value of service learning.

When looking at our external environment, it is clear that communities will increasingly expect mutually beneficial relationships with us while we address socio-economic issues through the implementation of our expertise. One way to address this challenge is to strive for open and transparent engagement and partnerships, structured and well-managed community interaction, and sufficient proof of benefits and feedback to communities.

**Future outlook**: Our medium-term plan is to establish a committee for community engagement within each faculty.

Our long-term plan is to establish community engagement practices that are integrated into teaching and learning and research, aligned to community needs, mutually beneficial and sustainable. We will also focus on establishing well-functioning campus structures involved in their directly surrounding communities.

**Future outlook**: Environmental factors influence the socio-economic circumstances of all South Africans and we recognise that our stakeholders (for instance our students and parents) and funding sources will be increasingly impacted by climate change-related phenomena such as drought and floods.

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**Student value proposition**

**Goal 4: Develop a clearly differentiated student value proposition.**

This goal is about creating lasting value for our students, who are our principal stakeholders and part of our human capital. This we do by creating a high-quality student experience in a caring environment.

To produce well-rounded students, it is important for us to engage with them in a holistic fashion – in other words in a way that impacts the person as a whole. This implies that we must take the whole student lifecycle into account in order to provide effective support at all stages of our students’ engagement with the university. In practice this boils down to providing academic and financial support, health and wellness services, and a wide range of cultural and sport activities, among others.

The risk involved here is that, should we fail to attract students through our student value proposition, we might harm the financial sustainability of the university. This might happen if we do not reach our enrolment targets, which might result in a decrease in government subsidy and tuition fees.

We focused on various material matters to help us reach this goal:

- Creating a uniform student experience across the university.
- Increasing student access, retention, attainment and success.
- Increasing graduate employability.
- Developing learning spaces.

These material matters are described on page 26 as part of the discussion of our value chain.
How much value we created, compared to previous years

<table>
<thead>
<tr>
<th>Dropout rate</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-time entrant dropout rate for contact degrees</td>
<td>14%</td>
<td>15.6%</td>
<td>15.6%</td>
<td>15.3%</td>
<td>12.2%</td>
<td>11.11%</td>
</tr>
</tbody>
</table>

How much value we created, compared to our target

<table>
<thead>
<tr>
<th>Target</th>
<th>Target</th>
<th>Definition</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of academic staff to full-time equivalent students</td>
<td>28.3 : 1</td>
<td>Based on HEMIS data and refers to the enrolled student full-time equivalent divided by the permanent instruction/research professionals full-time equivalent.</td>
<td>31.51 : 1</td>
</tr>
<tr>
<td>First-time entrant dropout rate for contact degrees</td>
<td>Below 15%</td>
<td>First-time entering students in contact degree qualifications who register in the reporting year but do not return in the next year.</td>
<td>11.11%</td>
</tr>
</tbody>
</table>

Our student-to-staff ratio increased from 31.16 to 31.51 in 2017. Our first-time entrant dropout rate has decreased from 12.2% in 2016 to 11.11% in 2017. This positive decrease correlates with the increase in the contact undergraduate graduation duration factor.

Growing up in Lusaka, Prof Ilyayambwa Mwanawina studied at the NWU as an international law student and later served as chairperson of the Student Representative Council. The completion of his studies was only the start of his journey at the NWU where, in 2017 (at only 30 years of age), he has been promoted to associate professor.

Prof Alfred Henrico took top honours during the Institutional Teaching Excellence Awards ceremony when he received the coveted Distinguished Teaching Excellence Award.

His advice for lecturers is to develop creative lessons and use technology, and also develop students’ creativity and thinking skills, since these skills will enable them to function more effectively in the world of work.
This goal is all about our people – in other words our human capital – with our main stakeholders being our students and staff.

One of the biggest challenges during 2017 was the uncertainty that the restructuring of the NWU caused among staff. To accommodate the new structure, several entities and reporting lines changed, and some staff members were moved to other positions. However, despite the challenges, we fared quite well, as only three staff members (out of a total workforce of 7 997) received non-voluntary severance packages at the end of the process.

**Improve staff and student equity**

Part of reaching this goal is about improving staff and student equity in order to promote diversity at all campuses.

Looking at our external environment, it is clear that one of the biggest challenges is the small talent pool for black academic staff and intensifying competition for black academics, which will only become more intense in future.

To address this challenge, we have a staff development programme called Grow Our Own Timber, where we recruit and develop black academics from among our postgraduate students.

**Future outlook:** The pressure to comply with the Employment Equity Act will also intensify, and therefore a credible employment equity plan, rigorous and accelerated implementation, supported by capacity building and incentives, will be essential.

### How much value we created, compared to previous years

<table>
<thead>
<tr>
<th>Staff mix</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>34,4%</td>
<td>35,2%</td>
<td>35,1%</td>
<td>37,0%</td>
<td>37,7%</td>
<td>39,6%</td>
</tr>
<tr>
<td>Coloured</td>
<td>3,4%</td>
<td>3,5%</td>
<td>3,9%</td>
<td>4,0%</td>
<td>4,1%</td>
<td>4,0%</td>
</tr>
<tr>
<td>Indian/Asian</td>
<td>0,9%</td>
<td>1,2%</td>
<td>1,1%</td>
<td>1,2%</td>
<td>1,2%</td>
<td>1,2%</td>
</tr>
<tr>
<td>White</td>
<td>61,4%</td>
<td>60,0%</td>
<td>59,8%</td>
<td>57,9%</td>
<td>57,0%</td>
<td>55,5%</td>
</tr>
<tr>
<td>Female</td>
<td>56,6%</td>
<td>57,5%</td>
<td>57,5%</td>
<td>57,1%</td>
<td>57,7%</td>
<td>57,8%</td>
</tr>
<tr>
<td>Male</td>
<td>43,4%</td>
<td>42,5%</td>
<td>42,5%</td>
<td>42,9%</td>
<td>42,3%</td>
<td>42,2%</td>
</tr>
<tr>
<td>Permanent academic staff with PhDs</td>
<td>50,3%</td>
<td>49,7%</td>
<td>52,1%</td>
<td>50,5%</td>
<td>52,2%</td>
<td>52,4%</td>
</tr>
</tbody>
</table>

### How much value we created, compared to our target

<table>
<thead>
<tr>
<th>Staff Mix</th>
<th>Target</th>
<th>Definition</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>African (%)</td>
<td>Based on HEMIS data; reflects the composition of NWU staff by race and gender.</td>
<td>African (%)</td>
</tr>
<tr>
<td></td>
<td>Coloured (%)</td>
<td></td>
<td>Coloured (%)</td>
</tr>
<tr>
<td></td>
<td>Indian (%)</td>
<td></td>
<td>Indian (%)</td>
</tr>
<tr>
<td></td>
<td>White (%)</td>
<td></td>
<td>White (%)</td>
</tr>
<tr>
<td></td>
<td>Female (%)</td>
<td></td>
<td>Female (%)</td>
</tr>
<tr>
<td></td>
<td>Male (%)</td>
<td></td>
<td>Male (%)</td>
</tr>
</tbody>
</table>
## Staff qualifications

<table>
<thead>
<tr>
<th>Staff qualifications</th>
<th>Target</th>
<th>Definition</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent academic staff with PhDs</td>
<td>56%</td>
<td>Based on HEMIS data; permanent instruction/research professionals with a doctoral degree as highest qualification.</td>
<td>52.4%</td>
</tr>
</tbody>
</table>

## How much value we created, compared to previous years

### Student mix: Contact and distance

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknown</td>
<td>3.7%</td>
<td>1.7%</td>
<td>2.6%</td>
<td>3.9%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>African</td>
<td>62.1%</td>
<td>64.8%</td>
<td>64.2%</td>
<td>63.6%</td>
<td>66.8%</td>
<td>66.2%</td>
</tr>
<tr>
<td>Coloured</td>
<td>4.4%</td>
<td>4.4%</td>
<td>4.3%</td>
<td>4.5%</td>
<td>4.4%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Indian/Asian</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.9%</td>
<td>1.0%</td>
</tr>
<tr>
<td>White</td>
<td>29.0%</td>
<td>28.3%</td>
<td>28.2%</td>
<td>27.1%</td>
<td>27.9%</td>
<td>28.3%</td>
</tr>
<tr>
<td>Female</td>
<td>66.6%</td>
<td>66.9%</td>
<td>67.5%</td>
<td>67.2%</td>
<td>66.7%</td>
<td>65.9%</td>
</tr>
<tr>
<td>Male</td>
<td>33.4%</td>
<td>33.1%</td>
<td>32.5%</td>
<td>32.8%</td>
<td>33.3%</td>
<td>34.1%</td>
</tr>
</tbody>
</table>

## How much value we created, compared to our target

### Student profile

<table>
<thead>
<tr>
<th>Student profile</th>
<th>Target</th>
<th>Definition</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student mix: NWU contact and distance; all campuses</td>
<td></td>
<td>Based on HEMIS data; composition of total registered NWU students by race and gender.</td>
<td></td>
</tr>
<tr>
<td>African (%)</td>
<td>63.5%</td>
<td>African (%)</td>
<td>66.3%</td>
</tr>
<tr>
<td>Coloured (%)</td>
<td>5.4%</td>
<td>Coloured (%)</td>
<td>4.5%</td>
</tr>
<tr>
<td>Indian (%)</td>
<td>0.8%</td>
<td>Indian (%)</td>
<td>1.0%</td>
</tr>
<tr>
<td>White (%)</td>
<td>30.3%</td>
<td>White (%)</td>
<td>28.3%</td>
</tr>
<tr>
<td>Female (%)</td>
<td>69.4%</td>
<td>Female (%)</td>
<td>65.9%</td>
</tr>
<tr>
<td>Male (%)</td>
<td>30.6%</td>
<td>Male (%)</td>
<td>34.1%</td>
</tr>
</tbody>
</table>

Due to the increase in NSFAS funding, as well as better funding for private accommodation and the accreditation of private accommodation, our student profile deviates from the original submitted and approved enrolment plan.

For more information about our performance against our five goals, refer to Annexure 1 (Performance assessment report) on page 131.
Our enablers

Our strategic goals (as discussed on the previous pages) are material because achieving them affects the university’s ability to create value over the short to long term.

In addition to these goals, we also have enablers, which are support areas that are critical and essential for achieving the strategic goals.

The support staff at our university play an important role in assisting the academic staff who are directly responsible for achieving our strategic goals, thereby adding value to our human and intellectual capital.

These support staff are in turn also part of our human capital and they use resources such as their skills and certain university systems (intellectual capital), budgets (financial capital), infrastructure and equipment (manufactured capital) and natural resources (natural capital) to add value to our core business.

Our support staff and departments make sure that we have top-of-the-range information technology, quality assurance, good governance and compliance, legal advice and effective student systems, to mention only a few. Without these forming a strong foundation, it would be very difficult to achieve our core business’s strategic goals.

Please turn to page 59 (where we discuss our strategy) to read more about the enablers that our University Management Committee identified.
How we budget for financial sustainability

The aim during our budget process is to ensure that the distribution of our resources is aligned, equitable and transparent, thus supporting the core business strategies of the NWU and in doing so, ensuring financial sustainability. Proper processes and structures are a prerequisite for this.

One of the challenges we faced was that the new NWU organisational structure was only approved late in 2016. The changes in the structure affected the top, senior and middle management levels, all of whom are responsible for compiling and managing the budget. As a result the ownership of the budget on the different levels of management was unclear. The solution that the Council approved on 17 November 2016 was to revise the budget process. This entailed compiling a high-level budget for 2018, based on the information in the Annual Performance Plan (APP) and the 2016 budget.

Three scenarios were prepared (worst case, most probable and best case) and the worst case and most probable scenarios were factored into the risk abatement plan. Furthermore, for the 2017 budget, we took cognisance of developments in our external environment, such as the updated Ministerial Statement received in early September 2016, and the Minister’s announcement on 19 September 2016 about the annual tuition fee increase and other relevant information.

The budget task team compiled a high-level budget. This was informed by the realistic forecasting of income, and estimation of “affordable” expenses. The key sources of revenue were considered in detail, taking into account all the latest relevant information available. The result of the income calculation gave an indication of the adjustment needed for the 2017 expense budget.

Pre-determined ratios were used to calculate the budget, with expenses measured as a percentage of core business income, meaning tuition and subsidy income. The goal was to prepare a break-even budget on a cash flow basis.

The following ratios were used as a guide:

- Staff cost as a percentage of income
- Operating cost as a percentage of income
- Capital cost as a percentage of income
- Strategic expenses, such as the new personnel cost fund, strategic fund, infrastructure expenses and macro maintenance expenses, all as percentages of core business income.

The idea is to use these ratios to steer the NWU towards the ideal combination of income and expenses, thus ensuring financial sustainability in the long term.

How we plan to finance our strategic initiatives

We strive constantly to align all activities and resource allocation with our strategy and success model. The strategic fund contributes to this strategic alignment through the allocation of funds for specifically identified strategic projects. The principle used in the allocation of the strategic fund was to cover the full funding needed across financial years to complete these projects.

The image on the next page shows how the strategic projects are related to our strategic goals and the amounts allocated to each of them.

We allocated the biggest part (37%) of our strategic funds to develop best-in-class information and communications technology to support the core business.
Teaching and learning

**Goal 1:** Promote excellent learning and teaching and reposition the NWU to attain the size and shape required by the market direction decisions.
- Work integrated learning (WIL)
- Teaching and learning project: Practical work-integrated learning

**Student value proposition**

**Goal 4:** Develop a clearly differentiated student value proposition.
- Development of a student access, selection and placement model for the NWU
- First-year experience project (Supporting first-year retention and success)
- Develop an NWU learning resources repository

**Lead and manage**

**Enabler 1:** Govern, lead and manage in a sustainable and transformed way with an effective operating model.
- Implementation of new organisational structure
- System changes in support of structural renewal

**Communication**

**Enabler 3:** Communicate, engage and develop core business capability to increase brand equity, leadership efficacy and community solidarity.
- Database management system project (I-AIM)

**Financial sustainability**

**Enabler 4:** Ensure the financial sustainability of the NWU.
- Project to develop a structure and system to manage continuing education
- Implement infrastructure policy that focuses on optimal space management
- Review cost and increase cost effectiveness

**Research and innovation**

**Goal 2:** Intensify research and innovation.
- Research turnaround strategy (RTAS)
- UARM operational cost
- Internal and external success model
- Strategic/expensive research equipment
- Post-Doc (TREES) (Extended for one year)

**Staff and students**

**Goal 5:** Develop and retain excellent staff and create an equitable staff and student profile.
- Additional cost for student recruitment on MC and VTC (aligned marketing material)
- Specific recruitment bursaries: black students
- Optimal preparation of NWU for QS rating
- Funds to be used for different projects as approved by Executive Director: People and Culture

**Information technology**

**Enabler 2:** Develop best-in-class information and communications technology to support the core business.
- Central and aligned applications process
- KFS/Kualico contribution
- Service level improvements: mean time to repair (MTTR) and failure rate
- Cyber security awareness campaign
- Disaster recovery: 50/50
- Storage space for snapshot data and offsite backup data
- Backup devices end of life
- Modernisation and decoupling of Varsité Student System (VSS) architecture
- Incorporating Open Learning Group students in the VSS
A challenge that we faced was that the implementation of the NWU’s new structure and operating model demanded many hours of attention from the same group of managers responsible for the execution of the other strategic projects. Since the successful implementation of the new structure was also in many instances a prerequisite for the successful implementation of the other strategic projects, and due to limited available time, the implementation dates for some strategic projects were postponed.

Opportunities and challenges in executing our strategy

Funding of fee increases and fee-free education

For 2017, the DHET has allocated additional funds as a gap-funding grant to cover the increase in university fees of up to 8% for all students from families with incomes below R600 000 (the so-called “missing middle”). Using 2015 as the baseline, these students therefore experienced a 0% increase in 2017.

As per the ministerial statement, Treasury has already made provision to help make up for our resulting loss of revenue by committing to a carry-through amount for 2018 for this once-off funding of the 2017 increase in tuition fees. However, the DHET was not in a position to indicate whether they would be able to provide gap funding for the 2018 increase in tuition fees and beyond.
The DHET grant for the NWU students concerned amounted to R42,3 million in 2017 and was administered by the university. We received the gap funding upfront from DHET in March 2017.

The fee-free announcement for households earning up to R350 000 a year was made in December 2017 and will be a challenge to administer in 2018, especially during registration.

**Special 0% fee increase grant paid by DHET**

The special 0% fee increase grant that the DHET paid to institutions in 2016 was added to the block grant in 2017. The DHET recalculated the 2016 block grant after adding the R2,3 billion total contribution to the sector to the block grant. The increased allocation per university via the block grant when compared to the tuition fee income lost per university (so-called shortfall) may differ significantly due to differentiated fee increases for 2016, as well as the differentiated fee base for 2016. The difference in the shortfall contribution and funding per block grant for 2016 is phased out over three years in favour of the block grant calculation. The impact for us is that R39,8 million will be a permanent loss of income phased in over three years.

**Tuition fees and enrolments**

The increase in enrolments in 2017, which can be attributed mainly to the increased funding received from NSFAS, also presents a risk for us. Since the funding follows the student and a central application system is envisaged, the increased level of funding is very volatile. The sustainability of the higher level of income from tuition fees is therefore at risk.

The under-enrolment of the past few years against the approved enrolment plan requires a detailed strategy to actively manage the enrolment of students in future to ensure growth in tuition fee income, realise the enrolment strategy and maximise subsidy income.

The need to revise the tuition fee model was once again raised during the budget process and a strategic project was approved to address this. Attention will be given to the pricing of blended learning modules, alignment of module and qualification levy prices and the pricing of distance programmes, among others.

The image below reflects some of the important aspects of Dr BE Nzimande’s statement on Government’s 2017 fee support to students from poor, working and middle-class households.
In our view, no press release or recommendation from inter alia the State President, the Minister of Higher Education and Training and/or the Department of Higher Education and Training, interferes with the NWU Council’s authority to approve the annual financial budget, which will include registration and tuition fees as well as any escalation thereof in respect of the 2017 academic year.

Therefore the responsibility of approval of the annual budget (including all income to be generated from registration and tuition fees), is the responsibility of Council.

The vice-chancellor received a letter, dated 30 October 2016, from the Office of the Minister of Higher Education and Training relating to student funding matters for the 2016 and 2017 academic years.

