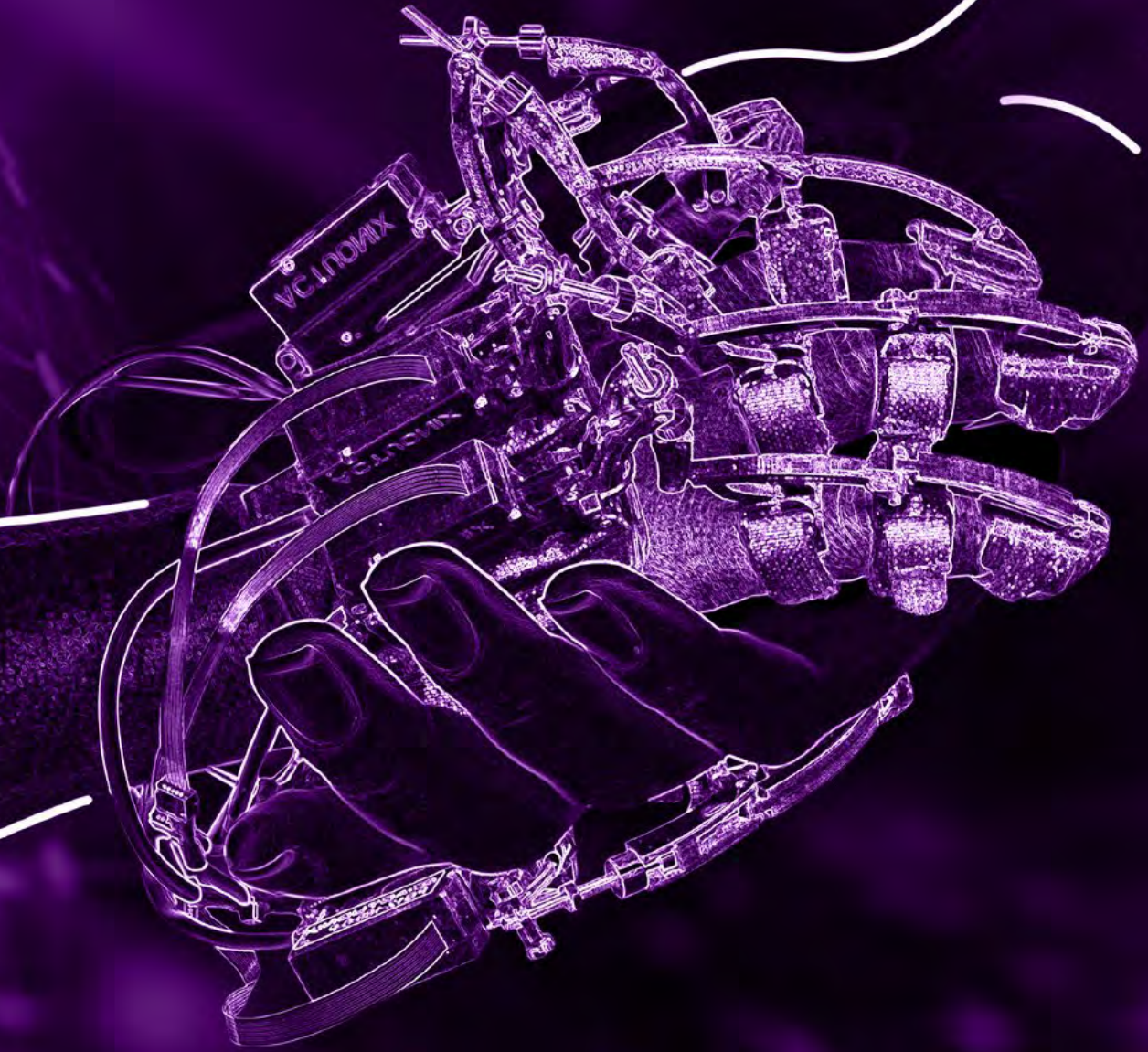




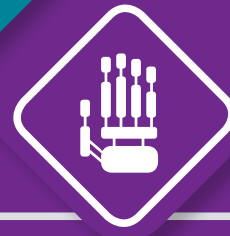
NWU®

NORTH-WEST UNIVERSITY
NOORDWES-UNIVERSITEIT
YUNIBESITHI YA BOKONE-BOPHIRIMA



VALUE CREATION WITH AN ETHIC OF CARE

INTEGRATED REPORT | 2019



Front page image

NeuHand brings new hope

The image on the front page of this integrated report is of the NeuHand, a rehabilitation system from the Faculty of Engineering. This innovation embodies the theme of this report, "Value creation with an ethic of care".

One of the life-altering disabilities resulting from a stroke is hand disability. Fortunately, the NWU's NeuHand invention could bring these patients new hope.

This inexpensive, automated mechatronic rehabilitation system was conceptualised specifically for hand rehabilitation in South African conditions.

<http://www.nwu.ac.za/sites/www.nwu.ac.za/files/files/i-media/nwu&uENG012020/neuhand.html>

Covering our theme

The title of this integrated report, "Value creation with an ethic of care", is about how we use an ethic of care as a compass while creating value for ourselves as an institution and for all our stakeholders.

In itself, value creation does not set us apart. It is how we create this value, namely with an ethic of care, that stands out.

This is, after all, part of our dream: to be an internationally recognised university in Africa, distinguished for engaged scholarship, social responsiveness and an ethic of care.

How do we do it?

We create new knowledge through research and innovation, and share it through teaching and learning and community engagement. We do this in a caring way, to the benefit of our stakeholders, the wider society and our planet.

VALUE CREATION

For the
NWU

For our
stakeholders

Through an ethic of care

CONTENTS

02

About this report

05

Overview of the NWU

10

Our business model
and value chain

22

Our vice-
chancellor's review

27

How we engage with
our stakeholders

31

Our transformation
journey

33

Material risks
and opportunities
impacting value

41

Our strategy
to create value

46

Our performance
against our strategy:
creating value
through our capitals

84

Governance:
supporting and
preserving value

103

Incentivising for
achievement

106

Future outlook
for the NWU

108

Annexures

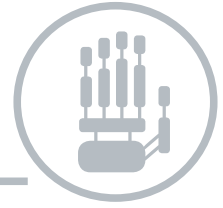
This is a more concise version of the integrated annual report which the NWU Council approved on 28 July 2020 and was submitted to the Department of Higher Education and Training (DHET) at the end of July.

The full report is available on the NWU website at <http://www.nwu.ac.za/content/nwu-annual-reports>.

We welcome feedback on our reporting approach – please send your comments or suggestions to our registrar, Prof Marlene Verhoef, at marlene.verhoef@nwu.ac.za

Throughout this concise version of the report, you will find quick response (QR) codes that you can scan, either by using your smart phone's built-in QR code scanner, or a downloaded scanning app. The QR code will take you to the relevant information included in the full integrated report.

About this report



Our value-creation story

In this integrated report we tell you, our stakeholders, how we implement our strategy to create value for ourselves and our stakeholders over the short, medium and long term.

We also explain how we harness and affect our resources and relationships, known as our “capitals”, during this process.

There are six capitals: intellectual, human, social and relationship, manufactured, natural and financial. (Read more about our capitals on page 46.)

We realise that we have to interact responsibly with our capitals, applying an ethic of care. Our resources and relationships are, after all, vital to our ability to create sustainable value.

It's about you

Our value-creation story is intended for you, our stakeholders.

We regard our stakeholders as those individuals or groups whom we affect through our activities and services, and whose actions can also affect our ability to successfully implement our strategy and achieve our goals.

This integrated report mainly talks to our primary stakeholders. They are our students, alumni, Council, staff, the Department of Higher Education and Training, our peers,

our collaboration partners and our business communities (as future employers of our students).

However, we believe that our story will also be of value to the other stakeholders we engage with at the NWU, as seen on page 27.

How our story unfolds

At the beginning of our value-creation story, we give an overview of the NWU (page 5) and explain how we interact with our external environment to create value (page 7).

On page 11 you will find a graphic of our business model, indicating how we transform our input, through our activities, into output and outcomes, which are all part of our value chain (page 14).

We also explain how we address our stakeholders' expectations and concerns (page 27), and which risks and opportunities (page 33) we see as material matters impacting our value-creation process.

Guiding us throughout our journey are our strategy and goals, which are also part of our material matters. On page 41 we explain what our strategy is all about and how we implement it by using and impacting our six capitals (page 46).

At the end of this story, we tell you how our governance practices monitor and protect the value-creation process (page 84), positioning us to generate long-term value.

Navigating our story

We use different icons to show the connectivity between the various sections in our integrated report:

OUR CAPITALS



Intellectual

These include our processes, procedures, policies, strategies and knowledge-based intangibles emanating from our teaching and learning and research and innovation activities.



Human

Staff and students (internal stakeholders)



Social and relationship

Relationships with external stakeholders



Manufactured/manufacturing

Tangible infrastructure and assets



Natural

Environmental/natural resources



Financial

Funds that we obtain and spend according to a budget

OUR STRATEGIC GOALS



Promote excellent learning and teaching



Develop a clearly differentiated student value proposition



Intensify research and innovation



Develop and retain excellent staff and create an equitable staff and student profile



Integrate and align community engagement with core activities

OUR ENABLERS



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



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



Develop best-in-class information and communications technology to support the core business.



Ensure the financial sustainability of the NWU.

Materiality of the report content

We use the concept of “materiality” to decide what information to include in this report. As set out in the International Integrated Reporting Council’s (IIRC) Integrated Reporting Framework, we see material matters as:

- Issues that substantively affect the university’s ability to create value over the short, medium and long term; and
- issues that are important to any stakeholder wishing to make an informed assessment of the NWU’s ability to generate value.

How we identify relevant matters

We, as 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, identified those matters with the highest potential to impact our ability to create value.

In the process, we took the following frameworks into account:

- The NWU’s *Annual Performance Plan (APP) which puts the strategic plan into action;
- The common strategic assumptions that underpin our strategy;
- The **risk register;
- The IIRC’s Integrated Reporting Framework; and
- The DHET’s reporting regulations.

We also considered those factors in our external environment (see page 7) that substantially affect our ability to create value.

In addition, materiality was informed by the issues our stakeholders raise during their interaction with the university. These are described in the section on how we engage with our stakeholders on page 27, in the table under the subheading: Issues raised.

* The goals, enablers and strategic assumptions, as included in the APP, resulted from the process the University Management Committee members use to identify material matters to be included when drawing up or revising the APP.

** Our key risks and opportunities are the result of an institution-wide identification and prioritising process, as described on page 34.

Reporting period and scope, and suite of reports

Reporting period

Our integrated report reflects the performance of the NWU across its three campuses for the period 1 January to 31 December 2019.

In addition to the financial information on page 70, the report also includes non-financial information. This includes facts about our non-financial performance, risks and opportunities and the internal and external factors that substantially influence our business. Where material, we discuss the real and potential impact of these matters on our ability to create value.

Reporting cycle

Annually in December

Contact point for questions

marlene.verhoef@nwu.ac.za

Suite of reports

Our integrated report is the primary vehicle for reporting to our stakeholders. It is supplemented by the following:

- Annual financial statements for the year ending 31 December 2019, which can be found on the NWU website at: <http://www.nwu.ac.za/content/nwu-annual-reports>
- Documents for various stakeholders, which can be accessed at <http://www.nwu.ac.za/content/nwu-our-publications>

“No material matters have been omitted from the report due to confidentiality, legal or information reliability constraints.”

Our reporting framework

This integrated report has been prepared in accordance with the IIRC's International Integrated Reporting 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).

Assurance

Internal and external assurance providers provide assurance about the effectiveness of the internal controls at the NWU. Their input has been incorporated into this report.

We also made sure that our reporting is accurate, by taking the following steps:

- After compiling the integrated report, we submitted it to the University Management Committee. The committee

considered the completeness and accuracy of the content and provided feedback where necessary, which was then incorporated into the integrated report. Only then did we submit the report first to the Audit, Risk and Compliance Committee and then to Council for approval.

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

The summarised, audited consolidated financial statements in this report were extracted from the audited consolidated financial statements, prepared in accordance with the IFRS and independently audited by our external auditors, PricewaterhouseCoopers.

PricewaterhouseCoopers also independently audited the information in our performance assessment report (refer to page 108). The annual financial statements, including the auditors' report, can be obtained from the NWU website at: <http://www.nwu.ac.za/content/nwu-annual-reports>.

More information about combined assurance can be found on pages 39 and 101.

Council approval

Council and its subcommittees are responsible 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, Council believes that it has appropriately considered the accuracy and completeness of the material matters, as well as the reliability of the information presented in this report.

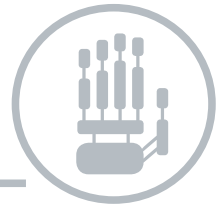
Council has sufficiently considered and materially presented these matters in accordance with the Integrated Reporting Framework of the IIRC.

Council approved the 2019 integrated report on 28 July 2020.

DR BISMARK TYOBKA
CHAIRPERSON OF COUNCIL

MR ANTON REDELINGHUIS
CHAIRPERSON OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE

Overview of the NWU



Performance highlights

In 2019 we continued to create value for the NWU and for our stakeholders. The following achievements – and in many instances also improvements – are noteworthy:

215

postdoctoral fellows in 2018
(2017: 215)

1 438,28

article equivalents
approved in *2018
2017: 1 300,04 units

R1 565 million

financial aid
administered by
the offices on the
three campuses



19 024

distance students enrolled
(second highest in South Africa)

14 961

qualifications awarded
in 2019
(2018: 15 350)

314

PhDs
awarded
in 2019
(2018: 248)

11

research
chairs
(2018: 11)

7

hosted
research
chairs
(2018: 7)

248

NRF-rated researchers
(2018: 232)

83,8%

undergraduate success
rate in 2019
(2018: 83,2%)

Position **869** out of **8 000** universities
Center for World University Rankings
(Previously: position 964)

Over R273 million



spent on
infrastructure
and facilities

More than 1 400

academic programmes
offered at the NWU

* Please note that the research figures lag two years behind.

Who we are

The North-West University is one of the 26 public higher education institutions in South Africa. We have three campuses: two in the North West province and another in Gauteng.

We have a single set of policies, systems and standards, and are driven by a set of constitutionally based values, among others ethics in all our endeavours.

We wish to foster engaged and caring staff and students, ensuring a suitable environment in which we can reach our purpose and realise our dream.



What we do

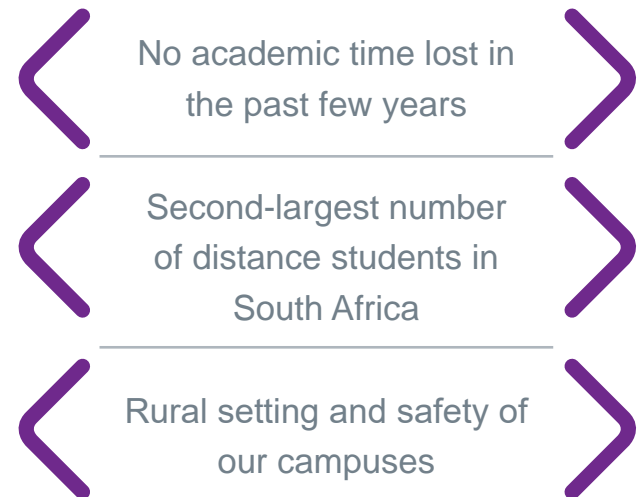
Our core business is teaching-learning and research, with community engagement and innovation intertwined in these activities.

Ultimately, though, our core business is about creating value in the form of outputs and outcomes, while pursuing an ethic of care.

Where we operate

We operate mainly in South Africa, but collaborate extensively with institutions and people all over the world. In 2019, the NWU had slightly more than 1 800 active agreements and memoranda of understanding, of which 240 were signed during 2019.

What sets us apart



COUNCIL STATEMENT ON SUSTAINABILITY

“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. We consider material matters, whether financial or non-financial in nature. Refer to page 3 for our materiality determination process.”

Statement approval obtained from NWU Council on 28 July 2020

The external environment

Various factors in our external environment affect our capitals and consequently our ability to create value for ourselves and our stakeholders.

In the text below, we discuss the material factors in our external environment that affect us directly or indirectly. We also indicate how these are linked to our strategic goals and risks, how these impact our value-creation ability, and what our response is.

Fee-free higher education affects financing model

The evolving administrative system of the National Student Financial Aid Scheme (NSFAS) has brought changes to our financing model and challenges in how we administer financial aid. These challenges have gained momentum since the announcement of fee-free higher education for households whose income is below a minimum threshold.

The implementation has placed pressure on all the relevant internal business processes as the number of students assisted has increased by over 275%. Where there were 4 837 approved NSFAS students in 2015, the number climbed to 18 141 in 2019.

Strategic matter affected: teaching and learning (goal no 1), financial sustainability (enabler 4)

Capitals affected: financial, human, intellectual

Risks involved: 1,3,5 and 8 – refer to page 34

Effect on value creation

The changed financing model has the potential to disrupt our systems, but we should also recognise the financial value for the NWU and the students the model might hold. The reason is that fee-free higher education has dramatically changed our enrolment patterns, resulting in a more complex process for managing enrolment targets. It has also had an impact on the administration of registrations.

Our strategic response

In 2019, we averted interruptions to the academic year by harnessing effective communication among staff and students, and keeping them informed of developments around financial aid.

Fee regulation by the DHET

The Department of Higher Education and Training (DHET) has recommended the tuition fee increases which Council took into consideration in their decision-making for two consecutive years. During November 2018, the department has requested a tuition fee increase of 5,3% for 2019 and again during December 2019 a tuition fee increase of 5,4% for 2020.

Strategic matter affected: financial sustainability (enabler no 4)

Capitals affected: financial, intellectual, human

Risks involved: 1 – refer to page 34

Effect on value creation

Fee regulation could put our financial stability at risk if the permitted increases do not reflect our costs. This may ultimately affect the quality of the services we provide. Regulations of this kind have the potential to erode the autonomy of universities.

Our strategic response

We have a multipronged strategy to maintain our financial stability. This entails identifying opportunities to increase our income, for instance extending our continuing education offering and focusing on fundraising activities.

Our strategy further includes managing our budget process, improving operating cost efficiency and diversifying our income streams, for example by implementing new third-stream income projects in our faculties. We also aim to participate in the modelling of the future funding design for higher education, contributing in a positive way.

National call for curriculum change and transformation

National and global trends continue to influence the higher education sector. Driven by phenomena such as the Fourth Industrial Revolution (4IR), the changes have further highlighted the need for innovative transformation to ensure that higher education remains relevant.

The NWU embraces the challenges and opportunities arising from political and economic shifts, the changing requirements for excellence in university teaching and the necessary evolution of the university curriculum.

Strategic matter affected: teaching and learning (goal no 1)

Capitals affected: intellectual, human, social and relationship, manufactured, financial

Risks involved: 2 and 3 – refer to page 34

Effect on value creation

Changes in the methods used to deliver academic programmes. Changing requirements from the world of work, potentially influencing our sought-after graduate attributes. Possible disruption of academic activities, in particular contact sessions, in the face of political stressors.

Our strategic response

We continue to heed to calls for decolonisation and Africanisation of our curricula, focusing on enhancing blended learning opportunities for our students and addressing matters such as equity at the NWU. (More information is available in our report on transformation on page 31.)

To further mitigate the risk of potential disruptions, we have developed the capacity to offer our modules off-campus through our Learning Management System and appropriate technology.

The NWU has also started revising the Teaching and Learning Strategy to address the challenges and needs of curriculum transformation and renewal, as well as the graduate attributes needed for the future world of work.

National call for greater access to universities

The NWU continues to strive to widen access to as many qualifying students as possible. We focus especially on the science, commerce, engineering and technology-related fields, and also the skills needs of the region the NWU serves.

Strategic matter affected: teaching and learning (goal no 1)

Capitals affected: intellectual, human, social and relationship, financial

Risks involved: 2, 3 and 5 – refer to page 34

Effect on value creation

In our continued pursuit of higher education for the public good, increased access can aid in improving people's lives. Yet access without success is unacceptable and we therefore work towards providing opportunities and experiences to foster students' success. Further expanding our academic and counselling support services and programmes for students is an opportunity to create even more value and increase our intellectual and human capital.

Our strategic response

In 2019 the DHET renewed its approval of 49 extended curriculum programmes (ECPs): 31 in the BSc, 14 in the BCom and four in the BAdmin degrees. Reaching another milestone, we enrolled the first students in the ECP for the LLB degree.

Progress has been made with the development of higher certificates. Senate has approved the development of two higher certificates in theology and pastoral palliative care. Similarly, the respective faculty boards have approved the development of the higher certificates in health promotion, technology education and animal health.

The purpose of these qualifications are both vocational and for access to higher education. The higher certificate in animal health will allow students without endorsement for Bachelor's studies access to the Bachelor of Science in agriculture with animal health.

Reduction in external research funding

Due to the phasing out of the incentive funding of the National Research Foundation (NRF), only newly rated or re-rated researchers still receive this funding and then only for one year.

Furthermore, the rules for NRF postgraduate bursaries linked to SARChI chairs have been altered to cater mainly for female black students. As a result, certain other students have been struggling to obtain funds for their studies.

NSFAS cuts have also led to a reduction in postgraduate funding. Compounding this, THRIPP funding is no longer available and researchers who previously made use of this funding mechanism are facing challenges in securing funding.

Strategic matter affected: research and innovation (goal no 2)

Capitals affected: financial, intellectual, human, social and relationship

Risks involved: 3 and 7 – refer to page 34

Effect on value creation

The reduction in external research funding may reduce our research productivity and negatively affect the status of the university in national and international benchmarks.

Our strategic response

More than R2 million from our strategic funds was made available to all NRF-rated researchers across the eight faculties to assist them in their research activities and compensate to some degree for the loss of NRF incentive funding. The NWU bursary office has also provided some funding to faculties to partly fund postgraduate students.

Shortage of academic staff

We realise that the pool of academic staff in South Africa, especially from designated groups at levels such as the professoriate, is limited.

Strategic matter affected: teaching and learning (goal no 1)

Capitals affected: intellectual, human, social and relationship, financial

Risks involved: 2 and 3 – refer to page 34

Effect on value creation

We strive to recruit the most suitable academic staff to ensure the best value possible for our students (through excellent teaching and learning) and the community (through ground-breaking research and sustainable community engagement).

Failing to attract sufficient high-calibre people may negatively affect our core business capacity and create an overreliance on temporary staff.

We have been experiencing challenges with the appointment of professionally qualified employees, especially professors, from the designated groups. A lack of diversity may also hamper service delivery in our core business, particularly our language capacity and our ability to realise our commitment to functional multilingualism.

Our strategic response

Line managers are developing strategies to improve the representation of employees from designated groups. These strategies also explore ways to fast-track professionally qualified academics from designated groups.

For our workforce as a whole, we use our talent management strategy to enable staff to build successful and satisfying career paths at the NWU. By offering incentives and professional development, we attract and retain key talent, especially in scarce skills areas. We also use the individual remuneration review process to achieve fair pay, and we have a strategy to attract and retain black academics in particular.

State funding

Additional state funding was made available as part of the block grant from the DHET. However, this amount, coupled with the lower-than-required increase in tuition fees, does not fully cover higher education inflation in the long run, and in fact represents a decline in state funding in real terms.

Strategic matter affected: staff profile (goal no 5)

Capitals affected: human, financial, intellectual

Risks involved: 1, 3 and 8 – refer to page 34

Effect on value creation

We will not be able to fund all strategic activities due to budget constraints, but the funding provided by the state does contribute to financial stability in the short and medium term.

Our strategic response

We will have to prioritise wisely when allocating the funds available.

Low-growth economy inhibits commercialisation

Poor economic conditions limit the availability of early-stage, seed and venture capital funding for NWU start-ups and reduce private sector appetite for licensing our intellectual property (IP) and technology.

Strategic matter affected: research and innovation (goal no 2)

Capitals affected: financial, intellectual, human, social and relationship

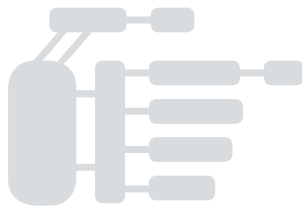
Risks involved: 3 – refer to page 34

Effect on value creation

Low uptake of our IP and technologies in the marketplace would result in a loss of potential income and reduced licensing and spin-off activity.

Our strategic response

In order to secure funds, we continue to develop and maintain relationships with funders. We also regularly engage with industry to understand their needs and challenges so that we can propose research topics that are beneficial to them.



Challenges in recruiting international students

Stricter visa requirements for international students and intensified competition among universities for candidates well suited to postgraduate study make it more difficult to recruit students from the Southern African Development Community (SADC) and other African countries. The DHET requirement that the NWU should prioritise South African students for postgraduate studies could also be an inhibiting factor.

Strategic matter affected: research and innovation (goal no 2)

Capitals affected: financial, human, social and relationships

Risks involved: 3 – refer to page 34

Effect on value creation

The number of international students enrolled at the NWU has decreased from 6% of the total cohort of postgraduate students in 2016 to about 4% in 2019. This may lead to lower global rankings.

Our strategic response

We are making a greater effort to recruit more international students, such as by opening global engagement offices on all three campuses to assist with the administration of international students. Previously, only the Potchefstroom Campus had such an office.

Rapidly changing societal roles/ views/perceptions

Society's perception of race, gender, culture, sexuality, religion, industry trends, technology and accessibility is constantly evolving.

Strategic matter affected: development of a clearly differentiated student value proposition (goal no 4)

Capitals affected: human, social and relationship, financial

Risks involved: 2 and 5 – refer to page 34

Effect on value creation

An inability to recognise and adapt to changing societal norms and standards creates the risk of delivering a student experience that might not be appealing and valuable to current and prospective students.

Our strategic response

A continuous process of refining the student governance model and feedback mechanisms ensures effective consultation processes. This allows for proactive engagement and responsiveness to change, thus maintaining a relevant and valuable student experience.

Possible social instability in the higher education sector

Possible social instability in the higher education sphere could influence our students and may result in messages and decisions within the university being received with scepticism and unwarranted resistance.

Strategic matter affected: development of a clearly differentiated student value proposition (goal no 4)

Capitals affected: human, social and relationship, financial

Risks involved: 2 and 5 – refer to page 34

Effect on value creation

This challenge may increase possible resistance among our stakeholders to NWU messages and could cause delays in the implementation of decisions.

Our strategic response

We constantly enhance our communication and improve our consultation processes.

Our business model and value chain



In this section, you can read how we use and transform our capitals to create value for ourselves and our stakeholders through the input, activities, outputs and outcomes in our value chain – all regulated by Senate.

The functions of the NWU Senate are mainly related to our core business, which in turn comprises important aspects of our value chain. That is why we present the Senate report in the format of our business model diagram, followed by a discussion of our value chain.

These photographs show how our business model supports our student life cycle.

Of the 63 671 students enrolled in 2019 (part of our input), 12 536 were first-time entering undergraduate students.



In line with our dream to promote an ethic of care, we offer a wide range of support services to assure our students's academic success and financial, physical and psychosocial well-being.



When our students graduate, we want them to be ready to enter the labour market as highly qualified, skilled people (part of our outputs) who are able to contribute to the economy of South Africa (part of our outcomes).

The image features a central purple diamond shape with a white border, containing the text 'NWU Business model'. This diamond is part of a larger graphic composed of overlapping purple and teal diamond shapes, all with white borders, set against a light gray background with faint horizontal lines.

NWU

Business model



INPUT

1 376



Schools reached by our student recruiters through direct marketing campaigns and activities

(social and relationship capital)

12 536

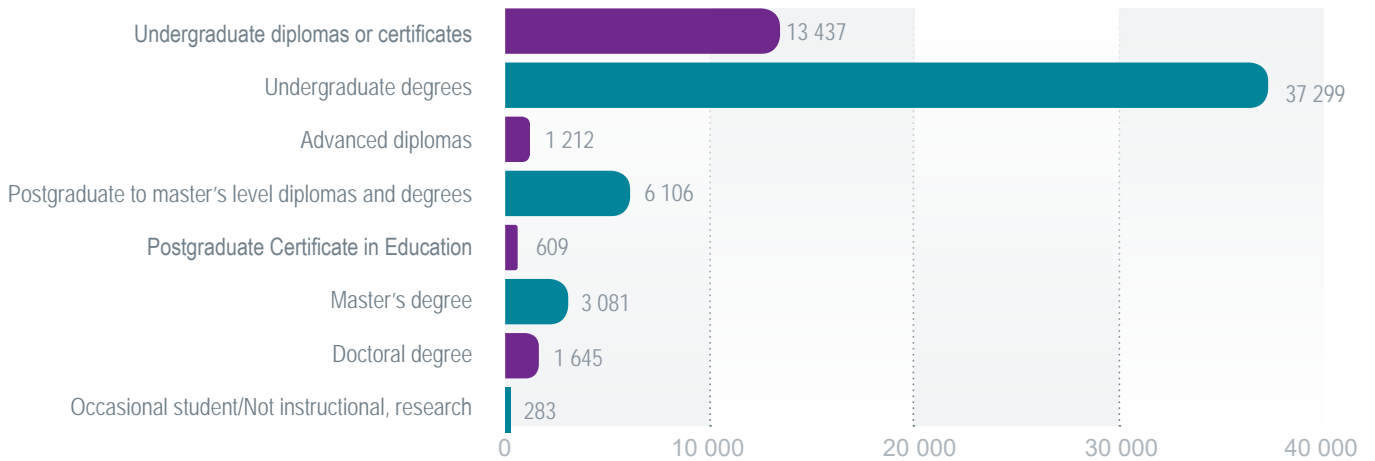
First-time entering undergraduate students

(human capital)

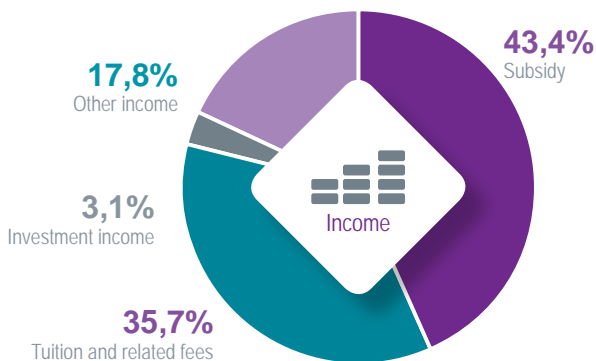


Number of students per qualification type (human capital)

Total: **63 671**



Budget (financial capital)

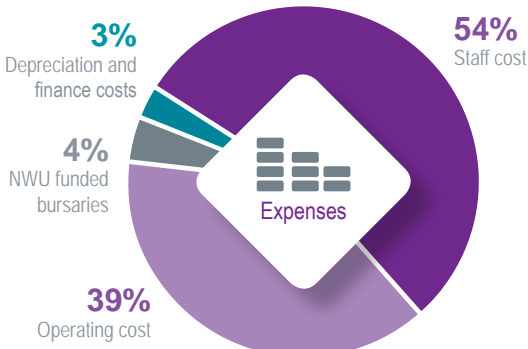


R273 million

Spent on infrastructure
(manufactured capital)

17,6%

Increase in net assets



1 110 hectares

The total area occupied by the university's campuses
(natural capital)

445 945 square metres

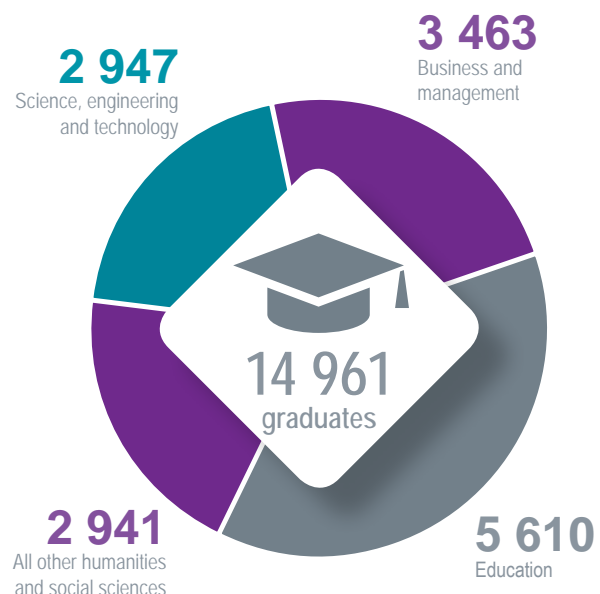
The total usable floor area of the NWU

Academic and support staff (human capital)				
Personnel category	Permanent	Temporary	2018	2019
Crafts/trades	👍		29	23
		👍	0	0
Executive/administration/management professional	👍		84	90
		👍	8	5
Instructional/research professional	👍		1 547	1 575
		👍	417	450
Non-professional administration	👍		1 280	1 289
		👍	3 531	3 755
Service	👍		329	327
		👍	37	40
Specialised/support professional	👍		488	522
		👍	258	229
Technical	👍		238	251
		👍	59	50
Grand total			8 305	8 606



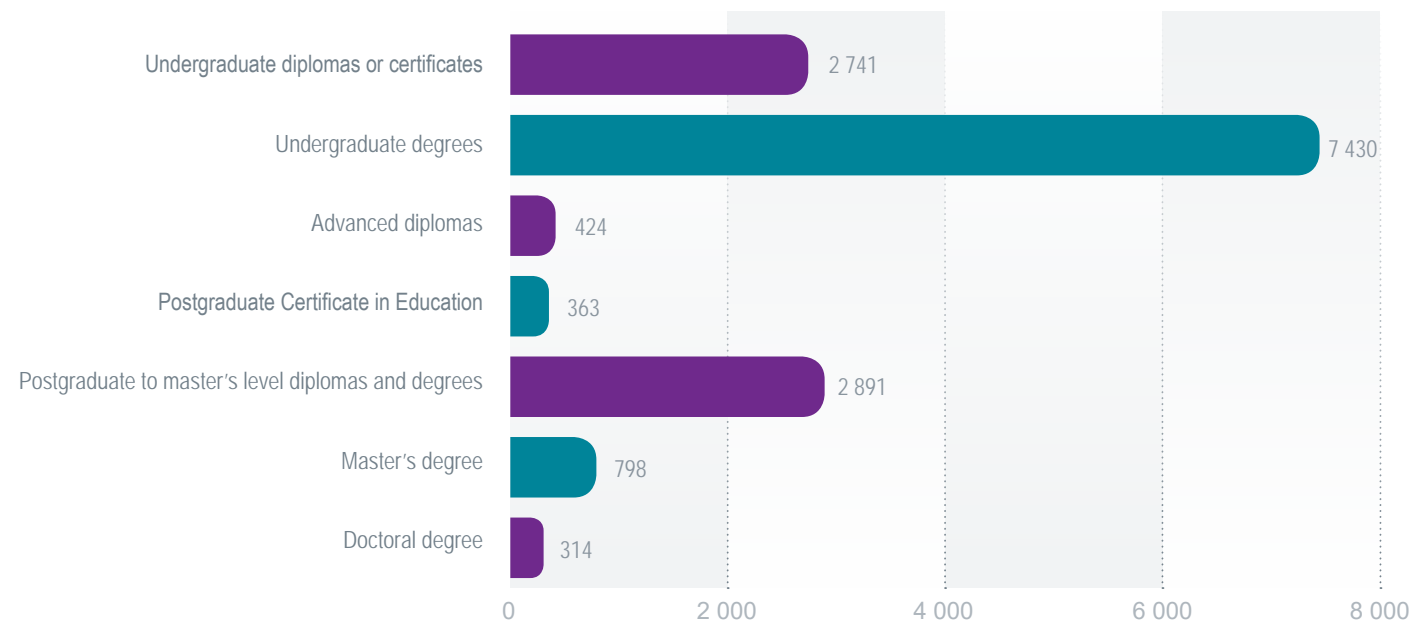
OUTPUT

Graduates: educational subject matter distribution (human capital)



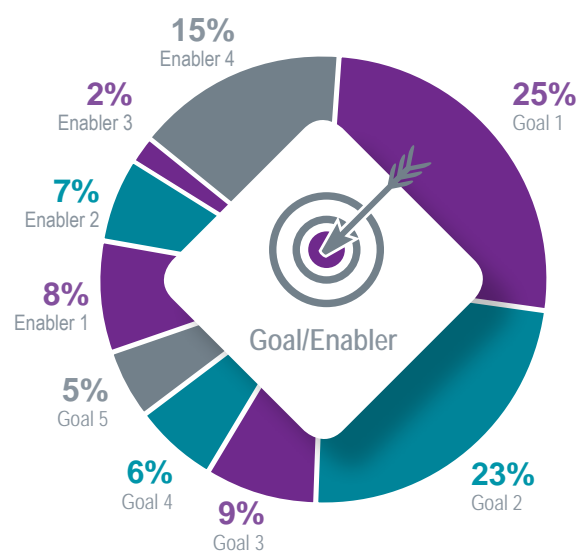
Number of graduates per qualification type (human capital)

Total: 14 961



ACTIVITIES

Spending according to the Annual Performance Plan (financial 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 (Develop best-in-class information and communications technology to support the core business), Enabler 3 (communication and stakeholder engagement); Enabler 4 (financial sustainability)

Student support activities
academic support, health care, and cultural and sport activities (See page 54)

Staff development activities
(intellectual capital) (See page 55)

Conducting research
(intellectual capital) (See page 50)

Community engagement
(social and relationship capital) (See page 59)

Presenting over 1 400 academic programmes (intellectual capital)

53,7%
Number of graduates who completed their studies in minimum time

R208 million

The university, from its own resources, contributed R208 million or 10% of the total funds allocated for financial aid

Collaboration (social and relationship capital)

We had slightly more than 1 800 active agreements and memoranda of understanding, of which 240 were signed during 2019

97,45 %
Success rate of the NWU merit bursary holders

Financial sustainability (financial capital)
R968,4 million

Net surplus for 2019 as reflected in the consolidated statement of comprehensive income

Research output 2018 (intellectual capital)

Journal articles	1 173,05
Conference proceedings	133,38
Books	131,85
Total article equivalents published	1 438,28
Master's degrees conferred	753
Research master's	526,66
Research master's weighted	526,66
Doctoral degrees conferred	248
Doctoral degrees weighted	744
Total weighted research output	2 708,94
Postdoctoral fellows	215
Publication units per permanent academic staff member	0,94



OUTCOME

The latest rankings by the Center for World University Rankings (CWUR) indicate that the NWU is indeed climbing up the ladder of world-ranked universities.