Regarding the 2017 academic year, the Minister made several material announcements (key decisions). These decisions – and the way in which we implemented them – can be seen in the table below.

<table>
<thead>
<tr>
<th>Key decision</th>
<th>How we implemented it</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. All NSFAS-qualifying students who were registered in 2016 and met the academic progression requirements should be registered for the 2017 academic year. They will be supported through the funding in the baseline to fund continuing students over the MTEF cycle.</td>
<td>The NWU Council took note of the decision and endorsed it, on the assumption that there will be sufficient funding available in the NSFAS allocation. We requested NSFAS to confirm the planned financing for 2017 and the allocation for the NWU.</td>
</tr>
<tr>
<td>2. Government, through NSFAS, would pay the registration fees for all NSFAS-funded students as an upfront payment to universities in January each year. Therefore, NSFAS-qualifying students would not pay any registration or upfront fees.</td>
<td>This is already current practice at the NWU.</td>
</tr>
<tr>
<td>3. In 2017, students from households with an annual family income of up to R600 000, ie the “missing middle”, would have their upfront or registration fees covered by the gap funding provided by government, and therefore should be allowed to register without paying any upfront or registration fees. A mechanism would be developed, in consultation with Universities South Africa, to quantify the number of students and funding required. All universities would be requested to ensure that “missing middle” students who have historic student debt would be allowed to register in 2017. All universities would be required to develop and communicate transparent student debt policies for students who are not covered by the NSFAS scheme.</td>
<td>While the NWU has financial rules and measures to accommodate as many students as possible in line with this decision, the university cannot endorse a blanket approach to all students. This stance is in line with the unified approach by the sector as discussed on 11 November 2016. The financial sustainability of the sector would be at risk if the institutions universally implement this decision without providing for any alternative funding.</td>
</tr>
</tbody>
</table>
Infrastructure development

This section shows how we use our financial capital as a resource to add value to our manufactured capital. The latter can be described as everything owned, leased or controlled by the NWU that makes our core business and service delivery possible. This includes buildings, equipment and other infrastructure.

Enhancing our manufactured capital is also interrelated to the other capitals. For instance, when we construct a new building we decrease our financial capital due to the building costs, and our environmental capital due to waste creation, but it adds value to our intellectual capital because it is used for delivering academic programmes and doing research.

<table>
<thead>
<tr>
<th>Key decision</th>
<th>How we implemented it</th>
</tr>
</thead>
<tbody>
<tr>
<td>The NWU also emphasised the importance of urgently informing students about all the mechanisms available to assist them to register.</td>
<td></td>
</tr>
<tr>
<td>The NWU Council took note of and endorsed the decision.</td>
<td></td>
</tr>
</tbody>
</table>

4. Legitimate student protest and negotiations through democratic structures should be supported and the rights of all (including those choosing not to protest – the silent majority) must be protected.

<table>
<thead>
<tr>
<th>DHET Surplus funds 2012-2015</th>
<th>Potchefstroom Campus</th>
<th>R0.6</th>
<th>R8.5</th>
<th>R -</th>
<th>R -</th>
<th>R9.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding 2015-2016</td>
<td>Mafikeng Campus</td>
<td>R4.0</td>
<td>R1.4</td>
<td>R3.8</td>
<td>R -</td>
<td>R9.2</td>
</tr>
<tr>
<td>Funding 2016-2017</td>
<td>Vaal Triangle Campus</td>
<td>R -</td>
<td>R -</td>
<td>R -</td>
<td></td>
<td>R4.4</td>
</tr>
<tr>
<td>Capital works</td>
<td>Institutional Office</td>
<td>R31.6</td>
<td>R46.9</td>
<td>R0.1</td>
<td>R -</td>
<td>R78.7</td>
</tr>
<tr>
<td>New</td>
<td>Total</td>
<td>R33.1</td>
<td>R9.1</td>
<td>R13.7</td>
<td>R2.6</td>
<td>R58.5</td>
</tr>
<tr>
<td>Upgrade</td>
<td></td>
<td>R22.5</td>
<td>R4.8</td>
<td>R5.7</td>
<td>R11.1</td>
<td>R44.1</td>
</tr>
<tr>
<td>Macro maintenance</td>
<td></td>
<td>R3.6</td>
<td>R1.0</td>
<td>R -</td>
<td>R0.1</td>
<td>R4.8</td>
</tr>
<tr>
<td>Minor works</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>R95.4</td>
<td>R71.8</td>
<td>R23.3</td>
<td>R18.3</td>
<td>R208.8</td>
</tr>
</tbody>
</table>
Accommodation for our students

The refurbishment of student accommodation and construction of new accommodation remained high on the agenda during 2017. Several student residences were refurbished during 2017 and the university has started constructing an additional residence on the Vaal Triangle Campus, for completion in 2018.

A joint initiative has also been launched by the NWU and the DHET to plan for the construction of additional residences on the Mafikeng Campus to accommodate up to 1 400 additional students as part of possible public-private partnerships. Planning in this regard will continue during 2018. Based on information supplied by the NWU’s Business and Enterprise Development Department, the university made 10 700 beds available to students during 2017, representing approximately 25% of all contact students.

Large projects completed during 2017

- Mafikeng Campus: Construction of a new building for the Faculty of Law (NWU capital funding of R23,6 million)
- Potchefstroom Campus: Internal completion of the second phase of a new building for Biological Sciences - ground and first floors (capital and reserve funds R36,5 million)

Projects carried over from 2016 and completed during 2017

Six macro maintenance projects to the value of R14,75 million were carried over from 2016 and were completed in 2017.

Macro maintenance projects completed during 2017

Addressing deferred maintenance remained a key focus during 2017. Major refurbishment work included the following projects:

- Mafikeng Campus: upgrading of the Base Building, Phase 1 (DHET grant of R13,8 million) and internal refurbishment of the library building (R 7,7 million)
- Potchefstroom Campus: macro upgrade of Oosterhof residence (RCS funding of R10,9 million) and upgrading of the Drakenstein restaurant (RCS funding of R7,7 million)
- Vaal Triangle Campus: macro upgrade of Vergelegen and Jasmy residence, Phase 2 (RCS funding of R16,9 million)

Large macro maintenance projects on the Potchefstroom Campus included the internal and/or external macro maintenance or upgrading of a number of buildings, and other work such as the resurfacing of roads, the upgrading of passenger lifts and the installation of a central air-conditioning plant.

In addition, 23 small to medium-sized macro maintenance projects were completed on the campuses at a total cost of R37,8 million. These included projects that were funded from DHET Infrastructure and Efficiency Funds.

Unscheduled projects completed during 2017

Eighteen small, unscheduled projects (ad hoc requests) were executed in various faculties and departments across the university. These projects placed considerable pressure on the resources of Physical Infrastructure and had an impact on the scheduling of minor works during 2017.
The total upgrade of the Oosterhof residence on our Potchefstroom Campus was one of the macro maintenance projects completed during 2017.

Projects carried over to 2018

Two projects on the Mafikeng Campus and four on the Potchefstroom Campus were initiated in 2017 and are scheduled for completion in 2018.

Plans for the future

The focus in future will be on addressing deferred maintenance at academic buildings and services infrastructure as part of the NWU’s 10 Year Macro Maintenance Plan. In addition, the department will embark on several major capital projects on the Vaal Triangle Campus during 2018 and 2019.

The work was mainly financed from third stream income reserves and external funding.

The largest unscheduled project was the refurbishment of space in Building B6 on the Potchefstroom Campus to accommodate the Unit for Open Distance Learning (UODL). This R3.98 million project entailed converting existing underutilised sport facilities into administrative spaces for UODL operations that were previously accommodated off-campus. The project was initiated and completed at short notice.

Two projects on the Mafikeng Campus and four on the Potchefstroom Campus were initiated in 2017 and are scheduled for completion in 2018.

The focus in future will be on addressing deferred maintenance at academic buildings and services infrastructure as part of the NWU’s 10 Year Macro Maintenance Plan. In addition, the department will embark on several major capital projects on the Vaal Triangle Campus during 2018 and 2019.

One of the large projects completed in 2017 was the construction of a new building for the Faculty of Law on our Mafikeng Campus.
The purpose of this report is to present a summary of our financial results for 2017 and to provide information regarding the following:

- Budgeting and budgetary control processes
- Overview of financial achievements

Revised budgeting and budgetary control processes

In previous years we used an interactive budgeting process: different levels of management took ownership of and participated actively in compiling the budget for the next year, taking into account the trends of the past, risks and concerns and benchmarking, as well as future goals and plans.

This interactive process involved at least 260 managers budgeting for more than 400 organisational units in almost 6 600 Kuali Financial System (KFS) accounts. The process started in June each year.

Early in 2016, the NWU structure and operating model implementation project was approved. The goal of this project was to operationalise the approved NWU strategy through detailed organisation design that included lower level structures, job profiles and operating models.

The project teams that worked on this project were from different levels of management and consisted of the same managers who were responsible for compiling the annual budget. These managers were asked to commit themselves to high-quality input to ensure the success of the implementation project.

The project started early in 2016 and the new organisational structure was presented to Council for approval in December 2016.

It was clear that the budgeting process and the NWU structure and operating model implementation project demanded many hours of attention from the same group of managers and that the timelines of the two processes overlapped.

Furthermore, the change in the organisational structure materially affected the top, senior and middle management levels, as they were also responsible for compiling and managing the budget. As a result of the uncertainty over the structure and related appointments, the ownership of the budget on the different levels of management was compromised.

In light of this, the Finance Committee approved the revised budgeting process proposal. This was to compile the NWU 2017 budget on a high strategic level, using the information in the Annual Performance Plan (APP) and the 2016 budget as the basis.

The ideal was still to use the agreed-upon ratios to steer the NWU towards the planned combination of income and expenses, the main purpose being to ensure long-term financial sustainability.

Where applicable, three scenarios were prepared (worst case, most probable and best case). The risk abatement plan focused on the most probable and worst-case scenarios.

The 2017 budget was then compiled, taking into account the updated Ministerial Statement received early in September 2016, the information available after the Minister’s announcement on 19 September 2016 about the annual tuition fee increase and other relevant information that was available.

As the performance agreements of all staff are linked to the Annual Performance Plan (APP), all the different levels of management continued to be involved in the management of the budget.

Monthly variance reporting structures were in operation throughout the year, involving all staff who deal with finances. Quarterly variance reports were monitored up to senior management level via the Management Statements that served at the University Management Committee (UMC), and were also submitted twice yearly to the Finance Committee of Council. For source of funds (SOF) 2, 3 and 5, organisational units are only allowed to spend income actually received.
The financial review for the year ended 31 December 2017 is presented under the following headings:

### Surplus and growth

The total income of the university increased by 8.9% during 2017 to R4 181.3 million (2016: R3 838.0 million) and increased by 18.6% compared with 2015 (R3 527.0 million). Total expenditure of R3 678.2 million (excluding the effect of IAS19 valuations) increased by 3.2% for the 2017 financial year (2016: R3 560.8 million) and 10.1% since 2015. The university’s total surplus from operations (recurrent and non-recurrent) is therefore R503.1 million for 2017 (2016: R277.1 million and 2015: R187.8 million).

The impact of IAS19 valuations on expenses is a minor increase of R1.8 million for 2017 (2016: R3.9 million decrease), compared to the significant increase of R106.8 million for 2015. The net surplus for 2017 as reflected in the consolidated statement of comprehensive income is R501.2 million (2016: R281.0 million and 2015: R81.0 million) and represents 12.0% of total income, compared to 7.3% for 2016 and only 2.3% for 2015, an increase of 9.6% during two financial years.

The total income of the university from recurrent activities only increased by 10.7% to a total income of R4 179.6 million, while the total expenses from recurrent activities (excluding the effect of IAS19 valuations) increased by 3.5% to a total expenditure of R3 677.9 million for 2017. The surplus for the 2017 financial year from recurrent activities represents 12.0% (2016: 5.9% and 2015: 4.3%) of the total recurrent income.

The increase in the surplus from recurrent activities can be attributed to a number of factors such as:

- timing differences due to macro-maintenance projects that had to be postponed and carried over to 2018 due to the DHET postponing approval of these projects;
- strategic projects that started late or were postponed due to the priority given to the NWU structure and operating model implementation project;
- additional NSFAS allocations which resulted in a higher number of enrolments, and a decrease in provision of doubtful debt of about R50.0 million vs. previous years’ increases;
- personnel savings on vacant positions amounting to R37 million, etc.
The university’s return from recurrent operating activities (excluding the effect of IAS19 valuations) on capital employed (total assets less current liabilities) increased to 14.2% (2016: 8.0%) and compares favourably to the 6.0% in 2015. This is mainly due to an increase in the recurrent surplus despite an increase of 26.2% in net assets.

Income from state appropriations (subsidies and grants) represents 41.5% of total income (2016: 40.1% and 2015: 38.8%), an increase of 12.4% from 2016 to 2017 – compared to the 12.8% increase received from 2015 to 2016. A significant portion of the increase can be attributed to the no fee increase and gap funding grants, and is therefore a replacement of tuition fees as opposed to a real increase in income. Total state subsidies comprise 38.1% block grant, 1.8% no fee increase and gap funding grants relating to tuition fees and residence fees and 1.6% earmarked grants. Earmarked grants in the amount of R35.3 million were deferred (2016: R31.9 million and 2015: R38.7 million).

Tuition fees increased by 8.0% for 2017 compared to the 0.0% for 2016, as per the announcement by the Minister on 23 October 2015 (average increase of 9.25% for 2015). Student-related income was 14.2% higher than in 2016, mainly due to additional NSFAS funding that enabled a higher number of enrolments (2016: 6.0% and 2015: 17.2%).
Additional gap funding of R42.3 million was received from the DHET to bridge the 8.0% fee increase for students qualifying to receive this funding. The total student-related income represents 33.9% of the total income (2016: 32.4% and 2015: 33.2%).

Other income represent 24.6% of total income (2016: 27.4% and 2015: 28.0%). This ratio includes non-current income, which may affect comparability depending on events and related amounts per year.

Total income per category

<table>
<thead>
<tr>
<th>Rmillion</th>
<th>State appropriations – subsidies and grants</th>
<th>Student-related income</th>
<th>Other income (research, entrepreneurial, investment income)</th>
<th>Non-recurrent income (disposal of PPE and investments)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>R1,736.0</td>
<td>R1,417.6</td>
<td>R990.0</td>
<td>R41.0</td>
</tr>
<tr>
<td>2016</td>
<td>R1,544.1</td>
<td>R1,241.6</td>
<td>R960.0</td>
<td>R41.0</td>
</tr>
<tr>
<td>2015</td>
<td>R1,368.6</td>
<td>R1,171.3</td>
<td>R946.0</td>
<td>R41.0</td>
</tr>
</tbody>
</table>

Total expenditure (excluding IAS19 total adjustments) increased by 3.3% (2016: 6.6% and 2015: 6.5%).

Personnel remuneration (excluding IAS19 total adjustments) increased by 5.4% and shows a downward trend compared to previous years (2016: 7.3% and 2015: 9.3%). The increase reflects a combination of the 7.0% cost of living adjustment (COLA) in April of 2017 and the savings on vacancies due to the restructuring process. The total cost of personnel expenditure for 2017 decreased to 49.3% of total income (2016: 50.9% and 2015: 51.6%), which stays within the target of 52%.

The total effect of IAS19 valuations amounted to a R1.8 million increase in staff expenses (recurrent and non-recurrent) for 2017 (2016: R3.9 million decrease and 2015: R106.8 million increase). This standard requires an entity to recognise an expense when it consumes the economic benefits arising from services provided by an employee in exchange for employee benefits. Considering all the assumptions and influential factors and the sensitivity of the valuation to any change in these, the effect of IAS19 total adjustments is therefore excluded from the review.

Operating expenditure remained unchanged, percentage-wise, compared to 2016. During 2016 operating expenses increased by 10.6% compared to 2015. (2015: 0.9% increase). Operating costs represent 35.4% of total income (2016: 38.6% and 2015: 37.9%), which is below the target set of 42%.

Expenses include an amount of R52.4 million (2016: R37.8 million and 2015: R35.4 million) written off as irrecoverable and doubtful debt. As a result of the additional NSFAS allocations, the allowance for bad debt with regard to student debtors decreased by R51.1 million for 2017, although NSFAS still owed NWU R46.0 million at the time of writing of this report (2016: R23.4 million and 2015: R34.1 million increase).
Student debtors-related expenditure therefore amounts to R1.3 million for the current year, compared to the R61.2 million for 2016 and R69.5 million for 2015. Student debt ratio (before impairment) is set to be less than 20.0% for the sector. The NWU shows a ratio of 17.1% for 2017 (2016: 18.2% and 2015: 15.6%).

Other expenditure relating to depreciation and finance charges increased by 9.1%. A large investment in property, plant and equipment financed via the DHET infrastructure and efficiency earmarked funding project of the prior year is still continuing on a regular basis.

Owing to the impact of no increase in tuition fees for 2016, strict monitoring of income and expenses was implemented and tight budgetary controls resulted in a heightened awareness regarding savings. This awareness and behaviour carried through to 2017. As mentioned above, a portion of the savings can be attributed to timing differences and will result in a spending against reserves in 2018.

The university’s equity increased by 31.8% in the 2017 financial year (2016: 9.5% and 2015: 14.6%), mainly due to the higher-than-targeted surplus, an increase of R140.8 million in the net asset value of employee benefits (pension fund and disability reserve fund) at 31 December 2017 – per external actuarial valuation in terms of IAS19 (2016: R106.8 million decrease and 2015: increase of R104.0 million). Unrealised revaluation gains on investments increased by 37.1% during 2017. Investment in property, plant and equipment also contributed to the higher percentage.

The available funds increased to 26.3% of total equity (2016: 17.0% and 2015: 6.8%), mainly due to the surplus of 12.0%, which is above the target of 3% to 6% on recurrent activities. Some infrastructure and other projects commenced late in 2017 and will only be completed in 2018 – thus spending against carried-forward 2017 available reserves will take place during 2018.

The sustainability ratio of equity over total expenditure for the year is 0.78 for 2017 (2016: 0.61 and 2015: 0.57). The trend, as well as the vast improvement in Council-controlled reserves (increased from -R1.4 million in 2014 to R749.4 million in 2017), is indicative of the commitment of the NWU to achieving the DHET norm of 1.0.
The total liabilities (R1 365,1 million) at year end for 2017 expressed over total equity (R2 854,5 million) means the university’s ratio of debt to equity is 0,48 (2016: 0,51 and 2015: 0,52). This is the result of an increase of 31,8% in equity (2016: 9,5% and 2015: 14,6%) for the reasons explained above, and an increase of 22,7% in total liabilities (2016: 8,3% increase and 2015: 0,4% decrease).

The total liabilities expressed over total assets indicates an improved ratio of 0,32 for the year (2016 and 2015: 0,34). Thus total liabilities are covered 3,09 times by total assets (2016: 2,95 and 2015: 2,93 times). Solvency ratios continue to indicate clearly that the university is solvent and able to meet both its long-term and its short-term obligations.

The amount of R256,8 million (including accumulated interest) relating to the previous as well as the new cycle of infrastructure grants, is included in total liabilities under deferred income.
Liquidity

The working capital ratio indicates that the current liabilities are covered 0,92 times by the current assets (2016: 1,04 times and 2015: 0,74 times). If the analysis is expressed in Rand value, the current assets increased by R135,0 million for the 2017 financial year, whilst current liabilities for the same period increased by R207,9 million. Current assets increased mainly due to transfers from long-term investments whereby cash and cash equivalents increased by R105,6 million.

The working capital ratio decreased compared to 2016, mainly due to the inclusion of R168,5 million deferred income (24,4% of total current liabilities) relating to infrastructure grants which is expected to be utilised during 2018. For 2016, this portion of deferred income only represented 9,6% (R46,4 million) of total current liabilities. If this is taken into consideration, the working capital ratio changes to 2,5 times (2016: 2,4 times and 2015: 1,7 times), which is in line with the norm of 2:1.

The net value of working capital, investments and total liabilities for 2017 improved to R1 100,3 million (2016: R732,5 million and 2015: R494,9 million), representing an increase of 122,3% from 2015 to 2017.

The cash-flow situation is monitored closely in order to achieve an optimal balance between long-term and short-term investments to optimise investment income without compromising flow of business.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>1 830,6</td>
<td>1 345,1</td>
<td>1 174,4</td>
</tr>
<tr>
<td>Current assets</td>
<td>634,8</td>
<td>499,8</td>
<td>346,9</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(1 365,1)</td>
<td>(1 112,4)</td>
<td>(1 026,4)</td>
</tr>
<tr>
<td>Net investments, current assets and total liabilities</td>
<td>1 100,3</td>
<td>732,5</td>
<td>494,9</td>
</tr>
<tr>
<td>Capital commitments (infrastructure)</td>
<td>(65,8)</td>
<td>(67,1)</td>
<td>(25,5)</td>
</tr>
<tr>
<td>Net cash after capital commitments</td>
<td>1 034,5</td>
<td>665,4</td>
<td>469,4</td>
</tr>
</tbody>
</table>
Gearing ratios analyse the extent to which long-term finance is used as a source of financing. It is a longer term indication of liquidity.

Non-current liabilities represent 19,1% of total funds employed (2016: 22,6% and 2015: 21,9%).

This ratio decreased, as equity increased by a large margin, borrowing commitments decreased and infrastructure grant amounts expected to be utilised in 2018 are transferred to current liabilities.

<table>
<thead>
<tr>
<th>Non-current liabilities: Non-current liabilities equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
</tr>
<tr>
<td>R579,7</td>
</tr>
<tr>
<td>R2 797,0</td>
</tr>
<tr>
<td>R2 533,1</td>
</tr>
</tbody>
</table>

Cash flow

The university generated a surplus of R503,1 million for the 2017 financial year (2016: R277,1 million and 2015: R187,8 million), excluding total IAS19 adjustments, and the net cash flow amount generated from operating activities was R722,6 million (2016: R271,2 million and 2015: R180,6 million).

The total net cash flow increased by R105,6 million in 2017, taking into account i.a. R157,0 million net investment income, transfers of cash and cash equivalents to longer term investments (R445,3 million) and investment in property, plant and equipment (R321,0 million).

For the 2016 financial year the net cash flow increased by R75,0 million and for 2015 by R11,3 million.

The ratio of cash and cash equivalents (including the current portion of investments) over current liabilities (excluding the current portion of deferred infrastructure income) shows that current liabilities are covered 2,0 times by available cash and cash equivalents for 2017 (2016: 1,8 times and 2015: 1,3 times). The norm is at 1,4 times. Therefore NWU is in a viable cash-flow situation.

<table>
<thead>
<tr>
<th>Cash and cash equivalents and investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
</tr>
<tr>
<td>R363,4</td>
</tr>
<tr>
<td>R1 830,6</td>
</tr>
<tr>
<td>R2 194,0</td>
</tr>
</tbody>
</table>
Conclusion

With regard to the university as a tertiary institution with the core business of teaching-learning, research and implementation of expertise (including community service), the NWU again added material value to the economy, and was able to achieve its financial goals. In this regard the following can be highlighted:

- The NWU still provides affordable higher education.
- 16 004 students received degrees and diplomas during 2017.
- Despite the financial impact of the no fee increase, the university stayed committed to supporting and enhancing academic performance by awarding bursaries in the amount of R201,9 million from own funds to students.
- The cash flow investment in property, plant and equipment amounts to R321,0 million (2016: R164,9 million and 2015: R145,7 million), which is mainly attributable to DHET infrastructure and efficiency funding. (Not all projects have been completed, resulting in macro maintenance to be carried forward to 2018.) Total assets increased by 28,7% (2016: 9,1% and 2015: 9,0%).
- The available reserves increased to 26,3% of the total equity from a very low base at the end of 2014 (although some spending against this reserve is to be expected as explained above).
- Maintaining a sound solvency position and optimal liquidity levels during the 2017 financial year to ensure that the NWU remains a going concern.

Council and management are jointly committed to managing the NWU in such a way that the sound financial position will be sustained in 2018. It needs to be pointed out that our two largest sources of income, namely state subsidy and tuition fee-related income totalling 75,4% of turnover (2016: 72,5% and 2015: 72%), both increased during 2017 – emphasising our dependence on these income stream one funds. Income stream three revenue is decreasing year on year as a percentage of total income, putting pressure on the viability of the university. The university is further pressured by the widespread difficult and weak South African economy and conditions.

The biggest challenge for NWU and the higher education sector as a whole is still to accommodate students referred to as the “missing middle”, who cannot afford their studies but who are also not eligible for study loans, without compromising the quality of our education.
### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**at 31 December 2017**

<table>
<thead>
<tr>
<th></th>
<th>2017 R'000</th>
<th>%</th>
<th>2016 R'000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1 360 752</td>
<td>32,2</td>
<td>1 180 478</td>
<td>36,0</td>
</tr>
<tr>
<td>Investment properties</td>
<td>19 328</td>
<td>0,5</td>
<td>19 826</td>
<td>0,6</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>950</td>
<td>0,0</td>
<td>950</td>
<td>0,0</td>
</tr>
<tr>
<td>Investments</td>
<td>1 168 428</td>
<td>27,7</td>
<td>804 753</td>
<td>24,5</td>
</tr>
<tr>
<td>Equity-accounted investees</td>
<td>107</td>
<td>0,0</td>
<td>20</td>
<td>0,0</td>
</tr>
<tr>
<td>Deferred income tax assets</td>
<td>119</td>
<td>0,0</td>
<td>100</td>
<td>0,0</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>372 983</td>
<td>8,9</td>
<td>232 198</td>
<td>7,1</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>24 907</td>
<td>0,6</td>
<td>25 396</td>
<td>0,8</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>236 277</td>
<td>5,6</td>
<td>216 614</td>
<td>6,6</td>
</tr>
<tr>
<td>Current portion of investments</td>
<td>662 071</td>
<td>15,7</td>
<td>540 320</td>
<td>16,5</td>
</tr>
<tr>
<td>Non-current assets classified as held for sale</td>
<td>10 229</td>
<td>0,2</td>
<td>0</td>
<td>0,0</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>363 427</td>
<td>8,6</td>
<td>257 789</td>
<td>7,9</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>4 219 578</td>
<td>100,0</td>
<td>3 278 444</td>
<td>100,0</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated funds</td>
<td>2 853 725</td>
<td>67,6</td>
<td>2 165 418</td>
<td>66,1</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>736</td>
<td>0,0</td>
<td>632</td>
<td>0,0</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1 365 117</td>
<td>32,4</td>
<td>1 112 394</td>
<td>33,9</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings - interest bearing</td>
<td>22 570</td>
<td>0,5</td>
<td>33 082</td>
<td>1,0</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>557 143</td>
<td>13,2</td>
<td>519 679</td>
<td>15,9</td>
</tr>
<tr>
<td>Deferred income</td>
<td>96 136</td>
<td>2,3</td>
<td>78 212</td>
<td>2,4</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>295 595</td>
<td>7,0</td>
<td>301 134</td>
<td>9,2</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>358</td>
<td>0,0</td>
<td>1 010</td>
<td>0,0</td>
</tr>
<tr>
<td>Current portion of borrowings - interest bearing</td>
<td>11 471</td>
<td>0,3</td>
<td>10 777</td>
<td>0,3</td>
</tr>
<tr>
<td>Current portion of employee benefits</td>
<td>37 050</td>
<td>0,9</td>
<td>29 417</td>
<td>0,9</td>
</tr>
<tr>
<td>Current portion of deferred income</td>
<td>168 499</td>
<td>4,0</td>
<td>46 422</td>
<td>1,4</td>
</tr>
<tr>
<td>Student deposits and prepaid income</td>
<td>176 295</td>
<td>4,2</td>
<td>92 661</td>
<td>2,8</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>4 219 578</td>
<td>100,0</td>
<td>3 278 444</td>
<td>100,0</td>
</tr>
</tbody>
</table>
## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

<table>
<thead>
<tr>
<th></th>
<th>2017 R’000</th>
<th>% of total income</th>
<th>2016 R’000</th>
<th>% of total income</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECURRING ITEMS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>4 179 605</td>
<td>100,0</td>
<td>3 775 729</td>
<td>98,3</td>
</tr>
<tr>
<td>State appropriations - subsidies and grants</td>
<td>1 736 018</td>
<td>41,5</td>
<td>1 544 095</td>
<td>40,1</td>
</tr>
<tr>
<td>Tuition and other fees</td>
<td>1 417 592</td>
<td>33,9</td>
<td>1 241 629</td>
<td>32,4</td>
</tr>
<tr>
<td>Income from contracts (research and other)</td>
<td>214 449</td>
<td>5,1</td>
<td>198 732</td>
<td>5,2</td>
</tr>
<tr>
<td>Residence and catering services</td>
<td>302 823</td>
<td>7,3</td>
<td>299 573</td>
<td>7,8</td>
</tr>
<tr>
<td>Services - entrepreneurial activities</td>
<td>281 344</td>
<td>6,7</td>
<td>284 226</td>
<td>7,4</td>
</tr>
<tr>
<td>Private gifts and grants</td>
<td>62 871</td>
<td>1,5</td>
<td>54 784</td>
<td>1,4</td>
</tr>
<tr>
<td>Investment income</td>
<td>164 508</td>
<td>4,0</td>
<td>152 690</td>
<td>4,0</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td>3 679 242</td>
<td>88,0</td>
<td>3 547 182</td>
<td>92,4</td>
</tr>
<tr>
<td>Personnel remuneration</td>
<td>2 060 667</td>
<td>49,3</td>
<td>1 954 269</td>
<td>50,9</td>
</tr>
<tr>
<td>IAS19 - adjustments (employee benefits)</td>
<td>1 838</td>
<td>0,0</td>
<td>(3 908)</td>
<td>(0,1)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>1 479 498</td>
<td>35,4</td>
<td>1 480 070</td>
<td>38,6</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1 287 222</td>
<td>3,1</td>
<td>1 015 527</td>
<td>2,6</td>
</tr>
<tr>
<td>Finance charges</td>
<td>8 517</td>
<td>0,2</td>
<td>15 224</td>
<td>0,4</td>
</tr>
<tr>
<td><strong>NON-RECURRING ITEMS</strong></td>
<td>1 424</td>
<td>0,0</td>
<td>54 215</td>
<td>1,4</td>
</tr>
<tr>
<td>Income</td>
<td>1 649</td>
<td>0,0</td>
<td>62 230</td>
<td>1,7</td>
</tr>
<tr>
<td>Profit on disposal of property, plant and equipment</td>
<td>1</td>
<td>0,0</td>
<td>39</td>
<td>0,0</td>
</tr>
<tr>
<td>Profit on investments</td>
<td>1 058</td>
<td>0,0</td>
<td>3 332</td>
<td>0,1</td>
</tr>
<tr>
<td>Share of profit of equity-accounted investees</td>
<td>87</td>
<td>0,0</td>
<td>0</td>
<td>0,0</td>
</tr>
<tr>
<td>Other non-recurrent income</td>
<td>503</td>
<td>0,0</td>
<td>58 859</td>
<td>1,6</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td>225</td>
<td>0,0</td>
<td>8 015</td>
<td>0,3</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td>225</td>
<td>0,0</td>
<td>4 506</td>
<td>0,2</td>
</tr>
<tr>
<td>Share of loss of equity-accounted investees</td>
<td>0</td>
<td>0,0</td>
<td>3 509</td>
<td>0,1</td>
</tr>
<tr>
<td>Net surplus before income tax</td>
<td>501 787</td>
<td>12,0</td>
<td>282 762</td>
<td>7,3</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>531</td>
<td>0,0</td>
<td>1 740</td>
<td>0,0</td>
</tr>
<tr>
<td>Surplus for the year (note 1)</td>
<td>501 256</td>
<td>12,0</td>
<td>281 022</td>
<td>7,3</td>
</tr>
<tr>
<td><strong>OTHER COMPREHENSIVE INCOME</strong></td>
<td>187 155</td>
<td></td>
<td>(92 102)</td>
<td></td>
</tr>
<tr>
<td>Pension fund - surplus/(deficit)</td>
<td>129 679</td>
<td></td>
<td>(73 167)</td>
<td></td>
</tr>
<tr>
<td>Disability reserve fund - surplus/(deficit)</td>
<td>4 755</td>
<td></td>
<td>(48 787)</td>
<td></td>
</tr>
<tr>
<td>Health care (medical) - surplus</td>
<td>10 865</td>
<td></td>
<td>23 242</td>
<td></td>
</tr>
<tr>
<td>Net fair value gain on available-for-sale financial assets</td>
<td>41 856</td>
<td></td>
<td>6 610</td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>688 411</td>
<td></td>
<td>188 920</td>
<td></td>
</tr>
</tbody>
</table>

**NOTE 1:**
To illustrate the effect of IAS19 valuations regarding employee benefits

<table>
<thead>
<tr>
<th></th>
<th>2017 R’000</th>
<th>% of total income</th>
<th>2016 R’000</th>
<th>% of total income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus for the year from normal operating activities - before total IAS19 adjustments</td>
<td>503 094</td>
<td>12,0</td>
<td>277 114</td>
<td>7,2</td>
</tr>
<tr>
<td>Employee benefits - IAS19 total adjustments</td>
<td>(1 838)</td>
<td>(0,0)</td>
<td>3 908</td>
<td>0,1</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>501 256</td>
<td>12,0</td>
<td>281 022</td>
<td>7,3</td>
</tr>
</tbody>
</table>
The NWU is committed to the principles of discipline, transparency, independence, accountability, responsibility, fairness and social responsibility, as advocated in King IV.

Accordingly, Council endorses and, during the period under review, has applied the Code of Practices and Conduct and the Code of Ethical Behaviour and Practice as set out in the King IV Report. In supporting these codes, Council recognises the need to conduct the business of the NWU with integrity and in accordance with generally accepted practices.

The monitoring of the NWU’s compliance with these forms part of the mandate of the Audit, Risk and Compliance Committee.

A distinct difference exists in the roles and responsibilities of the chairperson of Council and that of the vice-chancellor.

Statement approval obtained from NWU Council on 21 June 2018.

VALUE CREATION THROUGH ACCOUNTABILITY AND EFFICIENCY: The role of Council and its committees

The NWU Council takes its oversight and guidance role seriously in setting strategy, ensuring proper governance, driving compliance and risk management and monitoring the operations and activities of the university.

This duty is done in strict accordance with the stipulations of the Higher Education Act and the NWU Statute. Council is also fully aware of the increased requirement for proper governance as a cornerstone for the creation of value.

In fact, the publication of the NWU Statute, the promulgation of the amendment of the Higher Education Act and the publication of King IV were key milestones towards ensuring our adherence to high governance standards and creating a value-driven governance landscape.

The composition of our Council is in line with the guidelines provided by the Higher Education Act and the university’s Statute. Of the 30 Council members, 60% are external and 40% internal, ensuring independence in the governance environment.
The role of Council is to establish an ethical culture at the university, provide strategic leadership, monitor the performance of the management team and ensure the establishment of effective controls, in order to ensure long-term growth and sustainability.

Council has established a number of committees to advise it on important governance matters and to provide the necessary oversight and guidance to enhance its accountability.

The majority of the committees (except the Audit, Risk and Compliance Committee and the Remuneration Committee) meet twice a year and report to Council twice a year. The Audit, Risk and Compliance Committee and the Remuneration Committee meet four times a year.

The following new Council members joined the Council during the year under review:

- Prof N Diko – elected by Senate
- Mr W Human – elected by the Convocation
- Mr A Sorgdrager – elected by the Convocation
- Mr LN Zibi – designated from the ranks of the university’s community leaders
- Mr I Klynsmith – designated from the ranks of the university’s community leaders
- Mr OB Mongale – appointed by the Minister
- Mr MJS Thabethe – appointed by the Minister
- Mr TC Kgomo – appointed by the Minister
- Mr F Strydom – appointed by Council for specific expertise.
The term of office of the Council chairperson, Advocate Dr Johan Kruger SC, came to an end on 22 March 2017, and Dr Bismark Tyobeka was appointed the chairperson.

**Council training**

All new members of Council joining in a particular year are required to attend an induction workshop to acquaint them with the key roles and responsibilities of NWU Council members and to be briefed about the university’s strategy, as well as the Higher Education Act and the university’s Statute.