The NWU improved its ranking by close to 100 positions, moving from position 964 to 869, which places it among the top 4,8% of the approximately 8 000 universities evaluated worldwide.

The external environment (see page 7) sets the context in which we use our business model to create value.

NWU value chain: value creation through an ethic of care

Our value-creation story is about empowering people to discover their strengths and develop their skills. In other words: we invest in them because we care (our input), we create value for them so that they can grow and thrive (our activities), and enable them to become critical, conscious thinkers (our output) so that they can eventually be an asset to society (our outcome).

Throughout our value chain, we access, use and transform **our capitals**. For instance, as part of our input, we use our sources of income (financial capital), our skilled staff members (human capital), buildings and equipment (manufactured capital) and our academic programmes (intellectual capital) to create value for our students (human capital).

During our daily **activities**, for example our community engagement initiatives, we reach out to communities, thereby strengthening our social and relationship capital. Our research results (intellectual capital) are part of our **output**. As a result, we build good relationships with the outside world, thereby increasing our social and relationship capital.

We apply these results to find solutions to problems in society and in our country, thereby changing lives and creating a better future for people, which is part of our **outcomes**.

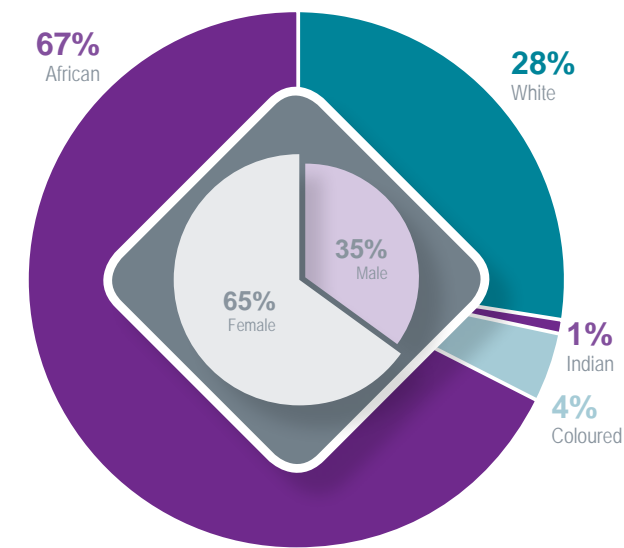
Our value chain also depends on the responsible use of our natural capital. In fact, all our capitals are based on the availability of natural resources. We need water, for instance, to sustain the lives of our staff and students (human capital) and land to build on (manufactured capital).

In the following discussion of our value chain, you will see how we draw on our various capitals as inputs and, through our activities, convert them to outputs and outcomes.

Input – Investing with confidence and care

Our students

Our student body is an invaluable input into our value chain. The image below shows the composition and size of the student body in 2019.



In the following table you can see how our student enrolment figures compare with those of other higher education institutions in South Africa (based on 2018 audited Higher Education Information Management System [HEMIS] data).

Institution	Total
University of South Africa	373 979 (only distance students)
Tshwane University of Technology	65 920
North-West University	61 212
University of Johannesburg	50 786
University of Pretoria	50 431

As a result, we build good relationships with the outside world, thereby increasing our social and relationship capital.

NWU
Business model

Student recruitment

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

Our student recruiters visited 1 376 schools through direct marketing campaigns and activities. Our undergraduate recruiters reached a potential pool of 69 545 bachelor's degree candidates through their efforts.

These support and development programmes are ongoing and focused, enabling students to achieve academic success (see page 54). This is in addition to programmes designed to cultivate and nurture key leadership and other critical skills that serve students when they enter the labour and employment market or become innovative job creators and entrepreneurs.

Broadening access to studies at the NWU

While the NWU continues to work diligently to find ways to broaden access to university programmes, access is subject to the university mandate, admission requirements, enrolment targets, budget allocations, faculty capacity and sufficient student support capacity.

Our staff

Another important input into our value chain is our staff complement. In 2019 we had a total of 4 077 permanent staff members, compared to 4 005 in 2018.

The following table shows how our number of permanent academic staff compares with those of other South African higher education institutions (based on 2018 audited HEMIS data):

Institution	Total
University of South Africa (Unisa)	1 844
North-West University	1 531
University of KwaZulu-Natal	1 339
University of Johannesburg	1 276
University of Cape Town (UCT)	1 211
University of Pretoria	1 205
University of the Witwatersrand (Wits)	1 185

Access to financial aid

The R2 billion that the NWU's Financial Aid offices administered in 2019 comprised mostly government funding (in addition to other funding) and also a sizeable amount from the university's own funds.

Government funding accounted for 75% of the total amount for bursaries and amounted to R1,52 billion, including Funza Lushaka bursaries administered by NSFAS. A sum of R86 million was outstanding from NSFAS at year end which, once received, will increase government's contribution to 79% of the total amount for bursaries.

Our contribution to student bursaries came to R208,8 million, which is 10% of the total funds allocated for financial aid. By supporting needy students, we create value for them, which in turn increases the value of our human capital. This assistance also supports our strategy (committing ourselves to social justice) and our pursuit of the NWU dream (having an ethic of care).

Staff development and support

The NWU's permanent staff, consisting of 4 077 academic and support employees, are a vital input in our value chain, an important stakeholder group and an indispensable part of our human capital.

In the text that follows, we elaborate a little more on how we empower our staff. You can also turn to pages 55 and 56 in the section on how we perform against our strategy to learn more about how we care for our staff.

Student development and support

Our structured and aligned registration and orientation programme aims to create a supportive, welcoming and inclusive university environment, and to equip first-time entering students with the necessary skills to successfully navigate their university career.

We offer academic and non-academic support services such as psychosocial, health, sport and arts and cultural services that develop our students on several levels.

► Academic promotions and awards programmes

Anchored on our strategy to transform and position the NWU as a unitary institution of superior academic excellence, the annual academic promotions process is a recognition programme that endeavours to build academics for the future, while contributing to the fulfilment of the National Development Plan and the Pan-African ideal.

Altogether, 102 academic promotions were approved in 2019, a slight decrease on the 130 approved in

2018. The university strives to create an environment and a framework within which all academic employees can realise their true potential.

There was a slight increase of 3,2% in the promotion of black academics to the level of senior lecturer from 2018 to 2019. The aim is to increase the level of seniority among our academic employees, with specific focus on strategies to attract and retain black academics in the professoriate at our university.

▷ Caring for our staff

Owing to South Africa's small academic skills pool, universities compete with each other for talent, especially for academic staff.

Our strategy to compete effectively includes ensuring we keep our employees engaged by creating an environment that is underpinned by an ethic of care. This response relates to risk cluster 3 (academic matters), and specifically the challenge of recruiting and retaining staff.

The biopsychosocial and spiritual wellbeing of our employees is important to us. NWU Wellness nurtures the wellbeing of staff by implementing various wellness programmes and offering management coaching to managers, empowering them to deal with difficult situations.

Organisational wellness interventions and occupational health assessments are geared towards promoting optimal employee health. For team cohesion, we implement team assessments and interventions.

Funding

Research funding

We received the following funds to strengthen our financial capital and to enable us in financing the value creation for research and innovation:

	Awarded
Freestanding bursaries	R14 545 000,00
Freestanding bursaries for travel	R388 570,93
Block grant bursaries	R3 882 000,00
NRF postdoctoral awards	R3 773 235,11
Chairs	R19 385 878,99
Research grants	R25 466 728,52
TOTAL received from NRF	R67 441 413,55

Funding for technology transfer and innovation

The Technology Transfer and Innovation Support Office, which incorporates Fundraising, drew on a wide range of local and international funding opportunities for teaching and learning, research and commercialisation.

General fundraising efforts in 2019 yielded a total of R43 577 500 in grants, donations and bursaries. Nearly all of this was spent on bursaries and nutrition support for needy students.

Funding constraints at the Technology Innovation Agency (TIA) meant that the university received no new funding under the TIA Seed Fund programme in 2019 for innovation projects. However, the Technology Transfer and Innovation Support office is in discussions with the Small and Medium Enterprises Fund (SME Fund) to set up a small pre-seed fund initiative at the NWU in 2020.

International funding

The table below shows the international funding each faculty received during 2019.

International funding for research	Actual as confirmed from faculties
Faculty of Economic and Management Sciences R1 178 944	Confirmed
Faculty of Education R0	Confirmed
Faculty of Engineering R431 596	Confirmed
Faculty of Health Sciences R 7 174 281	R 10 094 850,00
Faculty of Humanities R1 341 652	R 63,360.33
Faculty of Law R5 236 800	R0
Faculty of Natural and Agricultural Sciences R4 567 081	R 6 807 367,64
Faculty of Theology R0	Confirmed
Grand total	R18 576 117

Activities – Creating value: growing and thriving

Our core business is teaching and learning, research and community engagement; while acknowledging that ultimately all activities at the NWU are aimed at creating value in these fields.

Teaching and learning activities

We are committed to achieving continuous improvements in the scope and relevance of our academic offering and the quality and appropriateness of our teaching and learning activities. This is important to further improve student access, retention and success.

The alignment of our academic offering continues. Apart from ensuring external compliance, this enables us to provide academic programmes of comparable quality across all our campuses.

For more information, refer to page 47 in the section on how we performed against our strategy and succeeded in increasing our intellectual capital.

Increasing student access and success

Our Centre for Teaching and Learning (CTL) offers a variety of interventions to enable student retention and success.

These interventions created value for our stakeholders while enabling the NWU to increase our intellectual and human capital. Refer to the section on page 47 about how we performed against our strategy to see how we did this.

Promoting continuing education

Our Unit for Continuing Education (UCE) has a diversified portfolio of short courses that is helping to build a skilled workforce for South Africa.

Focusing on improved growth and profitability, we continue to develop new products.

During 2019, 5 264 candidates participated in 182 short course events.

The UCE has been hard at work extending the short course offering to a distance learning market and an online offering, and we hope to see further developments for these initiatives in 2020. Thus far, eight pilot courses have been earmarked for online learning. The intention is to deploy an innovative and effective online learning ecosystem, develop high-quality multimedia content, manage the success of participants, undertake dedicated instructional design and continually implement emerging technologies.

Improving graduate employability

Improving the employability of our work-seeking graduates is a priority.

We take various steps to produce graduates suited to the market and who, within at least six months of graduating, are either self-employed or in formal employment. More information about these activities, which strengthen our intellectual and human capital, is available in the section on how we performed against our strategy on page 55.

Focusing on academic and professional development

Professional development initiatives empower our academics to be excellent university teachers. These initiatives include workshops, seminars and webinars, the induction programme for new academics, the Teaching Excellence Awards, activities focused on the scholarship of teaching and learning, and the annual Teaching and Learning Conference. All these initiatives help to further develop our staff as our human capital, and through them, our students (also see Teaching and Learning awards on page 19).



see how
we care



Animal Sciences cultivates work-ready students

The NWU is pulling out all the stops to equip our students with skills that will give them an advantage in the job market.

In September 2019, a group of Animal Sciences students gained first-hand experience of what it takes to run a game farm.

Not only did they have to dart a number of sable antelopes and load them onto a vehicle for DNA sampling, they also had to measure the antelopes' horns and check their tracking devices.



Students receive valuable tips about applying the science they are taught at university to a real-life situation.

NWU research entities: Research centres of excellence

Centre of Excellence for Nutrition (CEN)

Centre of Excellence for Pharmaceutical Sciences (PharMaCen)

Centre for Space Research

Centre of Excellence in Carbon-based Fuels

Hypertension in Africa Research Team (HART)

Research chairs

DST/NRF Research Chair in Astrophysics and Space Physics (SARChI)

DST/NRF Research Chair in Coal Research (SARChI)

DST/NRF Research Chair in Biofuels and Other Clean Alternative Fuels (SARChI)

DST/NRF Research Chair in Nuclear Engineering (SARChI)

DST/NRF Research Chair in Early Detection and Prevention of Cardiovascular Disease in Africa (SARChI)

DST/NRF SA-NAM Bilateral Research Chair in Astronomy and Astrophysics (SARChI)

DST/NRF Research Chair in Cities, Law and Environmental Sustainability (SARChI)

ESKOM EPPEI Specialisation Centre for Emission Control

UNESCO Chair on Multimodal Learning and OER (Open Educational Resources)

World Trade Organisation Chair (WTO)

Research activities

Our research activities revolve mainly around our research entity model, consisting of 12 research chairs and 48 NWU research entities (compared to 39 in 2018).

The 48 research entities consist of five centres of excellence, 10 research units, 13 research focus areas, 12 research niche areas, seven hosted entities and one commercial research unit.

Our research entities are regularly evaluated to ensure they continue to create maximum value for our stakeholders. The evaluations were postponed in 2019 as the restructuring of the NWU into a unified university was still under way.

During the restructuring process, substantial differences in the research approaches of the three campuses became apparent, necessitating comprehensive realignment to ensure a coherent and unified research strategy and more efficient and effective research activities.

A full list of NWU research entities and other hosted entities is available here:



For online viewing,
click on the QR code.

Outputs – Going for gold: critical, conscious thinkers

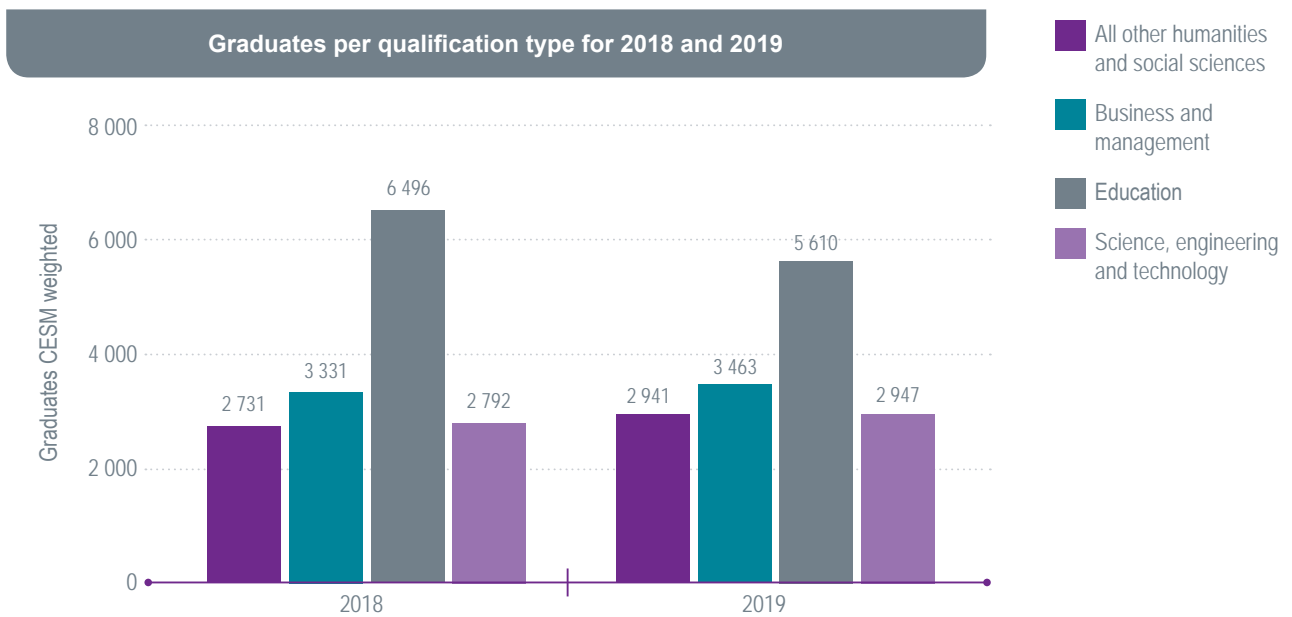
Teaching and learning output

Our contact success rate has stayed at a consistent 85% over the past three years and we had a contact undergraduate graduation duration factor of 1,13 in 2019, the same as in 2018.

Our student-to-academic staff full-time equivalent (FTE) ratio is 31,93: 1 (32,22: 1 for 2018), meaning that one academic staff member is available for every 32 full-time equivalent students.

Our first-time entrant dropout rate for contact degrees increased from 9% in 2018 to 10,8% in 2019. While this is an increase, the rate remains low and shows that our investment in academic support is yielding substantial value.

The following graph shows the number of graduates per field of study for 2018 and 2019.



The following table shows how our number of graduates compare with those of other South African higher education institutions (based on 2018 audited HEMIS data):

Institution	Total
University of South Africa	52 318
North-West University	15 350
Tshwane University of Technology	13 875
University of Pretoria	13 292
University of Johannesburg	13 722

Teaching and learning awards

Each year, we acknowledge and celebrate the exceptional output of our academic staff in teaching practices and innovation by hosting a Teaching and Learning Excellence Awards event.

These awards provide excellent role models for students and other academics and are presented in three categories: Emerging Teaching Excellence Award, Teaching Excellence Award and Distinguished Teaching Excellence Award.



The recipients of the NWU's Distinguished Teaching Awards are Prof Juaneé Cilliers and Prof Alfred Brunsdon. They were honoured during the NWU's Institutional Teaching Excellence Awards ceremony on 14 March 2019.

Research output

Improving our research and innovation output entails considering both the quantity and the quality of research outputs, including the training of students, publications in peer-reviewed journals and presentations at accredited conferences.

The following table confirms that the quality and quantity of research at the NWU continues to improve.

Research output 2018 (intellectual capital)	
Journal articles	1 173,05
Conference proceedings	133, 38
Books and chapters	131,85
Total article equivalents published	1 438,28

Master's degrees conferred	753
Research master's	526,66
Research master's weighted	526,66
Doctoral degrees conferred	248
Doctoral degrees weighted	744
Total weighted research output	2 708,94
Postdoctoral fellows	215
Publication units per permanent academic staff member	0,94

Read more about our research output on page 50 in the section on how we create value against our strategy, thereby strengthening our intellectual capital.

Weighted research output per academic staff member, 2018

The table below, based on 2018 audited HEMIS data, shows the weighted research output per academic staff member at nine major South African universities. The NWU is ninth in the sector.



Research and innovation excellence awards

We celebrate our researchers' hard work and exceptional output through our annual research and innovation excellence award ceremony, held towards the end of the academic year.

Prof Marius Nel from the Faculty of Theology was named the Most Productive Researcher of 2019, while Prof Martinette Kruger from the Faculty of Economic and Management Sciences was the Most Productive Junior Researcher.

The Most Productive Research Entity was the Unit for Reformational Theology and the Development of the South African Society.



Prof Marius Nel received the award for the most productive researcher.

Outcomes – An asset to society, because we care

The first links in our value chain are our inputs and activities, as discussed in previous sections of this report. The next stage of the value chain consists of our outcomes, which are intended to create longer term value.

This future focus means that sustainability is an integral element of our outcomes. After we have taken care of immediate and medium-term needs, there must be sufficient capitals left to use for future value creation.

Financial stability is a good example of an outcome that supports our sustainability. When the NWU is financially stable, we are in a position to generate other outcomes, such as delivering skilled graduates to enhance the knowledge economy of the country. Sustainable financial stability is a factor of our external environment and risk cluster 1, as it is influenced by uncertainties in the higher education environment (see page 8).

Our research output is also an outcome. It strengthens our reputation (another outcome) so that we can attract

high-quality scientists, further building our human capital and ensuring our future sustainability. This leads to another outcome in the form of solutions to real-life problems that leverage our research and innovation results.

The third leg of our core business, namely community engagement, also creates outcomes by empowering people to improve their lives in a sustainable way.

PROF DAN KGWADI
CHAIRPERSON OF SENATE



see how
we care



NWU ups the fight against six rare diseases

Diagnosing a rare disease soon after birth can, for some, mean the difference between life and death in the long run.

The Centre for Human Metabolomics, together with a leading American biotechnology company, has developed a diagnostic test that drastically cuts the time it takes to receive test results for lysosomal storage disorders (LSDs).

Diagnostic testing for six rare diseases was previously only performed at European and American laboratories and it took as long as six to eight weeks to get results. Now, using a single dried blood spot sample, the CHM Laboratory in Potchefstroom and its partner, Sanofi Genzyme, can have test results available within two weeks. What's more, the testing is done in South Africa.

LSDs comprise about 50 genetic disorders and almost 80% of patients diagnosed are children

(although the number of adult patients referred has also been increasing steadily). The six rare diseases are Gaucher, Niemann-Pick A/B, Pompe, Fabry, MPS I and Krabbe disease.



Prof Chris Vorster, director and chemical pathologist of the Centre for Human Metabolomics, says their diagnostic services make a valuable contribution to the South African community.

Our vice-chancellor's review



Introduction: Looking at 2019

2019 was a period of consolidation of our new operating model and the completion of our organisational restructuring. The restructuring followed on the adoption in 2015 of our strategy to move towards a more unitary structure and institutional culture.

We have since commenced with our staff and student initiatives to align our institutional culture to our strategy.

We continued with our leadership development project during 2019, seeking to promote cross-functional co-operation between divisions and departments to achieve more effective organisational outcomes. Other priorities were to align values to strategy and key objectives, and to synergise strengths across the senior management team in a complementary fashion.

After adopting a new language policy in 2018, we spent much of 2019 developing plans to implement this policy. It is what we call a functionally multilingual policy and views the many languages that our staff and students bring to the institution as a positive advantage rather than an obstacle to overcome. Our policy promotes the development of our

indigenous African languages as languages of the academy and instruments to support student learning.

Our students performed well in their studies during the year: at graduation ceremonies, a total of 14 961 students received qualifications.

We maintained our financial stability during 2019 despite the economic challenges, both nationally and globally. We did this by focusing on the balance sheet and increasing our reserve funds. A consequence is that we remained one of the most affordable universities in the country. Due to the extension of fee-free education, the number of our students funded by the National Student Financial Aid Scheme (NSFAS) increased.

In the section on how we create value through performance, you will find more detail about our performance against the targets set in our 2019 Annual Performance Plan. Please refer to pages 46 to 83, and as well as Annexure 1 on page 108 of this report.

The following activities deserve special mention:

Our managerial and administrative activities

As already mentioned in this integrated report, all our activities are geared towards value creation for ourselves and our stakeholders, by deploying our six capitals in support of our strategy.

The appointment of new senior executives and administrative staff members strengthened our human capital – see page 95 in the section on governance supporting value.

Our various managerial and administrative activities contributed to our organisational learning and our intellectual capital. You can read more about how these aspects relate to teaching-learning and research in the section about our business model and value chain (pages 14 to 21).

The sections detailing our strategy (pages 41 to 45) and our performance (pages 46 to 83) contain information about other support departments and operations.

Adequacy of staffing levels, particularly in critical areas

We want to fulfil our dream of being an internationally recognised university, and to do that we need talented, energised, committed and passionate staff with high skills levels and a mind-set of innovation.

Competition for talent in the higher education sector was a challenge in 2019, which we addressed through strategic workforce planning, talent attraction and management,

recruitment, optimal management of remuneration, training and development and performance management.

Strengthening our positioning as an employer of choice, we have developed a scarce and critical skills programme to attract and retain the talent required. The programme has already been implemented in the academic environment and in 2019, we commenced roll-out in the support environment.

The total staff headcount stood at 8 606 in 2019, up from 8 305 in 2018. As the following table shows, this growth is mainly in the support environment, while the academic pool remained stable. In 2019, we prioritised growth in academic posts.

Total staff headcount – 2018 vs 2019						
Classification	Permanent		Temporary		Total	
	2018	2019	2018	2019	2018	2019
Academic	1 531	1 575	342	450	1 873	2 025
Support	2 474	2 502	3 958	4 079	6 432	6 581
Grand total	4 005	4 077	4 300	4 529	8 305	8 606

The overall attrition rate is 6,36, well within our projected attrition rate of under 10%.

Realising equity targets in the workplace

Various governance oversight committees regularly monitor our progress towards achieving our employment equity targets. The two main ones are the People and Culture and Employment Equity Committee and the Transformation Oversight Committee, both of which are committees of Council.

In 2019, greater efforts were employed to attract employees from the designated groups to the university. We achieved a 66% success rate in the new appointment category and 51% in the internal transfer category. This was across both the academic and support environments.

Our current employment equity plan runs from January 2016 to December 2020. The targets and outcomes for 2019, cascaded from the plan approved by Council on 28 September 2018, are shown in the following table:

2019 NWU employee profile based on HEMIS											
Occupational level	Male				Female				Male	Female	Grand total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Foreign national		
Permanent staff total, fourth quarter	755	108	2	782	696	144	33	1 327	33	9	3 915
% of total NWU workforce	19,3%	2,8%	0,7%	20,0%	17,8%	3,7%	0,8%	33,9%	0,8%	0,2%	100,0%
2019 EE target %	826	140	42	829	798	182	47	1 381	30	8	4 283
2019 EE target %	19,29%	3,27%	0,98%	19,36%	18,63%	4,25%	1,10%	32,24%	0,70%	0,19%	100,00%

The quality of information available to management

The Unit for Integrated Planning and Strategic Intelligence seeks to provide management reports that are clear, accurate and timely, and also custom-made for the intended reader.

In 2019 we implemented faculty dashboards at the click of a button that give faculties an overview of their staff and student profile, and research and academic performance.

We also compiled an integrated dashboard to benchmark the provision of resources across the different academic disciplines and across campuses.

We need high-quality, trustworthy information to plan and make decisions that are crucial for our daily operations and the future sustainability of our university. This information is collected from different sources across the university and then integrated and stored so that it can be drawn when needed.

We also see a need for better data mining and modelling to enhance decision-making. With the introduction of fee-free higher education in its current format, it is important to track the academic performance of the new cohorts of students entering higher education.

Long-term financial sustainability is another priority, and so we are focusing strongly on financial viability modelling and scenario planning.

Student services and co-curricular activities

In line with our dream to promote an ethic of care, we want the NWU to be a home away from home for all our students. We offer various support services and co-curricular activities to encourage a sense of belonging, develop well-rounded students and celebrate their inherent diversity.

For more information about our academic support activities for students, turn to the section on how we create value through our performance on page 47.

Co-curricular activities are a valuable part of our students' overall university experience and complement their academic pursuits. There are more than 80 sporting, social, arts and cultural, religious and charitable student organisations at the NWU.

Through our student support services and vibrant residence life, we encourage our students to become involved in these activities so that they can develop essential skills

in leadership, project management, fundraising, teamwork, social responsibility and cultural integration.

Our campus health centres and Student Counselling and Development units offer free medical services to students, whose physical and psychosocial health remains paramount. Besides organising awareness campaigns on HIV and AIDS, gender-based violence and LGBTQIA+ rights, among others, we offer our students various counselling and social welfare services, following a holistic and multidisciplinary approach.

Changing patterns in the provision of academic courses

In 2019, we had 63 671 students enrolled at our three campuses. Female enrolments increased slightly from 39 963 to 41 350, while male enrolments, at 21 249, were much the same as in 2018.

We experienced over-enrolments in the faculties of Natural and Agricultural Sciences, Humanities and Health Sciences, but were largely on target in the faculties of Law, Theology, Education, Economic and Management Sciences and Engineering.

We remain committed to our strategy of enrolling more students in the fields of science, engineering, technology and commerce, and are making steady progress in this regard.

Qualification and academic programme development continued to receive significant attention. During 2019, Senate approved a number of new qualifications, the extension of qualification offerings to other campuses and the addition of new programmes under existing qualifications. In the School of Languages, a process of consolidating the undergraduate degree programmes has commenced on the Potchefstroom and Vaal Triangle campuses and would be extended to the Mafikeng campus in 2020. Of these Senate-approved applications, campus extensions, additional CESMS and new qualifications were approved by the DHET.

Although most approvals were in the fields of education, health sciences and natural and agricultural sciences, there were programme approvals in all eight faculties. One of the positive effects of this is that all three campuses now offer the BEdHons in business science education, BSocSc, MA in political studies, MTh, MSc in crop science and MSc in environmental sciences.

Several new and unique qualifications were accredited. These were the MEd in environmental sciences, three-year BA in language technology, BEng in mechatronic

engineering, MHS in occupational hygiene through research and BComHons in agricultural economics.

In terms of distance applications, we added the AdvDip in school leadership and management, AdvDip in intermediate phase mathematics education, PGDip in special needs education, PGDip in engineering infrastructure management and BThHons.

Self-assessment of our achievements

Based on the facts and figures presented above, we are confident to state that we have succeeded in our upward trajectory as a university in regard to our core activities of teaching and learning, research and innovation and community engagement. Further details to substantiate our claim are also set out elsewhere in this report, for instance in the highlights on page 5 and in our business model on pages 11 to 13.

These accomplishments demonstrate the focused commitment of our executive team in working towards achieving

our long-term strategic goals and the objectives in our Annual Performance Plan.

We report substantial success in the section on our performance against our strategy on page 46 and in our performance assessment report on page 108.

Looking to the future

Our future focus will be on the opportunities and risks posed by the Fourth Industrial Revolution. We will develop and implement a digital business strategy to respond to the disruptors that the higher education sector is experiencing. Doing this while retaining a vibrant campus life is a key aspect of our student value proposition.

We continue to be driven by our core values, an ethic of care and a commitment to social justice. We will focus on the need to develop more sustainable sources of income to maintain our competitiveness as an employer and ensure our financial future.

The support that we receive from all of our stakeholders gives us confidence that we will succeed.

“We continue to be driven by our core values, an ethic of care and a commitment to social justice.”

- Prof Dan Kgwadi, Vice-Chancellor



see how we care



Among top SA universities in rankings

Because we care about creating the best value possible for our stakeholders, we strive towards excellence in all we do. As a consequence, the NWU is regularly ranked among the top universities in South Africa.

This was also the case with the rankings announced by the Times Higher Education (THE) World University Rankings in November 2019.

Overall, the NWU was ranked in fifth position in South Africa, a remarkable achievement as this was the first time the university appeared in THE's rankings.

Globally we were ranked in the 501 to 600 band. In all, 1 396 universities were evaluated for the 2020 rankings.

NWU 5th in SA



www.thewur.com

Meet our management members



Prof Dan Kgwadi
Vice-Chancellor and Principal



Prof Marlene Verhoef
Registrar



Prof Linda du Plessis
Vice-Principal and Deputy
Vice-Chancellor: Integrated
Planning and Vaal Triangle
Campus Operations



Prof Robert Balfour
Deputy Vice-Chancellor:
Teaching and Learning



**Prof Refilwe
Phaswana-Mafuya**
Deputy Vice-Chancellor:
Research and Innovation



Prof Marilyn Setlaleto
Deputy Vice-Chancellor:
Community Engagement and
Mafikeng Campus Operations



Prof Daryl Balia
Deputy Vice-Chancellor:
Information Technology
and Potchefstroom
Campus Operations



Ms Elmarie de Beer
Executive Director:
Finance and Facilities



Dr Mala Singh
Executive Director:
People and Culture



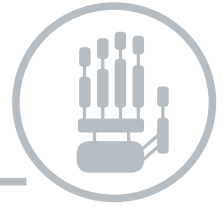
Mr Clement Manoko
Executive Director: Corporate
Relations and Marketing



Dr Sibusiso Chalufu
Executive Director:
Student Life

PROF DAN KGWADI
VICE-CHANCELLOR

How we engage with our stakeholders



Creating value for ourselves and our stakeholders

We are encouraged by our stakeholders' continued interest and involvement in the university's initiatives in various sectors of society.

Therefore, we have recommitted ourselves to direct our engagements towards more inclusivity and responsiveness when it comes to understanding our stakeholders' environments and needs. We do this as a result of our full appreciation of the value that we consistently derive when we work in collaboration with our stakeholders.

In response to the stakeholder feedback during 2019 regarding our engagement activities, we have introduced a range of direct and indirect engagement platforms including new interactive media targeting various stakeholder groups.

Our view of strategic stakeholder engagement is that it is an area that requires continuous improvement. To this end, we anticipate to conclude follow-up surveys during 2020 and implement recommendations accordingly.

How we react to our stakeholders' interests and expectations

We have many stakeholders, ranging from prospective students and their families to communities around our campuses, but in this report we are focusing on our key stakeholders. These are our prospective and current students, employees, alumni, donors, industry and the business community.

When we engage with our stakeholders, they raise matters that are of particular importance to them and to us. The following tables show their key interests and expectations and how we react to that.

Stakeholder group	
Prospective students	
How we engage	Issues raised (material matters)
<ul style="list-style-type: none"> ◆ Open days ◆ Visits to schools ◆ Sports sponsorships ◆ One-on-one and group career advice sessions ◆ Marketing (direct and indirect) 	<ul style="list-style-type: none"> ◆ Application for admission ◆ Career choice ◆ Equity of student experience ◆ Requirements for resources for online learning ◆ Safety and security ◆ Language policy
Our response	

We prioritise communication and engagements with prospective students to ensure that they apply and register with us. During 2019, we have reached 1 376 schools via direct and indirect initiatives.

We organised more than 107 marketing events (open days, individual school visits to campuses, career events, sports sponsorships) to promote our brand and recruit prospective students. These initiatives resulted in more than 85 000 applications for admission in various programmes offered by our faculties.

Here is some of the feedback we received from our interactions with prospective students:

“Thank you for hosting our Grade 11 learners on 18 October 2019 for an interactive session in which learners also undertook a career path index which gave them insight as to possible courses the university offers. The event was well planned with the marketing and communications staff well equipped and hands on throughout the day.

“The school thanks the university for the continued relationship and expresses the wish that such engagements could go on in the near future.” – Mr P.J. Molefe: Principal, Letsatsing Science Secondary School

“We thank you for your involvement which started last year when your institution was invited to our Inaugural Agri Teen Symposium. We saw potential in hosting the event at your premises because it has a wonderful agricultural facility fit for the youngsters to gain first-hand experience of the industry.

“We absolutely loved all the demonstrations at the agricultural facilities; the tour was insightful and brought the symposium to life. The learners loved every minute of it.” - Shekinah Media

“It gives me great pleasure to share the feedback of the learners who attended the NWU's June Engineering Week (110 responses received).

“The most important finding is that 92% of the learners gave the week a 4 or 5-star rating. The Ingenium students who presented the Engineering Week were given a 4 to 5-star rating by 96% of the learners who attended the Engineering Week.” – Corneels Schabort, NWU Faculty of Engineering.

Stakeholder group

Current students

How we engage	Issues raised (material matters)
<ul style="list-style-type: none"> ◆ Meetings ◆ Communiques ◆ SMS ◆ Website ◆ Social media 	<ul style="list-style-type: none"> ◆ Equity of experience ◆ Academic offerings ◆ Inequality among students ◆ Requirements for resources for online learning ◆ Safety and security ◆ Language policy

Our response

Guided by our Statute, we recognise formal and informal students' structures as key enablers in terms of communicating views that are crucial for the attainment of shared understanding and values. The various university structures in Student Life as well as governance structures such as the Student Oversight Committee and Institutional Forum are used to share information with students.

Our student-centred portal, eFundi is the primary source of information for current students and it is used extensively as a resource for students and staff information sharing. Students' participation on governance structures such as Council and Senate also ensures that we offer strategic responses to their needs.

We assure them about our continued efforts to ensure safety and security of all our students including those in off-campus accommodation.

We communicate the intention of our multilingual policy and encourage students to ensure inclusiveness in their approach, especially in the students' environment such as residences, arts and culture, and sport.

Stakeholder group

Industry and business community

How we engage	Issues raised (material matters)
<ul style="list-style-type: none"> ◆ Hosting and attendance at business dinners and focused workshops ◆ One-on-one and group engagements ◆ Integrated report 	<ul style="list-style-type: none"> ◆ Assurance for stability and sustainability ◆ Curriculum relevance ◆ Graduate attributes ◆ Research excellence

Our response

We communicate our strategy and explain how our teaching-learning and research plans are aimed at responding to industry and societal needs. We also link industries and individual companies with our faculties and students.

A substantial part of our research focuses on solving problems that business and industry experience.

We also commercialise our intellectual property and expertise, with marketing our technologies to government and industry as a crucial aspect of our commercialisation activities. (See page 51 for more information.)

Here are some of the comments from our stakeholders:

“Thank you for having me. I trust that we will collaborate in the near future.” - Adv. Mtho Xulu: President, South African Chamber of Commerce and Industry (SACCI)

“Thank you for having us there. It was a great evening and we look forward to a closer level of collaboration with the NWU moving forward.” - Johann Joubert, CEO: Converge-Solutions



Employees

How we engage	Issues raised (material matters)
<ul style="list-style-type: none"> ◆ Visits and walkabout sessions ◆ One-on-one interactions – staff and managers ◆ Intranet ◆ Email ◆ Website ◆ Newsletters 	<ul style="list-style-type: none"> ◆ Safety and security ◆ Salaries ◆ Conducive work environment ◆ Transformation ◆ Skills development and empowerment

Our response

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. We made significant progress with our safety and security pilot programme at our Potchefstroom Campus. We are ready to customise and roll out the programme at the other two campuses.

We reiterate our resolve to ensure the sustainability of the university and therefore, the decisions around salaries must always take into account the economic realities of the time.

Our message in terms of transformation broadly is that it is necessary in order to improve the performance of the university. We are continuing to implement our transformation and equity plans. (More information is available on page 31.)

In 2019 we spent R7,4 million on training for 1 686 employees, with a strong focus on offering training opportunities to staff from the designated groups. (See page 55 for more information)

Here are some of the comments from staff members attending training sessions:

- ◆ Diversity and inclusivity training
Training was very good, very insightful. We all learned a lot. I know a lot more now on traits like sexuality/gender inclusivity in the workplace. Overall training was excellent.
- ◆ Middle management development programme
Overall training was good. Bigger picture was achieved. The stages of team performance models were practical and easy to use. Excellently done.
- ◆ Presentation skills
The training was excellent and I have enjoyed every moment of it. I have learned a lot. Thank you. Generally, this training is an eye opener to me. I have learnt a lot and hope to implement the skills in my daily work. Training was perfect and exceeded expectations.



Alumni

How we engage	Issues raised (material matters)
<ul style="list-style-type: none"> ◆ Events ◆ Newsletters ◆ One-on-one and group engagements ◆ Website ◆ Social media 	<ul style="list-style-type: none"> ◆ The university's performance and reputation

Our response

We update the alumni about developments and achievements of the university. In addition, we encourage them to be actively involved in the university's activities and to join the Convocation.

From 2019 to date more than 145 alumni joined the Convocation resulting in an upward trend for the membership. The alumni are also taking part in fundraising and community engagement activities.

The university's reputation remains positive among stakeholders. This has been enhanced by the achievements received in various areas, including research, teaching and learning, community engagement, as well as arts and sports.

We also demonstrate the quality of our programmes by sharing our ranking by international agencies:

Center for World University Rankings (CWUR): We improved our ranking by close to 100 positions, moving from position 964 to 869, which sees it among the top 4,8% of the more than 18 000 universities evaluated worldwide.

In addition, the Times Higher Education (THE) World University rankings placed us in position 5 in South Africa. Globally we are ranked between 501 to 600 out of the 1 396 universities which were evaluated for the 2020 rankings.

Here is feedback from one of our alumni who attended a Young Alumni event:

"Many thanks for a well organised event. We enjoyed being with the Young Alumni." - Pieter Swanepoel, NWU alumnus



Donors

How we engage	Issues raised (material matters)
<ul style="list-style-type: none"> ◆ One-on-one and group interactions ◆ Publications ◆ Integrated report ◆ Website 	<ul style="list-style-type: none"> ◆ Stability and performance of the higher education sector in general and the NWU in particular ◆ Long-term sustainability of the Government's funding model
<p>Our response</p>	

We communicate our commitment to ensuring long-term sustainability of the university and recommit to practice prudent financial controls to achieve our goals and safeguard the university against any potential short-term and long-term challenges.



Government and regulatory bodies

How we engage	Issues raised (material matters)
<ul style="list-style-type: none"> ◆ Publications ◆ One-on-one and group engagements ◆ Conferences ◆ Workshops 	<ul style="list-style-type: none"> ◆ Compliance with legislation ◆ Financial accountability and reporting ◆ Quality and standards
<p>Our response</p>	

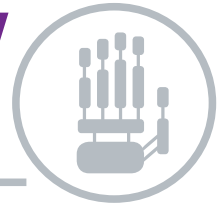
We share our performance information through prescribed progress reports, the integrated report and course-specific reports.



"Mmatla kgomo kolomela, o etse mfata sediba (Setswana proverb) - when you dig for precious metals, you have to dig deeper in order to succeed. We remain committed to work even harder and smarter to invest in the relationships with our stakeholders to ensure our long-term growth and sustainability."



Our transformation journey



In the context of the NWU, we see transformation as inextricably connected to issues of culture, performance indicators, communal well-being and an ethic of care, as well as excellence in all its facets.

A clear reflection of our commitment to transformation is our strategy (“to transform and position the NWU as a unitary institution of superior academic excellence, with a commitment to social justice”).

Our focus also takes into consideration linkages to the concept of responsiveness to environmental and political changes, as well as ensuring relevance to the needs – both current and future – of the communities we serve.

We have identified 10 key transformation pillars which we believe are critical in the successful achievement of our goals. They are Diversity, Access, Alignment, Redress, Equity, Resource Allocation, Increased Unity, Student Experience, Success and Quality.

These pillars find expression in our Annual Performance Plan (APP) and in the individual operational plans of faculties and departments. The task of overseeing the implementation of the transformational aspects of the APP lies with the Transformation Oversight Committee, while the Institutional Forum plays a critical advisory role as prescribed in the Higher Education Act and in the NWU Statute.

Academic transformation

The NWU works with diligence continually to address issues of transformation and alignment in the curriculum and the student academic experience.

During 2019, our most prominent transformation issues focused on the finalisation of faculty plans for a phased approach towards multilingual teaching and learning, re-imagining the nature and scope of foundation modules in NWU curricula and hosting the first NWU Facing Race Week and the second Gender Awareness Week, both with great success.

We are also continuing with efforts to decolonise our curricula, to revisit the size and shape of our Programme and Qualification Mix (PQM) to better serve our target markets and our mandate as a traditional university, and to develop a digital teaching and learning strategy in line with great opportunities offered by the Fourth Industrial Revolution.

Pursuing and enabling equity

The NWU context confirms that transformation is inextricably connected to issues of justice, culture, performance indicators, communal wellbeing, excellence and relevance, among other things.

Transformation is also linked to the wider concept of being responsive to environmental and political changes, and being relevant to the current needs of the communities we serve.

In 2019, we revised our Employment Equity Policy with the purpose of ensuring that the university creates equal opportunities for all its employees and prospective employees and removes all related barriers.

Monitoring transformation

We built on the work done in 2018, when we focused on ways to develop a transformation dashboard as a progress monitoring and reporting tool that is fit for purpose in our university. Relying on both qualitative and quantitative data, this tool covers aspects such as culture, equity and redress, research and scholarship, teaching and learning and community engagement.

In 2019, the University Management Committee decided that the transformation dashboard should be linked to the APP in order to ensure proper monitoring and achievement of transformation targets. This process was completed. Going forward, reporting on transformation will be more coherent and in line with the broader institutional goals and objectives.

Overseeing transformation

Although transformation is the responsibility of every member of the NWU community, we also have sub-committees of the NWU Council specifically tasked with overseeing transformation.

In addition to the main transformation oversight structure, the Transformation Oversight Committee, other bodies that play a critical monitoring and advisory role are the Student Oversight Committee and the Institutional Forum. Their diverse blend of staff, management and students enable these committees to ensure that the university complies with the national transformation goals in higher education.

Adding value

In transforming and positioning the NWU as a unitary institution of superior academic excellence, with a commitment to social justice, we have reached some important milestones.

An example is the progress made with the NWU Culture Change Project. We have held numerous engagements with staff and students on the “As-is” NWU culture, leading to critical conversations on the “To-be” culture.

It is also important that our students enjoy the same high-quality academic and student life.

In order to achieve this, we strive for equity of resources, making sure that high-quality academic, sporting and co-curricular facilities are available to all students. We also keep our eyes on our guiding stars – social justice and an ethic of care – when seeking to make life easier for individuals from disadvantaged backgrounds, needy students and people living with disabilities.

In striving to add equal value for all our stakeholders, we increase our human capital (through equitable resources for our students and staff), our manufactured capital (by ensuring equal, high-standard facilities) and our social and relationship capital (heeding the public’s call for fairness and redress through transformation).

In 2019, our staff participated in various sectoral transformation initiatives. These included the national higher education conference of Universities South Africa (USAf), which had the theme “Reinventing South Africa’s Universities for the Future.” At this conference, our Executive Director: Student Life and Assigned Function Transformation, Dr Sibusiso Chalufu, chaired a plenary

session focused on “Transformation by design: Staff and student centrism as ‘architectural’ principles of social justice change in universities”.

Looking ahead

Although we continue to make significant progress in our transformation trajectory, a lot more remains to be done. We believe we are up to the challenge. Our primary motivation for continuing and accelerating our transformation journey is that it is the right thing to do and accords with our values.

What makes it even more important to continue this journey is that it is a way of mitigating a very prominent risk, namely the external and internal demand for organisational change and ongoing transformation (see page 7).

We stay committed to further building our unitary institution, establishing an institutional culture and a unique NWU way of life that supports our strategy and speaks of care, equality and fairness for all. That is why transformation will stay high on our future agenda.

Transformation is directly linked to our strategy, which is to transform and position the NWU as a unitary institution of superior academic excellence, with a commitment to social justice.



PROF DAN KGWADI
VICE-CHANCELLOR



DR BISMARK TYOBKA
CHAIRPERSON OF COUNCIL

COUNCIL STATEMENT ON TRANSFORMATION

“The NWU believes 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 our members are required to further the transformation objectives of the university and to be change champions of transformation initiatives.

“We are committed to making meaningful changes that will impact positively on the lives of our staff and students.”

Statement approval obtained from the NWU Council on 28 July 2020

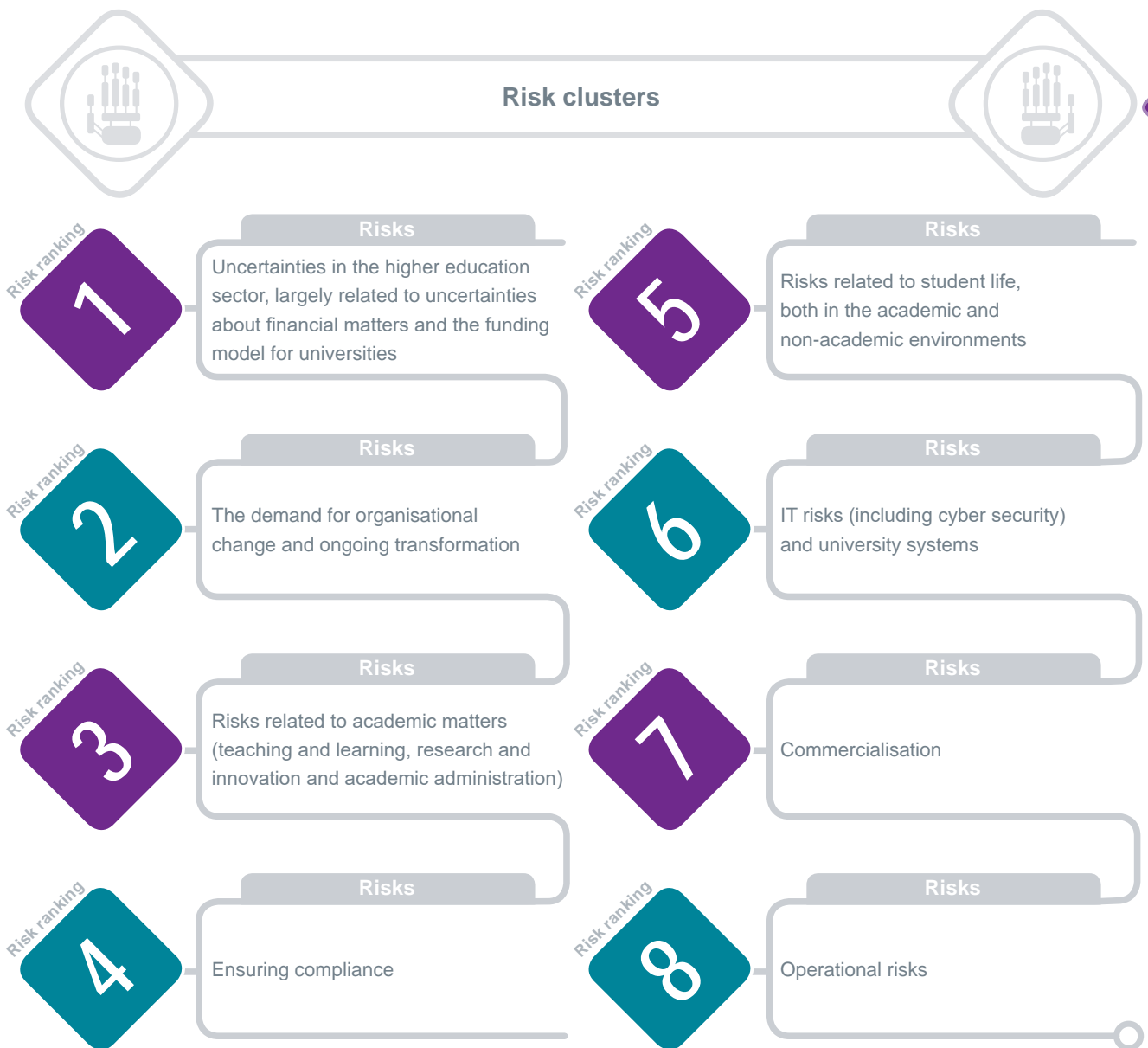
Material risks and opportunities impacting value



Overview: our risk governance and management processes

Our strategic approach to risk and opportunity management is all about identifying and prioritising risks and opportunities that could influence our ability to implement the university's strategy, and adopting appropriate risk mitigation strategies and initiatives.

In doing so, we take into account the demands of and uncertainties in the external environment (see page 7) and align our risk management processes with the King IV guiding principles. This approach ensures streamlined processes and procedures in accordance with the prescripts of the code.



These clusters make up the core content of the risk management process.



How we prioritise our risks and opportunities

The NWU's strategic goals are the point of reference for prioritising, defining and assessing our risks. We use a template for risk identification, coupled with a comprehensive process of implementing internal controls and action plans to manage the risks to an acceptable level. All risks above appetite are prioritised and highlighted for reporting purposes.





Certain risks tend to be interrelated and can often be grouped into clusters. For the past few years, we have been using a risk-cluster categorisation approach to identify the material risk clusters that are important for the university's strategy, governance and management, performance and future planning.

The following tables describe the risks related to each cluster and give a short summary of the associated mitigation strategies.





Uncertainties in the higher education sector, largely related to uncertainties about financial matters and the funding model for universities	
Related material matter: <i>Ensure financial sustainability. (Annual Performance Plan (APP), Enabler 4)</i> 	
Risk(s) and the impact on value creation and capitals	Mitigating actions
The risks that may put our financial stability under pressure: the possible impact of the funding model, over-dependence on a single source of income (government subsidies and NSFAS), increase in student debt and financial support for postgraduate students. Capital affected: 	Mitigation included the active participation by the executive director for finance and facilities in the nation-funding project, while also building available financial reserves and enhancing the Student Finance Department's stewardship of the NSFAS process.



The demand for organisational change and ongoing transformation	
Related material matter: <i>Govern, lead and manage in a sustainable and transformed way with an effective operating model. (APP, Enabler 1)</i> 	
Risk(s) and the impact on value creation and capitals	Mitigating actions
Risks that may challenge the day-to-day activities at the university: the ongoing transformation and organisational change, curriculum transformation and the impact of the new organisational model. Capitals affected:   	Mitigation included employment equity planning and reporting, reporting to Senate on curriculum transformation and reporting on the implementation of the new organisational model, together with proper business plans per department.



Risks related to academic matters (teaching and learning, research and innovation and academic administration)	
Related material matter: <i>Intensify research and innovation (APP, Goal 2)</i> 	
Related material matter: <i>Promote excellent learning and teaching, and reposition the NWU to attain the size and shape required by market direction decisions. (APP, Goal 1)</i> 	



Intellectual



Human



Social and relationship






Manufactured/manufacturing




Natural







Financial

Risk(s) and the impact on value creation and capitals	Mitigating actions
<p>In this cluster, we focused on risks such as the decline in research funding, insufficient global engagement activities, matters related to perceptions around “publish or perish”, a drop in NRF ratings, difficulties in sustaining a positive research trajectory owing to university restructuring, unsatisfactory research productivity and difficulties in attracting international staff and students.</p> <p>We also focused on the standards gap between basic and tertiary education, students’ apparent unpreparedness for functioning in a blended-learning environment, ineffectiveness and inefficiencies of support functions, loss of opportunity income, subsidy and return and loss of students and staff.</p> <p>A further risk was that of compromised teaching quality owing to limited infrastructure planning for teaching.</p> <p>Capitals affected:    </p>	<p>We took various steps to promote research excellence. These included developing our research management model, empowering our researchers, finding research funding, investing in top-of-the-range research equipment and maintaining a sustainable management model for patenting and commercialisation.</p> <p>We offered a wide range of programmes to assist students academically, use teaching and learning technology effectively, and focus on multimodal education.</p> <p>A national infrastructure grant that we received in 2019 and our ongoing infrastructure optimisation project addressed infrastructure needs to meet the expectations of the teaching-learning environment.</p>

Risk ranking
4

Ensuring compliance	
<p>Related material matter: <i>Govern, lead and manage in a sustainable and transformed way with an effective operating model. (APP, Enabler 1)</i> </p>	
Risk(s) and the impact on value creation and capitals	Mitigating actions
<p>Risks receiving attention in this cluster were lack of general compliance, possible inadequacies in information governance, disaster recovery, business continuity and environmental management, as well as the potential for fraud.</p>	<p>Mitigation included finalising an information governance framework for Council approval in 2020, implementing a focused compliance programme with provision for reporting to oversight structures, seeking university management approval for a business continuity project and undertaking various interventions to prevent fraudulent activities across all departments of the NWU.</p>

Risk ranking
5

Risks related to student life, both in the academic and non-academic environments	
<p>Related material matter: <i>Develop a clearly differentiated student value proposition (APP, Goal 4);</i> </p>	
<p>Related material matter: <i>Promote excellent learning and teaching, and reposition the NWU to attain the size and shape required by market direction decisions. (APP, Goal 1)</i> </p>	
Risk(s) and the impact on value creation and capitals	Mitigating actions
<p>In this cluster, the risks we looked at were a lack of proper student academic support, an inability to create an enriched and aligned student-life experience with equity of provision across the NWU, challenges related to academic unpreparedness, access to technology and the blended mode of delivery, and the possibility of violence and unrest, as well as possible inadequacies in student leadership.</p> <p>Capitals affected:  </p>	<p>Mitigation strategies included training for student leaders, raising awareness and providing training on human rights and gender-based violence, inclusive planning opportunities between management and students, a thoughts and complaints line for students and various security projects across all campuses.</p>



Intellectual



Human



Social and relationship



Manufactured/manufacturing



Natural



Financial






IT risks (including cyber security) and university systems

Related material matter: Govern, lead and manage in a sustainable and transformed way. (APP, Enabler 1)



Related material matter: Develop best-in-class information and communications technology to support the core business. (APP, Enabler 2)



Risk(s) and the impact on value creation and capitals	Mitigating actions
<p>IT risks include the possibility of cyber-attacks, outdated IT systems (e.g. student information system) and IT capacity challenges in terms of both staff and infrastructure.</p> <p>Capitals affected:   </p>	<p>Mitigation included conducting cyber security audits leading to a complete cyber security strategy, developing business continuity plans within the IT environment, addressing staff capacity by means of strategic funding and launching a project for the renewal and optimisation of the student information system.</p>



Commercialisation

Related material matter: Promote excellent learning and teaching, and reposition the NWU to attain the size and shape required by market direction decisions. (APP, Goal 1)



Risk(s) and the impact on value creation and capitals	Mitigating actions
<p>The commercialisation environment looked into the risks of lack of systematic information for continuing education courses and the vulnerabilities of spin-out towards commercialisation.</p> <p>Capitals affected:   </p>	<p>Mitigation included making provision for an effective financial and operating model and a management structure for continuing education, increasing commercialisation opportunities and finalising the establishment of the Unit for Continuing Education, as well as the policy on continuing education. Commercialisation focused on undertaking due diligence and creating standardised licensing agreements.</p>




Operational risks

Related material matter: Govern, lead and manage in a sustainable and transformed way. (APP, Enabler 1);



Related material matter: Ensuring the financial sustainability of the NWU. (APP, Enabler 4)



Risk(s) and the impact on value creation and capitals	Mitigating actions
<p>Operational risks included safety in buildings and space management challenges. Specific risks in terms of facilities include inadequate library, lecturing, practical and office space, laboratory and simulation facilities and equipment. Further risks were water pressure challenges, Wi-Fi coverage and protection against fire.</p> <p>Capitals affected:     </p>	<p>Mitigation included a project to optimise space management and receipt of a substantial grant from the DHET to optimise our infrastructure development.</p> <p>We are also further strengthening our integrated planning for academic infrastructure.</p>



Intellectual



Human



Social and relationship



Manufactured/manufacturing



Natural



Financial

Using our opportunities

As part of the risk-cluster approach we continually identify opportunities to adapt to our changing environment.

The opportunities we consider vital are those which:

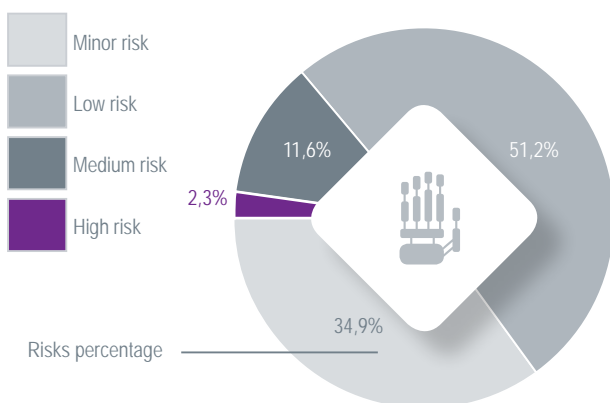
- Continually safeguard the financial sustainability of the university
- Enable us to implement our new strategy, structure and operating model
- Promote excellence in teaching and learning and research and innovation
- Establish a clearly differentiated student value proposition
- Develop and retain excellent staff and create an equitable staff and student profile
- Enable the deployment of best-in-class information technology to support the core business
- Provide an effective financial model, policies and structure for continuing education offerings and increased commercialisation opportunities

Steps taken in 2019

The cleaning up of the NWU Risk Register was finalised in 2019, and we migrated the register to an enterprise risk management environment. This is driven electronically by means of a software-based solution that includes integrated reporting and charting capabilities.

As a result of the discussions with the relevant risk owners, we updated the risk register and moved from a three-point scale to a five-point matrix scale.

The following graph indicates the status of residual risks for 2019 of the NWU strategic risk register, after the consultation phase with risk owners.



Risk indicator name	Number of risks	Risks percentage
High	1	2,3%
Medium	5	11,6%
Low	22	51,2%
Minor	15	34,9%

Top 6 risk details		
Risk no.	Defined risk	Residual risk
35	Loss of opportunity income, subsidy and loss of return, loss of students and staff and compromise in teaching quality due to limited and inadequate infrastructure planning for teaching	12,00
42	Student safety on and off-campus at risk due to escalation in criminal activities on and around campus	7,20
43	Insecurities regarding the proposed fee regulation model leading to uncertainty around sustainability	10,00
48	The lack of focus and clarity in regard to the placement, functioning and monitoring of environmental management at the NWU poses a risk to sustainability and compliance.	12,80
51	Cyber security is not adequately addressed at the NWU and is the number one IT issue worldwide. An attack on the NWU is likely. Digital transformation will increase the cyber security risk.	16,00
52	Digital transformation will have a severe impact on operational models, structures, people, processes and roles.	12,00

Risk indicator key	
Name	Description
Minor	A risk event that holds no significant threat to the organisation, employees or stakeholders
Low	A risk that is unlikely to occur, but if it does occur it can be managed under normal operating conditions
Medium	The risk could have serious impact on operations. A risk that can be managed with some additional resources, budget and maintenance effort.
High	The risk is potentially disastrous and will hinder the achievement of objectives and/or lead to the collapse of business and/or project

Improving the effectiveness of risk management

A highlight for 2019 was the drafting and consulting of a Risk and Compliance Management Policy, which is to be finalised and submitted to Council for approval early in 2020.

Effective assessment of risk exposure and risk management is essential to us, especially on the operational, managerial and governance levels where risks are controlled.

Our combined assurance model for the NWU is aligned with the good-practice governance principles in King IV and aims to incorporate and optimise all relevant assurance services, functions and structures. These are the University Management Committee, academic and support managers, the NWU's registrar, a designated risk and compliance officer and the Audit, Risk and Compliance Committee.

Two other structures that are involved in risk management are the Compliance Committee and the Combined Assurance Forum (CAF). Internal Audit also plays a substantial role in establishing a university environment conducive to risk management.

As a result of discussions with risk owners, a concerted effort was made in 2019 to further refine risk management and strengthen the internal control environment. The following are pertinent:

Control environment:

- ◆ The restructuring of the NWU, as approved by Council in 2015, allowed an environment conducive to alignment and standardisation.
- ◆ The recent review of policies contributed to the strengthening of the control environment.
- ◆ The current drive towards the governance and management of ethics is expected to create an environment conducive to ethical behaviour.
- ◆ Clear policies and guidelines exist to keep teams and individuals accountable.

Risk assessment:

- ◆ The migration to an enterprise risk management (ERM) approach contributed to a more systematic management approach to risk management.
- ◆ The focus on proper risk identification, risk definition and risk appetite provided a basis for the achievement of objectives.
- ◆ This focus allowed risk owners to link risks to relevant operations and quality enhancement within a particular business process and, in turn, provided an opportunity for the integration of controls.

Control activities:

- ◆ The focus on an improved description of internal controls, as was done in 2019, enhanced our potential to mitigate risks. This is the case both in the understanding of the risk (for as far as these are linked to the risk causes) and in seeking to manage the relevant risks to levels of acceptance.
- ◆ The identification of controls in accordance with categories has the potential to improve our understanding of the nature of a risk and the controls needed for mitigation purposes.

Information and communication:

- ◆ Conventions have been established in regard to information sources for ongoing risk management purposes. Risk information must be sourced in consultation with existing data-source owners (finances, strategic intelligence, people and culture).
- ◆ Apart from the current information shared at governance levels and in the annual integrated report, improved information and communication is needed.
- ◆ Through the integrated annual report and stakeholder engagements, we share information about the role and effectiveness of internal controls in securing the sustainability of the NWU.

Monitoring activities:

- ◆ We use various internal and external evaluations to monitor risk management and internal controls implemented for mitigation purposes.
- ◆ Council committees, in particular the Audit, Risk and Compliance Committee, have a definitive role to fulfil in regard to the ongoing monitoring of the risk management enterprise.

Continuous assessment of risk

Regular reporting of risks takes place at the appropriate governance level for each risk category, and all oversight structures receive biannual updates on the status of risk management in these categories.

Despite the relative resilience of our internal structures and procedures, adverse events may occur and potentially affect operations throughout the institution. Therefore, we identify potential risk events that might emerge and assess the likelihood of these occurring and their potential impact.

Our assessment scale includes ratings for impact, probability, control effectiveness and residual risk. This scale assists us in prioritising the identified risks and managing them accordingly.

Furthermore, we link responsible business process owners to each risk.

While the University Management Committee is responsible for overall management and control of risk, each risk owner remains responsible for ensuring that appropriate abatement strategies are established to allow for risk management. They also provide feedback on the progress of managing the particular risk event, and ensure that the risk register is updated regularly.

Thus, operational managers are at the heart of the university's risk management project, taking responsibility and accountability for this enterprise.

From the above, our stakeholders may rest assured that all efforts were made in 2019 to continue to identify, assess and manage the relevant potential risk consequences on the university's effectiveness and efficiency.



PROF MARLENE VERHOEF
 REGISTRAR DESIGNATED WITH
 RISK RESPONSIBILITY



MR ANTON REDELINGHUIS
 CHAIRPERSON: AUDIT, RISK AND
 COMPLIANCE COMMITTEE

COUNCIL STATEMENT ON RISK MANAGEMENT

“The NWU 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 the risk management process. It is continually apprised of developments by means of management and audit reports on the management and risk coverage processes; and had been provided sufficient assurance over the past year from all relevant assurance providers.”

Statement approval obtained from the NWU Council on 28 July 2020

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.

The **internal control system** is designed with an aim to provide reasonable assurance regarding an operational environment that promotes the safeguarding of the university's assets and the preparation and communication of reliable financial and other relevant information.

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

Internal control practices are maintained in as far as policies and procedures are documented, implemented and monitored by the University Management Committee, the Council as well as the Internal Audit department. In addition, a **performance management system**, with adequate job descriptions in line with key performance

indicators, is utilised at the NWU to ensure individual accountability and proper assignment of responsibilities.

In regard to **information systems**, modern information technology is utilised at the university that, among others, entail the development and implementation of core systems in accordance to defined and documented standards with a view of ensuring efficiency, effectiveness, reliability and security.

For the protection of privacy and ensuring control over data, accepted standards are applied – including disaster recovery and backup procedures.

Following the outcomes of a cyber-maturity assessment conducted in 2016, the NWU started to improve its **cyber-security** maturity by implementing adequate information security awareness, training, business continuity and risk management plans.

The action plans included budgetary and resource plans for regulatory incidents aimed at reduce legal- and compliance-related risks, the classification of information, as well

as the compilation of an information-asset list management program, the regular updates of its cyber-threat profile and its cyber-strategy performance targets.

Not all of the IT systems at the university are centralised, with the consequence that differing levels of control exists at the various management levels, including that of the respective faculties.

Against the background of the preceding, it is evident that the university is aware of the fact 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 control system can only provide **reasonable assurance** with respect to financial statement preparation and the safeguarding of assets.

The compliance with all relevant policies, guidelines and procedures related to financial reporting is monitored continuously by both the **internal and external audit functions** as well as the relevant financial divisions and employees assigned with the responsibility.

The combined assurance model was adopted by the university to improve assurance coverage and quality through better coordination of assurance providers. Combined assurance is about effectively coordinating management and internal and external assurance providers, increasing collaboration, and developing a more holistic view of the university's risks.

External auditors mostly provide assurance to the university's stakeholders (outside the university's governance boundary), senior management, Council and the audit committee who need to rely on the successful conduct of business activities, sound internal operational processes and the credibility and reliability of the financial information as presented in the financial statements. The external audit process ensures that the university's internal controls, processes, guidelines and policies are adequate, effective and in compliance with governmental requirements, industry standards and official policies.

Internal auditors provide members of Council, the Audit, Risk and Compliance Committee and senior management with assurance that they can use to fulfil their own duties within the university and towards its stakeholders. Internal Audit provides an objective and independent assurance, providing reasonable (not absolute) assurance of the overall effectiveness of governance, risk management and controls.

In light of the above, the Audit, Risk and Compliance Committee that exercises the primary oversight role on behalf of the NWU Council on the effectiveness of internal controls, is of the opinion that the university's internal control system as at 31 December 2019 has met the criteria for effective 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.

MR A REDELINGHUIS

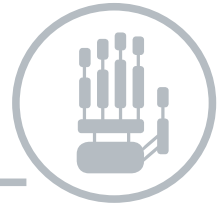
CHAIRPERSON: AUDIT, RISK AND COMPLIANCE COMMITTEE

MS M VAN DER MERWE

DIRECTOR: INTERNAL AUDIT



Our strategy to create value



Here we describe what our goals and enablers are and how we intend to reach those goals. This is how we create value for our stakeholders.

Our guiding light on this journey is our 2015-2025 strategy, which sets the overall framework within which we seek to attain the specific objectives in our Annual Performance Plan – the map to help us reach these.

Explaining our strategy

In the diagram on the next page, we depict how our identity (purpose, dream and brand promise) drives our strategy, which informs our long-term goals and enablers. Each year, we review and agree on our annual objectives that we capture in our Annual Performance Plan. These objectives anchor the broad direction in concrete actions through which we create value.



see how we care



Recognised for cutting-edge TB diagnostics research

Finding solutions for real-life problems is in line with the NWU's purpose "to excell in innovative learning and teaching and cutting-edge research, thereby benefiting society through knowledge".

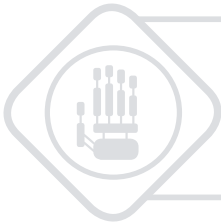
Prof Anne Grobler's research in the field of tuberculosis is an example of research that is useful and of benefit to society. She received an award for this research from the National Intellectual Property Management Office in March 2019.

The Minister of Science and Technology, Mmamoloko Kubayi-Ngubane, awarded her a certificate of acknowledgment for her passion in ensuring that her research has practical application and is to the benefit of the people of South Africa.

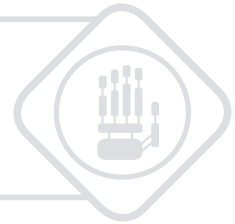
With regard to this particular award, Prof Grobler's research deals with the development and commercialisation of various aspects of fast, affordable, accurate mobile diagnostics of tuberculosis.