In addition, all Council members were required to attend the annual strategic workshop that the Institute of Directors of South Africa (IoDSA) facilitated. The workshop’s purpose was to provide an overview of King IV and its impact on governance.

### Meet our Council members

<table>
<thead>
<tr>
<th>Name</th>
<th>Qualifications</th>
<th>Council committee and total years of service</th>
<th>Number of committee meetings and average attendance</th>
<th>Directorships</th>
</tr>
</thead>
</table>
| **1. PROF ND KGWADI**  
Vice-Chancellor | BScEd (University of North West), MSc (physics) (Ball State University, USA), MPhil (environmental law and management) (University of the North), PhD (physics education) (Potchefstroom University for Christian Higher Education), PhD (management – honoris causa) (Hanseo University, South Korea); appointed for a six-year term from 2014 to 2020 | All Council committees | 62 - 85% | None |
| **2. PROF JJ JANSE VAN RENSBURG**  
(66)  
Vice-Principal | BA (majors: Greek, Latin, philosophy), (PU for CHE); HonsBA (Greek) (Potchefstroom University for Christian Higher Education – PU for CHE), MA (Greek) (PU for CHE), ThB (PU for CHE), four-year ministry candidate certificate TSP, ThM (PU for CHE), ThD (New Testament hermeneutics) (PU for CHE), appointed for a six-month term from July to December 2017 | Council Exco | 14 - 93% | Christelike Uitgewersmaatskappy | Pro Reformando Trust |
| **3. PROF I MEKOA**  
(50)  
Elected by Senate | BTh (University of Natal), MA (University of Natal), PhD (University of the North); appointed for a three-year term from 2015 to 2018 and nine months into first term | People and Culture and Employment Equity | 9 - 78% | None |

**Code of Conduct and declarations of interest**

At the start of their terms of office and every year afterwards, all Council members are required to sign the Council Code of Conduct and to make a full declaration of other directorships and all interests.

The purpose of the declaration of interest is to ensure that Council members do not use their positions on Council to benefit themselves or any third party. The register of all these declarations is kept by the registrar and is considered on a regular basis by the Council Executive Committee.
# Meet our Council members

<table>
<thead>
<tr>
<th>Number</th>
<th>Committee and Total Years of Service</th>
<th>Number of Committee Meetings and Average Attendance</th>
<th>Directorships</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. PROF N DIKO (53)</td>
<td>Elected by Senate</td>
<td>Honorary Awards Committee</td>
<td>One month into first term</td>
</tr>
<tr>
<td>5. PROF HJ VAN DER MERWE (56)</td>
<td>Elected by Senate</td>
<td>Honorary Awards Committee</td>
<td>Two years and one month into first term</td>
</tr>
<tr>
<td>6. PROF AL STANDER (61)</td>
<td>Elected by academic staff members</td>
<td>Ad Hoc Council Committee on Restructuring</td>
<td>Two years and six months into first term</td>
</tr>
<tr>
<td>7. MS H COETZEE (40)</td>
<td>Elected by academic staff members</td>
<td>Student Oversight Committee</td>
<td>Two years and nine months into first term</td>
</tr>
<tr>
<td>8. MR AF AYOB (53)</td>
<td>Elected by support staff members</td>
<td>Transformation Oversight Committee</td>
<td>One year and three months into first term</td>
</tr>
</tbody>
</table>
### Meet our Council members

<table>
<thead>
<tr>
<th>Council Member</th>
<th>Qualifications</th>
<th>Council committee and total years of service</th>
<th>Number of committee meetings and average attendance</th>
<th>Directorships</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. MR DJC STOOP</td>
<td>BEng (electrical and electronic), MEng (electronics) (Potchefstroom University for Christian Higher Education); appointed for a three-year term from 2016 to 2019</td>
<td>People and Culture and Employment Equity Committee</td>
<td>One year and nine months into first term</td>
<td>Sole member, Dantron CC</td>
</tr>
<tr>
<td>10. MR J HUGO</td>
<td>BCom (management accountancy)</td>
<td>Student Oversight Committee</td>
<td>Student Oversight Committee</td>
<td>Three months into one-year term</td>
</tr>
<tr>
<td>11. MR B MAHLANGU</td>
<td>BComHons (economics)</td>
<td>Student Oversight Committee</td>
<td>Student Oversight Committee</td>
<td>Three months into one-year term</td>
</tr>
<tr>
<td>12. MR T HADEBE</td>
<td>BA (development and management)</td>
<td>Student Oversight Committee</td>
<td>Student Oversight Committee</td>
<td>Three months into one-year term</td>
</tr>
<tr>
<td>13. MR OE MONGALE</td>
<td>Studying towards a master’s of Philosophy (in conflict transformation) (Nelson Mandela University), postgraduate diploma in management (NWU), master’s in industrial psychology (NWU), honours in industrial psychology (UniBo), bachelor’s in administration (UniBo); appointed for a three-year term from 2017 to 2020</td>
<td></td>
<td>Three months into first term</td>
<td></td>
</tr>
</tbody>
</table>
## Meet our Council members

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Qualifications</th>
<th>Council committee and total years of service</th>
<th>Number of committee meetings and average attendance</th>
<th>Directorships</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.</td>
<td>Mr A Mashiolo</td>
<td>MA (University of the Witwatersrand); appointed for a three-year term from 2015 to 2018</td>
<td>Transformation Oversight Committee</td>
<td>Ad Hoc Council Committee on Restructuring</td>
<td>Information Technology Governance Committee</td>
</tr>
<tr>
<td>15.</td>
<td>Dr JG Tshifularo</td>
<td>BA and BAHons (University of Venda), MA (University of Limpopo), PhD (University of Venda) and PhD (University of Limpopo); appointed for a three-year term from 2015 to 2018</td>
<td>Equity Committee</td>
<td>Remuneration Committee</td>
<td>Council Exco</td>
</tr>
<tr>
<td>16.</td>
<td>Mr TC Kgomo</td>
<td>BCom (University of North West); appointed for a three-year term from 2017 to 2020</td>
<td>Assets Committee</td>
<td>Remuneration Committee</td>
<td>Student Oversight Committee</td>
</tr>
<tr>
<td>17.</td>
<td>Mr MSJ Thabethe</td>
<td>National diploma in information technology (TWR), baccalaureus technologiae in information technology (TWR), MCom in information systems (University of the Witwatersrand); appointed for a three-year term from 2017 to 2020</td>
<td>Three months into first term</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>Mr S de Bruyn</td>
<td>BCom (accounting science), BCom (University of the Witwatersrand); appointed for a three-year term from 2015 to 2018</td>
<td>Audit, Risk and Compliance Committee</td>
<td>Tender Committee</td>
<td>Two years and seven months into first term</td>
</tr>
</tbody>
</table>
### Meet our Council members

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>19 and 20</strong>: VACANT</td>
<td>Elected by the Board of Donors of the university</td>
<td></td>
</tr>
</tbody>
</table>

#### 21. MR A SORGDRAGER  

**Qualifications**  
BIURIS (Potchefstroom University for Christian Higher Education – PU for CHE) and LLB (PU for CHE), international executive programme (INSEAD Business School); appointed for a three-year term from 2017 to 2020

**Council committee and total years of service**  
Remuneration Committee | Six months into first term

**Number of committee meetings and average attendance**  
5 - 100%

**Directorships**  
Yellowstone Trust | Vaalrivier Steiltes | Pegasus Alumni Trust | Erf 549 (Edms) Bpk

**Designated by** the Convocation

#### 22. PROF AL COMBRINK  

**Qualifications**  
BA, BAHons in English, MA in English, DLitt in English (Potchefstroom University for Christian Higher Education) and Higher Education Diploma (Unisa); appointed for a three-year term from 2015 to 2018

**Council committee and total years of service**  
Student Oversight Committee | Two years and two months into first term

**Number of committee meetings and average attendance**  
11 - 82%

**Directorships**  
North-West Cricket | Akademia | Jumbo Shareblock | Advisory Board, Student Rag Community Service | Hendrik Biebouw Trust (All non-executive)

**Designated by** the Convocation

#### 23. MR W HUMAN  

**Qualifications**  
Baccalaureus Legum (LLB) (NWU), Magister Philosophiae (MPhil) (NWU); appointed for a term of three years from 2017 to 2020

**Council committee and total years of service**  
Information Technology Governance Committee

**Number of committee meetings and average attendance**  
4 - 100%

**Directorships**  
Hurter Spies Ingelyf | Blombos Trust | Ernst Roets Trust | Ebenhaeser Trust | Jacolise Beleggings (MWK) | Vereniging van Regsli vir Afrikaans | Solidariteit Vakbond | NWU Konvokasie

**Designated by** the Convocation

#### 24. MR PJW BUYS  

**Qualifications**  
BA in communication studies (Potchefstroom University for Christian Higher Education) and BAHons in labour relations (Rand Afrikaans University); appointed for a three-year term from 2015 to 2018

**Council committee and total years of service**  
Transformation Oversight Committee | Ad Hoc Council Committee on Restructuring | Two year and nine months into first term

**Number of committee meetings and average attendance**  
19 - 68%

**Directorships**  
FAK (MSW) | Solidariteit Beleggingsmaatskappy | Radio Pretoria (MSW) | Solidariteit Helpende Hand | Rand Mutual Assurance Co

**Designated by** the Convocation

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21. MR A SORGDRAGER  
(58)  
Designated by the Convocation

22. PROF AL COMBRINK  
(73)  
Designated by the Convocation

23. MR W HUMAN  
(34)  
Designated by the Convocation

24. MR PJW BUYS  
(53)  
Designated by the Convocation
## Meet our Council members

<table>
<thead>
<tr>
<th>Council member</th>
<th>Qualifications</th>
<th>Council committee and total years of service</th>
<th>Number of committee meetings and average attendance</th>
<th>Directorships</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>25. MR LN ZIBI</strong>&lt;br&gt;(37)</td>
<td>Matric, marketing management (incomplete); marketing certificate (IMM), brand strategy training (LMVH Brand Training); appointed for a three-year term from 2017 to 2021</td>
<td>Transformation Oversight Committee</td>
<td>7 - 100%</td>
<td>Amahlubi Chairmans Foundation</td>
</tr>
<tr>
<td><strong>26. REV DP DINKEBOGILE</strong>&lt;br&gt;(63)</td>
<td>Diploma in theology (St Peters College), master’s in Christian education (MACE) (USA-Virginia Theological Seminary); appointed for a three-year term from 2016 to 2019</td>
<td>People and Culture and Employment Equity Committee</td>
<td>18 - 72%</td>
<td>None</td>
</tr>
<tr>
<td><strong>27. MR I KLYNSMITH</strong>&lt;br&gt;(67)</td>
<td>Blur et Comm and LLB (Potchefstroom University for Christian Higher Education), diploma in human rights (University of Johannesburg); appointed for a three-year term from 2017 to 2020</td>
<td>Council Exco</td>
<td>20 - 85%</td>
<td>None</td>
</tr>
<tr>
<td><strong>28. DR MB TYOBEKA</strong>&lt;br&gt;(43)</td>
<td>Blur et Comm and LLB (Potchefstroom University for Christian Higher Education), diploma in human rights (University of Johannesburg); appointed for a three-year term from 2017 to 2020</td>
<td>Transformation Oversight Committee</td>
<td>26 - 77%</td>
<td>None</td>
</tr>
<tr>
<td><strong>29. MR A REDELINGHUIS</strong>&lt;br&gt;(68)</td>
<td>MCom (Potchefstroom University for Christian Higher Education), CA (SA); appointed for a three-year term from 2016 to 2019</td>
<td>Audit, Risk and Compliance Committee</td>
<td>15 - 87%</td>
<td>Afrikaanse Taal- en Kultuurvereniging</td>
</tr>
</tbody>
</table>
Meet our Council members

30. MR F STRYDOM
(58)
Appointed by Council for specific expertise

Qualifications
BScHons (University of the Free State); appointed for a three-year term from 2017 to 2020

Council committee and total years of service
Executive Committee | Finance Committee | Remuneration Committee | Eight months into second term

Number of committee meetings and average attendance
20 - 25%

Directorships

OUR COUNCIL MEMBERS HAVE A COMPREHENSIVE RANGE OF SKILLS AND EXPERIENCE. Their fields of expertise are given below:

Education
Higher education management
Higher education specialist and strategist
Technology-enhanced teaching and learning
Student matters

General management
Leadership and decision-making
Strategic and executive leadership
Strategic planning
Problem-solving
Local politics

Business
Entrepreneurship
Technopreneurship
Risk management
Financial auditing
Corporate governance
Commercial agricultural sector

Science and innovation
Innovation management and commercialisation
Systems engineering
Reactor physics
Research management

Technology
Mobile technology
Serious games
Managing electronic facilities in the tertiary education sector

Legal expertise
Insolvency law
Cross-border insolvency
Property law
Safety and security sector

Communication
Applied linguistics and literature
Language practice
Public speaking

Psychology
Clinical psychology
Developmental psychology
Medical expertise
Key governance decisions taken by NWU Council during 2017

Steering and overseeing the process of implementing the new NWU strategy and structure:
- A Policy Refinement Committee was established to finalise the drafting of policies and rules for Council’s approval as a result of the new Statute.
- The Ad Hoc Council Committee on Restructuring established by Council in 2016 would remain active and oversee the implementation of the structure, focusing on softer people’s issues in particular.
- Council approved the process for developing a brand direction and approved the revised brand on 22 November 2017, with purple as the new corporate colour and white, grey, black and turquoise as secondary colours.

Adoption of the following policies and rules to ensure compliance with national directives and mitigate possible risks facing the university:
- Rules for the Appointment of Office Bearers
- Rules for the Election, Designation and Appointment of Council Members
- Constitution of the Student Representative Council of the North-West University and Schedules
- Policy for the Generation and Approval of Rules, Policies and Procedures
- Schedules of Authorisation Levels related to financial and contractual matters
- General Academic Rules

Remuneration matters:
Council resolved that bonus payments to all staff below Peronnes level 3 would be made in December each year against budgeted funds, and that all payments for executives at Peronnes level 3 and above would be made for 2017 in December with a so-called claw-back provision. A process is to be put in motion to normalise arrangements for payment once the financial statements have been adopted.

Financial matters:
Highlights of key decisions taken by Council include the following:
- The approval of plans in terms of the DHET’s call for infrastructure improvement under its grant system.
- The sale of the Quest Conference Centre to the Vaal University of Technology for the amount of R45 million inclusive of VAT, as recommended by the Finance Committee.
- The approval of the 2018 budget, as recommended by the Finance Committee.

How these governance decisions are to affect future value created by the NWU

The approval of a new strategy for the NWU and the establishment of a new structure are important milestones that will shape the short, medium and long-term operations and effectiveness and efficiency of the university.

Council is confident that the active implementation of the strategy, structure and brand will contribute to the realisation of the strategic agenda, leading to the transformation and positioning of the NWU as a unitary institution of superior academic excellence, with a commitment to social justice. The revised Statute will provide an enabling environment.

The university’s success model indicates its commitment to employing strategies and transformational practices and processes that will be responsible and risk embracing in design and in nature. In line with this undertaking, it is important to continually draft and revise policies and rules.

It is good governance practice to align the remuneration of the senior management to a date after the approval of the financial statements.

With respect to monitoring of performance, uncertainties in the sector, including incidents of student unrest, have forced Council to oversee the continuation of the academic project.

Council is confident that the right decisions were taken in the short term to enable the university to realise the goals in the Annual Performance Plan and to continue pursuing its strategic agenda.

However, Council is on record that it expressed concerns on the medium to long-term effects of the national uncertainties – particularly in respect of the funding of public higher education – on the sustainability of South African higher education.
Key governance decisions taken by NWU Council during 2017

<table>
<thead>
<tr>
<th>Approval of tenders:</th>
<th>How these governance decisions are to affect future value created by the NWU</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Awarding the tender for printing services (study guides, security printing for examinations, mass printing) for a three-year period to Ivyline and Nashua with effect from 1 September 2017, amounting to R67 941 741.</td>
<td>Council has an obligation to ensure that the university procures services by means of a process that is fair, equitable, transparent and cost-effective, while also ensuring the realisation of transformation objectives.</td>
</tr>
<tr>
<td>■ Tender to 2K Construction CC for new student housing at the Vaal Triangle Campus, for R46 608 780.28 (VAT inclusive).</td>
<td>Council is confident that the tenders awarded during the course of 2017 adhered to the principles laid down in relevant legislation.</td>
</tr>
<tr>
<td>■ The following tenders for a period of three years from 1 January 2018 to 31 December 2020 for student accommodation:</td>
<td>The appointment of these office bearers was steered by the newly approved NWU Strategy 2015-2025 and the newly approved Statute.</td>
</tr>
<tr>
<td>• Amorispan for 288 beds</td>
<td></td>
</tr>
<tr>
<td>• Ciaratouch for 300 beds</td>
<td></td>
</tr>
<tr>
<td>Appointment of office bearers:</td>
<td></td>
</tr>
<tr>
<td>Steering the Council process of appointing the following office bearers:</td>
<td></td>
</tr>
<tr>
<td>■ Prof Frikkie van Niekerk as vice-principal until 30 June 2017, and his term as acting vice-chancellor for research and innovation to 31 October 2017</td>
<td></td>
</tr>
<tr>
<td>■ Dr Bismark Tyobeka as chairperson of Council for a period of three years in line with the provisions of the Statute</td>
<td></td>
</tr>
<tr>
<td>■ Prof Fika Janse van Rensburg as acting vice-principal for the period 1 July 2017 to 31 December 2017</td>
<td></td>
</tr>
<tr>
<td>■ Prof Robert Balfour as acting vice-chancellor for teaching and learning to 31 October 2017, and in the same position for a term of five years from 1 August 2017</td>
<td></td>
</tr>
<tr>
<td>■ Prof Refilwe Phaswana-Mafuya as deputy vice-chancellor for research and innovation from 1 October 2017 for a five-year period</td>
<td></td>
</tr>
<tr>
<td>■ Prof Linda du Plessis as deputy vice-chancellor for assigned functions and operations on the Vaal Triangle Campus for the period 1 July 2017 to 30 August 2020</td>
<td></td>
</tr>
<tr>
<td>■ Prof Lumkile Lalendale as executive director for student life for the period 1 July 2017 to 30 April 2019</td>
<td></td>
</tr>
<tr>
<td>■ Prof Fika Janse van Rensburg as deputy vice-chancellor for assigned functions and campus operations on the Potchefstroom Campus until 31 December 2018</td>
<td></td>
</tr>
<tr>
<td>■ Prof Marilyn Setalantsoa as deputy vice-chancellor for assigned functions and campus operations on the Mafikeng Campus for a period of five years, after a separation package was offered to Prof Mashudu Davhana-Maselesele on 31 July 2017</td>
<td></td>
</tr>
</tbody>
</table>
Major developments at the NWU during 2017

Restructuring
As mentioned earlier, the implementation of the new NWU strategy required the institution to review its structure, so that it may serve the attainment of the strategic objectives, including that of a unitary model.