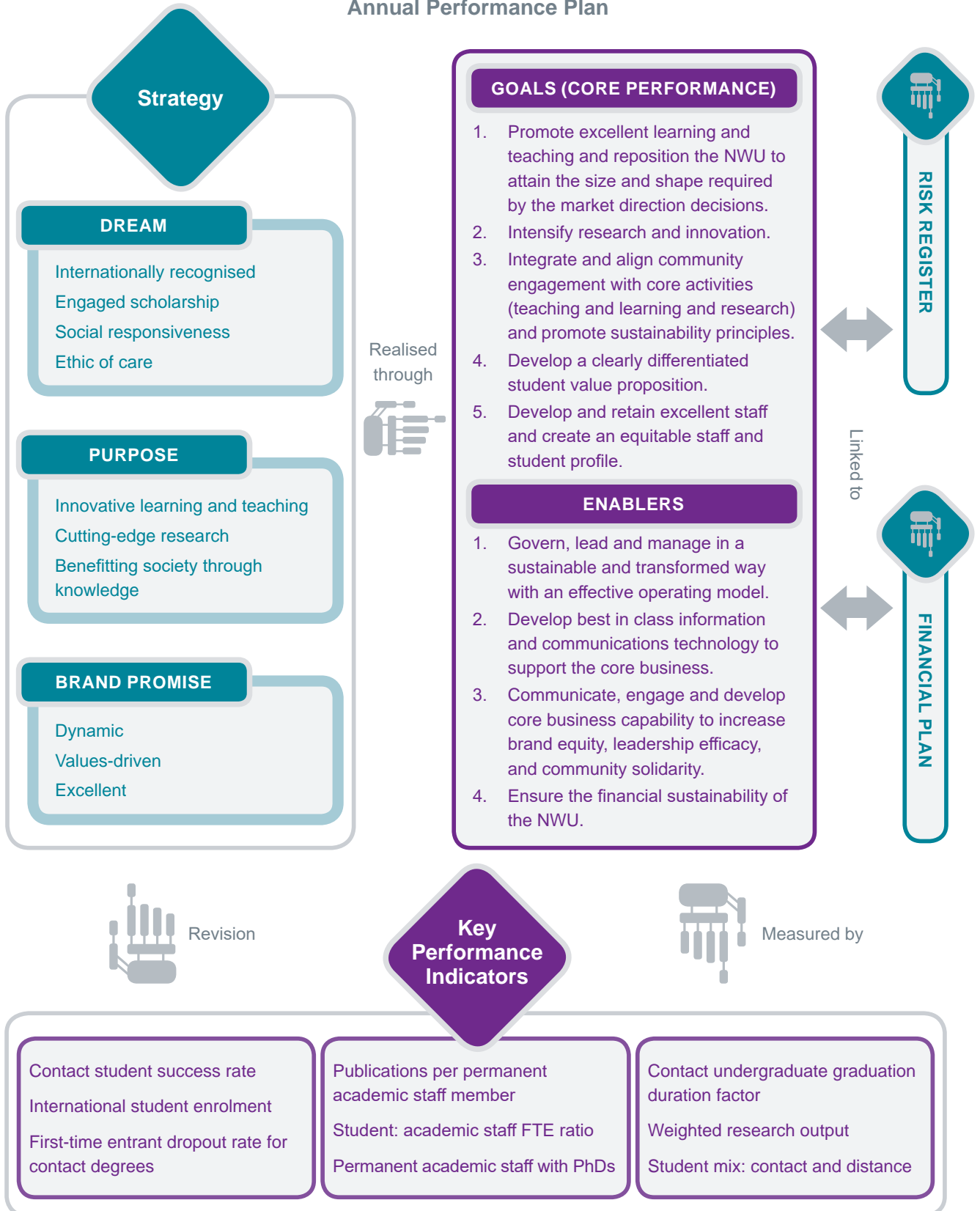
Prof Anne Grobler (right) and the Minister of Science and Technology, Mmamoloko Kubayi-Ngubane, at the award ceremony.



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



Annual Performance Plan



Five goals to realise our strategy



Where we want to go

We want to promote excellent learning and teaching and reposition the NWU to attain the size and shape required by the market direction decisions.

How we get there

We systematically pursue excellence in all aspects of teaching and learning, providing a consistently high-quality learning experience, irrespective of the mode of provision.

Through curriculum planning, design and development support, we enhance the quality of teaching and learning. We also ensure accessible and appropriate student support.

We promote the scholarship of teaching and learning among our academic staff and conduct ethically sound research on the curriculum, student learning and assessment, among others.

Students receive appropriate opportunities for work-integrated and service learning.

Our continuing education programmes provide professional services to the community while creating third-stream income for the university.



Where we want to go

It is our goal to intensify research and innovation.

How we get there

We align our strategy for research, innovation and technology across the NWU and promote academic excellence, with a commitment to social justice.

We expand our global presence by participating in international rankings and ratings and collaborating with international partners. In addition, we strive constantly to increase our research output.



Where we want to go

We want our community engagement to be integrated and aligned with our teaching and learning and research, and want to promote sustainability principles.

How we get there

Our main focus is to work closely with the community to share knowledge and expertise, and promote mutual benefit.

We are also committed to expanding work-integrated learning and service learning through discipline-based outreach, and we encourage staff and students to volunteer in communities, thereby enhancing their social awareness.

Realising that we have a responsibility towards the environment, we used an environmental legal compliance audit in order to rectify compliance issues on all campuses. Student associations are also driving electricity savings campaigns and promoting recycling awareness.



Where we want to go

It is important to develop a clearly differentiated student value proposition.

How we get there

We focus on promoting a vibrant, diverse and integrated student life on all our campuses.

Giving our students access to cutting-edge resources enhances their academic performance, while our functional multilingualism approach addresses their diverse language needs, and improvements to student administration enhance service delivery.



Where we want to go

We want to develop and retain excellent staff and create an equitable staff and student profile.

How we get there

By striving for staff and student equity, we promote social justice and diversity on all campuses.

The Residence Department introduced an online application process, which has been implemented for all three campuses and has better control measures for the placement process.

All our residences are expected to reflect our enrolment targets for 2025 by following the plans and processes put in place for this purpose.

We position ourselves as an employer of choice to attract and retain excellent staff in both our support and academic environments. We continually evaluate our organisational culture and employee value proposition to ensure that it is aligned with our talent management strategy. We also demonstrate the value we place on high performance by implementing interventions to reward and recognise key talent.

Four enablers to help us realise our strategy



Where we want to go

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

How we get there

We have an integrated and holistic approach to ensure the realisation of the 2015 – 2025 NWU Strategy.

Our management model promotes accountability across divisions to achieve organisational outcomes. The tone is set from Council and management, and our values are central to our identity and influence our policy framework at all levels of operation.

All expectations exist that the digital business strategy that is currently in development will have a vital influence on the way in which we govern, manage and lead in future.



Where we want to go

Develop best-in-class information and communications technology (ICT) to support the core business.

How we get there

We align our IT goals to our core business objectives and the university's IT dream: to be a leading partner in positioning the NWU as a unitary institution of superior academic excellence through digital transformation.

We will also be guided by the digital business strategy which will be developed soon. This strategy will create new competitive advantages and redefine technology/digital transformation as a core co-determinant of the NWU strategy.



Where we want to go

Ensure the financial sustainability of the NWU.

How we get there

The NWU's structure contributes to financial sustainability by doing away with the duplicated faculties that existed on the campuses in the past. We have also aligned our fee structure across the campuses.

The Continuing Education Strategic Project includes developing and implementing a financial model, which is expected to optimise and expand our continuing education income.

The facility optimisation project is well under way with the goal of making the best possible use of this very expensive resource.



Where we want to go

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

How we get there

We develop appropriate engagement strategies targeting specific stakeholder groups and build partnerships aimed at implementing the strategies and plans to achieve optimal value.

The partnership with our Student Life environment plays a key role in enhancing our brand essence. We also envisage our relationships with various stakeholders to play an integral part towards the achievement of our brand promise.

As the majority of our stakeholders have embraced new media as the preferred modes of communication and engagement, the future of our marketing communication practice is digital.

We continuously evaluate our performance and work towards finding the most reliable performance measurement tools for our marketing communication initiative to ensure maximum return on investment.

Annual Performance Plan (APP)

How the Annual Performance Plan fits in with our strategy

The Annual Performance Plan (APP) sets out what we must do annually to implement our strategy so that we ultimately deliver value to all our stakeholders and support national priorities.

The five goals and four enablers drive the implementation of our strategy, along with key performance indicators to measure our progress towards implementation.

How the APP was revised in 2019

We identified risks and opportunities that were likely to impact the NWU in the short, medium and long term. This information was then used to draw up an updated situational analysis to inform the further development of the NWU strategy, as well as the APP. This analysis enabled us to make projections based on recent trends, developments and anticipated significant events that will continue or may accelerate or intensify.

An assessment of our major risks and opportunities informed our performance objectives for 2019. This assessment took into account variables relating to market size and growth, our customers, the impact of technology on teaching and learning, our income, capital and funding, and our relationships with communities. These factors are likely to have an impact on the university, both in the near future and in the longer term.

Future outlook

While we expect the basic school system not to change significantly during the next five years, the labour market will, mainly as a result of technology drivers and particularly the Fourth Industrial Revolution. Career reinvention will become

the norm and universities' tuition models will have to be ever more flexible in response.

Students will increasingly expect their learning experience to be interactive, accessible anywhere, and compatible with the learning devices of their choice. The NWU has been working towards this for some time and will continue to ensure its tuition models and offerings meet the needs of students preparing for a fluid job market.

Another expectation that we will continue to address, is that universities will make a significant contribution to the development of scarce skills required for economic development.

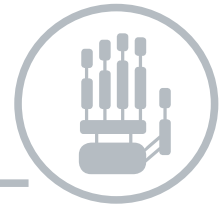
The NWU also appreciates that communities expect universities to contribute to their growth and development, and we are committed to mutually beneficial relationships built on sharing knowledge and expertise for the greater good.

We anticipate that our income, capital and funding will continue to come under pressure. Although the state budget allocations to universities increased by 21,8% and 23,9% respectively for the 2018/19 and 2019/20 budget cycles (after the additional fund allocation), this will possibly not be sustained.

The reason is that the DHET provided this funding, known as the gap funding grant, to cover the difference between the 2016 and 2017 fee increment for the missing middle (students who do not qualify for NSFAS funding, but still need financial help). In future, funding for these students will be incorporated into the block grant.

“Career reinvention will become the norm and universities’ tuition models will have to be ever more flexible in response. The NWU has been working towards this for some time.”

Our performance against our strategy: creating value through our capitals



This part of the annual report is about the value-creation processes at the NWU.

Here we would like to show you how we respond to our stakeholders' needs through our business activities, and how these activities lead to outputs and outcomes, thereby transforming the value of our six capitals.

These capitals represent the value we create for ourselves and our stakeholders; our performance against them shows how we are faring in achieving our strategic goals.



Our intellectual capital

Our intellectual capital is all about our knowledge-based intangibles that result from our core business activities.

This refers to the way we use our knowledge resources to create more knowledge, as well as the activities, policies, strategies and procedures in place to support our business activities, to the benefit of stakeholders.

Stakeholders who will benefit from our intellectual capital

If we increase our intellectual capital, all our stakeholders who are interested in the knowledge that we create through our research or our teaching and community engagement activities will benefit.

They include our staff, current and prospective students and their parents, the Department of Higher Education and Training (DHET), communities, donors, alumni, employers, business and industry, and professional bodies.

Material matters (goals or enablers) involved



The icons are explained on pages 2 and 3.

Risks involved

The risks include the demand for organisational change and ongoing transformation, risks related to academic matters (teaching-learning, research, innovation and commercialisation, academic administration), the risk of non-compliance (for instance with the standards and regulations of professional bodies), and risks related to IT. For the mitigation of these risks, turn to page 34.

How we created value

This section is about how we created value for ourselves and our stakeholders through our teaching and learning, research and community engagement activities.

We will also show you how we created value through our support activities. This is for instance how we govern and manage the university through our structures, policies, processes and systems, and how we support our core business by maintaining and further developing our information and communication technology.

Material matter

Teaching and learning



We are committed to academic excellence and student support to foster academic success.

Our approach is to deliver appropriate teaching for enhanced learning and student success (our output) and ultimately contribute to the knowledge economy (our outcome).

Quality and diversity are key attributes of our teaching and learning activities, and we readily invest in staff development and student development and support. We also align our academic programmes across the university, have them evaluated regularly and use appropriate ICT and multimedia resources to expand the reach of our distance learning offerings.

Increase student access and success

Extensive, value-adding academic support is offered to students, as discussed in the following section.

▷ **Extended curriculum programmes**

The NWU has numerous natural sciences and economic sciences programmes that enable students to complete their studies over an extended period of time.

The overall success rate for students in extended programmes is approximately 80%, which demonstrates how much value these programmes add. In 2019, we had 1 238 first-time entering students on extended programmes and a total enrolment of 4 105 students. Of these, 14% had graduated by the end of 2019.

▷ **University Preparatory Programme (UnivPrep)**

Our one-year UnivPrep programme provides an opportunity for learners who do not meet normal admission requirements to potentially have access to specific degree programmes. After a student has successfully completed UnivPrep, the faculty concerned has the discretion to decide on his or her admission to a university programme.

▷ **Academic literacy tests and modules**

All first-year students take a compulsory academic literacy test, the results of which determine which academic literacy modules they must register for. Annually, more than 10 000 students register for these modules, which focus on academic writing, reading, computer and information literacy and study skills, while incorporating discipline-specific content where possible. We are gradually implementing multimodal teaching and learning approaches and materials, and giving increased attention to self-directed learning.

▷ **Supplemental Instruction**

Supplemental Instruction (SI) is a non-remedial, out-of-class, peer-facilitated approach to learning. It supports undergraduate students through regularly scheduled voluntary small-group sessions by trained SI facilitators.

During 2019, SI was offered in 659 modules, of which 141 were at-risk modules. We trained 984 SI leaders and a total of 42 789 students attended the 10 240 sessions.

▷ **Peer mentoring**

All faculties participate in the Centre for Teaching and Learning (CTL) peer mentoring programme, in which high-performing senior students support first-year students to adapt to university life. In 2019, we had 129 peer mentors.

▷ **Tutor programme**

Across the three campuses, 40 tutors were appointed during the first semester of 2019, and 87 during the second semester. Additionally, for the first time, master's and PhD students were appointed as tutors for various modules of the faculties of Humanities and Economic and Management Sciences, specifically on the Potchefstroom and Vaal Triangle campuses.

▷ **Student success rate**

As indicated earlier, we maintain a good contact success rate of 85%.

Our 2019 contact undergraduate graduation duration factor has stayed the same as in 2018 at 1,13. This can be attributed to enhanced strategies for student support, early identification of at-risk students and NSFAS funding with provision for books and accommodation.

▷ *How much value we created, compared to previous years*

Academic performance	2016	2017	2018	2019
Contact student success rate	86%	86%	85%	85%
Contact undergraduate, graduation duration factor	1,21	1,15	1,13	1,13
Graduation rate	27,62%	25,6%	25,1%	23,5%

Annually, approximately 45% of successful UnivPrep participants enrol for formal degree studies at the NWU, highlighting the programme's success in enhancing access.

▷ *How much value we created, compared to our target*

Academic performance	Target	Definition	Actual
Contact student success rate	85%	Based on HEMIS data. Completed FTE's divided by enrolled FTE's on a module level.	85%
Contact undergraduate, graduation duration factor	1,2	Based on HEMIS data. The time (in years) it takes a student to graduate divided by the minimum time of the qualification.	1,13

Align academic programmes

Students across our campuses should all benefit from comparable high-quality academic programmes. In other words, everyone must experience a similar quality of teaching and learning, have access to equivalent resources and, in the end, demonstrate similar graduate attributes.

Ensure high-quality academic programmes

Quality assurance is a vital component of maintaining academic excellence. In 2019, three major NWU programmes were externally evaluated: BScHons in applied radiation science, BEdHons in educational psychology and BA BComHons in industrial psychology.

Additionally, we hosted several professional or statutory body evaluations/reviews in the faculties of Engineering and Health Science.

This resulted in the accreditation of the BEng electromechanical and industrial engineering programmes, as well as the BPharm programme. An external review of the Faculty of Natural and Agricultural Science's BScHons in applied radiation science found that the programme meets the minimum standards.

We also received full accreditation for the LLB and continue to monitor the improvement plan. A plan for the national doctoral review has been finalised.

Use of multimedia material

Multimedia material enhances learning, especially in high-risk modules. We use various types of multimedia techniques, including graphic enhancements, animations, simulations, video, audio, voice-overs and lecture captures.

During 2019, we worked on 69 multimedia projects across eight faculties and six support services.

Digital Teaching and Learning Environment (DTLE)

The DTLE design ensures an effective digital teaching and learning environment, whether physical or virtual.

Activities include conducting research into the educational value of technology and ensuring that adopted technologies are supported and integrated into other systems.

These responsibilities are performed with strategic partners across the NWU.

We have embarked on a clearly defined blended-learning journey, which – at this stage – entails the transformation of 47 modules across the three campuses. Further, we support the campuses with the integration of technology in teaching and learning.

Expand distance learning

Distance learning has strategic importance as it gives working people opportunities for lifelong learning. We are expanding our academic offering via distance learning, registering five new qualifications in 2019: two advanced diplomas and one PGDip in education, a PGDip in engineering and the BThHons degree.

Our output: graduates

The number of graduates is much lower than planned due to the drop in distance enrolments. Our graduation rate is 24,53% for contact students and 26,41% for distance students.

Challenges in teaching and learning

We are systematically managing a number of critical teaching and learning priorities. Among these are the decolonisation/Africanisation of our curricula, creating opportunities to promote multilingualism in teaching and learning spaces, continued assurance of national comparability and international relevance of offerings, and developing appropriate and accessible ICT.

Finding the optimal blend between face-to-face, technology-mediated and fully online learning is a challenge, mainly due to technology and connectivity issues beyond our campuses. There is also a need to engage with industry, alumni and other external stakeholders to enhance the work-readiness of our graduates.

Future outlook

While technology and technical expertise are key pillars of the unfolding teaching and learning journey at the NWU, we must never lose sight of why we are harnessing these tools. To quote the NWU Strategy Statement, we are

helping to “transform and position the NWU as a unitary institution of superior academic excellence with a commitment to social justice”. From a teaching and learning perspective, this means concentrating all our efforts on supporting student success and developing our academic and administrative staff.

In this regard, our commitment to an ethic of care must be actively demonstrated through creating a teaching and learning environment in which all feel welcome and where

we deliver on the promise of ensuring a good, consistent student experience on all three campuses.

Part of this entails giving greater expression to multilingualism. Our newly approved Language Policy seeks to achieve this by ensuring that offices and classrooms are not monolingual spaces, and that every effort is made to support students and staff in the use of English, Afrikaans, Setswana and Sesotho. 2020 will be an important year for the NWU in strengthening the culture of inclusivity, in the classroom and outside.

“Our theme in 2019 was one of consolidation in terms of the operational model and systems. In 2020 we must shift our energy towards gaining momentum in our research and innovation, teaching-learning and community engagement.”



see how we care



Essential court training for young social workers

In a concerted effort to prepare young social workers for the daunting reality of court appearances, Dr Elmien Truter – a professional social worker and lecturer in the School of Psychosocial Health – accompanied a group of second-year social work students to the Vanderbijlpark Children’s Court as part of a practical training initiative.

The training, which took the form of a simulation exercise, gave the students a taste of the harsh reality that social workers face when they have to testify in court.

To ensure that the training was as realistic and impactful as possible, the services of several professional legal practitioners were called in. During the simulation, each student had the chance to defend a case against an attorney.

“Students have to experience this stressful situation first hand and I believe that this simulation prepares

them for the many court cases in which they will play a very important role and where they will often be the only voice to speak out in the best interest of a child,” says Elmien.



Mr Johan van den Berg, a family law expert assisting with the simulation exercise, cross-examines one of the students during the simulation exercise. In the background is Dr Elmien Truter, facilitator of this practical training initiative.

Material matter

Research



When our research leads to solutions to real-life problems, we create value for ourselves and our stakeholders and benefits for society.

We achieve this by conducting excellent, cutting-edge research and undertaking innovation activities that not only address societal problems, but also increase our intellectual capital.

Research output

We again recorded an increase in NRF ratings, increasing from 229 in 2017 to 248 in 2019. The numbers of researchers in the different rating categories are set out in the table on the right.

NRF	2017	2018	2019
A	2	2	0
B	24	25	27
C	155	150	161
P	2	1	2
Y	46	54	58
TOTAL	229	232	248



see how we care



NWU's smart station to keep tabs on the weather and air quality

The NWU, in collaboration with the South African Weather Service (SAWS), has launched a state-of-the-art observation station that will monitor both the weather and air quality.

Situated at the Vaal Triangle Campus – which is located right in the middle of an air pollution priority area – it is the perfect location for an observation station of this kind.

Real-time monitoring systems will measure rainfall, air temperature, wind speed and wind directions, as well as selected priority parameters for characterising the air quality based on nearby sources of air pollution.

Once the station has met the standards of the World Meteorological Organisation, it will become part of the global network of monitoring stations. This will enable NWU researchers to share data collected with the international scientific community.



The observation station was officially opened by Warren Carter, Prof Eno Ebenzo, Prof Linda du Plessis and Absolom Mfumadi.

Publications

How much value we created, compared to previous years

Research	2015	2016	2017	2018
Publications per academic staff member	0,86	0,92	0,86	0,94
Weighted research output	2437,1	2 609,64	2 605,507	2 708,941

Increase our global standing and visibility

The NWU signed more than 80 formal international research and innovation collaborations in 2019, further expanding our global presence. Of these collaborations, 38 were with top 500 institutions as rated by Quacquarelli Symonds.

Reaching across continents, our research collaborations involve prestigious institutions such as the Corporación Universidad de la Costa in Colombia, the University of Leeds in the United Kingdom, and the University of Hong Kong in Asia.

Our collaborations are carefully chosen to complement our strengths and bring new research opportunities into our ambit. Mechanisms for this range from joint degrees and co-chairs to collaborative research and innovation programmes, skills development and international student recruitment and exchange.

A new collaboration was also launched in China where engineering and medical teams will work together to expand the NeuHand (“new hand”) project. The aim is to augment the therapy provided to stroke patients and to explore the potential for possible low-cost bio-electronic replacements for certain limbs.

China has become a research and innovation hub, and NWU delegations regularly visit Chinese universities.

South Africa and China are of course members of the economic bloc known as BRICS, the other members of

which are Brazil, Russia and India. The NWU contributes as an active partner in BRICS research collaborations and has knowledge and skills-sharing agreements with several BRICS universities.

Create value through innovation and technology

We constantly look for opportunities to commercialise our intellectual property and expertise. In 2019, we reviewed our entire portfolio of commercialisation entities and spin-off companies, aligning them to the NWU’s overall strategy and enhancing their effectiveness.

We achieved 21 new disclosures, 12 patents, three commercial agreements and two commercialisation successes. Consequently, three new provisional patent applications were filed.

Marketing our technologies to government and industry is a crucial aspect of commercialisation. The In-Part Platform at the Technology Transfer and Innovation Support office is an invaluable marketing tool to alert interested parties to opportunities for further development and commercialisation of our technologies. We also showcase selected innovations at various national and international events.

Our total income from royalties was R811,122.98. This income is used to stimulate further research and commercialisation through distribution to the inventors, research groups, faculties and the university’s Incubation Fund.

“Innovation and competitiveness go hand in hand in the global economy, driving the sustainability of countries and institutions. Recognising this, the NWU is incrementally steering our research outcomes towards innovation and commercialisation.”

Challenges with research output

Key challenges we face in seeking to increase our research output are time and funding constraints, as well as variances in the research efforts of our academics.

About 20% of our academics deliver almost 80% of our research output. This limits our ability to increase per capita output, which showed slight growth from 0,86 in 2018 to 0,94 in 2019.

One of the reasons for this limited growth is that many of our academics lack sufficient time for research as they are often kept busy with teaching and learning activities. Another is the loss of active researchers who retire or leave to take up positions elsewhere.

We also view as challenge the lack of sufficient incentives for our productive researchers.

Future outlook

Ideally, all academics should contribute to our research output and this is in fact expected of them. This requirement has been formalised through the setting of research output targets in the faculties, in consultation with the relevant academics.

Mechanisms to support academics in delivering on their targets include research leave, relief from teaching at selected times, dedicated research time for each academic, and integrating research into teaching and learning activities.

We are formulating additional strategies to encourage and guide academics who do not deliver research output, and to retain those who are active researchers.

Material matter

Govern, lead and manage



Our governance structures and approach to ethics, as well as our strategy, values, success model and Annual Performance Plan, guide us to create optimal value through good governance and management.

These, together with the systems, processes, procedures and policies that support governance and management, are part of our intellectual capital.

For more information about how our management activities increase our intellectual capital, refer to the report of the vice-chancellor on page 22 and, for information about governance, turn to page 84 in the section on governance supporting and protecting value.

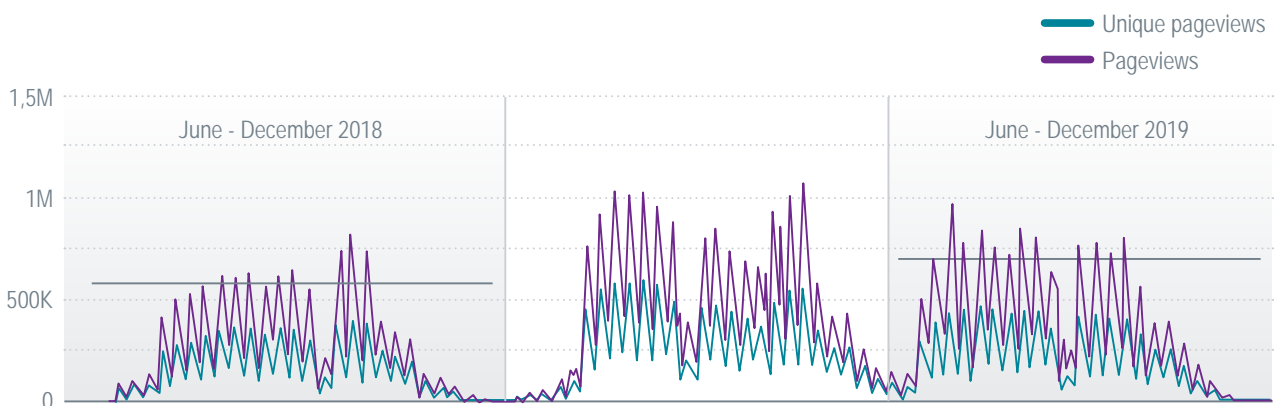
Material matter

Information and communication technology



Information and communication technology (ICT) is the backbone of the NWU as a 21st century university that uses digital resources for all aspects of its core business, as well as support services.

ICT affects two of our capitals: intellectual capital, which in this context takes the form of software programs, IT support services and the e-learning system eFundi, and manufactured capital, comprising the networks and hardware that make up our physical ICT infrastructure.



A year on year growth of at least 20% in the activity on the primary learning platform of the NWU

The Information Technology (IT) department has a comprehensive product portfolio, enabling most of the university's capabilities. These include 67 software solutions that contribute to curriculum delivery and assessment in our learning and teaching environment.

The value that ICT adds to the university community is evident from the extensive use of IT products. In most cases, usage has been growing exponentially, for example in the activity on our primary learning platform, eFundi, as demonstrated in the image on the previous page.

We expect that the usage of our IT products will continue to grow strongly as the university moves deeper into the digital era.

“

COUNCIL STATEMENT

ON INFORMATION TECHNOLOGY

”

“Council affirms, as the final decision-making body of the university, that it is endowed with the responsibility and accountability for the effectiveness and efficiency of information technology processes, including governance framework, alignment with NWU objectives, significant IT investment, risk management, assets, policies and strategies, and compliance with statutory requirements. Council is continually apprised of developments, by means of management and audit reports to the Technology and Information Governance Committee, and received sufficient assurance over the past year from all relevant assurance providers.”

Statement approval obtained from the NWU Council on 28 July 2020

see how we care

NWU puts knowledge at your fingertips

With the fourth industrial revolution upon us, the NWU's IT department is going all out to make life easier for students and staff.

IT has for instance extended its Gartner licence to all staff and students, placing a wealth of information at the fingertips of the university community.

“Gartner is a leading international research and advisory company and their research and articles are absolute quality. Our IT department has been using Gartner for years now to gain insight into the future of technology and information,” says Mr Boeta Pretorius, chief director of IT.

The information resources available on Gartner benefit staff by enabling them to plan courses that are

relevant and innovative, and substantiate their research evidence. One of the benefits for students is that they gain exposure to real-life business case studies, trends and expert opinions.

Mr Boeta Pretorius, chief director of the NWU's Information Technology department, says Gartner can help the NWU community to stay connected to thousands of analysts and more than 60 000 peers who can help them with concerns, decisions and directions.



Our human capital

Our human capital is arguably the one capital that influences and is influenced by all our other capitals. The two major stakeholder groups that make up the university's human capital are staff and students.

We create value for both groups through our activities, outputs and outcomes, and they in turn also create value for the university, strengthening our other capitals through their activities and outputs.

By providing high-quality study and residence facilities (manufactured capital) and various forms of support, we enable our students to succeed academically and in other aspects of student life.

In turn, by paying tuition fees, our students increase our financial capital and, by eventually becoming skilled, responsible graduates who contribute to society, they increase our social and relationship capital. Similarly, the infrastructure and support we offer to our staff enables them to undertake research and teaching activities that increase the value of our intellectual and social and relationship capital.

In this section, we highlight the prominent role our staff and students play in the NWU value chain.

Stakeholders who will benefit from human capital activities

Our human capital activities mainly affect our staff and students, although their families are also indirectly affected by our activities.

Material matters/goals involved

Almost all material matters affect our staff and students.



Risks involved

Our main risks are uncertainties in the higher education sector, the demand for organisational change, risks related to academic matters, compliance matters, risks relating to student life, IT risks and operational risks. Almost all of these risks have a bearing on our staff and students.

How we created value

Creating value for our staff and students entailed developing their skills and promoting their wellbeing through activities that demonstrate social justice and an ethic of care. In this section, we elaborate on the core business and support activities that created value for these two groups.

Material matter

Teaching and learning; research; community engagement



Caring for our students

When NWU students graduate, they should be ready to enter the labour market as highly qualified, skilled people (part of our outputs) who are able to contribute to the economy of South Africa (part of our outcomes).

However, technical and professional skills alone do not suffice in the rapidly changing world of work. Thus, we also offer an array of cultural and sport activities, and look after students' financial, physical and psychological health

and well-being, to assist them in becoming well-rounded, versatile and adaptable. More information is available in the vice-chancellor's report on page 24.

► Academic support

Information on how we help prospective students to gain access to the university and, once enrolled, to complete their studies successfully, can be found in the section on our intellectual capital (under Increase student access and success) on page 47.

▷ Career-related support

The NWU Career Centre strives to equip NWU students with skills to add value to society, either as employees, self-employed people or entrepreneurs. Our services, especially CV writing and interview preparation, are well used, with the number of students using the centre increasing from 5 171 in 2016 to 6 989 in 2019.

In 2019, the South African Graduate and Employer Association (SAGEA) nominated the NWU as one of three finalists for Best Career Fair of the Year, and 152 companies attended our career fairs across the three campuses. The fairs were also popular among students: 507 students attended at the Mafikeng Campus, 1 087 at the Vaal Triangle Campus and 1 029 in Potchefstroom.

We published the 11th edition of the Career Guide, offering information on career-related prospects and opportunities, and introduced entrepreneurship and innovation workshops, the first of which was hosted at the Mafikeng Campus.

Caring for our staff

▷ Building staff capacity

Training interventions are invaluable in building our staff capacity so that we increase our human capital and create value for our employees by supporting their career development.

Our staff continue to benefit from both internal and external skills development opportunities, as well as formal training. There was a strong focus on offering training opportunities to staff from the designated groups.

About 16% of our training spend was used for in-house training, mainly in people skills, leadership and diversity management skills and business etiquette. We also presented an employee learnership to staff with a Grade 12 certificate as their highest qualification.

These development programmes support our strategic goals and the internal success model which form part of our overall NWU strategy.

Information about our various incentivising initiatives, such as the annual awards for teaching excellence, is on page 19 in the section on our value chain.

▷ Empowering our researchers

Opportunities to learn from other researchers and becoming part of the country's larger research community are important in developing and motivating our researchers. In 2019, such opportunities included 12 high-level public lectures delivered at the NWU by speakers from organisations such as the Department of International Relations and Cooperation, the National Research Foundation (NRF) and the Human Sciences Research Council.

For the benefit of our young researchers, we secured 23 internships for 2020 from the Department of Science and Technology and the NRF.

Through our University Capacity Development Programme (UCDP), we provided almost R5 million to help emerging researchers further their studies. On top of that, the UCDP allocated R25 million for various other development opportunities, bringing the total spent on staff development to R30 million.

In 2019, 860 researchers attended 24 research capacity-building workshops. We also created development opportunities for postdoctoral researchers, 90 of whom attended the Annual Postdoctoral Conference, focusing on opportunities for multi- or transdisciplinary research. During this event, groups of postdoctoral fellows discussed successes and challenges and reported back to ensure improvements in the postdoctoral programme.

Another way of inspiring our researchers is through our annual Research and Innovation Excellence Awards. You can read more about these on page 20 in the section on our value chain.

Material matter

Student value proposition



Our students are our main stakeholders and we go out of our way to create a safe and welcoming experience for every student. In addition to the academic support and career advice we provide, our students have access to various wellness support services and skills development programmes.

Our campus health centres, together with counselling and social welfare services, support our students' overall physical and psychosocial wellbeing.

The campus disability offices ensure that the needs of students living with disabilities are efficiently addressed, while social welfare projects such as the "Meal-a-Day" programme support students from disadvantaged socio-economic backgrounds.

In parallel with these programmes and initiatives, we identify and support at-risk students through the Thuso programme.

Through the Thuso programme, registered psychologists provide services that promote the psychological well-being of students so that they can flourish in their studies and personal lives.

More information about how we promote our students' overall wellness through other support services and extracurricular activities is available in the report of the vice-chancellor on page 24.

We also support our students financially and see this as an input into our value chain – more information about this topic can be found on page 15.

Dropout rates

Our student to staff ratio decreased from 32,22 to 31,93 in 2019. Our first-time entrant dropout rate has increased from 9% in 2018 to 10,78% in 2019.

How much value we created, compared to previous years

Dropout rate	2016	2017	2018	2019
First-time entrant dropout rate for contact degrees	12,2%	11,11%	9%	10,78%

How much value we created, compared to our target

	Target	Definition	Actual
Academic staff full-time equivalent ratio: students	25,6	Based on HEMIS data and referring to the enrolled student full-time equivalent divided by the permanent instruction/research professionals full-time equivalent.	31,93
First-time entrant dropout rate for contact degrees	Below 15%	First-time entering students in contact degree qualifications who register in the reporting year but do not return in the next year.	10,78%

Material matter

Develop and retain excellent staff and create an equitable staff and student profile



On the previous page we discussed the academic development of our staff, and in the section on incentivising for achievement (page 103), you can read about how we use remuneration as an incentive.

In addition to professional development and remuneration, we create a caring and safe environment conducive to attracting and retaining excellent staff.

Our staff members matter

The services of our Wellness offices support the all-round well-being of our staff, meaning biopsychosocially and spiritually.

Through Wellness4U, a comprehensive employee-wellness assistance programme, NWU employees and their immediate families have access to experienced counselling

professionals for help with personal, family and work-related problems. This free service is available 24 hours a day.

Health services are offered to staff through our campus health centres, and our campus disabilities offices provide support for staff living with disabilities, in line with our Disability Policy for employees.

In addition, our campus protection services and the Occupational Health and Safety Policy and office ensure a safe working environment.

We provide financial aid through study discount benefits so that our staff and their dependants can study at the NWU. In 2019, we spent over R24,6 million on these benefits, a considerable increase on 2018. These benefits supported 998 people. Of these, 476 were staff members and 522 dependants. Demographically, 454 were historically disadvantaged South Africans and 588 were female.

Pursue equity to create value

Creating an equitable staff and student profile is part of our commitment to excellence. A diverse community can stimulate greater creativity and innovation than a homogeneous one can.

Living and studying in a multicultural environment also prepares our students for the diverse South African world of work.

Staff

▷ How much value we created, compared to previous years

	2016	2017	2018	2019
African (%)	33,5%	34,5%	35,9%	43,3%
Coloured (%)	5,7%	5,7%	6,3%	4,5%
Indian (%)	1,2%	1,3%	1,3%	1,5%
White (%)	59,6%	58,5%	56,5%	50,8%
Female (%)	56,9%	56,9%	56,8%	57,2%
Male (%)	43,1%	43,1%	43,2%	42,8%

▷ How much value we created, compared to our target

	2019 target	Actual
African (%)	37,9%	43,3%
Coloured (%)	7,5%	4,5%
Indian (%)	2,1%	1,5%
White (%)	51,6%	50,8%
Female (%)	56,4%	57,2%
Male (%)	43,6%	42,8%

Students

▷ How much value we created, compared to previous years

	2016	2017	2018	2019
African	67%	66%	65%	67%
Coloured	4%	4%	5%	4%
Indian/Asian	1%	1%	1%	1%
White	28%	28%	29%	27%
Female	67%	66%	65%	65%
Male	33%	34%	35%	35%

▷ How much value we created, compared to our target

	2019 target	Actual
African	60,8%	67%
Coloured	6,5%	4%
Indian/Asian	0,9%	1%
White	31,8%	27%
Female	69,2%	65%
Male	30,8%	35%

COUNCIL STATEMENT ON CONFLICT MANAGEMENT

“The university is committed to principles of collective bargaining, progressive discipline, restorative justice and alternative dispute resolution as far as possible, in order to address conflict situations.

“During 2019, the NWU successfully dealt with potential conflicts that could possibly harm the institution’s reputation at the lowest level. This includes, among others, bargaining forums with recognised trade union(s), internal disciplinary procedures, grievance procedures, mediation processes, etc.

“The main focus is always to act in the best interest of the institution, while creating a ‘win-win situation’ for all, as far as possible.”

Statement approval obtained from the NWU Council on 28 July 2020

COUNCIL STATEMENT ON WORKER AND STUDENT PARTICIPATION

“The Recognition Agreement between the NWU and SAPTU was revised in August 2019. In terms of this agreement, all employee issues of mutual interest will be addressed through the University Bargaining Forum, either by means of negotiation or consultative processes. In order to be a recognised trade union at the NWU, a trade union must meet the membership threshold of 30% across the university.

“An Organisational Agreement between the NWU and NEHAWU regulates the relationship between the parties in terms of the Labour Relations Act. We have ongoing Management and Trade Union Consultative Forum meetings.

“The purpose of the University Bargaining Forum and the Management and Trade Union Consultative Forum meetings is to build labour peace and a healthy employer/employee working environment and play a critical role in the ongoing improvement of employer/employee relations.”

Statement approval obtained from the NWU Council on 28 July 2020

Material matter

Govern, lead and manage; information and communication technology; and financial sustainability



Good governance is an important way of supporting and protecting our human capital. This is part of the responsibilities of the Council and some of its committees, such as the Remuneration Committee, the People and Culture and Employment Equity Committee and the Student Oversight Committee.

We also have several policies that provide guidelines for the fair and just people management of the university, thereby protecting and increasing our human capital.

These include policies on conflict of interest, governance oversight and management control, human rights, remuneration, performance management, staff learning and development, employment equity and disabilities, to name just a few.

When it comes to information and communication technology, our IT department is a key enabler of student success and the effectiveness of our staff. As such, access to IT resources and services must be equitable. We have achieved this by adopting a centralised approach to system delivery and a decentralised model for service delivery.

Lastly, it is our responsibility to make sure that our university stays financially sustainable.

This ensures that our current staff and students, as well as future generations, will have a financially stable institution to work and study at. More information about how we do this is in the section on our financial capital on page 70.

The NWU strives to build an inclusive, enabling and welcoming environment for all staff and students.

A critical step on the path towards this was to conduct a dipstick assessment among staff and students to identify the desirable and undesirable elements of the current culture, and define the desired culture.

We then held so-called Culture Conversations to facilitate inputs on what changes are needed to achieve the desired culture.



Our social and relationship capital

Social and relationship capital can be described as the relationships we have with our external stakeholders. This is about their loyalty, skills, knowledge, experience and motivation that add value to the NWU and our other capitals. It is also about reciprocal trust and benefit.

As a university we realise that a big part of our value-creation success depends on the relationships we have with individuals, groups and communities outside the NWU – nationally and internationally.

We also acknowledge that we have to engage effectively with these external stakeholders to increase the value of our social and relationship capital.

Stakeholders who will benefit from effective engagement with the NWU	
All our external stakeholders need to benefit from our engagement with them. They include the parents of our current and prospective students, communities surrounding our campuses, donors, alumni, employers, business and industry, professional bodies and the Department of Higher Education and Training (DHET).	
Material matters (goals or enablers) involved	
All our goals are directly or indirectly linked to our relationships with external stakeholders. These are particularly closely and directly connected to this capital:	
Risks involved	
Parents of students may be affected by the uncertainties in the higher education sector, the demand for organisational change and risks relating to student life. (Matters that may concern them include state funding, tuition fees and the safety of our campuses in the event of unrest.) Other risks that affect our external stakeholders include risks related to academic matters, compliance and commercialisation of intellectual property.	

How we created value

This section is about how we created value for our external stakeholders by integrating our community engagement with our core activities of teaching and learning and research.

With the aim of increasing the impact of our community engagement, we made a concerted effort to move towards outreach based on academic disciplines rather than conventional outreach.

During 2019, we updated our database of legitimate service-learning partners for student placements. These

included local non-governmental organisations (NGOs), public benefit organisations and religious organisations.

We made contact with most NGOs in Tlokwe and Matlosana, with similar processes ongoing in Sedibeng and Mahikeng.

Although some of the community engagement activities do generate third-stream income, most are not for profit and can be linked to our commitment to social justice, which is part of our strategy.

Material matter	Teaching and learning; research; community engagement	
------------------------	--	--

▷ Teaching and learning

Community engagement is embedded in many of our teaching and learning activities, often in the form of opportunities for work-integrated learning and service learning for students.

In 2019, we integrated these two types of learning into our Teaching, Learning and Assessment Policy and Rules. We are also exploring the possibility of developing and adding service learning modules to our programme offering.

Other opportunities for community service are available through the NWU's law clinics and psychosocial service centres, where students can integrate theory and practice while serving communities.

It is also important for the NWU to remain responsive to employers' needs, and so we continued to interrogate the value and relevance of our academic programmes by engaging with business, industry and statutory and non-statutory bodies.

▷ Research

Engaged research is interactive research about, with and in communities. Such research is key if we are to increase our social and relationship capital.

We also conduct research to solve real-life problems in communities, thereby empowering people and improving their quality of life.

An example is the NeuHand system developed specifically for hand rehabilitation in South African conditions. (See text box on this page.)

Knowledge exchange is an important part of our research ethos. Our researchers share their expertise by participating in expert panels, serving on research structures and collaborating in research programmes, both nationally and internationally.

Challenges and future outlook

Technology development and online education are valuable tools for ensuring that the NWU and its activities become more and more accessible to communities.

Greater access creates opportunities for greater legitimacy as an institution working for the public good, and requires the university to be responsive to the needs of communities and ensure its infrastructure capacity is constantly replenished.



see how
we care



NeuHand set to revolutionise rehabilitation after stroke

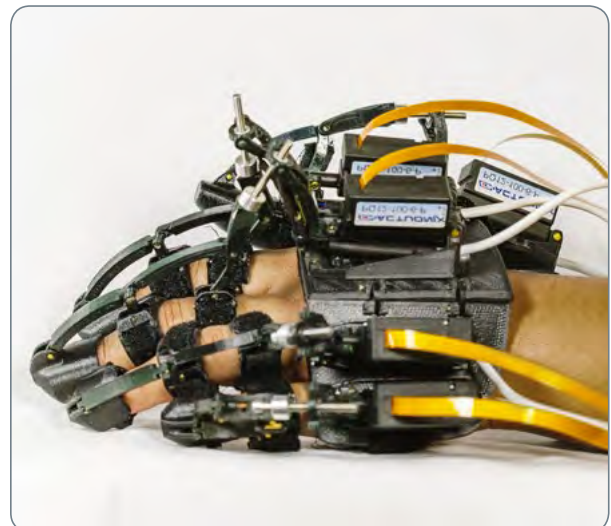
Every day, approximately 360 South Africans have a stroke. One of the life-altering disabilities resulting from a stroke is hand disability.

Fortunately, the NWU's NeuHand invention will bring these patients new hope.

This inexpensive, automated mechatronic rehabilitation system consists of a mechanical component, combined with sensors and a microprocessor (a small computer) with special software.

One of the biggest benefits of the NeuHand is that the processed data can be accessed by physiotherapists via the internet, enabling them to prescribe exercises and then continuously monitor the patient's progress remotely.

This is extremely useful, especially in rural communities where patients might not be able to travel long distances to see clinicians.



The mechanical part of the NeuHand looks like an external skeleton.

Material matter

Student value proposition; develop and retain excellent staff



Social justice, social responsiveness and an ethic of care are imbued in our strategy and dream. Encouraging our staff and students to contribute to society through volunteerism helps bring these aspects to life.

Fundraising through the Student RAG Community Service and RAG is a popular and effective practice.

In addition, students volunteered their time and skills at primary and secondary schools, children’s homes, shelters for the homeless, old age homes and the Society for the Prevention of Cruelty to Animals, and offered extra maths classes in schools to assist teachers.

These activities embody the ethic of care that the NWU strives to instil in students.

Challenges and future outlook

Regional and local communities that interact with the NWU expect the relationship to be mutually beneficial. They require us to be partners in building community capacity,

alleviating poverty and increasing the employability of community members.

We also believe it would be beneficial to extend our community development footprint nationally, focusing on applied research that addresses socio-economic challenges and has sustainable impact and income generation potential. This initiative is in response to the National Development Plan.

In the global arena, we would like to continue increasing the number of agreements and collaborations with international universities and relevant industries.

Similarly, it is particularly important to increase the number of postgraduate joint-degree programmes with the top 500 universities as rated by Quacquarelli Symonds (QS). Our ultimate goal is to have partnerships with at least 50 of these top 500 universities by 2025.

Other priorities are to continue focusing on international funding sources, smart partnerships and the international Sustainable Development Goals, aimed at ending poverty and protecting our planet and people.

Material matter

Communication, marketing and stakeholder engagement



For more information on our stakeholder activities, refer to the section on stakeholder engagement on page 27.



see how we care



NWU signs MoU with the North West Provincial Government

As we wish to share our wealth of knowledge and expertise with various stakeholders, the university renewed its existing memorandum of understanding (MoU) with the North West Provincial (NWP) Government.

The NWU and the NWP will continue to cooperate in areas ranging from science and innovation to training, poverty alleviation and health.



Vice-chancellor Prof Dan Kgwadi (right), and North West Premier Prof Tebogo Job Mokgoro, sign the MoU on 13 September 2019 on the Potchefstroom Campus.



Our natural capital

Our natural capital consists of the renewable and non-renewable environmental resources on which all our other capitals are based. These natural resources or environmental assets include soil, land and water, which we use to add value to our other capitals.

For example, we need water to keep all our core business operations and support services running (intellectual and manufactured capitals) and to sustain our staff and students (human capital). Without a healthy supply of water, the university would literally not be able to function.

We use land and resources such as soil and water to construct buildings and strengthen our manufactured capital. However, by building on the land and using natural resources and creating waste during the construction process, we decrease the value of our natural capital.

Stakeholders who will benefit from strong natural capital

All our stakeholders need natural capital to exist and flourish.

Material matters (goals or enablers) involved

We will not be able to realise any of our goals or implement our enablers without natural resources as input.



The material matter "to promote sustainability" (part of goal three in our Annual Performance Plan) is particularly relevant here.

Risks involved

Risks include those related to academic and operational matters, student life, compliance (for instance with environmental regulations) and IT (infrastructure needs an energy source).

How we created value

Our natural capital is an invaluable input for overall value creation at the NWU and must be managed sustainably so that scarce natural resources will still be available to us and future generations.

We are committed to reducing the environmental footprint of our activities by using natural sources responsibly, decreasing our energy use and complying with environmental regulations. These are part of the draft strategy and policy we have compiled and which will be shared with our stakeholders in 2020.

Material matter

Promote sustainability



This section focuses on the environment as an important element of sustainability.

(For information about general sustainability at the NWU, see the Council statement on sustainability on page 6.)

Environmental audit

Since 2014, when the NWU's Centre for Environmental Management (CEM) conducted an environmental audit, we have been systematically correcting the non-compliance issues found. However, there is still work to be done.

Internal Audit followed up the environmental audit in 2017 by conducting an environmental compliance audit. This revealed that only some of the required legal compliance audit rectifications had been resolved.

The Centre for Environmental Management continues to monitor these rectifications. We also stepped up our response by initiating change management and awareness activities and appointing a green campus coordinator for each campus.

Challenges

Unfortunately, these coordinators have had limited success in bringing about the required changes, for a variety of reasons. These included a lack of specialised expertise and the absence of a policy for environmental responsibility. In response, we prepared a draft strategy and policy guideline, which was submitted for consultation with all stakeholders in December 2019.

A follow-up investigation, followed by a *status quo* report, was requested and provided to the Combined Assurance Forum. Although the report showed some progress had been made within various accountable units, there are still outstanding compliance issues. These mostly have to do with human resource challenges.

Future outlook

We intend to establish a working committee in 2020 to oversee all infrastructure operations, and to appoint a policy

owner to compile a sustainability and green campus policy with definite timelines. This process is still under way.

It may be necessary to create a position for an environmental expert who will be responsible for coordinating environmental issues at the university, and we are considering this. It is also critical to identify the appropriate department to host such an expert.

In the meantime, Sustainability and Community Impact will continue with awareness creation.

Another priority is to focus on who is responsible for finalising outstanding compliance issues. Where applicable, responsibility for achieving these targets will be included in task agreements.

In addition, we plan to join the Higher Education Environmental Sustainability Community of Practice in 2020, as this will allow benchmarking with other South African universities.



see how
we care



NWU Science Centre educates learners on climate change

Climate change does not only affect people in certain countries; it has an impact on the whole world. Our Science Centre is doing its part to educate students about the grim reality of climate change, befitting the 2019 National Science Week's theme, "Facing the harsh realities of climate change".

Learners had a jam-packed week of activities such as measuring rainfall, participating in discussions on climate change and frog diversity and attending presentations on littering.



Close to 1 400 learners from 24 schools in the Dr Kenneth Kaunda District attended the Science Week expo at the Science Centre on the Potchefstroom Campus.

Material matter

Student value proposition



Various Green Campus initiatives are up and running, and we encourage students to become involved as this equips them to be responsible citizens who are aware of the importance of environmental sustainability.

An energy-saving competition for student residences is one of these initiatives. Other are art exhibitions with exhibits made from recycled materials and mechanisms to support students to implement innovative green ideas.

Future outlook

An awareness campaign called “Flip the Switch” was launched on the three campuses during March 2019 to highlight energy consumption and the impact it has on the environment. Posters and stickers were also distributed across campuses.

The aim is to motivate the NWU community to save energy and start making a sustainable difference in their own communities and surrounding areas. We believe that an energy-conscious NWU will ultimately conserve the environment for future generations and save costs.

There is considerable interest in utilising the separation-at-source model for a variety of consumables that are normally treated as general waste.

Some student groups have requested more bins to separate waste and we are seeing a welcome change in the habit of using plastic water bottles at campus meetings, where jugs and water glasses are used instead.

In 2019, an NGO called Second Life collected used clothes and furniture left at residences in Potchefstroom. This assists the NGO concerned while also resolving the problem of having to remove unclaimed items at the end of the year. There are still some health and safety rules and other guidelines that prevent us from separating all waste into different bins, but we are hopeful that we are close to a solution.

The separated waste could be utilised by entrepreneurs and social entrepreneurs for upcycling or recycling, potentially creating jobs and promoting future sustainable development.



see how
we care

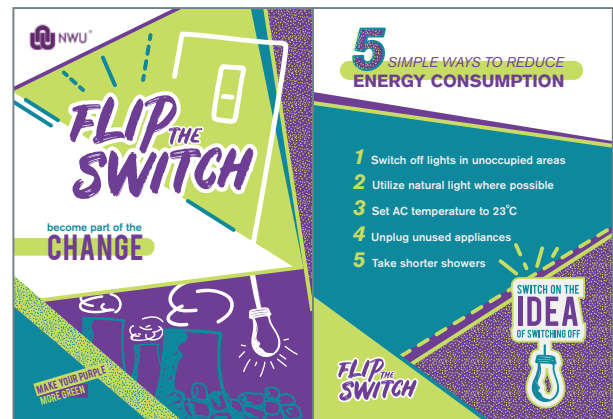


Flipping the switch

The NWU launched the “Flip the Switch” awareness campaign as part of our energy strategy. This project aims to educate students and staff on how they could reduce their energy consumption footprint for a sustainable future.

Creating awareness of energy consumption motivates the NWU community to save energy. It also gives everyone the opportunity to start making a sustainable difference in their communities and surrounding areas.

The establishment of an energy-conscious NWU will ultimately help conserve the environment for future generations.





Our financial capital

We use financial capital to provide services and maintain and improve our infrastructure so that we can create value for the NWU and our stakeholders. The sources of this capital are state funding, debt and grants, as well as revenue generated through our operations and investments.

The health and stability of our financial environment depend on how well we manage our income and spending, as expressed in our annual budget.

Excellent financial discipline in planning, managing and investing our financial capital is a prerequisite for ensuring that adequate funding is available for operational requirements and that capital expenditure needs can be met while maintaining a healthy balance sheet.

By securing our current financial stability and future sustainability, we will be able to achieve our strategic objectives as a unitary institution of superior academic excellence.

Stakeholders who will benefit

All our stakeholders benefit when the NWU's financial capital is strong. Financial stability enables us to keep our tuition fees within reach of our current and future students and their families. It also means we are able to afford fair remuneration for our staff and reassure our donors and the DHET that we spend their donations and funding wisely, serving the national priorities for higher education.

Material matters (goals or enablers) involved

Although Enabler 4 (financial stability) is the main focus, all our goals and other enablers are also implicated, as we need money to achieve and implement these.



Risks involved

The main risks are uncertainties in the higher education sector (for instance the drive towards fee regulation), and the demand for organisational change (for instance, free education resulting in higher dependency on state funding).

The other top risks in our risk register are also implicated, as we need money for all the activities linked to them. These are the risks related to academic matters, compliance – for instance with financial laws and regulations – risks relating to student life, IT risks, commercialisation and operational risks.

How we created value

Despite many challenges in our external environment, we succeeded in managing our finances to maintain our sound financial position. (More information about our financial position is on page 70.)

Material matter

Ensure the financial sustainability of the NWU



To ensure long-term financial sustainability, we have to distribute our resources in a way that supports our core business strategies.

As in the previous year, our budget task team compiled a high-level break-even budget on a cash flow basis. The budget was shaped by the realistic prediction of income, translating to expenses that we can "afford". This meant we paid close attention to the calculation of the key sources of revenue, taking into account all the latest, most relevant information available.

We used pre-determined ratios (expenses measured as a percentage of core business income) as a financial sustainability guideline to steer the NWU towards the ideal combination of income and expenses. The 2018 budgeted expense ratios were used as the basis for the 2019 expense budget. The result of the income calculation gave an indication of the adjustment needed in terms of the 2019 expense budget. We then did a three-year forecast, based on the same principles and certain assumptions.

The following ratios guided us:

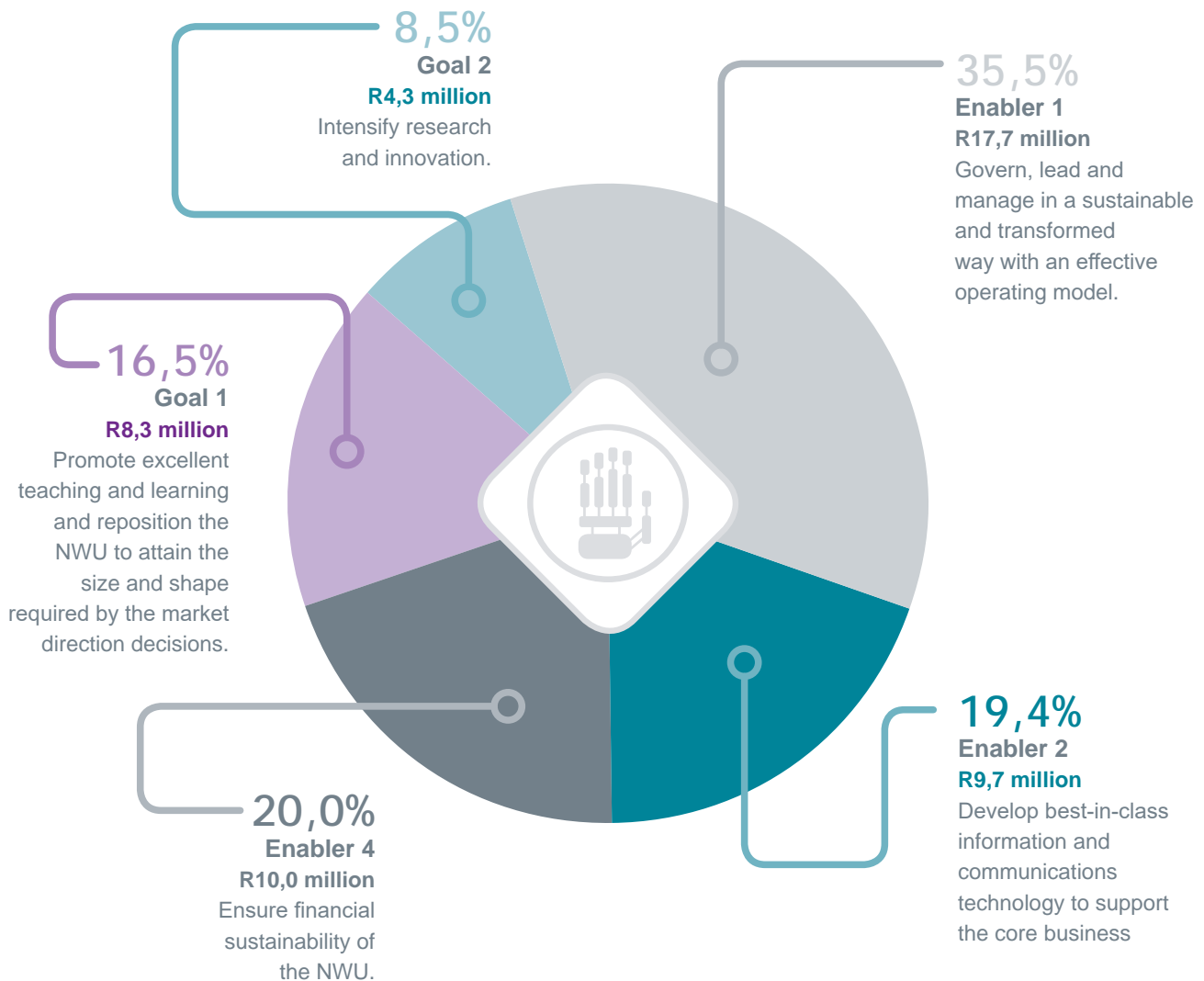
- Staff cost as a percentage of income
- Operating cost as a percentage of income
- Capital cost as a percentage of income

On the following pages we explain how we financed our strategic initiatives in 2019 and allocated our funds to achieve our goals and implement our enablers.

How we plan to finance our strategic initiatives

Apart from continued efforts to align all activities and allocation of resources (normal operating budget) with the strategy and success model of the university, the strategic fund is also used to allocate funds for specifically identified strategic projects upon request. These strategic requests are submitted by managers during the budget process, and the University Management Committee approves the allocation of these strategic funds.

Funds allocated per goal/enabler



Strategic projects per goal/enabler

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.

- Continuation of Medical School Project
- Faculty of Economic and Management Sciences: Teaching and Learning Plan
- Establishment of Business School on Vaal Triangle Campus
- Unit of Continuing Education implementation
- Language Policy and Plan were implemented from 2019



Research and innovation

Goal 2: Intensify research and innovation.

- Establish an Integrated Commercial Platform
- Establish a DST advanced 3D cell Biotechnology Platform
- Research chair support
- Incentive for supporting researchers working outside entities



Staff and students

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

- Develop our own systems to enable students to verify and capture their banking details online to remove bottlenecks in the payment of NSFAS allowances



Lead and manage

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

- Refinement of our policies that are to be revised in line with the Statute
- Implementation of the NWU Language Policy



Improved technology

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

- People and Culture system automation
- Implementation of new student system phase 1



Financial sustainability

Enabler 4: Ensure the financial sustainability of the NWU.

- Implement the Infrastructure Policy that focuses on optimal space usage.



Council and management are jointly committed to managing the NWU in such a way that will enable the university to sustain its sound financial position in 2020.

In the near future: opportunities and challenges in executing our strategy

For the 2020 academic year, the DHET has requested an across-the-board tuition fee increase of 5,4% (based on the consumer price index or CPI).

The challenge is that the CPI rate is not representative of the increase in cost required to operate a university.

Universities must cope with a deficit in real terms in the historical subsidy increase. This deficit is widening because the pace of subsidy increases has been below higher education inflation for a few years, and did not allow for planned growth.

There was a 19,5% increase in the block grant from 2018 to 2019, including the fee adjustment grant (GAP grant) that is being phased out over three years (2019-2021). The increase mainly represents the movement of funds between tuition fees and state funding and does not in real terms cover the higher education price index (HEPI), growth and decline in state funding in real terms of the past. The latest Ministerial Statement on University Funding indicates an increase of 6,5% and 5,6% for the years 2020 and 2021 respectively. The actual GAP funding for 2019 amounts to R46 million.

Future outlook: how to maintain financial sustainability

A considerable risk for the future sustainability of universities is the combination of two factors. One is the capping of the tuition fee increase at a CPI-related percentage. The other is the low percentage increase in block grant state funding. Together, they do not cover the HEPI, growth and decline in state funding in real terms of the past.

The above has implications for how we go about maintaining our healthy financial position. We will have to focus on diversifying and optimising our income streams, improving operating cost efficiency and effectiveness, and optimising the use of infrastructure.

In the long term, the financial sustainability of public higher education institutions may be jeopardised to such an extent that some may lose their competitive edge in the market and the ability to contribute to the skills and knowledge economy of South Africa.

To prevent this from happening at the NWU, we intend to participate actively in the modelling of the future funding design. We remain committed to working with the DHET to not only ensure a well-functioning and sustainable NWU, but also help safeguard the stability and sustainability of the South African higher education sector.

COUNCIL STATEMENT ON BORROWINGS

"The NWU did not enter into any new long-term borrowing agreements in 2019."

Statement approved by Council on 28 July 2020

Financial Review

Report of the chairperson of the Finance Committee and the Executive Director: Finance and Facilities

The purpose of this report is to present a summary of the financial results of the university for 2019 and to provide information about the following:

- Budgeting and budgetary control processes
- Overview of financial achievements

Budgeting and budgetary control processes

An interactive budget process for the 2019 budget was approved in May 2018 by the Finance Committee of Council after the appointment of managers as part of the restructuring process.

In an interactive budget process, managers have the opportunity to engage in detail with the budget needs per planned activity. Budget discussions took place at various management levels.

Each executive manager also had the opportunity to discuss his/her portfolio budget with the budget committee task teams to ensure that the detailed budgets were aligned with the NWU strategy.

The executive portfolio budgets were presented to the Senior Management Committee (SMC) meeting on 4 September 2018, where executive managers shared information about challenges experienced during the budget process, equity of provision between campus units, risk and concerns and the link between budget and strategy.

The high-level budget was used as the framework for the budgeting process and took into account the approved Annual Performance Plan, the viability and sustainability indicators and other financial information available.

As this was the first year of the new organisational structure, we applied zero-based budgeting principles wherever possible.

Budget overview

The high-level budget was compiled using the assumptions and information formulated as part of the 2019 budget guidelines. The emphasis was on being as realistic as possible in predicting income and focusing on expenses that were affordable to the university.

The calculation of the key sources of revenue received intensive attention, taking into account the latest, most relevant information available. The result of the income calculation gave an indication of the adjustment needed in terms of the 2019 expense budget, which was based on the 2018 budgeted expense ratios.

Budget control process

As the performance agreements of all staff are linked to the Annual Performance Plan (APP), all the different levels of management remained involved in the management of the budget and there was no change in the budget control process.

In the course of any given year, all staff who work with finances remain closely involved through the monthly variance reporting structures. Variance reports were submitted to the University Management Committee (UMC) in the form of quarterly management statements, and were also reported biannually to the Finance Committee of Council. Furthermore, for source of funds (SOF) 2, 3 and 5, only income actually received is allowed to be spent.

A full financial overview is available here:



For online viewing, click on the QR code.

OVERVIEW OF FINANCIAL ACHIEVEMENTS

The financial review for the year ended 31 December 2019 is presented under the following headings:

Surplus and growth

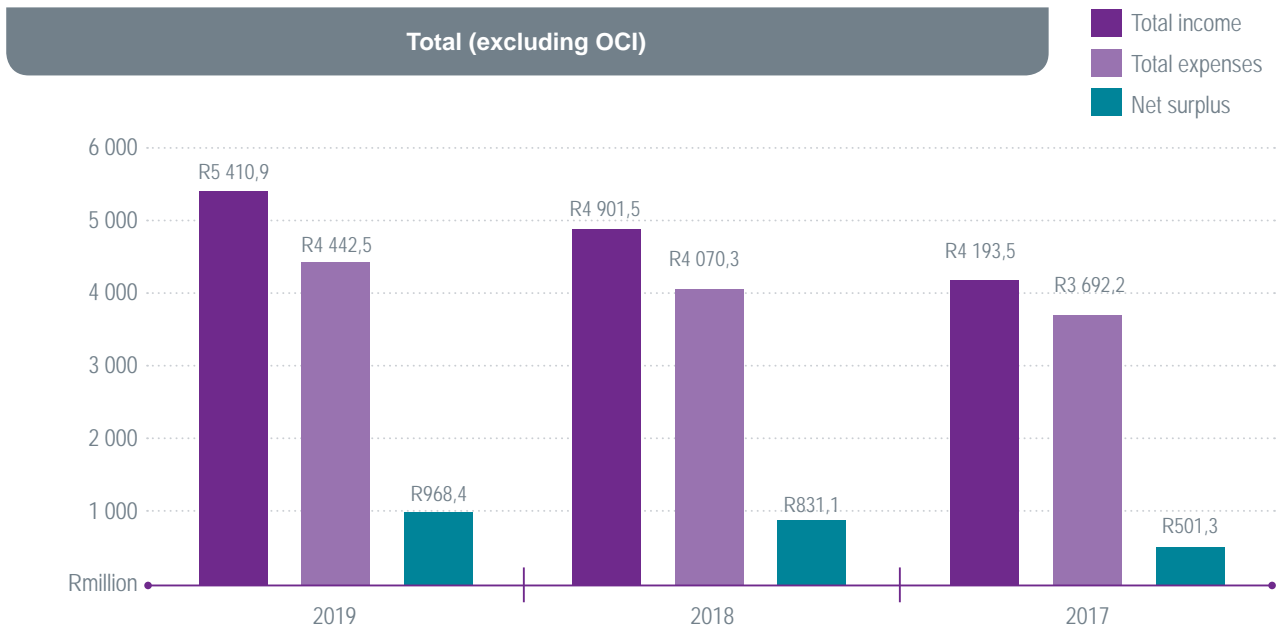
The total surplus for 2019 is R968,4 million (2018: R831,1 million and 2017: R501,3 million) – an increase of 16,5% compared to 2018. The total surplus expressed as a percentage of the total income is 17,9% for 2019 (2018: 17,0% and 2017: 12,0%).

The total surplus can be divided in surplus from recurrent activities of R905,7 million (2018: R859,8 million and 2017: R499,8 million) and surplus from non-recurrent activities of R62,7 million (2018: -R28,6 million deficit and 2017: R1,4 million surplus). Expressed as a percentage, the surplus from recurrent operations represents 16,7% of the total income for 2019 (2018: 17,6% and 2017: 12,0%)

and non-recurrent surplus 1,2% (2018: - 0,6% deficit and 2017: 0,0%).

The total income of the university increased by 10,4% during 2019 to R5 410,9 million (2018: R4 901,5 million) and increased by 29,0% compared with 2017 (R4 193,5 million). The total expenditure of R4 442,5 million increased by 9,1% for the 2019 financial year (2018: R4 070,3 million) and by 20,3% since 2017 (R3 692,2 million).

The impact of IAS19 valuations on expenses is a decrease of R15,0 million for 2019 (2018: R20,3 million decrease), compared to the increase of R1,8 million for 2017.

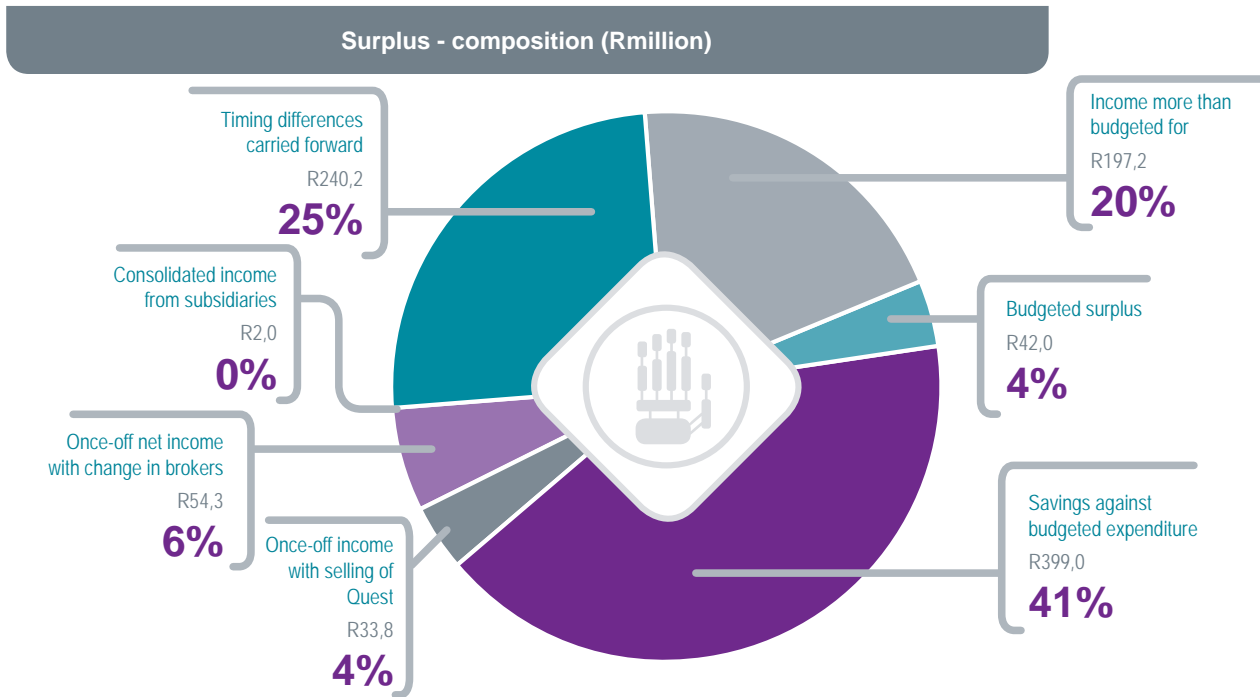


Other comprehensive income (OCI) for 2019 totalled a deficit of R69,1 million (2018: R18,3 million surplus and 2017: R187,1 million surplus). This gave rise to a reportable total comprehensive income for the year of R899,3 million (2018: R849,6 million and 2017: R688,4 million).