The new structure brought about various changes. Here are a few of the main ones:

- Various executive functions were assigned to the three deputy vice-chancellors who are responsible for campus operations on the Mafikeng, Potchefstroom and Vaal Triangle campuses.
- We added another executive director – one who is responsible for student affairs – to the top university management team.
- We made provision in our new structure for executive deans, as well as deputy deans responsible for, respectively, teaching and learning, research and community engagement.

All placements were completed and most of the newly created positions have been filled. Eventually only three staff members were retrenched. The restructuring process called for changes and adjustments within the various elements of the organisation. These adjustments were made to align to the new strategy and operating model:

- Job alignment in terms of the grades and the naming convention was undertaken, followed by remuneration alignment to ensure job parity with regard to job content and remuneration.
- We developed and reviewed our policies and procedures throughout 2017 to align them to the new structure. Human resources information systems have also been reviewed.
- A climate survey was conducted in September 2017 to assess the institutional climate. More information about the survey is available on page 16.

New Statute published
After adopting a new strategy and structure in 2016, we changed the NWU’s Statute accordingly and submitted it to the Department of Higher Education and Training. After approval by the Minister, the new Statute was published in the Government Gazette in March 2017.

Notice of withdrawal of the LLB programme
During 2016 there was a national review process of all LLB programmes offered at universities in South Africa. On 30 March 2017 the Higher Education Quality Committee (HEQC) approved the findings of the National Review Committee (NRC) with regard to the LLB programme at the NWU, namely that the LLB programme be put on notice of withdrawal of accreditation. This is also applicable to three other universities. All other universities were conditionally accredited.

The NRC identified issues which the NWU had to address. In reaction, we developed an improvement plan and strategy and submitted it on 6 October. That led to the Council on Higher Education (CHE) informing us that the accreditation outcome of the review of the LLB programme has been revised from “Notice of withdrawal of accreditation” to “Reaccreditation subject to meeting specified conditions”.

The HEQC requires the submission of a progress report by 30 October 2018, after which a follow-up site visit will be conducted on a date to be determined by the CHE and the institution.

Council approved the process for developing a brand direction and approved the revised brand on 22 November 2017, with purple as the new corporate colour and white, grey, black and turquoise as secondary colours.
Assessing the effectiveness and efficiency of Council

The evaluation of the effectiveness of the NWU Council and its committees takes place annually at the last meeting of each of these structures.

These are the results of the 2017 self-evaluation for Council:

<table>
<thead>
<tr>
<th>Score distribution</th>
<th>Key</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance of core functions</td>
<td>3.0 - 3.4: (fulfilling the mandate in terms of the Statute, strategic and performance plans, establishment of academic structures, establishment of committees, powers and delegations and responsibility for these; adhering to the principles of King IV and good governance; governing risks relevant to the university; appropriate balance of knowledge, skills and experience; clear understanding of the division between governance and management; sufficient and clear information from management)</td>
<td>Needs considerable improvement</td>
</tr>
<tr>
<td>Governance of accountability</td>
<td>3.0 - 3.4: (composition – balance of 60:40; size of Council; obtaining of external advice when necessary; independence)</td>
<td>Needs improvement</td>
</tr>
<tr>
<td>Strategic leadership</td>
<td>3.5 - 4.0: (leadership provided by the chair)</td>
<td>Constantly good</td>
</tr>
<tr>
<td>Effectiveness of meetings and of conduct of business</td>
<td>3.5 - 4.0: (secretarial support)</td>
<td>Excellent, one of the best in the field</td>
</tr>
</tbody>
</table>

Remuneration of externally elected Council members

In 2009, the Council resolved to pay an honorarium to external members of Council, Council committees and other statutory bodies. The honorarium is considered a token of the NWU’s gratitude for the members’ time and efforts.

The honorarium is paid twice a year, in August and December. The fee is linked to the university’s annual cost-of-living adjustment (COLA) process, which the Remuneration Committee approves before implementation.

In 2017 requests were made by external members of Council committees for the Executive Committee to consider paying market-related fees for time spent on Council committee work. The Executive Committee of Council considered the request during two meetings, and recommended that the request not be granted, and that appreciation for time and expertise be shown through the continuing payment of honoraria.
The table below shows the honoraria paid for each meeting attended.

<table>
<thead>
<tr>
<th>Role</th>
<th>Honoraria</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Council member</td>
<td>R2 900</td>
</tr>
<tr>
<td>Council-appointed external expert in a structure, but not a Council member</td>
<td>R3 650</td>
</tr>
<tr>
<td>Chairperson of a Council committee</td>
<td>R3 650</td>
</tr>
<tr>
<td>Deputy chairperson of Council</td>
<td>R3 650</td>
</tr>
<tr>
<td>Council chairperson</td>
<td>R5 350</td>
</tr>
<tr>
<td>Council chairperson or deputy chairperson as an ordinary member of the structure</td>
<td>R2 900</td>
</tr>
</tbody>
</table>

**King IV as guiding framework for value creation through governance**

King IV came into effect on 1 April 2017 and resulted in an internal process of alignment to ensure compliance, as indicated below, with the necessary requirements.

<table>
<thead>
<tr>
<th>KING IV requirement</th>
<th>&lt;IR&gt; content element</th>
<th>Relevant governance structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership and ethics</td>
<td>Stakeholder engagement and relationships; governance</td>
<td>Council</td>
</tr>
<tr>
<td>Performance and reporting</td>
<td>Strategy and resource allocation; performance; outlook</td>
<td>Executive Committee, Finance Committee, Senate, Council</td>
</tr>
<tr>
<td>Governance structure and delegation</td>
<td>Governance and remuneration</td>
<td>Council, Executive Committee, Remuneration Committee</td>
</tr>
<tr>
<td>Risks and opportunities</td>
<td>Stakeholder engagement and relationships; risk and opportunity</td>
<td>Audit, Risk and Compliance Committee, Senate, Council</td>
</tr>
<tr>
<td>Technology and information</td>
<td>Governance, risk and opportunity; strategy and resource allocation</td>
<td>IT Governance Committee, Audit, Risk and Compliance Committee, Executive Committee, Council</td>
</tr>
<tr>
<td>Compliance</td>
<td>Governance</td>
<td>Audit, Risk and Compliance Committee, Council</td>
</tr>
<tr>
<td>Remuneration</td>
<td>Stakeholder engagement and relationships; remuneration</td>
<td>Remuneration Committee, Honorary Awards Committee, Council</td>
</tr>
<tr>
<td>KING IV requirement</td>
<td>&lt;IR&gt; content element</td>
<td>Relevant governance structure</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Assurance</td>
<td>Governance; basis of preparation and presentation</td>
<td>Audit, Risk and Compliance Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Finance Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Council</td>
</tr>
<tr>
<td>Stakeholder relationships</td>
<td>Stakeholder engagement and relationships</td>
<td>People and Culture and Employment Equity Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transformation Oversight Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Student Oversight Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Institutional Forum</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Student Representative Council</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Convocation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Board of Donors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Council</td>
</tr>
</tbody>
</table>

Council appointed Dr Bismark Tyobeka as its chairperson for a period of three years, in line with the provisions of the Statute. During the 2017 self-evaluation for Council, the leadership provided by the chairperson scored between 3.5 and 4.0 which is described as “excellent, one of the best in the field”.

The composition of our Council is in line with the guidelines provided by the Higher Education Act and the university’s Statute. Of the 30 Council members, 60% are external and 40% internal, ensuring independence in the governance environment.

Faculty of Natural and Agricultural Sciences
Faculty of Health Sciences
Faculty of Engineering
Faculty of Education
Faculty of Law
Faculty of Economic and Management Sciences
Faculty of Theology
Faculty of Humanities

A major focus of 2017 was the restructuring project, where we sought to implement and align the structure (that Council approved on 8 December 2016) with our strategy. As part of our new structure, we now have eight faculties.
Governance structures of the NWU

COUNCIL

Council committees
- Executive Committee
- People and Culture and Employment Equity Committee
- Remuneration Committee
- Transformation Oversight Committee
- Audit, Risk and Compliance Committee
- Finance Committee
  - Tender Committee
  - Investment Committee
  - Assets Committee
- Honorary Awards Committee
- Student Oversight Committee
- IT Governance Committee

Senate
- Executive Committee
- Faculty boards

Student Representative Council (SRC)
- Student campus councils and their substructures
- Teaching-learning committees
- Research, innovation and technology committees
- Admission Requirements Committee
- Appeals Committee

Convocation
- Graduates, alumni

Institutional Forum
- Internal and community members
The **Council** governs the NWU through the adoption of purpose and value statements, strategic plans and policies, as well as the Statute, the rules, processes and delegations of authority. Furthermore, Council monitors the operational performance of management and establishes committees and, together with Senate, joint committees, to ensure that the NWU achieves its purpose and values.

**Executive Committee**
The Executive Committee deals with important governance matters between meetings of the NWU Council and also acts as a Council membership committee.

**Remuneration Committee**
The Remuneration Committee assists Council in carrying out its responsibilities regarding a fair and responsible remuneration philosophy and its implementation.

**Student Oversight Committee**
The Student Oversight Committee advises Council on all aspects related to student matters.

**Audit, Risk and Compliance Committee**
The Audit, Risk and Compliance Committee advises Council on the safeguarding of the NWU’s assets, the maintenance of adequate accounting records, the development and maintenance of an effective system of internal control, overseeing management’s role in creating and maintaining a proper risk management process and authorising the annual audit fee of the external auditors. It also provides a channel of communication between Council, management, the internal audit function and the external auditors.

**Student Representative Council (SRC)**
The Student Representative Council (SRC) is the duly elected body within student life that oversees the management of organised student life and represents students on various governance structures.

**IT Governance Committee**
The IT Governance Committee assists Council with the governance of all aspects related to information technology at the NWU.

**Transformation Oversight Committee**
The Transformation Oversight Committee advises Council on the implementation of the transformational aspects of the Annual Performance Plan.

**People and Culture and Employment Equity Committee (P&CEE)**
The People and Culture and Employment Equity Committee (P&CEE) advises Council on all people and culture (human resources) and employment equity related matters.

**Finance Committee**
The Finance Committee advises Council on financial and investment matters and on long-term infrastructure development at the NWU (also through obtaining specialist advice from the Assets, Tender and Investment subcommittees).

**Institutional Forum**
The Institutional Forum advises Council on the implementation of the Higher Education Act and national higher education policies, as well as on the fostering of a university culture that promotes tolerance, respect for human rights and an environment conducive to learning, teaching and research.

**Senate**
The Senate is responsible for regulating all teaching-learning, research and academic support functions, as well as for determining policies and rules concerning academic matters.

**Convocation**
The Convocation is the body of alumni that is constituted with the aim of creating a link between the university and its corps of alumni. It also designates four members to serve on the Council.
As indicated earlier, Council has established committees to assist with the performance of its functions. The most prominent of these committees are the Audit, Risk and Compliance Committee, the Finance Committee and the Remuneration Committee.

The following paragraphs provide an overview of the key focuses that added value to the governance and oversight of the university through the activities of the committees mentioned:

**Audit, Risk and Compliance Committee**

The overall purpose of the Audit, Risk and Compliance Committee (ARCC) is to provide independent oversight in assisting Council in fulfilling its oversight responsibilities in determining the effectiveness of the university’s assurance functions and services.

There is a particular focus on combined assurance arrangements (including external assurance service providers, Internal Audit and the finance function), as well as on the integrity of the annual financial statements, the financial reporting process, the system of internal control, the risk management process, the audit process and the university’s process for monitoring compliance with laws and regulations and codes of conduct.

Annexures 2 and 4 include the composition and meeting attendance information.

**Reports to Council**

For the period under review, the ARCC continued to report to Council on its statutory duties, on activities performed and on major findings of the internal audit function and the external auditors. The committee also continued to report on its communication and engagement with external auditors, the risks that Council had to be made aware of and the importance of certain compliance matters.

**Key decisions taken**

**External auditors**

KPMG was appointed by Council in September 2014 as the NWU’s external auditors for a five-year term. Subsequent to developments regarding KPMG during the course of 2017, the ARCC launched an inquiry into the possible risks of the university’s relationship with KPMG, and satisfied itself that the integrity and independence of the KPMG audit and audit team in its service delivery to the university had not been compromised.

The committee accordingly made a recommendation to Council and stated that a final resolution would be taken upon release of the investigative report by the Independent Regulatory Board for Auditors (IRBA).

**Annual financial statements**

For the period under review, the ARCC continued to confirm, based on the report provided to it by management, that the annual financial statements had been prepared on the going concern basis.

**The committee further:**

- Examined the annual financial statements and other financial information made public, prior to Council approving the statements.
- Assessed the reliability of reported performance information to determine whether it was valid, accurate and complete.
- Considered accounting treatments, significant or unusual transactions and accounting judgments.
- Considered the appropriateness of accounting policies and any changes made.
- Reviewed the representation letter relating to the annual financial statements signed by management.
- Considered the matters that might have raised concerns, as well as matters related to legal and tax issues that could materially affect the financial statements.
- Approved a change to the financial guideline regarding the capitalisation level of assets.

**Information technology and systems**

Based on a possible cyber security risk identified by the ARCC late in 2015, cyber-maturity and IT risk assessments were conducted. The outcome of the assessments prompted the NWU to take steps to improve its cyber-security maturity by implementing adequate information security awareness, training, business continuity and risk management plans. Further attention was also given to the IT department in the fulfilment of its strategic goals and its operational capacity to attain said goals.

A key decision was to highlight the information and communication technology risks to the Executive Committee in May 2017 and to instruct Internal Audit to conduct follow-up reviews of all previous audit reports issued. Management was requested to provide an action plan of how the matters emanating from the planned IT audits would be addressed.
Governance of risk and compliance

The ARCC continued to receive management reports on the extent to which risks and opportunities within the environment had been managed.

The committee noted with concern that no formal consolidated leave policy existed and resolved to inform the Finance and Remuneration Committee about the concern. The ARCC also resolved that the matter “Risk and compliance” be added to faculty board agendas to ensure the cascading down of the matter into the faculties.

Reports by Internal Audit

The ARCC received and reviewed reports by Internal Audit that detailed the activities and assignments planned for 2017.

Outlook for 2018

In 2018, Council will finalise the implementation of the NWU structure and the assessment of the effectiveness and efficiency of all relevant business processes.

Finance Committee

The purpose of the Finance Committee and its subcommittees (Assets Committee, Tender Committee and Investment Committee) is in general to advise Council on financial and investment matters and on long-term development of infrastructure for the university and its campuses.

In particular, it has the function of reinforcing the governance function of the Council with regard to sound, responsible and effective financial planning, financial administration, financial governance and financial reporting.

Annexures 2 and 4 include the composition and meeting attendance information.

Reports to Council

For the period under review, the committee continued to report to Council on its statutory duties, the budget process and activities performed.

Key decisions taken

- The Finance Committee expressed its satisfaction with the new interactive manner in which the 2018 NWU budget had been compiled, incorporating all levels of management in the consultation process followed. The committee approved and recommended the 2018 budget to Council for approval.

- The Finance Committee agreed to appoint an asset consultant for the Investment Committee to assure Council of its ability to perform its duties adequately.

- The 2018 infrastructure priorities and macro maintenance plan were approved by the Finance Committee and recommended to Council for approval.

- As far as the application of student debtors’ rules was concerned, the Finance Committee was satisfied that equity of application of the rules across the university campuses existed and that due lenience was considered for deserving students.

- The Finance Committee oversaw the sale of the Quest Conference Centre to the Vaal University of Technology. The sale would provide the necessary funding for additional facilities to be constructed on the Vaal Triangle Campus.

- The Finance Committee approved and made a recommendation to Council that banking facilities amounting to R10 million be provided to the university for the period 1 January 2018 to 31 December 2018.
■ The Finance Committee approved and recommended the 2018 budget macros to Council for approval.

■ In respect of the NWU Pension Fund change in commutation factors, the Finance Committee resolved that the past-service cost of approximately R22,587,000 be funded from the Employer Surplus Account (ESA), resulting in a balance of approximately R305,482,000 in the Employer Surplus Account as on 31 December 2016.

The NGU requests tenders from the market for all purchases of goods and services with a total contract value exceeding R100,000.

Tenders are evaluated and approved strictly in line with tender policies and procedures and within approved authorisation mandates, including the Broad-Based Black Economic Empowerment Act No 53 of 2003, with a focus on fairness and transparency.

The tender document forms the basis of the envisaged supply agreement and the standard template was therefore checked and approved by the Legal Services Department of the NGU.

The evaluation criteria as specified in the tender document are:

■ For tenders with a total contract value of less than R1 million, 80% is awarded for price, 16% for the level of BBBEE and 4% for supplier location within the NGU operational areas.

■ For tenders with a total contract value exceeding R1 million, 90% is awarded for price, 8% for the level of BBBEE and 2% for supplier location within the NGU operational areas.

Council has mandated the Tender Committee of Council to evaluate and approve tenders with a total contract value of between R10 million and R30 million. For tenders with a total contract value exceeding R30 million, the Tender Committee will evaluate the tenders received and make a recommendation to Council for approval.

Statement approval obtained from NWU Council on 21 June 2018.
The university was able to achieve the following financial goals during the 2017 financial year:

- To increase total assets by 28.7% (2016: 9.1% and 2015: 9.0%) by investing infrastructure grants received from the Department of Higher Education and Training as well as own funds in property, plant and equipment.
- To maintain a sound solvency position and optimal liquidity levels during the 2017 financial year to ensure that the NWU remains a going concern.
- To be able to support students and award bursaries of R201.9 million from own funds.
- To continue providing affordable higher education while maintaining the ratio of dependency on state subsidy income. Pure block grants received for 2017 represent 38.1% of total income (2016: 35.0% and 2015: 36.7%) and fall within our goal of less than 40%.