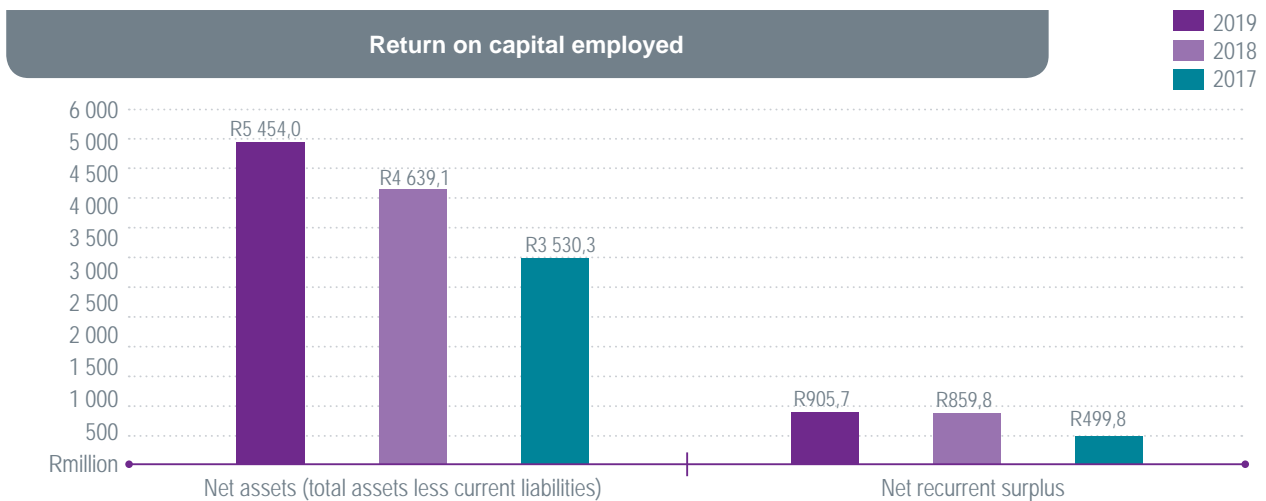
The income of the university from recurrent activities increased by 6,5% to a total income of R5 218,0 million, while the total expenses from recurrent activities increased by 6,7% to a total expenditure of R4 312,3 million for 2019. The surplus for the 2019 financial year from recurrent activities represents 17,4% (2018: 17,5% and 2017: 12,0%) of the total recurrent income.

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

- infrastructure efficiency earmarked grant for infrastructure projects that is recognised as and when the expenses are incurred;
- timing differences due to for instance capital and macro-maintenance projects, as well as strategic projects not completed during the year, which was carried over to 2020;
- an increase in NSFAS-funded students which resulted in a higher number of enrolments, as well as
- a lower dropout rate than anticipated in 2018;
- favourable investment returns on a growing long-term investment portfolio;
- personnel remuneration savings on vacant positions, etc.



The university's return from recurrent operating activities on capital employed (total assets less current liabilities) decreased to 16,6% (2018: 18,5% increase) but still compares favourably to the 14,2% in 2017. This is mainly due to an increase in the recurrent surplus, despite an increase of 17,6% in net assets.



Income from state appropriations (subsidies and grants) represents 39,7% of total income (2018: 41,0% and 2017: 41,4%), an increase of 7,0% from 2018 to 2019 – compared to the 15,8% increase from 2017 to 2018 when additional subsidy of R110,6 million was received as per the revised Medium Term Expenditure Framework (MTEF) baseline allocations during April 2018. Total state subsidies comprise a 36,7% block grant and 3,0% earmarked grants. Earmarked grants in the amount of R86,7 million were deferred (2018: R50,1 million and 2017: R35,3 million). This amount includes R24,1 million received in advance regarding the final gap funding grant that is being phased out. Universities will be responsible for surpluses and shortages in gap grant funding until the cohort of students who benefitted from the gap grant no longer enrol at the university.

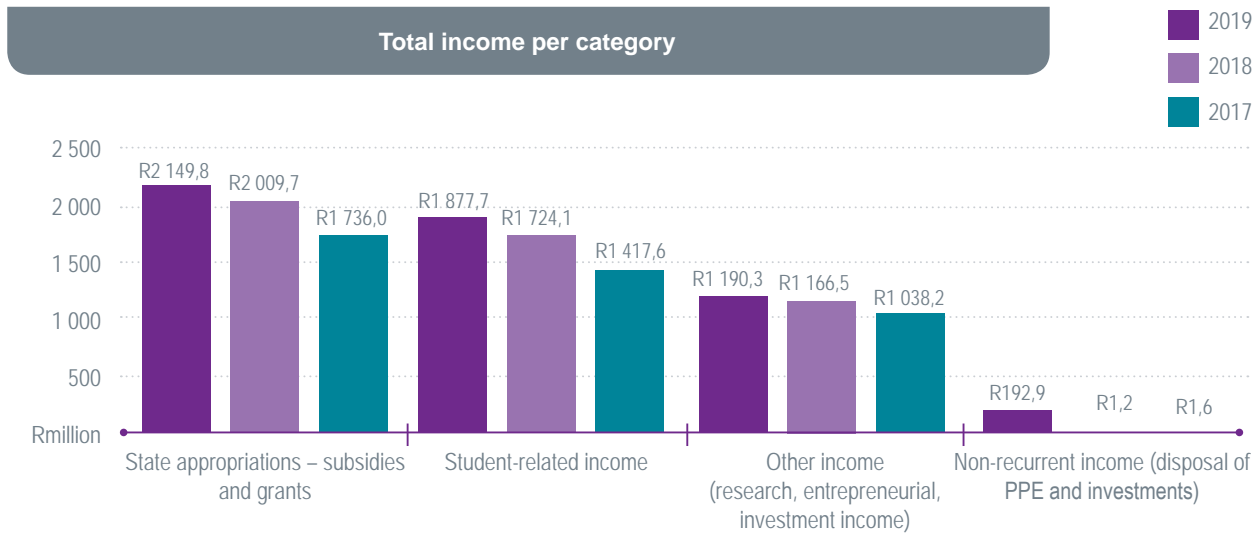
Tuition fees increased by 5,3% for 2019, and by 8,0% for both 2017 and 2018. Our major growth driver, namely student numbers, increased by 5,7% for 2019, giving rise to student-related income being 8,9% higher than in 2018 (2018: 21,6% and 2017: 14,1%). Additional NSFAS funding also enabled a higher number of enrolments. The total student-related income represents 34,7% of the total income (2018: 35,1% and 2017: 33,8%).

Other income represents 25,6% of total income (2018: 23,8% and 2017: 24,8%). This ratio includes non-current income (3,6% of total income), which may affect comparability depending on events and related amounts per year.

Quest Conference Centre was sold at a profit of R28,8 million and R5,0 million was earned in interest on the trust account, totalling a once-off income of R33,7 million on this

transaction. Profits of R164,6 million were realised when the university changed brokers to manage investment portfolios. Together with R130,2 million fair value loss adjustment on these financial assets through profit or loss

and R19,9 million interest and dividends earned on the portfolios, this totalled a net once-off income of R54,3 million on brokers' transactions.



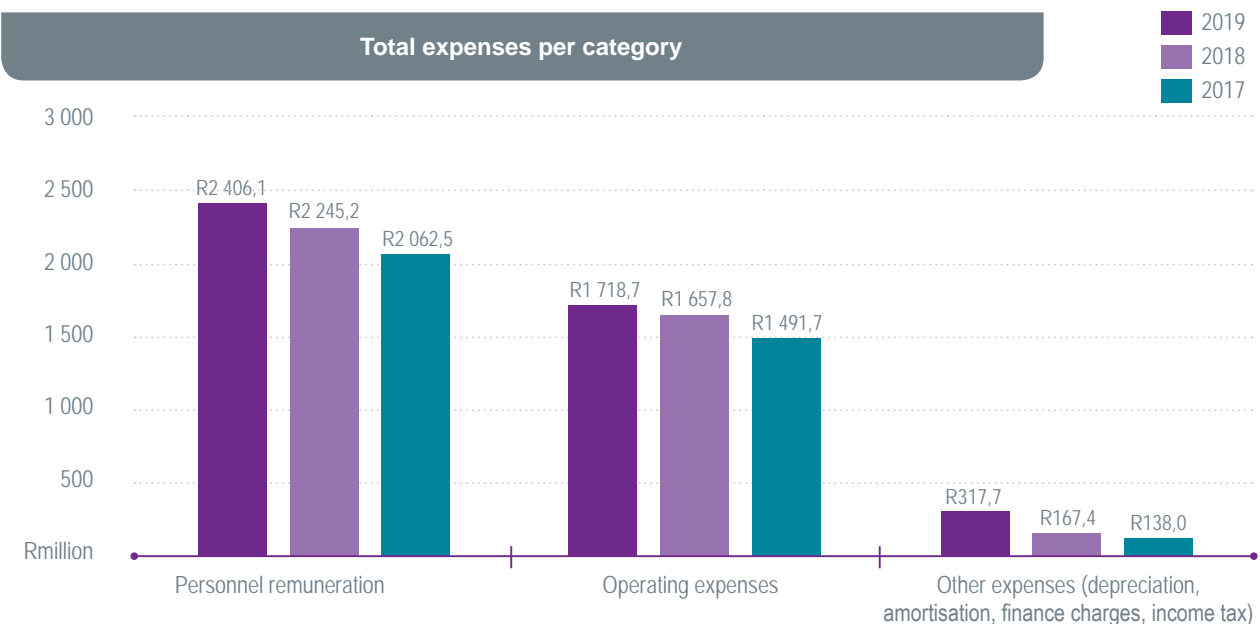
Total expenditure increased by 9,1% (2018: 10,2% and 2017: 3,7%).

Personnel remuneration increased by 7,2% compared to 8,9% for 2018 (2017: 5,5%). The increase reflects an average of the 6,0% COLA adjustment in April of 2019. The total cost of personnel expenditure for 2019 decreased to 44,4% of total income (2018: 45,8% and 2017: 49,1%), mainly due to the increase in income and the impact of the IAS19 valuations.

Council-controlled personnel expenditure is closely monitored to stay within the norm set by the Department of Higher Education and Training (DHET), namely 57,5% - 63,0%. This target includes amounts paid for services outsourced, while the university shows amounts paid for services outsourced as part of operating income. The

ratio for total Council-controlled personnel cost compared to total Council-controlled income was 47,9% for 2019 (2018: 50,2% and 2017: 54,6%). The main reason for this decrease in recent years is the higher than normal number of vacancies as a result of the restructuring process. The total effect of IAS19 valuations amounted to a R15,0 million decrease in staff expenses (recurrent and non-recurrent) for 2019 (2018: R20,3 million decrease and 2017: R1,8 million increase).

Operating expenditure increased by 3,7% compared to 2018. During 2018 operating expenses increased by 11,1% compared to 2017 (2017: 0,8%). Operating costs represent 31,8% of total income (2018: 33,8% and 2017: 35,6%), which is mainly due to the increase in income and therefore below the maximum target of 42%.



Expenses include an amount of R47,1 million (2018: R47,6 million and 2017: R52,4 million) written off as irrecoverable and doubtful student debt. The impact of calculating the expected credit loss on sundry debtors was an increase of R3,1 million in expected impairment for 2019. Student debt ratio (before impairment) is set to be less than the maximum norm of 20,0% for the sector. The NWU has a student debt (before expected credit loss) to tuition fees ratio of 11,0% for 2019 (2018: 15,8% and 2017: 17,1%).

Other expenditure relating to depreciation and finance charges, also including non-recurrent expenditure, increased by 89,8% (2018: 21,3% increase and 2017:

9,1% increase). Adjustment to financial assets at fair value through profit or loss (FVPL) instruments included in non-recurring items for 2019, amount to R130,2 million. This was the result of changing brokers during the year and the consequent realisation of unrealised profits.

Strict monitoring of income and expenses together with tight budgetary controls heighten awareness and behaviour regarding savings, resulting in positive contributions towards the university's available reserves. As mentioned above, a portion of the savings can be attributed to timing differences and will result in a spending against reserves in 2020.

Equity

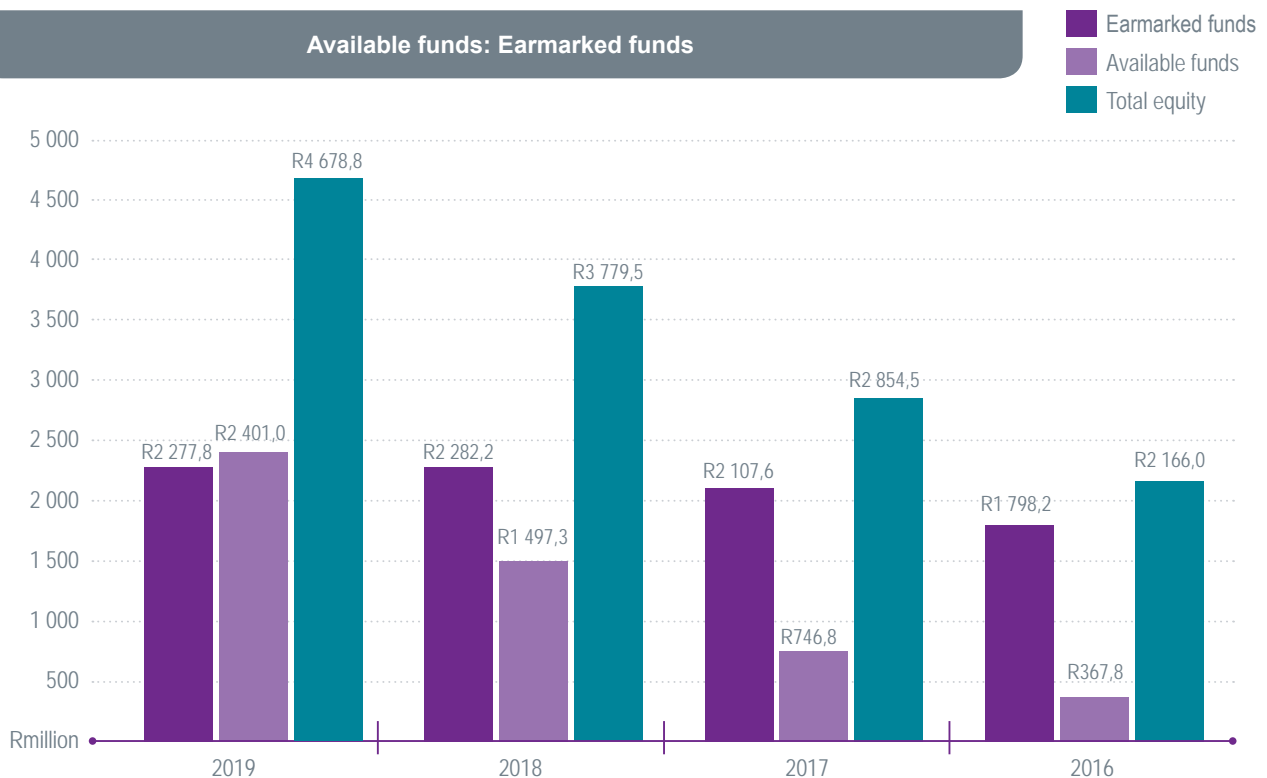
The university's equity increased by 23,8% in the 2019 financial year (2018: 32,4% and 2017: 31,8%), mainly due to the higher surplus. A decrease of R53,2 million in the net asset value of employee benefits (pension fund and disability reserve fund) at 31 December 2019 must be noted – as per external actuarial valuation in terms of IAS19 (2018: R32,2 million increase and 2017: R140,8 million increase). Investment in property, plant and equipment contributed R161,9 million to the higher equity percentage. The unrealised fair value adjustment reserve decreased by 100,3% during 2019, compared to the decrease of 19,1% for 2018. This is the result after unrealised profits were realised when the university switched to new brokers to manage investment portfolios.

The available funds increased to 51,3% of total equity (2018: 39,6% and 2017: 26,2%), mainly due to the

recurrent surplus of 17,1%. Although the university has a normal target of 3% to 6% of turnover for surplus from recurrent activities, due to the low level of available Council-controlled reserves, the current target is set higher. Some infrastructure and other projects commenced late in 2019 and will only be completed in 2020 – thus spending against carried-forward 2019 available reserves will take place during 2020.

The sustainability ratio of Council-controlled reserves over total expenditure for the year is 0,54 for 2019 (2018: 0,37 and 2017: 0,20). This trend, as well as the vast improvement in Council-controlled reserves (which increased from R367,8 million in 2016 to R2 401,0 million in 2019), is indicative of the commitment of the NWU towards financial sustainability and good progress towards the DHET norm of 1,0.

Available funds: Earmarked funds



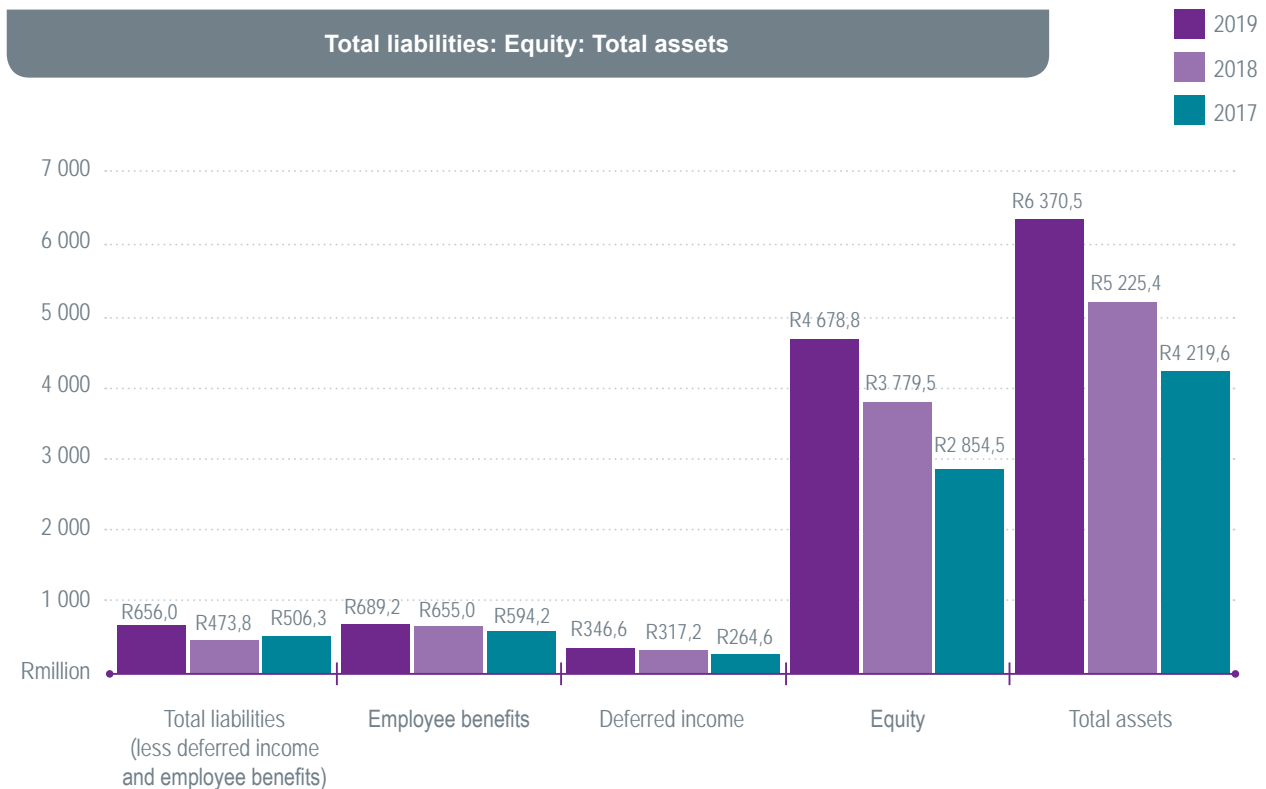
Solvability

The total liabilities (R1 691,8 million) at year-end for 2019 expressed over total equity (R4 678,8 million) means the university's ratio of debt to equity is 0,36 (2018: 0,38 and 2017: 0,48). This is the result of an increase of 23,8% in equity (2018: 32,4% and 2017: 31,8%) for the reasons explained above, and an increase of 17,0% in total liabilities (2018: 5,9% and 2017: 22,7%).

The amount of R346,6 million (including accumulated interest) relating to the previous as well as the new cycle

infrastructure grants, is included in total liabilities under deferred income.

The total liabilities expressed over total assets indicate an improved ratio of 0,27 for the year (2018: 0,28 and 2017: 0,32). Thus total liabilities are covered 3,77 times by total assets (2018: 3,61 and 2017: 3,09 times). Solvency ratios continue to indicate clearly that the university is solvent and able to meet both its long-term and short-term obligations.



Liquidity

The working capital ratio indicates that the current liabilities are covered 0,75 times by the current assets (2018: 0,98 times and 2017: 0,92 times).

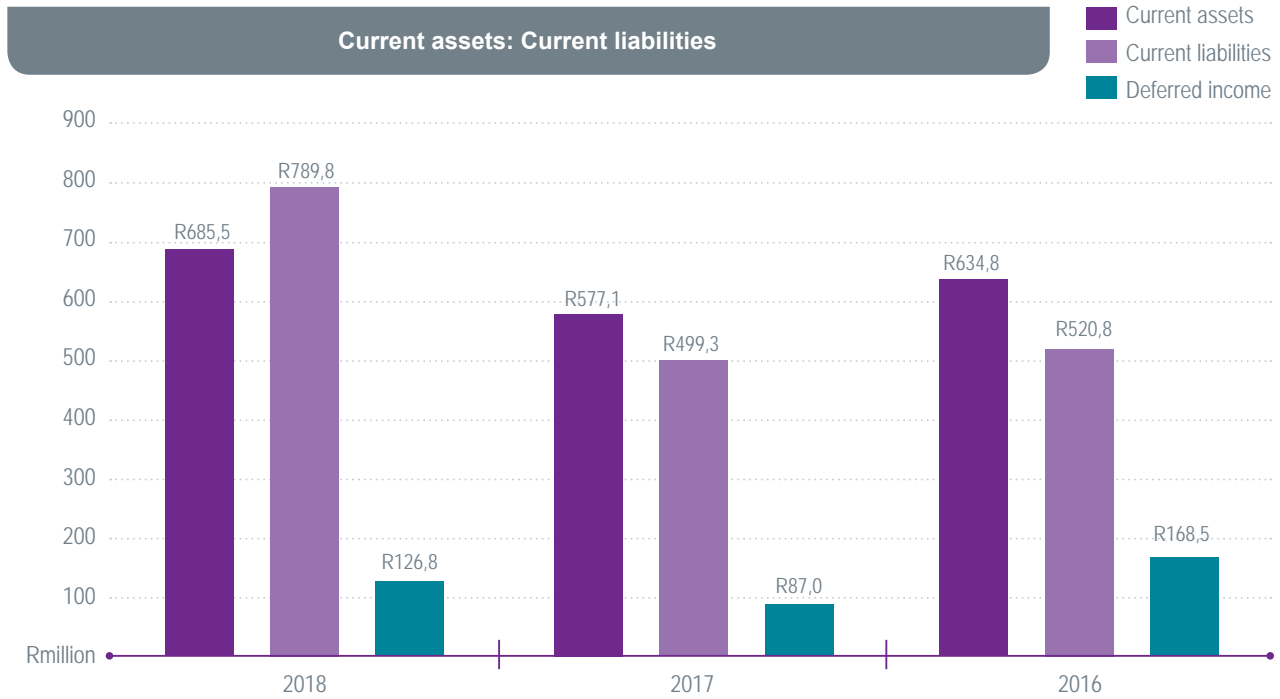
If the analysis is expressed in rand value, the current assets (excluding current portion of investments) increased by R108,4 million for the 2019 financial year, while current liabilities for the same period increased by R330,3 million.

The working capital ratio decreased compared to 2018, due to the R221,9 million larger increase in current liabilities than in current assets. This is due to the increase of R39,8 million in the current portion of deferred income (R126,8 million or 13,8% of total current liabilities) relating to infrastructure grants. For 2018 this portion of deferred income represented 14,8% (R87,0 million) of total current liabilities.

Included in the current portion of employee benefits is R130,1 million, representing the first accumulated leave pay-out that was made in January 2020 to qualifying employees. Council approved a change in the accumulated leave policy to reduce the liability over a period of three years.

A new mandatory standard, IFRS 16 – 'Leases', was implemented with effect from 1 January 2019 whereby right-of-use assets are now part of fixed assets. This resulted in a lease liability, with the current portion of R44,0 million also included in current liabilities.

Operating leases were previously accounted for under the principles of IAS 17 and only disclosed as a note to the financial statements.



Funds invested in highly liquid instruments for 2019 improved to R4 110,0 million (2018: R3 029,0 million and 2017: R2 194,0 million), representing an increase of 35,7% from 2018 to 2019. Compared to 2017, funds increased with 87,3%.

	2019	2018	2017
	Rmillion	Rmillion	Rmillion
Cash and cash equivalents	424,5	215,3	363,4
Money market portfolio (NCDs)	3 125,3	2 396,7	1 397,3
Broker portfolio (listed shares and bonds)	543,2	383,5	407,4
Other investments (unlisted, including associates)	17,0	33,5	25,9
Total investments and cash	4 110,0	3 029,0	2 194,0

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.

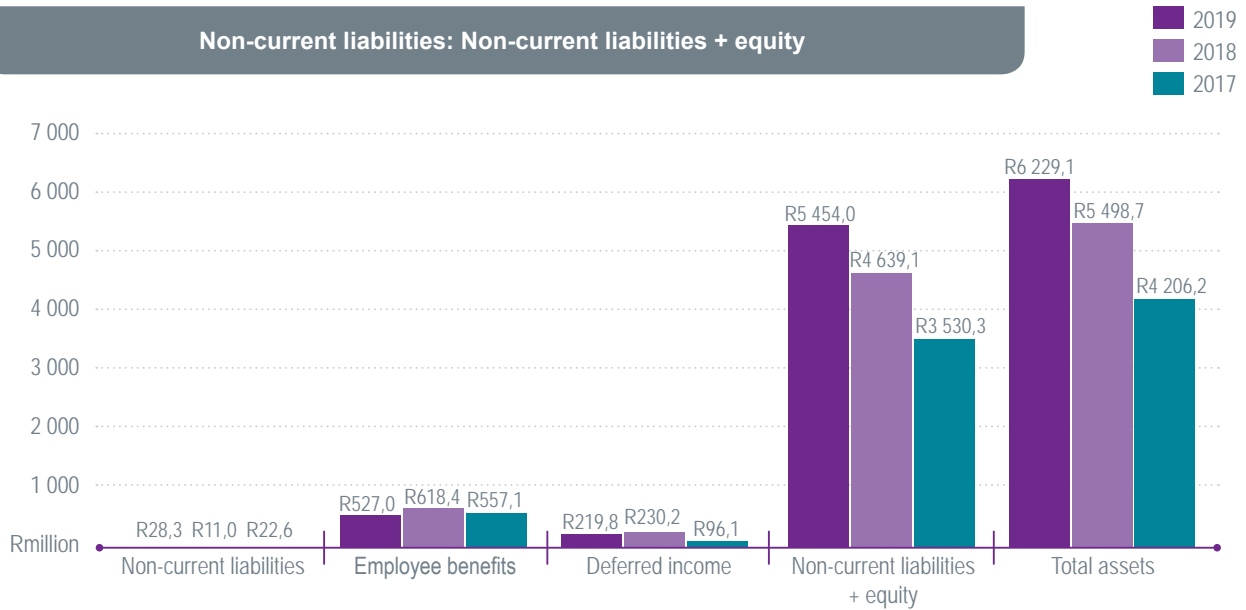
Gearing ratios

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 14,2% of total funds employed (2018: 18,5% and 2017: 19,1%). This ratio

decreased, as equity increased by a large margin, borrowing commitments decreased and infrastructure grant amounts expected to be utilised in 2020 were transferred to current liabilities. Furthermore, R130,1 million of the employee benefits liability was also transferred to current liabilities, representing the first accumulated leave pay-out.

Non-current liabilities: Non-current liabilities + equity



Cash flow

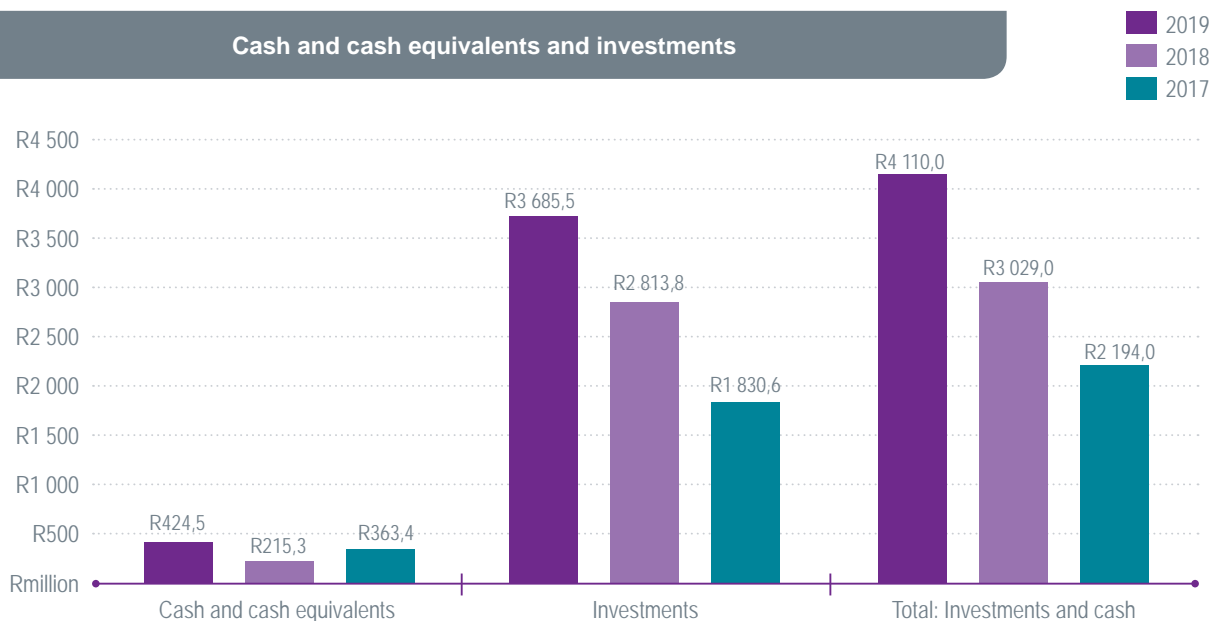
The university generated a surplus of R952,9 million for the 2019 financial year (2018: R810,8 million and 2017: R503,1 million), excluding total IAS19 adjustments, while the net cash flow amount generated from operating activities was R1 045,1 million (2018: R782,2 million and 2017: R582,6 million). The total net cash flow increased by R209,3 million in 2019, taking into account R436,4 million net investment income, transfers of cash and cash equivalents to longer term investments (R999,6 million), investment in property, plant and equipment (R398,5 million) and a R29,3 million increase in deferred grant income, among others. For the 2018 financial year the net cash flow decreased by R148,2 million and for 2017 increased by R105,6 million.

The university manages and plans cash flow needs with great caution, and effective decision-making resulted in the university currently being in a viable cash-flow situation, with reference to total cash and cash equivalents and investments.

Although 22,7% of the money markets investment portfolio has maturity dates during 2020 and is shown as part of current assets, the nature and purpose of these investments are long-term, focusing on investments with a period of 12 months and longer to optimise returns.

Funds are reinvested as they become available on maturity, taking cash flow needs into consideration.

Cash and cash equivalents and investments



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:

- NWU still provides affordable higher education.
- 14 962 students received degrees and diplomas during 2019.
- The university remains committed to supporting and enhancing academic performance and awarded bursaries in the amount of R210,1 million from own funds to students.
- The cash flow investment in property, plant and equipment amounts to R398,5 million (2018: R179,5 million and 2017: R321,0 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 2020). Total assets increased by 21,9% (2018: 23,8% and 2017: 28,7%).
- The increase in the available reserves to 51,3% of total equity from a very low base at the end of 2016 (although some spending against this reserve is to be expected as explained above).
- The maintaining of a sound solvency position and optimal liquidity levels during the 2019 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 2020.

It needs to be pointed out that our two largest sources of income, namely state subsidy and tuition fee-related income totalling 74,4% of turnover (2018: 76,1% and 2017: 75,2%), increased during 2019 – emphasising our dependence on these income-stream one funds. Income-stream three revenue decreased year on year as a percentage of total income, putting pressure on the viability of the university.

The biggest challenge for NWU and the higher education sector as a whole in the months or even years to follow, is the successful management of the current uncertainties that the COVID19 pandemic brings and to adapt to rapidly changing circumstances. The possible financial impact will without doubt be significant and all resources must be applied with great caution.

Further pressure will definitely be added by the widespread weakened South African economy and conditions as experienced by other sectors and individuals also affected by the Corona virus and which will influence the university in many forms and ways.

The NWU management and Council are of the opinion that the financial results of the past few years provide the basis for sound decision-making during this difficult time to steer the NWU, together with all stakeholders, through this difficult situation in a sustainable manner.



MR CS MABE

Chairperson: Finance Committee



MS E DE BEER

Executive Director: Finance and Facilities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION at 31 December 2019

	2019 R'000	%	2018 R'000	%
ASSETS				
Non-current assets	4 974 958	78,1	2 694 231	51,6
Property, plant and equipment (PPE)	1 628 491	25,6	1 409 422	27,0
Investment properties	18 002	0,3	18 831	0,4
Intangible assets	950	0,0	950	0,0
Investments	2 974 008	46,7	858 580	16,4
Equity-accounted investees	1 367	0,0	1 098	0,0
Deferred tax assets	149	0,0	130	0,0
Employee benefits	351 991	5,5	405 220	7,8
Current assets	1 395 589	21,9	2 531 212	48,4
Inventories	30 238	0,5	52 084	1,0
Trade and other receivables	227 631	3,6	299 514	5,7
Income tax receivable	26	0,0	37	0,0
Straight line lease accrual	3 049	0,0	0	0,0
Current portion of investments	710 119	11,1	1 954 079	37,4
Cash and cash equivalents	424 526	6,7	215 269	4,1
	1 395 589	21,9	2 520 983	48,2
Non-current assets classified as held for sale	0	0,0	10 229	0,2
Total assets	6 370 547	100,0	5 225 443	100,0
EQUITY AND LIABILITIES				
Equity	4 678 796	73,4	3 779 482	72,3
Accumulated funds	4 677 960	73,4	3 778 670	72,3
Non-controlling interest	836	0,0	812	0,0
Total liabilities	1 691 751	26,6	1 445 961	27,7
Non-current liabilities	775 163	12,3	859 599	16,5
Borrowings - interest bearing	5 760	0,1	11 033	0,2
Employee benefits	527 031	8,3	618 365	11,8
Deferred grant income	219 814	3,5	230 201	4,4
Lease liabilities	22 558	0,4	0	0,0
Current liabilities	916 588	14,3	586 362	11,3
Current portion of borrowings - interest bearing	5 682	0,1	12 227	0,2
Current portion of employee benefits	162 158	2,5	36 601	0,7
Current portion of deferred grant income	126 759	2,0	87 036	1,7
Current portion of lease liabilities	43 964	0,7	0	0,0
Trade and other payables	445 454	7,0	359 232	6,9
Income received in advance	91 607	1,4	56 610	1,1
Contract liabilities	40 903	0,6	34 314	0,7
Income tax payable	61	0,0	342	0,0
Total equity and liabilities	6 370 547	100,0	5 225 443	100,0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2019

	2019 R'000	% of total income	2018 R'000	% of total income
RECURRING ITEMS	905 916	16,7	860 409	17,6
Income	5 217 981	96,3	4 900 330	100,0
State appropriations - subsidies and grants	2 149 836	39,7	2 009 698	41,0
Tuition and other fees	1 877 797	34,7	1 724 152	35,1
Income from contracts (research and other)	196 047	3,6	233 209	4,8
Residence and catering services	365 441	6,8	348 441	7,1
Sales of goods and services and other income	298 355	5,5	313 451	6,4
Private gifts and grants	48 453	0,9	47 491	1,0
Investment income	282 052	5,1	223 888	4,6
Expenditure	4 312 065	79,6	4 039 921	82,4
Personnel remuneration	2 421 077	44,7	2 265 505	46,2
IAS19 - adjustments (employee benefits)	(14 988)	(0,3)	(20 327)	(0,4)
Operating expenses	1 718 665	31,8	1 657 763	33,8
Depreciation	177 008	3,2	129 908	2,7
Finance charges	10 303	0,2	7 072	0,1
NON-RECURRING ITEMS	62 675	1,2	(28 669)	(0,6)
Income	192 901	3,6	1 153	0,0
Profit on disposal of property, plant and equipment	28 295	0,5	51	0,0
Profit on investments	164 606	3,1	697	0,0
Other non-recurrent income	0	0,0	405	0,0
Expenditure	130 226	2,4	29 822	0,6
Loss on disposal of property, plant and equipment	0	0,0	154	0,0
Share of loss of equity-accounted investees	0	0,0	106	0,0
Fair value loss on financial assets through profit and loss	130 226	2,4	29 562	0,6
Net surplus before income tax	968 591	17,9	831 740	17,0
Income tax expense	187	0,0	592	0,0
Surplus for the year (note 1)	968 404	17,9	831 148	17,0
OTHER COMPREHENSIVE INCOME	(69 091)		18 430	
Pension fund - (deficit)/surplus	(82 579)		(869)	
Disability reserve fund - surplus	7 486		5 404	
Health care (medical) - surplus	6 002		13 895	
Total comprehensive income for the year	899 313		849 578	

NOTE 1:

To illustrate the effect of IAS19 valuations regarding employee benefits

Surplus for the year from normal operating activities - before total IAS19 adjustments	953 416	17,6	810 821	16,6
Employee benefits - IAS19 total adjustments	14 988	0,3	20 327	0,4
Surplus for the year	968 404	17,9	831 148	17,0










Our manufactured capital

The physical infrastructure that supports our core business activities and helps us to provide services to our stakeholders is our manufactured capital. We create value by converting this manufactured capital into other capitals.




For example, our lecture halls, laboratories, teaching technology and equipment enable our staff to teach our students and do research to find solutions for society's problems. In this way, our facilities and infrastructure are put to work increasing our intellectual, human and social and relationship capital.

Over and above our building and infrastructure programmes, we regularly buy, develop and maintain our IT systems and infrastructure, teaching and learning technology and research equipment, all of which supports the execution of our strategy.

Stakeholders who will benefit from our manufactured capital
Our staff and students are the main beneficiaries. However, we also use our building and maintenance projects to create business and jobs for people outside the university community. Furthermore, our donors and the DHET have stakes in our manufactured capital as they fund many of our projects.
Material matters (goals or enablers) involved
      
Risks involved
Uncertainties in the higher education sector (for instance state funding), demand for organisational change (equity of resources), risks related to academic matters, compliance (for instance with building regulations), IT and operational risks.

How we created value

We created value for our stakeholders and increased our manufactured capital through our various building and maintenance programmes and IT infrastructure.

Material matter	Teaching and learning; research; student value proposition	  
------------------------	---	---

The majority of our infrastructure projects are aimed at promoting teaching and learning, research and our student value proposition.

Infrastructure development

The table on the next page shows how we spent a total of R273 million from DHET and our own funding in 2019 across the university on capital works, macro maintenance and minor works.

		Potchefstroom Campus	Mafikeng Campus	Vaal Triangle Campus	Projects across campuses	Total
		Rmillion	Rmillion	Rmillion	Rmillion	Rmillion
DHET	Surplus funds 2012-2015	R-	R0,85	R-	R-	R0,85
	Funding 2015-2016	R5,28	R0,77	R23,78	R-	R29,83
	Funding 2016-2017	R2,97	R4,47	R-	R2,25	R9,69
	Student housing 2016-2017	R-	R3,43	R-	R-	R3,43
	Funding 2017-2018	R2,92	R10,93	R7,70	R8,18	R29,73
	Funding 2018-2021	R3,24	R3,37	R4,92	R32,80	R44,33
Capital works	New	R14,20	R12,72	R16,28	R1,24	R44,44
	Upgrade	R36,04	R4,44	R6,05	R5,71	R52,24
Macro maintenance		R32,50	R4,81	R6,02	R10,02	R53,35
Minor works		R2,51	R1,43	R1,10	R0,07	R5,11
Total		R99,66	R47,22	R65,85	R60,27	R273,00

Accommodation for our students

Student housing on the campuses consists of 45 university-owned residences for 10 763 students. The staff of these residents consists of 101 residence officers and house parents.

By making sure our students have safe accommodation on or around our campuses, we strengthen our student value proposition (including safety and security, and providing a space that is conducive for studying) and consequently our human capital.

Complying with norms and standards

Regardless of which campus is their home base, students are entitled to the same quality of experience and fee structure. This applies as much to our student residences and residence fees as it does to any other aspect of university life.

Apart from aligning residences and the associated fees, management also focuses on ensuring that all residences comply with the national policy on norms and standards for public universities in South Africa. These deal with residence staffing levels, location, health and safety, governance, professional development of residence staff, policies and procedures and student discipline.

We are finalising a plan for the phasing in of minimum standards in cases where residences do not currently comply.

At the same time, we are developing a strategy to increase the percentage of residence places available for new first-year students to at least 30% of the total residence capacity.

Construction and refurbishment

During 2019, we refurbished several student residences and constructed additional residences on the Vaal Triangle Campus. The project was completed, providing additional capacity of 315 on-campus beds.

Large projects completed during 2019

Projects expenditure in 2019 amounted to R40,98 million on the Mafikeng Campus. Two noteworthy projects were the completion of the Piggery on the Molelwane farm and the extension of the Student Council Offices.

On the Potchefstroom Campus, project expenditure amounted to R65 million in 2019. A new water reservoir was completed to address risks relating to water supply, along with several other smaller projects. The upgrading of teaching-learning spaces in Buildings G1, G7 and G16 was also attended to as part of the DHET-funded projects.

The relocation of the main entrance gate on the Vaal Triangle Campus was completed in 2019, together with smaller projects related to infrastructure services and the upgrading of laboratory spaces. Using DHET funding, we completed deferred external maintenance projects at Buildings 9, 4 and 7, and upgraded the computer laboratories in Building 9. The total amount spent on these projects in 2019 was R58,73 million.

Macro maintenance projects completed during 2019

Addressing deferred maintenance remained a priority for the university. At the Mafikeng Campus, a total of

Using R23,82 million in DHET funding, we completed upgrading and deferred maintenance projects in teaching-learning spaces such as the Central Lecture Block, the Base Building and the Physical Science Building.

We are developing a strategy to increase the percentage of residence places available for new first-year students to at least 30% of the total residence capacity.

R4,81 million was spent on upgrading sport facilities and infrastructure services.

Some of the larger projects involved upgrading infrastructure services, the roofs of the Sanlam Auditorium and the Sport Centre and the hockey astro pitches. Total expenditure at the Potchefstroom Campus amounted to R32,05 million in 2019.

At the Vaal Triangle Campus, most of the R6,02 million allocated for macro maintenance was spent on upgrading the emergency power at the Faranani Residence and the air conditioning in Building 7.

Unscheduled projects completed during 2019

Owing to ad hoc requests received, we carried out seven small, unscheduled projects in various faculties and departments across the university, mainly financed from our reserves. The largest project entailed providing emergency power to the Engineering Faculty on the Potchefstroom Campus.

These projects placed considerable pressure on the resources of the Facilities Department and affected the scheduling of the new DHET projects for 2019 to 2021.

Projects carried over to 2020

Seventeen projects on the Mafikeng Campus, 21 on the Potchefstroom Campus and 13 on the Vaal Triangle

Campus were carried over from 2019 and are scheduled for completion in 2020.

IT infrastructure and developments

The information and technology infrastructure we supply across the university enables optimal, cutting-edge IT support to all students and staff. It plays an indispensable role in the value chains of teaching and learning, research and the student life cycle, from student access through to continuous professional development for our graduates and others.

Here are some of the 2019 highlights that saw IT contributing to the strengthening of our intellectual and human capital:

- With the help of key internal business users, we developed and started executing a five-year IT strategy. We also completed 48 medium-sized to large projects, ranging from infrastructure upgrades and security enhancements to new software solutions, expansion of Wi-Fi to residences, the deployment of new calls centres and extending all our systems to distance students.
- We continued to offer uncapped, unshaped internet services to staff and students at a speed not matched by most universities in South Africa – the NWU is also one of the biggest consumers of bandwidth in the public higher education system.

COUNCIL STATEMENT ON ADDITIONAL INVESTMENTS IN INFRASTRUCTURE

"There were no additional investments in infrastructure at the NWU during 2019."

Statement approval obtained from the NWU Council on 28 July 2020

Plans for the future

Deferred maintenance on academic buildings and services infrastructure will continue to be a priority, as spelled out in our 10-Year Macro Maintenance plan.

We also look forward to several major capital projects on all three campuses during 2020 and 2021. These include the construction of a new administration building and lecture room complex on the Vaal Triangle Campus.

On the Potchefstroom Campus, we will start planning new laboratory spaces for the Faculty of Education and on the Mafikeng Campus, planning is under way for a new building for Psychosocial Health.

Through a joint initiative by the NWU and the DHET, we are preparing to build additional residences on the Mafikeng Campus to accommodate up to 1 700 more students. The planning, procurement and sourcing of funds was mostly completed in 2019 and will attend to the final processes for Ministerial approval in 2020.

Our infrastructure programmes, in particular our 10-Year Macro Maintenance Plan, focus on maintaining future

financial stability. Through regular maintenance of our current assets, we ensure that future generations will not be burdened by the unaffordable expense of repairing dilapidated infrastructure.

DR BISMARK TYOBKA
CHAIRPERSON OF COUNCIL

PROF DAN KGWADI
VICE-CHANCELLOR



see how
we care



Building the future

Another 250 beds and 1 150 additional lecture room seats are some of the benefits of the R200-million investment in infrastructure development projects on the Vaal Triangle Campus.

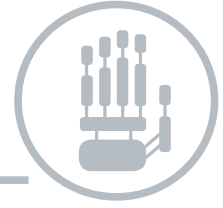
A number of new buildings are envisaged, such as a new administration hub, an on-campus residence and an academic building for Psychosocial Health Sciences, along with several new lecture facilities.

The current administrative office building will be remodelled to house a multi-purpose auditorium and break-away venues. In future, the auditorium will be used for events such as graduation ceremonies and first-year reception events.



This sketch shows the new administration building.

Governance: supporting and preserving value



COUNCIL STATEMENT ON GOVERNANCE

“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 the Code of Practices and Conduct and the Code of Ethical Behaviour and Practice as set out in the King IV Report, and has applied these in a rigorous way during the period under review. In supporting these codes, Council recognises the need to conduct the business of the NWU with integrity and in accordance with generally accepted good practices.

“The monitoring of the NWU’s compliance with these codes 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 the NWU Council on 28 July 2020

The role and function of Council and its committees

As the overall custodian of good corporate governance, the NWU Council takes its oversight and guidance role seriously. We carry out this responsibility by setting strategy, ensuring proper governance, driving compliance and risk management and monitoring the material activities of the university.

Our role is also to establish an ethical and accountable culture at the university, provide strategic leadership, monitor the performance of the management team and ensure the establishment of effective controls and ongoing disclosure. The intention is to provide a sound foundation for the creation of value, long-term growth and sustainability.

We act in strict accordance with the stipulations of the Higher Education Act and the NWU Statute, which

was originally promulgated on 24 March 2017. Council approved amendments to the NWU statute during 2019 to make provision for the naming of the campuses and adjustments to the terms of Council members.

It is expected that the amendments will be promulgated in 2020 for implementation.

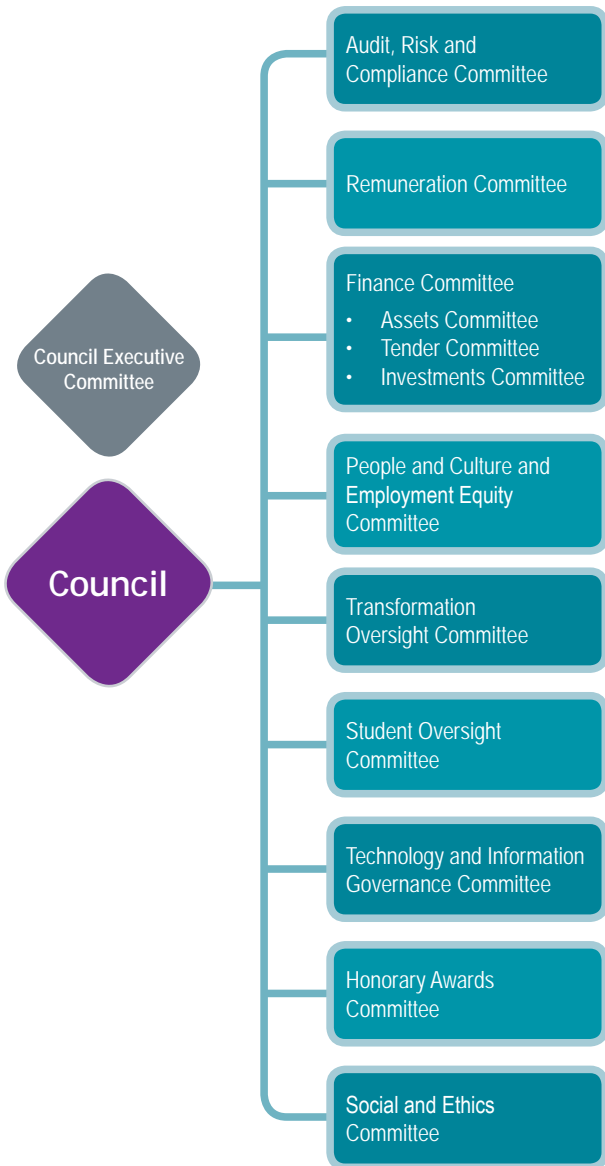
The composition of our Council is in accordance with the guidelines provided by the Higher Education Act and the university’s Statute.

Of the 30 Council members, 60% are external and 40% internal, ensuring independence in the governance environment.

Council members externally elected or designated	
Ministerial appointees	5
Donors	3
Convocation	4
Community leaders	3
Specific expertise	3
Total	18

Council members internally elected or designated	
Management: vice-chancellor and vice-principal	2
Senate	3
Academic staff	2
Support staff	2
Student Representative Council	3
Total	12

To ensure proper oversight and proper accountability, Council has a number of committees to advise it on all the relevant governance matters.



The majority of the committees (except the Executive Committee of Council, the Audit, Risk and Compliance Committee, the Remuneration Committee, the Transformation Oversight Committee, Tender Committee and the Technology and Information Governance Committee) meet twice a year and report to Council twice a year.

The following new members joined the Council during the year under review:

Prof AF Kotzé	Elected by Senate
Dr F Bothma	Elected by academic staff members
Mr F Nkoana	Elected by support staff members

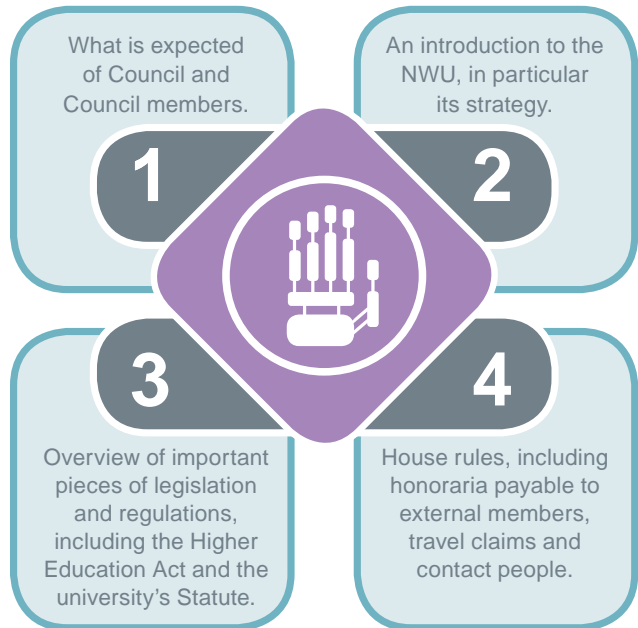
Ms U Barravalle	Elected by the donors of the NWU
Mr TV Mokgatlha	Elected by Council for his special expertise
Mr H Schoeman-Struwig	Designated by the SRC
Mr T Seepamore	Designated by the SRC
Mr T Siziba	Designated by the SRC

The following members re-joined the Council for a second term:

Mr A Redelinghuis	Appointed for specific expertise
Fr D Dinkebogile	Designated from the ranks of the community leaders

Council training

It is Council practice to require all new members joining Council in a particular year need to attend an induction workshop. The annual induction meeting took place on 19 March 2019 and covered the following four topics:



In addition, all Council members attended a workshop on 19 March 2019 presented by PricewaterhouseCoopers (PwC) on the Fourth Industrial Revolution (4IR) and its effect on the higher education sector.

Capacity building opportunities were also created with the provisioning of a workshop for the Transformation Oversight Committee on transformation in higher education, as well as a series of workshops for members of various council committees on procurement.

Code of Conduct and declarations of interest

All Council members are required to adhere to a Council Code of Conduct, which is revised as and when needed, most recently in March 2018. At the beginning of 2019, all Council members pledged their commitment to the Code by taking part in the annual signing process.

The Higher Education Act prescribes annual declarations of directorships and interests on the part of Council members. We consider this requirement to be of the utmost importance and expect members of Council and Council committees to make such declarations regularly.

The registrar of the university keeps the register of all these declarations, which our Council Executive Committee (Council Exco) scrutinises regularly.

At each ordinary meeting of the Council Exco, its members review the declarations of interest and engage on these. Council Exco, in its capacity as Council Membership Committee, also scrutinises the transactions between the NWU and companies in which Council members declared (or did not declare) a direct or indirect interest.

During 2019, Exco established the practice of regularly noting and discussing all declarations made by University Management Committee members and referring any inquiries to the vice-chancellor.

Meet our Council members



1. **PROF ND KGWADI**
(52)
Vice-Chancellor
and Principal

Qualifications

BScEd (University of North West), MSc in physics (Ball State University, USA), MPhil in environmental law and management (North West University), PhD in physics education (Potchefstroom University for Christian Higher Education – PU for CHE), PhD in management – honorus causa (Hanseon University, South Korea); appointed for a six-year term from 2014 to 2020

Council committee and total years of service

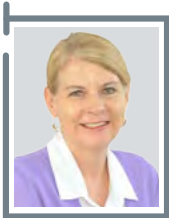
All Council committees (except Audit, Risk and Compliance Committee – not a full member) | Five years into term

Number of committee meetings and average attendance

66 - 88%

Directorships

None



2. **PROF L DU PLESSIS**
(51)
Vice-Principal

Qualifications

PhD in education (2002), MSc in computer science, (1994) (PU for CHE), BScHons (1992) (PU for CHE), BSc (1990) (PU for CHE), Certificate for environmental educators (1996) (Unisa), Leadership in Higher Education (2010), Institute for Educational Management, Harvard, Certificate in ICT in education for policy implementers (2012), WITS, ORACLE University: • Oracle SQL, Oracle Units and Oracle Forms 1 and Oracle Forms 2, Oracle Reports, Oracle data Base Administration • Clarion for Windows 1.5, Linux • You, the manager, and your team, The essentials of Leadership • Professionalism in workplace, Project Management • Environmental education (one-year course, UNISA), appointed for a term coinciding with term as DVC: Assigned functions and Vaal Triangle Campus Operations

Council committee and total years of service

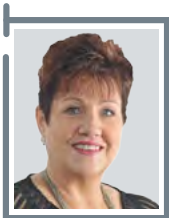
Council Exco | 12 months into term

Number of committee meetings and average attendance

40 - 85%

Directorships

None



3. **PROF HH JANSE VAN VUUREN**
(56)
Elected by Senate

Qualifications

MCom in accountancy, BComHons – CTA, BComHons in cost and management accounting, BCom in accounting, (all from the NWU); appointed for a three-year term from 2018 to 2021

Council committee and total years of service

Student Oversight Committee | Honorary Awards Committee | Social and Ethics Committee | One year, nine months into first term

Number of committee meetings and average attendance

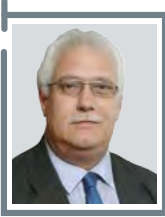
16 - 81%

Directorships

None

The annual declaration of directorships and interests on the part of Council members is to ensure absolute integrity in our behaviour at governance level.

Meet our Council members



4. **PROF AF KOTZÉ**
(55)
Elected by Senate

Qualifications

BPharm, MSc, PhD (NWU), appointed for a three-year term from 2019 to 2022

Council committee and total years of service

Honorary Awards Committee | People and Culture and Employment Equity Committee | Twelve months into first term

Number of committee meetings and average attendance

19 - 95%

Directorships

Innovation Highway Enterprises | Hanks TB Diagnostics



5. **PROF HJ VAN DER MERWE**
(58)
Elected by the Senate

Qualifications

BSc, BScHons (University of Pretoria), MEd (Rand Afrikaans University), PhD (Unisa), higher education diploma (University of Pretoria); appointed for a three-year term from 2015 to 2018

Council committee and total years of service

Honorary Awards Committee | Technology and Information Governance Committee | Two years and one month into first term

Number of committee meetings and average attendance

17 - 100%

Directorships

International Association for Mobile Learning (IAmLearn) | Innovation Highway Enterprises | IntSys (speech technology)



6. **PROF JD VAN ROMBURGH**
(42)
Elected by academic staff members

Qualifications

Chartered Accountant (South Africa) (CA(SA)), MCom in management accounting (NWU); appointed for a three-year term from 2018 to 2021

Council committee and total years of service

Transformation Oversight Committee | Social and Ethics Committee | One year, eight months into first term

Number of committee meetings and average attendance

14 - 79%

Directorships

Adams and Adams Forensic Investigation Services Pty Ltd | Moerlandsan Boerdery Pty Ltd | Isebe The Branch Pty Ltd



7. **PROF W DU PLESSIS**
(61)
Elected by academic staff members

Qualifications

BJur, LLB, MA (environmental management), LLD (NWU), appointed for a three-year term from 2018 to 2021

Council committee and total years of service

Student Oversight Committee | One year, five months into first term

Number of committee meetings and average attendance

10 - 80%

Directorships

None

Meet our Council members



8. **MR FM NKOANA**
(58)
Elected by support
staff members

Qualifications Bachelor in administration, appointed for a three-year term from 2019 to 2022

Council committee and total years of service People and Culture and Employment Equity Committee | Nine months into first term

Number of committee meetings and average attendance 7 - 86%

Directorships None



9. **DR F BOTHMA**
(49)
Elected by support
staff members

Qualifications BA, Higher Education Diploma (N) Counselling (cum laude), BEDHons, MEd, DPhil in education law, appointed for a three-year term from 2019 to 2022

Council committee and total years of service Transformation Oversight Committee | One month into first term

Number of committee meetings and average attendance 1 - 100%

Directorships None



10. **MR H
SCHOEMAN-STRUWIG**
(22)
Student Representative Council

Qualifications BAHons in public governance

Council committee and total years of service Student Oversight Committee | Three months into one-year term

Number of committee meetings and average attendance 7 - 86%

Directorships None



11. **MR T SEEPAMORE**
(26)
Student Representative Council

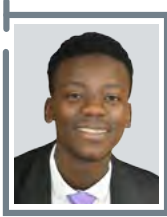
Qualifications Master's degree in crop science

Council committee and total years of service Student Oversight Committee | Three months into one-year term

Number of committee meetings and average attendance 6 - 100%

Directorships None

Meet our Council members



12. MR T SIZIBA
(25)

Student Representative Council

Qualifications

BEd in Snr and FET

Council committee and total years of service

Student Oversight Committee | Three months into one-year term

Number of committee meetings and average attendance

6 - 86%

Directorships

None



13. MR OE MONGALE
(48)

Appointed by the Minister of Higher Education and Training

Qualifications

Studying towards a master's of philosophy in conflict transformation (Nelson Mandela Metropolitan 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

Council committee and total years of service

Tender Committee | Finance Committee | Executive Committee (alternate) | Two years and three months into first term

Number of committee meetings and average attendance

18 - 72%

Directorships

Hub Farming | Sego Programme and Project Management | The Hub People | Monchwa Investment | Bachem | Izinyoni Trading 328 | Kehu Projects | Teki Project and Programme Management



14. MS T SEMANE
(43)

Appointed by the Minister of Higher Education and Training

Qualifications

Postgraduate diploma in business administration (GIBS), BCom in accounting, studying towards a master's degree in industrial psychology; appointed for a three-year term from 2018 to 2021

Council committee and total years of service

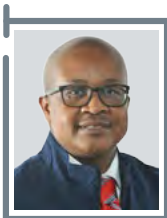
Technology and Information Governance Committee | Social and Ethics Committee | Finance Committee | One year, five months into first term

Number of committee meetings and average attendance

15 - 67%

Directorships

Linea Pty Ltd



15. MR C MABE
(41)

Appointed by the Minister of Higher Education and Training

Qualifications

BCom (University of North West), Dip AIBM in finances, Diploma in financial management (Business Management College of Southern Africa), certificate in managing the employment process (Unisa), MBA (NWU), appointed for a three-year term from 2018 to 2021

Council committee and total years of service

Finance Committee | Remuneration Committee | Transformation Oversight Committee | One year, five months into first term

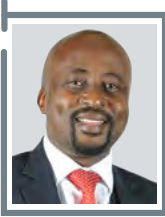
Number of committee meetings and average attendance

15 - 87%

Directorships

NH 2606 Pty Ltd | CM 2510 Pty Ltd | Jepa Resources

Meet our Council members



16. **MR TC KGOMO**
(52)

Appointed by the Minister of Higher Education and Training

Qualifications

BCom (University of North West); appointed for a three-year term from 2017 to 2020

Council committee and total years of service

People and Culture and Employment Equity Committee | Executive Committee of NWU Council | Transformation Oversight Committee | Honorary Awards Committee | Innovation Highway Advisory Board | Senate | Senex | Two years and three months into second term

Number of committee meetings and average attendance

38 - 92%

Directorships

None, only shareholding



17. **MR MSJ THABETHE**
(45)

Appointed by the Minister of Higher Education and Training

Qualifications

National diploma in information technology (TWR), BTech in information technology (TWR), MCom in information systems (University of the Witwatersrand), appointed for a three-year term from 2017 to 2020

Council committee and total years of service

Technology and Information Governance Committee | Audit, Risk and Compliance Committee | Social and Ethics Committee | Two years and three months into first term

Number of committee meetings and average attendance

13 - 92%

Directorships

Sihlasi Technologies CC



18. **MR JDS DE BRUYN**
(69)

Elected by the Board of Donors of the university

Qualifications

BCom in accounting science, Bluris, LLB (PU for CHE); appointed for a three-year term from 2018 to 2021

Council committee and total years of service

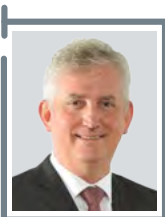
Audit, Risk and Compliance Committee | Tender Committee | Senate | One year, six months into second term

Number of committee meetings and average attendance

24 - 75%

Directorships

None



19. **MR A VAN ROOY**
(51)

Elected by the Board of Donors

Qualifications

BSc in chemistry, biochemistry (NWU), BProc (Unisa), Patent Examination Board, qualified as a patent attorney, admitted as an attorney

Council committee and total years of service

Innovation Highway Enterprises Advisory Board | Assets Committee | One year, one month into first term

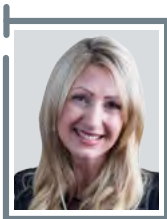
Number of committee meetings and average attendance

7 - 43%

Directorships

DM Kisch Inc | Kisch Africa Inc | Sederkrans Familie Boerdery

Meet our Council members



20. **MS U BARRAVALLE**
(37)

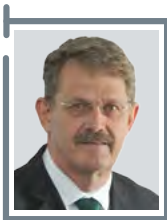
Elected by the Board of Donors

Qualifications BSc in chemistry and biochemistry (RAU), BSc in chemistry, Hons (RAU), LLB (Unisa)

Council committee and total years of service One month into first term

Number of committee meetings and average attendance 1 - 100%

Directorships DM Kisch Inc | Kisch Africa Inc



21. **MR A SORGRAGER**
(61)

Designated by the Convocation

Qualifications BLuris 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 Executive Committee of Council | Remuneration Committee | Audit, Risk and Compliance Committee | Investments Committee | Student Oversight Committee | Two years and six months into first term

Number of committee meetings and average attendance 43 - 88%

Directorships Yellowstone Trust | Vaalrivier Steiltes | Pegasus Alumni Trust | Erf 549 (Edms) Bpk



22. **PROF AL COMBRINK**
(74)

Elected by the Convocation

Qualifications BA, BAHons in English, MA in English, DLitt in English (PU for CHE) and higher education diploma (Unisa); appointed for a three-year term from 2018 to 2021

Council committee and total years of service Student Oversight Committee | Executive Committee of Council (alternate) | One year, two months into second term

Number of committee meetings and average attendance 12 - 83%

Directorships None



23. **MR W HUMAN**
(32)

Designated by the Convocation

Qualifications BA LLB and MPhil (NWU); appointed for a three-year term from 2017 to 2020

Council committee and total years of service Technology and Information Governance Committee | Assets Committee | Innovation Highway Advisory Board | Two years and six months into first term

Number of committee meetings and average attendance 9 - 78%

Directorships Skole Ondersteuning



24. **MR C MULDER**
(34)

Member designated by the Convocation

Qualifications BA Communication Studies (NWU), BSc IT (NWU)

Council committee and total years of service Transformation Oversight Committee | Student Oversight Committee | Social and Ethics Committee | One year, six months into first term

Number of committee meetings and average attendance 17 - 71%

Directorships None

Meet our Council members



25. **REV CANON
DP DINKEBOGILE**
(66)

Designated from the ranks of the university's community leaders

Qualifications 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

Council committee and total years of service People and Culture and Employment Equity Committee | Institutional Forum | Remuneration Committee | Six months into second term

Number of committee meetings and average attendance 18 - 72%

Directorships None



26. **DR MB TYOBEKA**
(45)

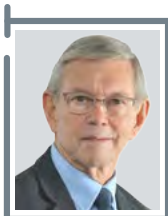
Appointed by Council for specific expertise

Qualifications BScEd and MSc in applied radiation science and technology (University of North West), MSc and PhD in nuclear engineering (Penn State University, USA), MSc in management (Colorado Technical University, USA); appointed for a three-year term from 2017 to 2020

Council committee and total years of service Executive Committee of Council | Finance Committee | Remuneration Committee | Honorary Awards Committee | Two years and one month into second term

Number of committee meetings and average attendance 30 - 93%

Directorships None



27. **MR A REDELINGHUIS**
(70)

Appointed by Council for specific expertise

Qualifications MCom (PU for CHE), CA (SA); appointed for a three-year term from 2016 to 2019

Council committee and total years of service Audit, Risk and Compliance Committee | People and Employment Equity Committee | Remuneration Committee | Six months into second term

Number of committee meetings and average attendance 14 - 93%

Directorships None



28. **MR TV MOKGATLHA**
(45)

Appointed by Council for specific expertise

Qualifications BCom in accounting (NWU), Honours Bcompt/Certificate of theory in accounting (CTA) (UNISA), appointed for a three-year term from 2019 to 2022

Council committee and total years of service Six months into first term

Number of committee meetings and average attendance 2 - 100%

Directorships MTBG Investments | Metsi Phepha Batho Holdings | Neliscore | Baphalane Ba Mantserre Investment Holdings | Baphalane Siyanda Chrome Company | Philisani Pty Ltd | Avior Capital Markets Holdings | StokFella | Baphalane Ba Mantserre NPC | Paphalane Property Holdings | His Crown Apostolic Ministries | BBMIH Textile | BBMIH Food | BBMIH Manufacturing | Hyprop Investment | Alpha Cube Capital | 4AX | YeboYetho Investment Company | YeboYetho (RF) Limited | Atomic Trading | Nutritional Holding

Diversity of skills and experience

Our Council members boast a variety of valuable skills and experience. Their fields of expertise are given below:

- Governance and ethics in general
- Higher education governance
- Student management and governance
- General management, business, industrial psychology
- Science/innovation, technology, engineering
- Communication, languages
- General legal expertise
- Psychology, and theology

Having resolved in November 2018 to pursue the establishment of a particular skills set, the NWU Council took these skills into account in 2019 when seeking to fill vacancies in membership. The coloured blocks in the diagram on the right represent the skills that are given emphasis.

1 General legal expertise

2	Environment, land and indigenous law
3	Global engagement expertise
4	Data analytics expertise
5	Audit and accounting expertise
6	Investment expertise
7	Fundraising expertise
8	Finances and business (medium to macro enterprise) expertise
9	Business administration and/or strategy expertise
10	Governance and ethics expertise
11	Corporate communication expertise
12	Information technology expertise
13	Technology transfer expertise
14	High positive public profile – science
15	High positive public profile – community engagement
16	Arts/people management

Council continued to focus on transformation targets for its membership and approved the following equity targets for Council to achieve by January 2025:

African female	African male	Indian/Coloured male/female	White female	White male	Total
7	8	2	6	7	30
23,3%	26,7%	6,7%	20,0%	23,3%	100%

Council decisions impacting value creation

Management highlighted a number of value-creation issues during 2019 and Council responded by taking key decisions on the following:

- Investing in the NWU culture to implement the new strategy.
- Driving the development of staff and curriculum towards the integration of technology in teaching-learning and a blended learning experience for contact and distance students.
- Creating a sustainable and supportive environment conducive to the advancement of research excellence.
- Pursuing the planning and implementation of multilingual support for students and the development of multilingual pedagogies for staff.
- Diversifying income streams and improve operational cost-effectiveness and efficiency.
- Improving the development of a new student administrative system to enhance service delivery, reduce support service transaction cost and improve turnaround time.

The following table gives a summary of Council's value-creating decisions and their possible effect on future value creation.

Key governance decisions taken by Council during 2019

Strategy and structure

As part of the ongoing implementation of the 2015-2025 NWU Strategy, Council approved the refinement of academic structures such as the Unit for Continuing Education and the improved positioning of the NWU Business School.

How these governance decisions affect future value creation

As Council we are confident that the ongoing implementation of the strategy, structure and brand is shaping the NWU's operations and efficiency and adds to the improved positioning of the university in the South African higher education landscape.

Key governance decisions taken by Council during 2019

Policies and rules

The Policy Refinement Committee continued with its activities in the drafting and review of policies.

In ensuring compliance with national directives and mitigating possible risks facing the university, we approved 25 policies (either revised or new) in 2019.

How these governance decisions affect future value creation

The NWU's success model indicates that the university is committed to the continued adoption of responsible and risk-embracing strategies and transformational practices.

In line with this undertaking, and in adhering to the precepts of the Statute, the university continuously drafts and revises policies and rules.

Key governance decisions taken by Council during 2019

Financial matters

We, as Council, approved the Audited Financial Statements for 2018 and the Financial Overview 2018, as well as the budget for 2020.

In addition, the following financial approvals were among the highlights of 2019:

- ▶ The additional funding of R8,7 million for the administration building on the Vaal Triangle Campus.
- ▶ The additional funding for infrastructure requirements for Sport Sciences to the amount of R53,1 million.
- ▶ In-principle approval that the project of 1 728 new residence beds be applied for. (Subject to the availability of funding and a detailed construction project plan, as well as firm arrangements with the Development Bank of South Africa (DBSA) and the approval from DHET and the Minister.)

How these governance decisions affect future value creation

We are 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 around the sustainability of South African higher education. These uncertainties relate predominantly to the funding of public higher education.

Key governance decisions taken by Council during 2019

Approval of tenders and tender processes

In March 2019 Council approved several recommendations made by the combined meeting of the Transformation Oversight Committee, Finance Committee and Tender Committee (known as the "TOFT") in respect of tender processes at the NWU.