Council and management are jointly committed to managing the NWU in such a way that the sound financial position will be sustained in 2018.

Statement approval obtained from NWU Council on 21 June 2018.

We can confirm that the NWU is considered a going concern now and in the foreseeable future.

Statement approval obtained from NWU Council on 21 June 2018.

Remuneration Committee

The mandate of the Remuneration Committee is to assist Council in carrying out its responsibilities regarding the conceptualisation and implementation of a fair and responsible remuneration philosophy so that this philosophy is evident in remuneration policies and strategies.

Reports to Council

For the period under review, the committee continued to report to Council on its statutory duties.

Key decisions taken

During the course of the year, the committee took the key decisions to:

- Start with a process of redrafting all policies and rules on staff remuneration, including the formulation of a remuneration philosophy.
- Continue with a process for the oversight of performance management.
- Embark on a process of refining the end-state performance of the NWU and align the performance of the vice-chancellor to such an end state, focusing on distance learning to provide access as a possible end-state vision for the NWU.
- Continue with a concerted process of job and remuneration alignment across the NWU.
- Oversee a process by management in putting measures in place to limit the growth of the accrued leave liability.
Approve the performance scores, bonus amounts and allocated times for the payment of performance bonuses, in particular with regard to bonuses for members of senior management.

In respect of ex gratia payments, the Remuneration Committee noted the following payments:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Mar-17</td>
<td>R144 683.77</td>
<td>VSP after 189A process</td>
</tr>
<tr>
<td>01-Mar-17</td>
<td>R504 368.47</td>
<td>VSP after 189A process</td>
</tr>
<tr>
<td>01-Mar-17</td>
<td>R805 856.09</td>
<td>VSP after 189A process</td>
</tr>
<tr>
<td>01-Feb-17</td>
<td>R39 522.04</td>
<td>VSP after 189A process</td>
</tr>
<tr>
<td>01-Feb-17</td>
<td>R959 587.37</td>
<td>VSP after 189A process</td>
</tr>
<tr>
<td>01-Feb-17</td>
<td>R218 179.76</td>
<td>VSP after 189A process</td>
</tr>
<tr>
<td>01-Feb-17</td>
<td>R629 428.40</td>
<td>VSP after 189A process</td>
</tr>
<tr>
<td>01-Mar-17</td>
<td>R218 179.76</td>
<td>CCMA settlement agreement</td>
</tr>
<tr>
<td>01-Sep-17</td>
<td>R3 845 552.00</td>
<td>Mutual separation</td>
</tr>
<tr>
<td>01-Aug-17</td>
<td>R14 904.40</td>
<td>Retrenchment</td>
</tr>
<tr>
<td>01-Aug-17</td>
<td>R386 457.37</td>
<td>Retrenchment</td>
</tr>
<tr>
<td>01-Aug-17</td>
<td>R109 439.40</td>
<td>Retrenchment</td>
</tr>
</tbody>
</table>

The Remuneration Committee approved the payment of bonuses to the University Management Committee members to the value of R1 638 719.

Outlook for 2018
As with all governance structures at the NWU, it is foreseen that the focus for 2018 will be on the creation of an optimal policy and rules environment for staff and remuneration matters so as to ensure a smooth transition to the requirements of the new NWU Statute and implementation of the matters decided on in 2017.

Information Technology (IT) Governance Committee
The NWU established an IT Governance Committee in 2017 (as approved by Council on 21 September 2017) with the mandate to take responsibility for IT governance and for ensuring that Council fulfils its role as the overall governing body for IT governance. The IT Governance Committee will oversee the implementation of an IT governance framework by the NWU’s IT management.

Reports to Council
For the period under review, the committee submitted its first report to Council on its statutory duties in November 2017.

Key matters considered in 2017
The IT Governance Committee met for its constituting meeting on 17 October 2017 and considered the following matters:

- IT Governance Framework of the NWU and the committee structures in respect of IT matters
- IT performance and sustainability
- The IT staffing plan, resolving that the committee should be provided with more information regarding the IT staffing risks that had been identified
- Disaster recovery strategy
- IT transformation plan
- IT assets
- Cyber security
- Reports from functional areas in IT.
Council, as the final decision-making body of the university, affirms that it is endowed with the responsibility and accountability for the effectiveness and efficiency of information technology processes. These include governance frameworks, alignment with NWU objectives, significant IT investment, risk management, assets, policies and strategies and compliance with statutory requirements. Council is continuously apprised by means of management and audit reports to the IT Governance Committee and had been provided with sufficient assurance over the past year from all relevant assurance providers.

Statement approval obtained from NWU Council on 21 June 2018.

Outlook for 2018
The committee acquainted itself with the relevant IT matters during its constituting meeting and carefully considered the reports as presented on the current IT situation of the NWU. For 2018, the committee will continue to further scrutinise reports and engage especially with risks identified in the IT environment.

Council Membership Committee
The NWU does not have a Council Membership Committee, but the Executive Committee (Exco) of Council performs this function.

During 2017, the Council Exco, at each ordinary meeting, noted and considered the vacancies on Council and the processes to have the vacancies filled, and scrutinised the eventual outcome of the processes before the announcements were made to Council for approval.

Council Exco also receives a list of all vacancies in Council committees at each ordinary meeting, and makes recommendations to Council for the filling of these vacancies.

Exco oversees the attendance and self-evaluation of Council members at Council and Council committee meetings.

See Annexure 2 for a list of Council and subcommittee meetings held in 2017.
All of these committees are chaired by an external person and consist of a majority of Council members who are neither employees nor students of public higher education institutions. For the terms of reference, please refer to the following web page: http://www.nwu.ac.za/governance-and-management/Council-committees.

At the NWU we define sustainability as the ability of the university to create value in the short, medium and long term by promoting a stakeholder-inclusive approach to developing a strategic response to the risks and opportunities faced by the university. We consider material matters, whether these be financial or non-financial in nature. Refer to page 2 for our materiality determination process.

Statement approval obtained from NWU Council on 21 June 2018.

Material matters of a social and environmental nature are as important as financial and economic issues in determining the overall value created by the NWU.

The five-year strategic plan and the business plan to implement the strategy are integral to the value creation process and to ensuring our sustainability.

The five long-term goals and the four enablers of the NWU Strategy 2015-2025 (as referred to elsewhere in the report) substantiate the commitment of the university in this regard.

Although not material to our strategic objectives, we do have several green initiatives. Read more about this at http://www.nwu.ac.za/content/nwu-says-go-green-or-go-home.
The NWU Code of Ethics commits the university to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders and society at large.

We expect Council members and staff to observe the NWU’s ethical obligations in order to conduct its business through the use of fair commercial competitive practices.

The values statement in the NWU Strategy 2015-2025 determines that the NWU will foster engaged and caring staff and students and will embed the following foundational values that are based on the constitutional values of human dignity, equality and freedom:
- Ethics in all endeavours
- Academic integrity
- Academic freedom and freedom of scientific research
- Responsibility, accountability, fairness and transparency
- Embracing diversity

Statement approval obtained from NWU Council on 21 June 2018.

Ethical leadership and corporate citizenship

In line with the NWU values statement, the university’s leadership at all levels of governance and management is based on integrity.

While we remain fairly confident that all governance and management structures at the NWU continue to strive for sustainable economic, social and environmental performance, we are also aware that negative consequences might arise from decisions taken at the university.

In order to create an environment conducive to countering any possible negative outputs on financial, societal and environmental practices, the necessary policies and rules have been approved and are implemented in order to assist us in managing such challenges.

The following table shows the effect of these policies on matters of ethical governance and management:

<table>
<thead>
<tr>
<th>Relevant directive</th>
<th>Processes in place</th>
<th>Overview of the implementation of the process for the year under review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict of Interest Policy</td>
<td>We have the following processes:</td>
<td>A coordinated process has been followed since 2015 to ensure compliance with sections 27 and 34 of the Higher Education Act.</td>
</tr>
<tr>
<td></td>
<td>■ A documented electronic process for the declaration of interests</td>
<td>A full-fledged electronic platform for the declarations of interest was operational in 2017. The university restructuring process and the change in the university systems environment caused some hiccups in terms of the associated workflow process.</td>
</tr>
<tr>
<td></td>
<td>■ A reporting process to inform relevant management and governance structures</td>
<td>Significant improvement had taken place since 2015 and the external auditors stated that the university was much less vulnerable than in the previous reporting year.</td>
</tr>
<tr>
<td></td>
<td>■ A process to ensure adherence to NWU procurement policies and processes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>■ A process exists for the management of so-called S34(5) instances</td>
<td></td>
</tr>
<tr>
<td>Relevant directive</td>
<td>Processes in place</td>
<td>Overview of the implementation of the process for the year under review</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Policy on delegations and schedule of authorisation levels</td>
<td>This is the vehicle Council uses to approve and allocate authority to the various levels of management to represent the university in financial transactions and contracts. Deviations from this policy that might become necessary from time to time are authorised and controlled centrally.</td>
<td>Council approved a schedule of authorisation levels for financial transactions on 22 June 2017 and instructed that a policy on delegations be developed.</td>
</tr>
<tr>
<td>Policy on the reporting of maladministration and irregularities, and the protection of disclosure</td>
<td>This policy is designed to enable employees and students of the university and members of the public to raise concerns internally and at a high level when they discover information which they believe shows serious maladministration or wrongdoing within the institution. Internal Audit made reporting boxes available at four locations. Irregularities can also be reported either by email or directly to the director of Internal Audit. All reported cases are included in a central register and feedback on the progress with the matter is reported to the Audit, Risk and Compliance Committee.</td>
<td>Internal Audit has a dedicated audit manager and staff member assigned with the responsibility for handling these investigations in close cooperation with the director of Internal Audit. During the 2017 period, eight matters (2016 - 10 matters) were reported via the reporting boxes and in 2017, a total of 30 files were opened for investigation.</td>
</tr>
<tr>
<td>Student Disciplinary Rules</td>
<td>These rules explain the roles and functions of disciplinary bodies within the student disciplinary environment, as well as the processes to follow to ensure a fair and transparent environment for the implementation of the rules.</td>
<td>1 142 student disciplinary cases, categorised as general misconduct on the one hand and academic dishonesty on the other hand, were reported and investigated across the NWU.</td>
</tr>
<tr>
<td>Policy on Plagiarism and other Forms of Academic Dishonesty</td>
<td>The purpose of this policy is to create an environment inculcating integrity and academic honesty within the academic project. The policy also lays down measures to report and investigate instances of academic dishonesty, and provides guidance on punitive measures.</td>
<td>After a report in 2017 by the Council on Higher Education on an anonymous report of alleged plagiarism by NWU staff members, a full-scale investigation commenced and is still underway. In the student community, the majority of disciplinary cases (67%) were related to academic dishonesty.</td>
</tr>
<tr>
<td>Human Rights Policy</td>
<td>This policy guides the NWU Human Rights Committee in dealing effectively with allegations of human rights infringement.</td>
<td>The NWU Human Rights Committee dealt with five reported cases which related to three possible instances of racism, one of cyber-bullying and one of sexual harassment.</td>
</tr>
<tr>
<td>Behavioural Manual for Staff</td>
<td>The NWU is committed to harmonious workplace relations, fair labour practices, mutual respect, fairness and effective operations. To give effect to this, the NWU has a Behavioural Manual which is governed by the Behavioural Policy. The manual contains procedures for disciplinary action, abscondment, suspension, intoxication, personal searches of employees, reporting acts of dishonesty to the SAPS, managing incapacity, employee grievance and harassment.</td>
<td>Disciplinary action was taken against 43 employees across the NWU. 20 cases were of such a serious nature that a university hearing was held where dismissals could be the appropriate sanction. Only four employees’ services were summarily terminated while three mutual separation agreements were reached with three other employees who resigned. In the rest of the cases, written warnings were imposed. Seven CCMA cases were dealt with successfully.</td>
</tr>
<tr>
<td>Ombud offices for alleged instances of language rights violations and for sexual harassment, respectively</td>
<td>The NWU is committed to creating a safe working environment free from the fear of sexual harassment. Sexual harassment has been dealt with under the NWU’s Behavioural Manual, but a draft policy and procedure on sexual harassment will be finalised in 2018.</td>
<td>No sexual harassment matters were referred to the ombudsperson during the course of 2017.</td>
</tr>
</tbody>
</table>
Fraud
The following table provides a brief overview of the status of investigations that Internal Audit handed over to prosecuting authorities in 2016 and 2017.

<table>
<thead>
<tr>
<th>Handed over to SAPS</th>
<th>Description/type</th>
<th>Amount/estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Personal expenditure / misrepresentation of invoices</td>
<td>R43 218</td>
</tr>
<tr>
<td>2016</td>
<td>Misappropriation of funds</td>
<td>R25 658</td>
</tr>
<tr>
<td>2016</td>
<td>Personal expenditure / misrepresentation of invoices</td>
<td>R413 971</td>
</tr>
</tbody>
</table>

Compliance with laws and regulations
Compliance with legislation and the university’s own policies and rules creates an environment conducive to protecting the rights and responsibilities of all stakeholders, and assigns accountability necessary for proper governance and management.

Although Council has charged the Audit, Risk and Compliance Committee to oversee general compliance with laws and regulations, all Council committees have an obligation to exercise governance oversight over applicable laws and regulations.

The Compliance Committee (a subcommittee of the University Management Committee) coordinates all compliance activities and reports accordingly to management. The University Management Committee then submits reports to the Audit, Risk and Compliance Committee whose duty it is to report accordingly to Council.

For 2017, the following were reported to Council:
- Risks relating to compliance with occupational health and safety legislation
- Copyright legislation
- Compliance with internal procedures and guidelines
- Review process for NWU policies

A major part of Internal Audit’s work is to execute compliance audits to evaluate the risk exposure from the operations of the university in relation to applicable laws, regulations, policies, procedures and contracts. Any instances of non-compliance are reported to the relevant business process owner who has the responsibility to rectify the situation.

Promotion of Access to Information Act – PAIA requests
The NWU subscribes fully to the Promotion of Access to Information Act (PAIA).

In 2017, the information manual was updated for the 13th time and copies were sent to the South African Human Rights Commission (SAHRC). As per the Act, the manual is available in three languages (English, Afrikaans and Setswana) and published on an NWU web page dedicated to providing information about promotion of access to information and protection of personal information (http://www.nwu.ac.za/access-to-information-act).

The compulsory section 32 report was also delivered to the SAHRC as required after approval by the Compliance Committee.

The report covered the period April 2016 to April 2017. In this period, we received 143 requests with 129 requests granted in full. Nine requests were refused in full, and in all nine instances of refusal, the refusal was based on section 63 – mandatory protection of a third party that is a natural person.

In two instances the period was extended (the request was marked as deferred) because it related to HEMIS information which was only available at a later stage, and the request was eventually granted in full.

Integrated assurance
One of the purposes of the Combined Assurance Forum (CAF) is to assist the Audit, Risk and Compliance Committee to fulfil its responsibility in giving assurance to the Council.

Specifically, the CAF must provide assurance that our risk management, risk control and governance processes are adequately addressed, and optimise the assurance coverage obtained from the various assurance providers.
These providers include management and specialised functions within the university, as well as Internal Audit and external assurance providers (such as external audit function and statutory bodies).

The CAF has aligned its functioning in line with King IV in:

■ providing an adequate and effective control environment and ensuring the integrity of reports for better decision-making;

■ establishing an assurance model ensuring the combination, coordination and alignment of assurance activities across the lines of assurance, and

■ the provision of assurance along the following lines of assurance, as can be seen on the right:

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>First line</td>
<td>The particular line function that owns and manages the risk</td>
</tr>
<tr>
<td>Second line</td>
<td>Specialist functions that oversee and facilitate risk and opportunity arrangements (such as risk and compliance departments)</td>
</tr>
<tr>
<td>Third line</td>
<td>Internal assurance providers that provide objective assurance (Internal Audit)</td>
</tr>
<tr>
<td>Fourth line</td>
<td>External assurance providers (external audit, statutory bodies, etc)</td>
</tr>
<tr>
<td>Fifth line</td>
<td>ARCC, Council</td>
</tr>
</tbody>
</table>

In line with the above, a combined assurance model is implemented with reporting from the various assurance providers in order to manage and limit the risk exposure of the university, and to provide assurance.


Council governs the university in accordance with the Higher Education and Training Act, the Statute and the rules, and may approve and adopt the strategic and performance plans of the university.

We made provision in our new structure for executive deans, as well as deputy deans responsible for, respectively, teaching and learning, research and community engagement.
Given the diverse composition of the Institutional Forum, this structure is well suited to advise Council on matters pertaining to Council’s role as the highest governing body of the NWU.

**Relevant national matters**

We discussed and gave input on various national developments such as the draft Policy Framework for Disability in the Post-School Education Training (PSET) System. A report from the NWU on the Common Campaign Day held on 9 August 2017 was included in a comprehensive report to the Universities South African Forum.

When looking at the new B-BBEE Scorecard codes, we noted that the NWU’s rating was better than before.

The final policy framework on social inclusion, approved by the Minister in December 2016 and published in the Government Gazette, was noted, as were the five priorities the Transformation Managers Forum had set for itself. We proposed that the NWU use the Sexual Harassment Framework to develop its own policies and compliance frameworks. We also took note of the new Ministerial Committee on Transformation in the South African Public Universities under the chairmanship of Prof André Keet.

**Advice with regard to senior appointments**

The Institutional Forum as a whole or represented by our individual members advised on the following statutory appointments: vice-principal for the period from 1 July to 31 December, deputy vice-chancellor for Mafikeng Campus operations and assigned functions, deputy vice-chancellor for teaching and learning and deputy vice-chancellor for research and innovation. (For more information about senior appointments, refer to page 107.)

**Institutional culture**

Transformation at the NWU was one of the main topics under debate at the Institutional Forum. These discussions included matters such as the progress of transformation at the university and suggestions for further transformation, and the establishment of a Subcommittee on Transformation.

In addition, we talked about various matters relating to the NWU’s institutional culture. One of these topics was employment equity and in particular the concern about the extent to which the university’s employment equity targets within the new structure will ensure transformation.

We also discussed three reports from the Human Rights Committee and the progress made with the revision of NWU policies, and gave input about the Code of Conduct for Council members and members of Council committees.
Composition of the Institutional Forum

In accordance with the NWU Statute (par 22(3)), an Executive Committee was elected at the first meeting, consisting of Dr AA le Roux (chairperson) and Mr R Pudi (deputy chairperson).

The Institutional Forum may have up to 25 members representing a broad range of stakeholder constituencies. The following table lists these constituencies, together with their representatives as at December 2017 and, where relevant, earlier in 2017.

<table>
<thead>
<tr>
<th>Constituency</th>
<th>Members: December 2017</th>
<th>Subconstituency</th>
<th>Earlier in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>Father PD Dinkebogile</td>
<td>NWU</td>
<td>Rev SA Musa</td>
</tr>
<tr>
<td>University Management Committee</td>
<td>Mr C Manoko</td>
<td>NWU</td>
<td>Prof M Davhana-Maselesele</td>
</tr>
<tr>
<td>Senate</td>
<td>Vacant</td>
<td>Mafikeng Campus</td>
<td>Dr K Lefanya</td>
</tr>
<tr>
<td></td>
<td>Vacant</td>
<td>Potchefstroom Campus</td>
<td>Prof A Duvenhage</td>
</tr>
<tr>
<td></td>
<td>Prof WCJ Grobler</td>
<td>Vaal Triangle Campus</td>
<td></td>
</tr>
<tr>
<td>Academic staff</td>
<td>Dr MA Molefi</td>
<td>Mafikeng Campus</td>
<td>Prof ME Palamuleni</td>
</tr>
<tr>
<td></td>
<td>Mr BCO Manyapeelo</td>
<td>Potchefstroom Campus</td>
<td>Mr GP van Rheede van Oudshoorn</td>
</tr>
<tr>
<td></td>
<td>Dr E Diedericks</td>
<td>Vaal Triangle Campus</td>
<td></td>
</tr>
<tr>
<td>Recognised union</td>
<td>Ms J Pires-Putter</td>
<td>SAPTU</td>
<td>Mr PJM van Niekerk</td>
</tr>
<tr>
<td></td>
<td>Ms O Murray</td>
<td>SAPTU</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vacant</td>
<td>Awaiting recognition of an additional union</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vacant</td>
<td>Awaiting recognition of an additional union</td>
<td></td>
</tr>
<tr>
<td>Support staff</td>
<td>Mr L Kruger</td>
<td>NWU</td>
<td>Mr MM Pule</td>
</tr>
<tr>
<td></td>
<td>Mr F Nkoana</td>
<td>NWU</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dr AA le Roux</td>
<td>NWU (chairperson)</td>
<td></td>
</tr>
<tr>
<td>Campus Student Representative Councils – CSRCs</td>
<td>Mr BK Mahlangu</td>
<td>Mafikeng CSRC</td>
<td>Mr TD Pule</td>
</tr>
<tr>
<td></td>
<td>Mr G Mathiba</td>
<td>Mafikeng CSRC</td>
<td>Mr R Pudi</td>
</tr>
<tr>
<td></td>
<td>Mr M Matos</td>
<td>Potchefstroom CSRC</td>
<td>Mr JJ Hugo</td>
</tr>
<tr>
<td></td>
<td>Mr G Erwee</td>
<td>Potchefstroom CSRC</td>
<td>Ms J Möller</td>
</tr>
<tr>
<td></td>
<td>Mr T Motaung</td>
<td>Vaal Triangle CSRC</td>
<td>Mr L More</td>
</tr>
<tr>
<td></td>
<td>Mr J Shamba</td>
<td>Vaal Triangle CSRC</td>
<td>Mr JB Bangude</td>
</tr>
</tbody>
</table>
Our students are represented on various NWU structures, such as the Institutional Forum and various Senate and Council committees, for instance the Student Oversight Committee.

<table>
<thead>
<tr>
<th>Constituency</th>
<th>Members: December 2017</th>
<th>Subconstituency</th>
<th>Earlier in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>NWU Convocation</td>
<td>Mr N Mongale</td>
<td>NWU</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mr A Sorgdrager</td>
<td>NWU</td>
<td></td>
</tr>
<tr>
<td>Special expertise</td>
<td>Prof L Lalendle</td>
<td>Executive Director:</td>
<td>Ms P Coopoo</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Student Life</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mr A Scheppel</td>
<td>Human Rights Portfolio:</td>
<td>NWU</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NWU</td>
<td></td>
</tr>
</tbody>
</table>

Meeting dates in 2017

In 2017 the Institutional Forum convened five times, namely on 17 February, 12 June, 31 July, 18 August and 6 November.

DR AA LE ROUX
CHAIRPERSON: INSTITUTIONAL FORUM

Our students are represented on various NWU structures, such as the Institutional Forum and various Senate and Council committees, for instance the Student Oversight Committee.

Mascots Pukkie, Vuvu and Mafika are part of our informal student life and huge fans of our sport teams.
To realise the NWU strategy, it is necessary to review our talent management strategy and devise an integrated strategy. This strategy will ensure that all the deliverables within the talent management cycle are contributing to building a sound value proposition and thus lead to the attraction and retention of scarce and critical skills for academic excellence at the NWU.

The focus is on the attraction, development, retention and redeployment of key talent, with a specific focus on the scarce and critical skills. It is the role of management to ensure that the NWU has appropriate talent to execute its strategy and operations effectively and efficiently, now and in the future. As such we endeavour to use remuneration as a key strategic driver and input into the talent management process.

It is of the utmost importance that the Remuneration Philosophy and Policy enables the NWU to position itself strategically in the higher education sector by prioritising and rewarding performance.

Future outlook: A draft Remuneration Philosophy and Policy was developed in 2017 and will be consulted through various structures of the university before approval by Council in 2018.

We use a total rewards model to attract, retain, recognise and reward staff members. Total rewards include both variable and fixed elements of remuneration. Not only does total rewards include compensation, it also includes benefits, personal and professional development, as well as a conducive and supportive work environment.

Attracting and retaining scarce and critical skills means we need to use the appropriate remuneration mix (variable and fixed elements), comprising monetary and non-monetary rewards.

When it comes to the governance of remuneration, the NWU Council executes its oversight function through the Remuneration Committee.

We realise that remuneration and incentives should be linked to value creation, and so refined our performance management process in 2017 to build a high-performance culture, where bonuses will be paid according to the achievement of institutional performance targets and goals.

The bonus scheme in its current form will once again be revised to ensure the NWU has a standardised and consistent method of rewarding managers and employees across campuses and organisational entities. The emphasis will be on achieving the NWU’s strategic goals and delivering a sustained financial performance.

As part of remuneration governance in 2017, we introduced claw-back agreements for the payment of performance bonuses to the senior management group (University Management Committee members and executive deans). This means the payment of performance bonuses is subject to each member signing a claw-back agreement.

Executive contracts

In line with the stipulations in the Statute, the following senior office bearers are appointed by a process driven by the Council:

- Vice-chancellor
- Deputy vice-chancellors
- Registrar
- Executive directors
- Deputy vice-chancellors for assignable functions and campus operations
Implementation report

Job and remuneration alignment project

As reported in the NWU’s 2016 integrated report, the implementation of the new structure resulted in the job alignment process being halted temporarily.

Since then, jobs have been realigned according to the new structure and the implementation of the outcome was timed to dovetail with the implementation of the new structure from July 2017.

We followed a rigorous process to ensure compliance with the “equal pay for work of equal value” legislation and to actively reduce disparities.

Current year incentives

University Management Committee

The annualised gross remuneration to University Management Committee (excludes exceptional payments - exceeding annual aggregate R249 999):

<table>
<thead>
<tr>
<th>Name</th>
<th>Office held</th>
<th>Basic</th>
<th>Employment</th>
<th>Other</th>
<th>Total costs</th>
<th>Total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof ND Kgwadi</td>
<td>Vice-Chancellor</td>
<td>2 613</td>
<td>290</td>
<td>659</td>
<td>3 562</td>
<td>3 442</td>
</tr>
<tr>
<td>Prof JJ Janse van Rensburg</td>
<td>Vice-Principal and Deputy Vice-Chancellor: Campus Operations (Potchefstroom)</td>
<td>1 963</td>
<td>28</td>
<td>679</td>
<td>2 670</td>
<td>2 552</td>
</tr>
<tr>
<td>Prof F van Niekerk</td>
<td>Deputy Vice-Chancellor: Research and Innovation</td>
<td>2 117</td>
<td>23</td>
<td>375</td>
<td>2 515</td>
<td>2 638</td>
</tr>
<tr>
<td>Prof MM Verhoef</td>
<td>Registrar</td>
<td>1 748</td>
<td>287</td>
<td>408</td>
<td>2 443</td>
<td>2 368</td>
</tr>
<tr>
<td>Ms E de Beer</td>
<td>Executive Director: Finance and Facilities</td>
<td>1 797</td>
<td>224</td>
<td>399</td>
<td>2 419</td>
<td>2 326</td>
</tr>
<tr>
<td>Prof LA du Plessis</td>
<td>Deputy Vice-Chancellor: Planning and Campus Operations (Vaal Triangle)</td>
<td>1 686</td>
<td>216</td>
<td>335</td>
<td>2 237</td>
<td>2 234</td>
</tr>
<tr>
<td>Prof MJ Oosthuizen</td>
<td>Deputy Vice-Chancellor: Teaching and Learning</td>
<td>1 858</td>
<td>251</td>
<td>239</td>
<td>2 348</td>
<td>2 525</td>
</tr>
<tr>
<td>Prof M Davhana-Maselele</td>
<td>Deputy Vice-Chancellor: Campus Operations (Mafikeng)</td>
<td>1 840</td>
<td>190</td>
<td>299</td>
<td>2 329</td>
<td>2 388</td>
</tr>
<tr>
<td>Prof RJ Balfour</td>
<td>Deputy Vice-Chancellor: Teaching and Learning</td>
<td>1 640</td>
<td>286</td>
<td>348</td>
<td>2 274</td>
<td>0</td>
</tr>
<tr>
<td>Mr KJ Oagile</td>
<td>Executive Director: People and Culture</td>
<td>1 499</td>
<td>175</td>
<td>405</td>
<td>2 079</td>
<td>1 914</td>
</tr>
</tbody>
</table>
After Prof Oosthuizen’s term as deputy vice-chancellor for teaching and learning expired on 3 May 2017, he acted in the same position for the period June 2017. His leave payout was only made at the end of July 2017.

Prof RJ Balfour

Prof Balfour was appointed as acting deputy vice-chancellor for teaching and learning for the period 1 July 2017 to August 2017. Then, from 1 September, he was officially appointed as the deputy vice-chancellor for teaching and learning.

Prof F van Niekerk

Prof Van Niekerk’s term as deputy vice-chancellor for research, innovation and technology ended on 30 September 2017. His leave payout was only made at the end of December 2017.

Prof MN Phaswana-Mafuya

Prof Phaswana-Mafuya was appointed as the deputy vice-chancellor for research and innovation from 1 October 2017.

Prof LL Lalendle

Prof Lalendle was appointed as the new executive director for student life from 1 July 2017.
Organisational climate

One of the key enablers of a sound employee value proposition is a pleasant organisational climate and culture that makes it possible to attract and retain talent.

As mentioned earlier, we conducted a climate survey among employees and students in 2017, the aim being to strive for alignment between our organisational culture and the NWU strategy.

We shared the results of the survey with staff and certain university structures and the interventions aimed at removing barriers identified from the survey commenced in December 2017 and will be continuing in 2018.

More information about the survey and its results is available on page 16.

Honoraria payments (gross remuneration to Council members)

The honoraria paid to external Council members as at 31 December 2017 were as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of members</th>
<th>2017 R’000</th>
<th>2016 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair of Council: Honorarium, travel and accommodation expenses</td>
<td>1</td>
<td>134</td>
<td>203</td>
</tr>
<tr>
<td>Chairs of committees: Honorarium, travel and accommodation expenses</td>
<td>8</td>
<td>594</td>
<td>491</td>
</tr>
<tr>
<td>Members of Council: Honorarium, travel and accommodation expenses</td>
<td>41</td>
<td>406</td>
<td>322</td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td>1 134</td>
<td>1 015</td>
</tr>
</tbody>
</table>

During 2017, the NWU successfully dealt with conflict, thereby mitigating potential risks that could have harmed the institution’s reputation. Our approach included dealing with potential conflict situations at the lowest possible organisational level and striving for win-win situations. The university collectively bargains and consults employees through the University Bargaining Forum.

Statement approval obtained from NWU Council on 21 June 2018.

The NWU and a recognised union address employee issues of mutual interest through a forum established for this purpose. We also have ongoing consultative forums for all employees and a non-recognised union. These structures build labour peace and a healthy employee/employer environment, and play a critical role in ongoing improvement of employer/employee relations. Key decisions about matters that affect employees are communicated to the university community via the vice-chancellor’s office.

Statement approval obtained from NWU Council on 21 June 2018.
ANNEXURE 1: Performance assessment report

Performance vs targets
The following performance indicators link to the relevant goals in the Annual Performance Plan.

Goal 1: Promote excellent learning and teaching and reposition the NWU to attain the size and shape required by the market direction decisions.

<table>
<thead>
<tr>
<th>Relevant performance indicator</th>
<th>Actual 2016</th>
<th>Target 2017</th>
<th>Actual 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Contact student success rate</td>
<td>86%</td>
<td>85%</td>
<td>86%</td>
</tr>
<tr>
<td>We maintained an excellent pass rate and exceeded our target.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Contact undergraduate, graduation duration factor</td>
<td>1.21</td>
<td>1.22</td>
<td>1.15</td>
</tr>
<tr>
<td>The attainment of this target can be attributed to enhanced strategies for student support, early identification of at-risk students and improved NSFAS funding with provision for books and accommodation.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 International student enrolment</td>
<td>5.86%</td>
<td>5.86%</td>
<td>5.15%</td>
</tr>
<tr>
<td>Stricter visa requirements are hampering international enrolments.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Headcount enrolments</td>
<td>63 395</td>
<td>71 738</td>
<td>62 558</td>
</tr>
<tr>
<td>Our enrolment targets are set for a three-year cycle and we experienced a drop in our distance numbers due to the Advanced Certificate in Education phasing out faster than anticipated and the approval of our new distance offering taking longer than expected.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 First-time entering enrolments</td>
<td>11 281</td>
<td>13 659</td>
<td>11 824</td>
</tr>
<tr>
<td>While we were over-enrolled on our contact first-time entering students, the lack of approval of new distance offerings greatly hampered growth in distance first-time entrants and thus total first-time entrants.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Graduates</td>
<td>17 510</td>
<td>15 844</td>
<td>16 004</td>
</tr>
<tr>
<td>We have exceeded our target in terms of graduates.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Graduation rate</td>
<td>27.62%</td>
<td>22.1%</td>
<td>25.6%</td>
</tr>
<tr>
<td>We have exceeded our target in terms of the graduation rate.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 A deviation of 2% is allowed on either side of the target for achievement of the KPI.
2 A deviation of 0.05 is allowed on either side of the target for achievement of the KPI.
3 A deviation of 1% is allowed on either side of the target for achievement of the KPI.
Goal 2: Intensify research and innovation.

<table>
<thead>
<tr>
<th>Relevant performance indicator</th>
<th>Actual 2015</th>
<th>Target 2016</th>
<th>Actual 2016¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 Publications per permanent academic staff member</td>
<td>0.86</td>
<td>1.09²</td>
<td>0.92</td>
</tr>
</tbody>
</table>

Owing to the number of publications rejected due to their inclusion in predatory journals, the university failed to reach the number of outputs needed to achieve this target.

9 Weighted research

<table>
<thead>
<tr>
<th></th>
<th>Actual 2016</th>
<th>Target 2017</th>
<th>Actual 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 437,06</td>
<td>2 545¹</td>
<td>2 609,64</td>
<td></td>
</tr>
</tbody>
</table>

Owing to the number of publications rejected due to their inclusion in predatory journals, the university failed to reach the number of outputs needed to achieve this target.

Goal 4: Develop a clearly differentiated student value proposition.

<table>
<thead>
<tr>
<th>Relevant performance indicator</th>
<th>Actual 2016</th>
<th>Target 2017</th>
<th>Actual 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Student: academic staff FTE ratio</td>
<td>31,16 : 1</td>
<td>28,3 : 1⁵</td>
<td>31,51 : 1</td>
</tr>
</tbody>
</table>

The over-enrolment in contact students, which led to a marked increase in enrolled FTEs, caused an increase in this ratio.

11 First-time entrant dropout rate for contact degrees

<table>
<thead>
<tr>
<th></th>
<th>Actual 2016</th>
<th>Target 2017</th>
<th>Actual 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,20%</td>
<td>Below 15%</td>
<td>11,11%</td>
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</table>

This positive decrease correlates with the improved contact undergraduate graduation duration factor and can be attributed to the same reasons.

Goal 5: Develop and retain excellent staff and create an equitable staff and student profile.

<table>
<thead>
<tr>
<th>Relevant performance indicator</th>
<th>Actual 2016</th>
<th>Target 2017</th>
<th>Actual 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Student mix: NWU contact and distance: all campuses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>African (%)</td>
<td>66,81%</td>
<td>African (%)</td>
<td>63,5%</td>
</tr>
<tr>
<td>Coloured (%)</td>
<td>4,42%</td>
<td>Coloured (%)</td>
<td>5,4%</td>
</tr>
<tr>
<td>Indian (%)</td>
<td>0,87%</td>
<td>Indian (%)</td>
<td>0,8%</td>
</tr>
<tr>
<td>White (%)</td>
<td>27,89%</td>
<td>White (%)</td>
<td>30,3%</td>
</tr>
<tr>
<td>Female (%)</td>
<td>66,65%</td>
<td>Female (%)</td>
<td>69,4%</td>
</tr>
<tr>
<td>Male</td>
<td>33,35%</td>
<td>Male</td>
<td>30,6%</td>
</tr>
</tbody>
</table>

Owing to the increase in NSFAS funding, as well as better funding for private accommodation and the accreditation of private accommodation, our student profile deviates from the original submitted and approved enrolment plan.

13 Staff mix

<table>
<thead>
<tr>
<th></th>
<th>Actual 2016</th>
<th>Target 2017</th>
<th>Actual 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>African (%)</td>
<td>37,67%</td>
<td>African (%)</td>
<td>33,5%</td>
</tr>
<tr>
<td>Coloured (%)</td>
<td>4,13%</td>
<td>Coloured (%)</td>
<td>6,2%</td>
</tr>
<tr>
<td>Indian (%)</td>
<td>1,24%</td>
<td>Indian (%)</td>
<td>1,2%</td>
</tr>
<tr>
<td>White (%)</td>
<td>56,96%</td>
<td>White (%)</td>
<td>59,2%</td>
</tr>
<tr>
<td>Female (%)</td>
<td>57,66%</td>
<td>Female (%)</td>
<td>57,2%</td>
</tr>
<tr>
<td>Male</td>
<td>42,34%</td>
<td>Male</td>
<td>42,8%</td>
</tr>
</tbody>
</table>

The numbers of staff members from the designated groups have increased. Due to funding constraints, no new academic positions were made available in 2017, so change could only occur in cases of staff resignations or retirements where positions became available.

¹ 2016 final approved research publication units are reported as the approved 2017 publications will only be received from the DHET later in 2018.
² A deviation of 3 is allowed on either side of target for achievement of the KPI.
Permanent academic staff with PhDs

<table>
<thead>
<tr>
<th>Relevant performance indicator</th>
<th>Actual 2016</th>
<th>Target 2017</th>
<th>Actual 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>I4 Permanent academic staff with PhDs</td>
<td>52,18%</td>
<td>56%</td>
<td>52,4%</td>
</tr>
</tbody>
</table>

The limited pool of staff with PhDs in the sector makes it very difficult to achieve this target as all universities compete for the same staff.

**ANNEXURE 2: List of committee meetings**

<table>
<thead>
<tr>
<th>Committee</th>
<th>List of meetings</th>
<th>% attendance 2015</th>
<th>% attendance 2016</th>
<th>% attendance 2017</th>
<th>Self-evaluation undertaken</th>
</tr>
</thead>
</table>
| Council   | 16 March 2017 (ordinary meeting)  
            24 April 2017 (extraordinary meeting)  
            22 June 2017 (ordinary meeting)  
            17 August 2017 (extraordinary meeting)  
            21 September 2017 (ordinary meeting)  
            23 November 2017 (ordinary meeting) | 91% | 80% | 80% |
| Council Executive Committee (Exco) | 9 February 2017 (ordinary meeting)  
            16 March 2017 (extraordinary meeting)  
            18 April 2017 (extraordinary meeting)  
            24 April 2017 (extraordinary meeting)  
            25 May 2017 (ordinary meeting)  
            22 June 2017 (extraordinary meeting)  
            11 July 2017 (extraordinary meeting)  
            24 August 2017 (ordinary meeting)  
            21 September 2017 (extraordinary meeting)  
            27 October 2017 (ordinary meeting)  
            23 November 2017 (extraordinary meeting) | 96% | 91,8% | 85% |
| Finance   | 22 May 2017 (ordinary meeting)  
            2 November 2017 (ordinary meeting) | 100% | 55% | 80% |
| Transformation Oversight | 10 May 2017 (ordinary meeting)  
            11 October 2017 (ordinary meeting)  
            22 November 2017 (extraordinary meeting) | 71% | 91,7% | 67% |
| Student Oversight | 24 May 2017 (ordinary meeting)  
            11 October 2017 (ordinary meeting)  
            22 November 2017 (extraordinary meeting) | 79% | 86,7% | 64% |
| People and Culture and Employment Equity | 11 May 2017 (ordinary meeting)  
            18 October 2017 (ordinary meeting) | 82% | 83,3% | 67% |
| Tender    | 1 March 2017  
            20 April 2017  
            24 May 2017  
            28 July 2017  
            17 August 2017  
            10 October 2017 | 63% | 62,5% | 71% |
| Honorary Awards | 8 May 2017 (ordinary meeting) | 100% | 60% | 100% |
## ANNEXURE 3: Composition of Senate

<table>
<thead>
<tr>
<th>Name</th>
<th>Reference to Statute and designation</th>
<th>Name</th>
<th>Reference to Statute and designation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vice-Chancellor</strong></td>
<td>(a)</td>
<td><strong>Executive directors</strong></td>
<td>(e)</td>
</tr>
<tr>
<td>1 Kgwadi, ND, Prof</td>
<td></td>
<td>7 De Beer, E, Ms</td>
<td>Executive Director: Finance and Facilities</td>
</tr>
<tr>
<td><strong>Vice-Principal</strong></td>
<td>(b)</td>
<td>8 Manoko, C, Mr</td>
<td>Executive Director: Corporate Relations and Marketing</td>
</tr>
<tr>
<td>2 Janse van Rensburg, Jj, Prof</td>
<td></td>
<td>9 Oagile, K, Mr</td>
<td>Executive Director: People and Culture</td>
</tr>
<tr>
<td><strong>Deputy vice-chancellors</strong></td>
<td>(c)</td>
<td>10 Lalendle, L, Prof</td>
<td>Executive Director: Student Life</td>
</tr>
<tr>
<td>3 Balfour, Rj, Prof</td>
<td>Teaching-Learning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Du Plessis, L, Prof</td>
<td>Vaal Triangle Campus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Phaswana-Mafuya, RN, Prof</td>
<td>Research and Innovation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Janse van Rensburg, Jj, Prof</td>
<td>Potchefstroom Campus (also Vice-Principal (nr 2))</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Registrar</strong></td>
<td>(d)</td>
<td><strong>Executive deans</strong></td>
<td>(f)</td>
</tr>
<tr>
<td>6 Verhoef, M, Prof</td>
<td>Registrar</td>
<td>11 De la Harpe, S, Prof (acting)</td>
<td>Faculty of Law</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12 Ebenso, E, Prof</td>
<td>Faculty of Natural and Agricultural Sciences</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13 Van Dyk, L, Prof (acting)</td>
<td>Faculty of Engineering</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14 Kotze, AF, Prof</td>
<td>Faculty of Health Sciences</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Committee</th>
<th>List of meetings</th>
<th>% attendance 2015</th>
<th>% attendance 2016</th>
<th>% attendance 2017</th>
<th>Self-evaluation undertaken</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audit, Risk and Compliance Committee</strong></td>
<td>23 March 2017 (ordinary meeting) 31 May 2017 (ordinary meeting) 2 August 2015 (ordinary meeting) 26 October 2017 (ordinary meeting)</td>
<td>80%</td>
<td>81.3%</td>
<td>75%</td>
<td>[✓]</td>
</tr>
<tr>
<td><strong>Remuneration</strong></td>
<td>3 May 2017 (ordinary meeting) 12 October 2017 (ordinary meeting) 22 November 2017 (ordinary meeting)</td>
<td>80%</td>
<td>81.8%</td>
<td>88%</td>
<td>[✓]</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>5 May 2017 (ordinary meeting) 10 October 2017 (ordinary meeting)</td>
<td>83%</td>
<td>100%</td>
<td>83%</td>
<td>[✓]</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>2 March 2017 (ordinary meeting) 3 May 2017 (ordinary meeting) 9 June 2017 (extraordinary meeting) 30 October 2017 (ordinary meeting) 9 December 2017 (extraordinary meeting)</td>
<td>69%</td>
<td>80%</td>
<td>67%</td>
<td>[✓]</td>
</tr>
<tr>
<td><strong>Ad Hoc Restructuring</strong></td>
<td>8 March 2017 21 June 2017 17 August 2017 13 September 2017 22 November 2017</td>
<td>Not applicable</td>
<td>97.8%</td>
<td>84%</td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>IT Governance Committee</strong></td>
<td>17 October 2017 (ordinary meeting)</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>83%</td>
<td>Was the first meeting of this committee</td>
</tr>
<tr>
<td>Name</td>
<td>Reference to Statute and designation</td>
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<tr>
<td><strong>Executive deans</strong></td>
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<td>15 Letšosa, R, Prof (acting) Faculty of Theology</td>
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<tr>
<td>16 Mentz E, Prof (acting) Faculty of Education</td>
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<tr>
<td>17 Setlalentoa, M, Prof Faculty of Humanities</td>
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<tr>
<td>18 Swanepoel, S, Prof Faculty of Economic and Management Sciences</td>
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<tr>
<td><strong>Deputy deans</strong></td>
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<tr>
<td>19 Coetzee-van Rooy, S, Prof (acting) Faculty of Humanities</td>
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<td>20 Conley, L, Prof (acting) Faculty of Education</td>
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<td>21 Drummond, H, Prof (acting) Faculty of Natural and Agricultural Sciences</td>
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<td>22 Dudu, W, Prof (acting) Faculty of Education</td>
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<tr>
<td>23 Groenewald, G, Prof (acting) Faculty of Natural and Agricultural Sciences</td>
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<tr>
<td>24 Morei, N, Dr (acting) Faculty of Law</td>
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<tr>
<td>25 Moroke, N Prof (acting) Faculty of Economic and Management Sciences</td>
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<tr>
<td>26 Van der Merwe, Hj, Prof Faculty of Economic and Management Sciences</td>
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<tr>
<td>27 Van der Waldt, DLR, Prof (acting) Faculty of Humanities</td>
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<td>28 Visser, SS, Prof Faculty of Economic and Management Sciences</td>
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<td>29 Xaba, I, Prof (acting) Faculty of Education</td>
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<td><strong>Academic staff elected by academic staff in the faculties</strong></td>
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<td>30 Vacant Faculty of Education</td>
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<td>31 Vacant Faculty of Theology</td>
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<td>32 Chaka, M, Dr Faculty of Humanities</td>
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<td>33 Coetzee-Van Rooy, AS, Prof Faculty of Humanities</td>
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<tr>
<td>34 De Ridder, JH, Prof Faculty of Health Sciences</td>
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<td>35 Diko, N, Prof Faculty of Education</td>
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<td>36 Du Plessis, J, Prof Faculty of Health Sciences</td>
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<td>37 Duvenhage, A, Prof Faculty of Humanities</td>
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<td>38 Vacant Faculty of Education</td>
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<td>39 Janse van Vuuren, H, Prof Faculty of Economic and Management Sciences</td>
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<tr>
<td>40 Jansen van Rensburg, R, Prof Faculty of Economic and Management Sciences</td>
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<td>41 Vacant Faculty of Law</td>
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<td>42 Vacant Faculty of Law</td>
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<td><strong>Name</strong></td>
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<tr>
<td><strong>Academic staff elected by academic staff in the faculties</strong></td>
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<td>43 Krugell, W, Prof Faculty of Economic and Management Sciences</td>
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<td>46 Vacant Faculty of Engineering</td>
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<td>47 Mekoa, I, Prof Faculty of Economics and Management Sciences</td>
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<tr>
<td>48 Mentz, E, Prof Faculty of Education</td>
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<td>49 Vacant Faculty of Humanities</td>
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<td>50 Moleli, AM, Dr Faculty of Economic and Management Sciences</td>
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<td>51 Montshiwa VT, Dr Faculty of Economic and Management Sciences</td>
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<tr>
<td>52 Vacant Faculty of Economic and Management Sciences</td>
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<tr>
<td>53 Nkhoma, P, Dr Faculty of Education</td>
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<tr>
<td>54 Vacant Faculty of Natural and Agricultural Sciences</td>
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<td>55 Ruwivioso, O, Prof Faculty of Natural and Agricultural Sciences</td>
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<tr>
<td>56 Schutte, PJW, Prof Faculty of Law</td>
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<td>57 Vacant Faculty of Natural and Agricultural Sciences</td>
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<tr>
<td>58 Waanders, F, Prof Faculty of Engineering</td>
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<td>59 Wepener, V, Prof Faculty of Natural and Agricultural Sciences</td>
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<tr>
<td>60 Yates, H, Dr Faculty of Theology</td>
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<tr>
<td><strong>Two employees elected by support employees</strong></td>
<td></td>
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<tr>
<td>61 Le Roux, AA, Dr Higher Degrees Admin and Ceremonies</td>
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<tr>
<td>62 Spamer, EJ, Prof Chief Director: SALA</td>
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<tr>
<td><strong>Students designated by the ISRC</strong></td>
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<tr>
<td>63 Hadebe, T, Mr SRC president</td>
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<tr>
<td>64 Siboniso, J, Mr Vaal Triangle Campus academic officer</td>
<td></td>
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</tr>
<tr>
<td>65 White, P-H, Mr Potchefstroom Campus Academic Council</td>
<td></td>
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</tr>
<tr>
<td>66 Maphosa, L, Mr Mafikeng Campus academic officer</td>
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</tbody>
</table>
## ANNEXURE 4: Composition of committees

### Finance Committee
Members as at the October meeting of the Finance Committee were chairperson Mr F Strydom (external member of Council) and the following standing members: Mr I Klynsmith (external member of Council), Dr MB Tyobeka (Council chairperson and external member of Council), Mr K Venter (external member of Council), Prof ND Kgwadi (vice-chancellor) and Prof MM Verhoef (registrar), with Ms E de Beer (executive director for finance and facilities) in attendance.

In attendance were Ms E de Beer (executive director for finance and facilities), Ms M van der Merwe (director for internal audit), Ms M Senekal (external auditor: KPMG), Ms Z Senekal (external auditor: KPMG) and the representative of the auditor general, Ms Annette Venter.

### Audit, Risk and Compliance Committee
Members as at the October meeting of the ARCC were chairperson Mr A Redelinghuis (external member of Council) and the following standing members: Mr S de Bruyn (external member of Council), vacant (external member of Council), Ms M Tshabalala (independent audit specialist), Dr K van der Walt (independent audit specialist), Prof ND Kgwadi (vice-chancellor) and Prof MM Verhoef (ex officio, registrar).

In attendance were Mr K J Oagile (executive director for people and culture) and Ms E de Beer (executive director for finance and facilities).

### Remuneration Committee
Members as at the November meeting of the Remuneration Committee were chairperson Mr F Strydom (external member of Council and chairperson of the Finance Committee), Dr MB Tyobeka (external member and chairperson of Council), Dr JG Tshifularo (external member of Council and chairperson of the People and Culture and Employment Equity Committee), Mr A Redelinghuis (external member of Council and chairperson of the Audit, Risk and Compliance Committee), Mr A Sorgdrager (external member of Council), Prof ND Kgwadi (vice-chancellor) and Prof MM Verhoef (registrar and ex-officio secretary).

In attendance were Ms E de Beer (executive director for finance and facilities), Ms M van der Merwe (director for internal audit), Ms M Senekal (external auditor: KPMG), Ms Z Senekal (external auditor: KPMG) and the representative of the auditor general, Ms Annette Venter.
According to MyBroadband speed tests, the internet at the NWU is the fourth fastest in South Africa and second fastest of the 26 universities.

IT forms the backbone for the successful functioning of our core business and the IT department is committed to ensuring best-in-class information technology in support of the core business.

We established an IT Governance Committee in 2017 to assist Council with the governance of all aspects related to information technology at the NWU.

**IT Governance Committee**

Members as at the October meeting of the IT Governance Committee were chairperson Mr A Mashilo (external member of Council) and standing members Mr W Human (external member of Council), Mr MJS Thabethe (external member of Council), Prof Hj van der Merwe (internal member of Council), Mr XV Hadebe (independent external IT expert), Prof ND Kgwadi (vice-chancellor) and Prof MM Verhoef (registrar and ex officio secretary).

In attendance were Prof R Phaswana-Mafuya (deputy vice-chancellor for research and innovation) and Mr CE Pretorius (chief director for information technology).

**Tender Committee**

Members as at the October meeting of the Tender Committee were chairperson Mr DA Foster (external member: audit firm) and standing members Mr S de Bruyn (external member of Council), vacant (external member of Council), Prof ND Kgwadi (vice-chancellor) and Prof MM Verhoef (registrar).

Ms E de Beer (executive director for finance and facilities) was in attendance.
ANNEXURE 5: NWU organisational structure

NWU organisational structure for the Structure and Operating Model project

Vice-Chancellor

DVC Teaching and Learning
- Centre for Teaching and Learning
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

DVC Research and Innovation
- Research Support
- Technology Transfer and Innovation Support
- Sustainability and Community Impact
- Information Technology

DVC Mafikeng Campus
- Assigned executive functions

Campus Deployment
- Corporate Relations and Marketing
- Campus Finance and Facilities

DVC Potchefstroom Campus
- Assigned executive functions

Campus Deployment
- Corporate Relations and Marketing
- Campus Finance and Facilities

DVC Vaal Triangle Campus
- Assigned executive functions

Campus Deployment
- Corporate Relations and Marketing
- Campus Finance and Facilities

DVC National Campus
- Corporate Relations and Marketing
- Campus Finance and Facilities

FACILITIES
- Faculty of Natural and Agricultural Sciences
- Faculty of Health Sciences
- Faculty of Engineering
- Faculty of Economic and Management Sciences
- Faculty of Humanities
- Faculty of Education
- Faculty of Law
- Faculty of Theology

Executive functions assignable to executives reporting to VC
- Information Technology
- Integrated Planning, Strategic Intelligence and Institutional Research
- Sustainability and Community Impact
- Unit for Continuing Education
- Globalisation
- Libraries

Faculty of Natural and Agricultural Sciences
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Faculty of Health Sciences
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Faculty of Engineering
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Faculty of Economic and Management Sciences
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Faculty of Humanities
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Faculty of Education
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Faculty of Law
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Faculty of Theology
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Faculty of Humanities
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Faculty of Education
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Faculty of Law
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Faculty of Theology
- Academic Planning and Special Projects
- Career Centre
- Library and Information Services
- Unit for Continuing Education

Executive functions assignable to executives reporting to VC
- Information Technology
- Integrated Planning, Strategic Intelligence and Institutional Research
- Sustainability and Community Impact
- Unit for Continuing Education
- Globalisation
- Libraries
### Key to reporting lines

- **Strategic and operational (day-to-day) management**
- **Operational (day-to-day) management, joint performance review and enhancement with functional and strategic leader (brown line)**
- **Functional reporting and strategic leadership, development of function and function specialists, alignment and integration of functional execution across university, joint performance review and enhancement with operation management (yellow line), joint accountability relationship between functional/strategic leader and operational manager.**
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This publication is also available in Afrikaans.
This is not the end — it is a new beginning.

With our new unitary strategy and operational model as our building blocks, we are now structured for even greater success.

Based on this solid foundation, our ongoing quest for success will not only benefit ourselves, but also the country and the world.

After all, we have not built a temporary framework, but a structure to last a lifetime.