The Tender Committee recommended that Council approve a number of tenders. Highlights of these include the following:

- ▶ Tender TR124/2019VTC, Proposed New Administration Building at the Vaal Triangle Campus, to be awarded to GVK-SiyaZama Building Contractors (Gauteng) (Pty) Ltd for a total cost of R46 064 839.93 including VAT as submitted in their original bid.
- ▶ Tender TR168/2019 for security services at the Potchefstroom and Mafikeng campuses as follows:
 - For Potchefstroom Campus: CB Security Northwest (Pty) Ltd for a cost of R26 821 569.60 for three years, including VAT, excluding escalation.
 - For Mafikeng Campus: M17 Security Group (Pty) Ltd for a cost of R61 134 290.64 for three years, including VAT, excluding escalation.
- ▶ Tender TR180/2019 for the new Student Housing Construction at the Mafikeng Campus as follows: PL Enterprises and Lemay Construction (Pty) Ltd two clusters each, and Masakhane BC (Pty) Ltd and Glowing Sunset Trading one cluster each.
- ▶ Tender TR181/2019 for the electrical work of the new student housing at the Mafikeng Campus by allocating three clusters each to:
 - Vinstem Constructors t/a Qolum, and
 - Wayne McDonald cc t/a Electric Mac.
- ▶ Approval of the project "Relocation of HPI" with the proviso that a loan for the shortfall of R3 474 076.63 be raised, failing which the aqua zone be excluded from the project; and that the original Tender TR196/2019 for the Relocation of the HPI Construction for R36 944 993.69, inclusive VAT, be allocated to Boukon Beleggings (Pty) Ltd.

The list of the tender processes that Council approved can be seen here.



For online viewing,
click on the QR code.

How these governance decisions affect future value creation

As Council we 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.
 We are confident that the tenders that were awarded adhered to the principles laid down in relevant legislation.

Key governance decisions taken by Council during 2019

Appointment of office bearers

We oversaw the process of appointing senior office bearers:

- ▶ The appointment of Dr Anna Theresa Mokgokong as chancellor of the NWU for a period of five years. She was installed as chancellor on 20 November 2019.
- ▶ The appointment of Dr Sibusiso Chalufu as Executive Director: Student Life for a five-year term.
- ▶ The approval of a subsequent term of four years, ending in May 2024, for the vice-chancellor, Prof Dan Kgwadi.

We started the process for the subsequent term appointments of the registrar, Prof Marlene Verhoef and the Deputy Vice-Chancellor: Assigned Functions and Vaal Triangle Campus Operations, Prof Linda du Plessis.

How these governance decisions affect future value creation

We made sure that the appointment of these office bearers was informed by the Statute and relevant rules.
 The calibre of those who are appointed is key to achieving the NWU's strategic objectives.

Key governance decisions taken by Council during 2019

Governance matters

Key resolutions related to governance included the following:

- ▶ Approving the Annual Performance Plan 2020, the Mid-Year Performance Report 2019 and the Annual Integrated Report for 2018.
- ▶ Approving revisions to the NWU Statute, and the awarding of an honorary doctorate to Mr Keith Bothongo.
- ▶ Approving the Excellence Awards for outstanding alumni, and the registration and orientation programme for first-year students for 2020.
- ▶ Forming a designated team working on the proposal for the establishment of a medical school; and approving new targets for a new Employment Equity Plan.
- ▶ Considering and approving proposals to cap accrued leave for staff at 21 days, change the conditions of service in respect of accrued leave, and pay out leave balances of staff who have accumulated more than 21 days leave.
- ▶ Exercising oversight over a possible case of corruption, fraud and money laundering; and a disciplinary case involving a senior university management member.

How these governance decisions affect future value creation

Through sound governance principles and practices, we create an ethical environment in which the NWU can realise its strategy.

Remuneration of externally elected Council members

Since 2009, following a Council resolution to this effect, the university established the practice of paying an honorarium to external members of Council and of Council committees.

The honorarium is considered a token of the NWU's gratitude for members' time and effort.

The honorarium fee 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.

The following table shows the honoraria paid for each meeting attended.

External Council member	R3 307
Council-appointed external expert in a structure, but not a Council member	R4 163
Chairperson of a Council committee	R4 163
Deputy chairperson of Council	R3 307
Council chairperson	R6 099
Council chairperson or deputy chairperson as an ordinary member of the structure	R3 307

The full list of Council decisions on governance matters can be viewed here.



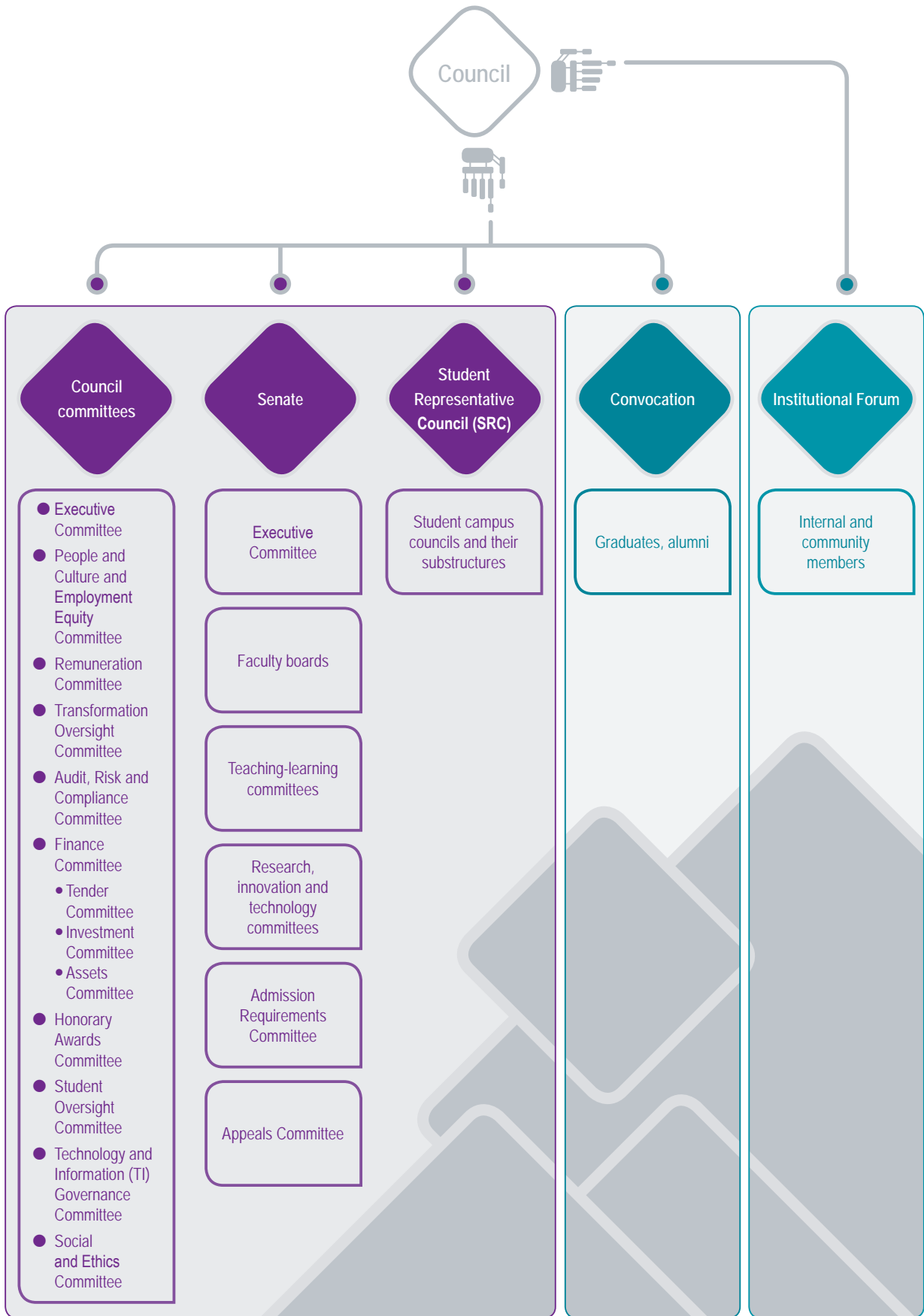
For online viewing, click on the QR code.

King IV as the guiding framework for value creation through governance

After King IV came into effect on 1 April 2017, the NWU initiated an internal process to ensure compliance by aligning structures, policies and procedures with the necessary requirements. The connections between King IV and the corresponding internal structure or responsibility are shown below:

KING IV requirement	<IR> (integrated reporting) content element	Relevant governance structure
Leadership and ethics	Stakeholder engagement and relationships; governance	<ul style="list-style-type: none"> ▶ Council ▶ Social and Ethics Committee
Performance and reporting	Strategy and resource allocation; performance; outlook	<ul style="list-style-type: none"> ▶ Executive Committee ▶ Finance Committee ▶ Senate ▶ Council
Governance structure and delegation	Governance and remuneration	<ul style="list-style-type: none"> ▶ Council ▶ Executive Committee ▶ Remuneration Committee
Risks and opportunities	Stakeholder engagement and relationships; risk and opportunities	<ul style="list-style-type: none"> ▶ Audit, Risk and Compliance Committee (as primary committee for oversight purposes) ▶ Other committees of Council (for risks and opportunities relevant in the said area of oversight) ▶ Senate ▶ Council
Technology and information	Governance, risk and opportunity; strategy and resource allocation	<ul style="list-style-type: none"> ▶ TI Governance Committee ▶ Audit, Risk and Compliance Committee ▶ Executive Committee ▶ Council
Compliance	Governance	<ul style="list-style-type: none"> ▶ Audit, Risk and Compliance Committee ▶ Other committees of Council (for compliance matters relevant in the said area of oversight) ▶ Council
Remuneration	Stakeholder engagement and relationships; remuneration	<ul style="list-style-type: none"> ▶ Remuneration Committee ▶ Honorary Awards Committee ▶ Council
Assurance	Governance; basis of preparation and presentation	<ul style="list-style-type: none"> ▶ Audit, Risk and Compliance Committee ▶ Finance Committee ▶ Senate ▶ Council
Stakeholder relationships	Stakeholder engagement and relationships	<ul style="list-style-type: none"> ▶ People and Culture and Employment Equity Committee ▶ Transformation Oversight Committee ▶ Student Oversight Committee ▶ Institutional Forum ▶ Student Representative Council ▶ Convocation ▶ Board of Donors ▶ Council ▶ Social and Ethics Committee

Governance structures of the NWU





Value creation through council committee work

As indicated earlier, the Council committees assist us with our performance as Council.

All these committees are formally constituted, have terms of reference and consist of a majority of Council members who are neither employees nor students of a public higher education institution. They are chaired by external independent members with the necessary expertise and skills.

In November 2019, Council took the first steps towards ensuring that the value it is creating through Council committee work is of the highest standards and fully supportive of the NWU strategy. Council resolved that it would undergo an external evaluation process in 2020 in accordance with the NWU Quality Policy.

This would entail preparing an NWU Council quality manual, undertaking self-evaluation and producing a self-evaluation report that will be reviewed by an external evaluation panel.

Ethics in action at the NWU

COUNCIL STATEMENT ON ON ETHICS AND VALUES

“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 and commercially competitive practices.

“The values statement in the NWU Strategy 2015 to 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 28 July 2020

Ethical leadership and corporate citizenship

In line with our 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.

This necessitates that we 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 implemented to assist us in managing such challenges.

The Social and Ethics Committee of Council fulfils an important role in advising Council on all matters relevant to ethical leadership and corporate citizenship.

Behavioural manual for staff

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.

What happened

Disciplinary action was taken against 43 employees across the NWU in 2019. 37 cases were of such a serious nature that university hearings were held where dismissals could be the appropriate sanction.

Only four employees had their services summarily terminated while a mutual separation agreement (non-financial) was reached with one employee who went on early retirement. Seven employees resigned before the hearings could commence and one employee's contract expired before the hearing could be held.

One employee was referred to the Employee Assistance Programme. In the rest of the cases, written warnings were imposed. Fourteen CCMA cases were dealt with successfully.

Ombud office for language

The approach of the Language Directorate is to resolve language matters directly or as close as possible to the point where they originate and not to allow them to escalate.

Reporting can be done to the Ombudsman in the Language Directorate via any of the NWU reporting channels or directly via email to the Ombud. Reported matters are investigated, resolved and reported on.

What happened

Minor administrative language matters were resolved through the normal channels during the year.

There was one matter, though not escalated to the official Ombud as a complaint, which would have been serious enough to warrant the intervention of the Ombud. That was a demand by the Langalibalele Dube Branch of the ANC to the NWU Vaal Triangle Campus that an English-only language policy be adopted.

The NWU responded to the demand by explaining that it is an explicitly additive multilingual university. An overview was given of how this language policy had come about, namely through consultation with more than 20 000 respondents, followed by Council's approval in November 2018. Becoming monolingual would fly in the face of our own official policy.

Dealing with sexual harassment

The NWU is committed to creating a safe working environment free from the fear of sexual harassment.

What happened

No sexual harassment matters were referred to the ombudsperson for sexual harassment during the course of 2019, but the NWU Human Rights Committee dealt with one such case. Disciplinary action was taken against the employee but he resigned before the hearing could commence.

The sexual harassment policy was reviewed and approved by Council.

Matters reported by employees or the public

In line with the Policy on the Reporting of Maladministration and Irregularities and the Protection of Disclosure, a number of reports were received via reporting boxes placed on the campuses.

What happened

For six of these reports, an official case was opened in each instance for further investigation by Internal Audit. This compares to the six cases opened in 2018 after reports of alleged irregularities. The other reports were received via internal requests and/or referrals.

Ongoing investigations

Internal Audit plays an important role in the ongoing investigation of suspected irregularities.

What happened

Of the investigations reported in 2018, 17 were completed, while five were in progress. In 2019 a total of 23 investigations were completed and 21 were in progress.

Over the year, there has been an increase in cyber-related matters reported. There was also an increase in reports about the provision of services.

Fighting fraud

Internal Audit handed several investigations over to prosecuting authorities after the verification of facts, and various fraud awareness sessions took place on the campuses.

What happened

During the past two years, investigations about personal expenditure/misrepresentation of invoices / changes of bank details were handed over to the South African Police Services (SAPS).

In 2018 the amount/estimate was R655 959, and in 2019 it was R70 563. In 2019 investigations about misappropriation of funds were also handed over to SAPS (amount/estimate: R70 563).

In line with the university's Anti-Fraud Strategy, various anti-fraud awareness sessions were held on all three campuses.

There is a specific focus on Internal Audit's proactive and continuous monitoring of transactions relating to procurement. This has to a large extent mitigated the risk of fraud in this regard. Daily reports, among others, in relation to changes of bank details of suppliers and employees are verified with various stakeholders within 24 hours of their occurrence.

A new email channel for reporting fraud, report-fraud@nwu.ac.za, has also been implemented.

As per the Act, the manual is available in three languages (English, Afrikaans and Setswana) and published on an NWU web page. The manual provides information about the promotion of access to information and the protection of personal information.

The compulsory section 32 report was also delivered to the SAHRC.

The report covered the period April 2018 to March 2019, during which 77 requests were received and 50 granted in full. 22 requests were refused in full. One refusal was based on section 34, mandatory protection of the personal information of a third party, one was refused based on section 44 operations of the public body, one was refused based on section 45(2) unreasonable diversion of resources and 19 requests were refused based on the requester not using the correct platform.

Compliance with laws and regulations

The Compliance Committee, which is a subcommittee of the University Management Committee (UMC), coordinates and reports on all compliance activities. The UMC then submits reports to the Audit, Risk and Compliance Committee whose duty it is to report accordingly to Council.

What happened

During a compliance assessment in 2019, compliance with the following pieces of legislation were self assessed:

Consumer Protection Act 68 of 2008, Basic Conditions of Employment Act 75 of 1997, Skills Development Act 97 of 1998, Skills Development Levies Act 9 of 1999, Safety at Sports and Recreational Events Act 2 of 2010, Animal Health Act 7 of 2002, Animal Protection Act 71 of 1962, Liquor Act 59 of 2003, Tobacco Products Control Act 83 of 1993, National Building Regulations and Building Standards Act 103 of 1977, Electronic Communications Act 36 of 2005, Immigration Act 13 of 2002, Value-Added Tax Act 89 of 1991.

The risk and compliance coordinator monitors compliance on an ongoing basis. A risk and compliance policy was finalised and will be tabled with Council for approval.

Promotion of Access to Information Act requests

The NWU subscribes fully to the Promotion of Access to Information Act (PAIA).

What happened

In 2019, the information manual was updated for the 15th time and copies were sent to the South African Human Rights Commission (SAHRC).

Providing integrated assurance

A Combined Assurance Forum (CAF) has existed at the university since 2012 and has aligned its functioning with King IV. The intention of the committee is to manage and limit the risk exposure of the university, and to provide assurance.

What happened

The NWU Combined Assurance Forum (CAF) provided an adequate and effective control environment and ensured the integrity of reports for better decision-making, while also establishing an assurance model. A risk assurance map was tabled during 2019 and will be finalised in 2020. The forum also assisted the Audit, Risk and Compliance Committee to fulfil its responsibility in giving assurance to the Council.

Specifically, it provided assurance that the university's risk management, risk control and governance processes are adequately addressed. CAF also provides a platform for discussions on optimising risk management at the NWU and addressing management concerns about the processes for managing risks.

Human rights matters

The Human Rights Committee did not deal with any human rights infringements during 2019. It reviewed the matters that were reported to it but referred these back to the various departments involved because it did not deem them to be human rights infringements.

The committee focused its attention on discussing its functioning. Its new terms of reference were approved by Council in September 2019.

The committee also discussed issues such as a formal relationship with the South African Human Rights Commission (SAHRC), gender-based violence and sexual

harassment correspondence by the Minister of Higher Education and Training, as well as the revised Code of Ethics of the NWU. The committee also provided input on the Sexual Harassment Policy of the NWU.

Institutional Forum: custodian of good governance

Together with Council, the Institutional Forum serves as the custodian of good governance and by advising and assisting Council, helps to safeguard stakeholder value creation.

The Institutional Forum may have up to 25 members representing a broad range of internal stakeholder constituencies. Members include representatives from Council, the University Management Committee, Senate, academic staff, a recognised union, support staff, the campus student representative councils, the NWU Convocation and members with special expertise.

What happened

The Institutional Forum discussed and gave input on the draft Higher Education Gender-based Violence Policy and Strategy Framework of the Department of Higher Education and Training (DHET).

The forum (as a whole or represented by some of our individual members) advised on the appointment of two university management members.

They are Dr S Chalufu (Executive Director: Student Life) and Prof ND Kgwadi on his appointment for a second term.

The forum also advised the selection panels constituted to consider the appointment of executive deans and deputy executive deans of NWU faculties, whose appointment was a key step in the implementation of our strategy.



see how
we care



Campus leaders give students a voice on Council

Representing their campus's students on Council, the three chairpersons of the campus student representative councils are committed to giving a voice to the collective NWU student body and to serving with vigour and dedication.

The three chairpersons-elect, Theo Seepamore (Mafikeng Campus), Heinz Schoeman-Struwig (Potchefstroom Campus) and Teboho Siziba (Vaal Triangle Campus), agree that they all subscribe to the principle of servant leadership and voice their desire to serve the university through collective buy-in and innovative headship.

Teboho sums it up by saying: "We have been entrusted with the role of facilitating student governance and we will do so with dignity, diligence and pride."



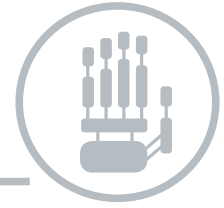
The three student leaders at the back, Teboho Siziba, Heinz Schoeman-Struwig and Theo Seepamore, are pictured with Prof Dan Kgwadi (vice-chancellor), Dr Bismark Tyobeka (chairperson of Council) and Prof Marlene Verhoef (registrar).

The Institutional Forum's full report can be accessed here:



For online viewing,
click on the QR code.

Incentivising for achievement



Motivated, high-performing employees enable the NWU to realise our strategy and create value for ourselves and our stakeholders.

We offer our staff performance incentives that are attractive and sustainable and, by applying these incentives fairly and consistently, create an environment that motivates and reinforces superior performance.

We use an integrated performance management approach to recognise superior organisational, team and individual performance.

Remuneration mix to attract and retain scarce and critical skills

Our remuneration mix has variable and fixed elements and includes monetary and non-monetary rewards. We align all the components of remuneration to our strategy, business-specific value drivers and the NWU values, ensuring that remuneration matches skills need and culture fit.

We have an annual benchmarking process to ensure continued competitiveness of guaranteed pay.

Variable pay is used to monitor and encourage performance. Here, we employ instruments such as performance bonuses and individual remuneration reviews and various other value-adding allowances.

Remuneration governance and management

The NWU Council executes its oversight function for remuneration through the Remuneration Committee of Council. This committee is aware of how the income differentials affect fair and responsible remuneration, and that it is a priority in positioning our university as a value-adding institution for employees, as well as other stakeholders.

The outcome of the collective bargaining process for salary increases for 2019 introduced a differentiated increase to cater for staff at the lower income bands. This represented an attempt to close the income differentials between the higher and lower salary bands.

The Remuneration Committee approved the Remuneration Philosophy, which will further guide our incentivising initiatives and our efforts to attract key talent.



see how we care



In this way, we will all benefit

People and Culture has joined forces with Student Life to establish what the current culture of the NWU is so that we can start working towards a shared organisational culture.

This is the purpose of The NWU Way project, which will use 60 focus groups to engage staff and students across the three campuses on how they perceive the current NWU culture.

Executive contracts

In line with our Statute, Council drives a process to appoint our senior office bearers, namely the vice-chancellor, deputy vice-chancellors, the registrar, executive directors and deputy vice-chancellors for assignable functions and campus operations.

The following appointments were made in 2019:

Position	Appointment date	Incumbent	Reason for vacancy
Executive Director: People and Culture	1 October 2018	Dr Mala Singh	Previous incumbent resigned
Deputy Vice-Chancellor: Assigned Functions and Potchefstroom Campus Operations	1 January 2019	Prof Daryl Balia	Previous incumbent retired
Executive Director: Student life	1 August 2019	Dr Sibusiso Chalufu	Previous incumbent resigned

Current year incentives: University Management Committee

Name	Office held	Other Allowance/ Payments R'000	Basic Salary R'000	Employment Benefits R'000	Total Cost to NWU 2019 R,000
Prof ND Kgwadi	Vice-Chancellor and Principal	389	2 962	611	3 963
Prof LA du Plessis	NWU Campus Operations: Vaal Triangle and Vice-Principal	658	1 900	392	2 950
Prof MM Verhoef	NWU Registrar	292	2 001	503	2 797
Prof DM Balia	NWU Campus Operations: Potchefstroom	95	1 861	305	2 260
Prof BMP Setlalentoa	NWU Campus Operations: Mafikeng	229	1 758	405	2 391
Prof RJ Balfour	NWU Deputy Vice-Chancellor: Teaching and Learning	274	1 729	506	2 510
Prof MN Phaswana-Mafuya	NWU Deputy Vice-Chancellor: Research and Innovation	200	2 026	213	2 440
Mr NC Manoko	NWU Executive Director: Corporate Relations and Marketing	225	1 566	394	2 186
Dr JS Chalufu	NWU Student Life		1 531	236	1 777
Ms E De Beer	NWU Executive Director: Finance and Facilities	217	2 033	457	2 706
Dr V Singh	NWU Executive Director: People and Culture	86	1 716	308	2 109

External members' fees

External members of Council, Council committees and other statutory bodies receive an honorarium as a token of our gratitude for their time and efforts. The honorarium, paid in August and December, is linked to our annual cost of living adjustment (COLA) process and approved by Council's Executive Committee. (The honoraria members received for each meeting attended is mentioned on page 95.)

Honoraria payments (gross remuneration to Council members) in 2019

* Mr Sorgdrager and Mr Strydom did not claim honoraria.

Council Member	R-value
Ms UA Davey Baravalle	R3 307
Prof AL Combrink	R33 070
Mr JDS de Bruyn	R57 075
Rev DP Dinkebogile	R48 010
Mr XV Hadebe	R4 163
Mr WG Human	R23 149
Mr TC Kgomomo	R120 836

Council Member	R-value
Mr I Klynsmith	R61 238
Mr CS Mabe	R47 289
Mr BCO Manyapelo	R20 815
Mr SM Mohapi	R20 815
Mr TV Mokgatla	R6 614
Mr OE Mongale	R45 559
Mr CP Mulder	R39 684
Mr A Redelinghuis	R56 336
Mr LE Seliane	R20 815
Ms T Semane	R33 070
Mr MSJ Thabethe	R39 801
Dr MB Tyobeka	R189 069
Dr K van der Walt	R4 163
Mr WA van Rooy	R6 614
Grand total	R881 492

Organisational culture

Organisational culture is a vital enabler of our strategy to transform and position the university as a unitary institution of superior academic excellence, with a commitment to social justice and an ethic of care.

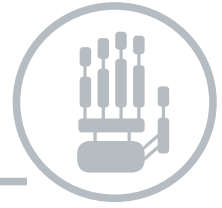
A critical first step was to conduct a dipstick assessment among staff and students to identify the desirable and undesirable elements of the current culture, and define the desired culture. We then held so-called Culture Conversations to facilitate inputs on what changes were needed to achieve the desired culture.

The Culture Conversations saw randomly selected participants providing their lived experience of the NWU culture. Staff and students used these conversations to express their views on issues around transparency, trust and frustration, and to reflect on the identity and history of each campus, strengthening their sense of belonging.

Staff praised the academic alignment between the campuses as beneficial to the promotion of a unitary model. Students expressed the need to enrich their student experience with cross-cultural knowledge and experiences, yet protecting that which is dear to them. It was clear there is much to gain from embracing the rich diversity of our staff and students.

The NWU desires to build an inclusive, enabling and welcoming environment, the vehicle for which is the NWU Way journey, involving the co-creation of desired culture and behaviour descriptors. The insights gathered during phase one of the NWU Way project are informing the next phase, shaping balanced, viable and authentic organisational values.

Future outlook for the NWU



Looking ahead, we anticipate that certain factors in our external environment will continue to impact our ability to achieve our strategic objectives and therefore our ability to create value.

Keeping this in mind, we need to equip ourselves to respond to challenges and uncertainties that are likely to arise, affecting our capability to achieve our goals and targets in the future.

Reflecting on the NWU's future, we distinguish between the short term (up to two years), the medium term (two to seven years) and the long term (more than seven years).

These are the developments that may affect our future performance:

An unstable environment

Short-term expectations

Two major issues affecting smooth university registration are challenges encountered in implementing the National Student Financial Aid Scheme (NSFAS) process and the growing demand for student accommodation.

In addition, load shedding and long periods of electricity failure pose operational challenges, especially in our efforts to provide safe, comfortable facilities for our students in residences.

Medium-term expectations

The Fourth Industrial Revolution (4IR) has significant implications for higher education and we need to explore how it will impact our systems, teaching and learning, integrated planning and research.

Setting out to be proactive, we have already included 4IR as a topic at our annual Teaching-Learning Conference and at several workshops held in 2019 for members of Council and senior management. At these workshops, we looked at the 4IR's implications for the world of work, especially how it will influence our core business.

These workshops and other related activities at the NWU suggest a strong commitment to integrating thinking about 4IR. We realise that the ability to develop distinctive competencies in selected strategic areas will give us a competitive advantage.

Other concepts linked to the 4IR and currently featuring in the higher education discourse are the multiversity, the unbundled university and the blockchain university.

At leading universities the world over, these concepts have become part of debates on access (open access, open education resources and recognition of prior or other learning). They also feature prominently in the dialectic on curriculum concepts such as self-directed learning.

Long-term expectations

The long-term financial sustainability of the university is paramount if the NWU is to remain a value-creating asset for future generations.

Using opportunities and addressing challenges and uncertainties

There are several opportunities we can use to address challenges and achieve our strategic objectives.

Being part of the Open Education Resources Network (OERN), for instance, gives us an opportunity to adopt OERs as part of either module or programme requirements and to make our own curricula available to other institutions. Membership of the OERN thus allows potential partners to explore mutual recognition of curricular content.

Furthermore, the automation of university processes will enable academics and students, university administrators

and support systems staff to work more collaboratively to analyse the nature of students' learning and the student experience. The aim will be to optimise support.

Another opportunity that we should explore is the 4IR technology that enables the seamless upload, download and analysis of work-integrated learning (WIL) experience, or enables simulated WIL experience.

When it comes to the 4IR multimodal curriculum, we should describe it in strategic and practical terms. This means including it in our Teaching-Learning Strategy and related assessment and language plans, and in our faculty yearbooks.

We should also include the types of learning experience the student may encounter as the learning progresses (whether online, offline, self-directed, collaborative, cooperative or flipped classrooms).

Our most important targets and plans for the future

In the short to medium term

One of our goals is to enhance our curricula to lead to evidence of self-direction and collaborative and cooperative learning. Students studying for undergraduate degrees and certificates should experience this from their first to their final year.

When they reach their final year, the undergraduate curriculum should include the advanced synthesis, integration and research skills necessary for postgraduate studies and the world of work.

This means we will have to strengthen skills such as problem-solving, critical thinking, the ability to work with others and the ability to access information, along with other generic outcomes that inform all teaching and learning.

We also have to develop processes to determine, assess and revise these outcomes, and then incorporate them into the teaching-learning strategy of the university.

Another goal is to drive the digitisation strategy of the NWU. Ideally, student support services should be brought online, from curriculum advice and timetables to communication with academics.

In the long term

The phenomenon of unbundling has made its appearance globally as part of what 4IR offers higher education.

In South Africa, limited unbundling has occurred as the regulatory environment is highly controlled and does not allow institutions to recognise coursework beyond certain limits and levels of the degree qualifications.

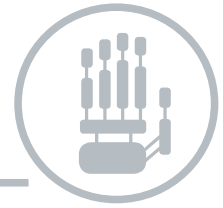
We also foresee that big data sets will become increasingly available and that greater emphasis will be placed on technology for learner analytics. Technology for seamless staff and student experience of administration (ease, accessibility and relevance) will also become more important.

All of these trends and changes highlight how vital it will be to have agile systems that enable seamless integration of the various stages of the student life cycle.

In summary

Higher education is undergoing a technological revolution that will fundamentally reshape how universities operate. Systems agility and integration will be the order of the day, along with escalating competition for student enrolments and teaching and research talent. As the 4IR blurs geographical boundaries and commoditises qualifications, it will be important for the NWU to differentiate ourselves from other players. We believe that differentiator will be our ability to create value with an ethic of care.

Annexures



Annexure 1: 2019 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

Relevant performance indicator	Actual 2018	Target 2019	Actual 2019
1 Contact student success rate	85%	85% ¹	85%
We maintain an excellent pass rate and reached our target. Our future commitment in the enrolment plan is to maintain this pass rate.			
2 Contact undergraduate, graduation duration factor	1,13	1,20 ²	1,13
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.			
3 International student enrolment	4,27%	5,86% ³	4,1%
The drop in distance enrolments in phasing out diplomas and certificates, which includes our largest component of foreign students, had a detrimental impact on the percentage of foreign students.			
4 Headcount enrolments	61 212	71 758	63 671
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, the NPDE and the BEdHons. Honours phasing out faster than anticipated and the approval of our new distance offering taking longer than expected. We do however show a growth from 2018 due to a large increase in distance BEd programmes. This, combined with a higher activity rate in distance programmes led to the increase.			
5 First-time entering enrolments	12 127	15 717	12 536
There was an over-enrolment in contact first-time entering students. At the same time there was a drop in the first-time distance enrolments. The lack of approval of new distance offerings greatly hampered growth in distance first-time entrants and thus total first-time entrants.			
6 Graduates	15 350	16 976	14 961
We have not reached our graduates target due to a lower number of distance enrolments and graduates.			
7 Graduation rate	25,10%	23,66%	23,50%
We are within the range of our target in terms of the graduation rate. This is mainly due to a lower total enrolment count while maintaining a high contact graduate count. We have however seen a notable decrease in our distance graduation rate.			

1 A deviation of 2% is allowed on either side of target for achievement of the KPI

2 A deviation of 0,05 is allowed on either side of target for achievement of the KPI

3 A deviation of 1% is allowed on either side of target for achievement of the KPI

Goal 2: Intensify research and innovation

Relevant performance indicator	Actual 2017	Target 2018	Actual 2018 ⁴
8 Publications per permanent academic staff member	0,86	1,21 ²	0,93
The restructuring process required additional commitment from our academic staff, whilst affording us the opportunity to strategically reposition the academic environment to reach our strategy. Our focus has also moved from purely quantity to quality and high-impact journals.			
9 Weighted research output	2 605,507	2 864 ¹	2 708,942
We delivered a record number of 248 doctorates in 2018 resulting in a good weighted research output.			

Goal 4: Develop a clearly differentiated student value proposition

Relevant performance indicator	Actual 2018	Target 2019	Actual 2019
10 Student: Academic staff FTE ratio	32.22 : 1	25.6 : 1 ⁵	31.93 : 1
The over enrolment in contact students which led to a marked increase in enrolled FTE's caused an increase in this ratio. Our ratio is also influenced by the fact that contact and distance students are included in the calculation of the ratio.			
11 First-time entrant dropout rate for contact degrees (as on 14 May 2020)	9%	Below 15%	10,8%
We maintain our low drop-out rate due to the availability of funding for returning students, therefore they are not dropping out due to financial reasons.			











Goal 5: Develop and retain excellent staff and create an equitable staff and student profile

Relevant performance indicator	Actual 2018		Target 2019		Actual 2019	
12 Student mix: NWU contact and distance; all campuses	African (%)	65%	African (%)	60,75%	African (%)	67%
	Coloured (%)	5%	Coloured (%)	6,52%	Coloured (%)	4%
	Indian (%)	1%	Indian (%)	0,89%	Indian (%)	1%
	White (%)	29%	White (%)	31,84%	White (%)	27%
	Female (%)	65%	Female (%)	69,18%	Female (%)	65%
	Male (%)	35%	Male (%)	30,82%	Male (%)	35%
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.						
13 Staff mix	African (%)	35,9%	African (%)	37,9%	African (%)	37,5%
	Coloured (%)	6,3%	Coloured (%)	7,5%	Coloured (%)	6,5%
	Indian (%)	1,3%	Indian (%)	2,1%	Indian (%)	1,5%
	White (%)	56,5%	White (%)	51,6%	White (%)	54,5%
	Female (%)	56,8%	Female (%)	56,4%	Female (%)	56,7%
	Male (%)	43,2%	Male (%)	43,6%	Male (%)	43,3%
Our recruitment strategy paid off and we made positive progress in attracting professional and academic staff from designated groups.						
14 Permanent academic staff with PhDs	52,04%		59% ¹		51,05%	
A stretch target was set for staff members with PhDs and we have not achieved the target as yet. The challenge of the university is twofold: to support staff members to improve their qualifications and then to retain those staff members in a very competitive environment. The implementation of initiatives to grow our own timber and Gap appointments will only be visible two to three years from now.						

4 2018 final approved research publication units are reported as the approved 2018 publications are only received from the DHET later in this year

5 A deviation of 3 is allowed on either side of target for achievement of the KPI

Annexure 2: List of committee meetings

Committee	List of meetings	% attendance 2016	% attendance 2017	% attendance 2018	% attendance 2019	Self-evaluation undertaken
Council	18 March 2019 20 June 2019 26 September 2019 21 November 2019	80%	80%	88%	84%	
Council Executive Committee (Exco)	7 February 2019 18 March 2019 02 May 2019 03 June 2019 19 June 2019 11 July 2019 22 July 2019 08 August 2019 10 September 2019 25 September 2019 08 October 2019 11 October 2019 20 November 2019	91,8%	85%	92%	92%	
Finance Committee	30 May 2019 5 November 2019	55%	80%	64%	83%	
Transformation Oversight Committee	18 February 2019 15 May 2019 21 August 2019 04 September 2019 23 October 2019	91,7%	67%	73%	73%	
Student Oversight Committee	22 October 2019 08 November 2019	86,7%	64%	70%	85%	
People and Culture and Employment Equity Committee	21 May 2019 15 October 2019	83,3%	67%	92%	100%	
Tender Committee	6 May 2019 04 June 2019 05 August 2019 05 September 2019 08 November 2019	62,5%	71%	64%	75%	
Honorary Awards Committee	23 April 2019	60%	100%	100%	83%	Committee only met once in 2019
Audit, Risk and Compliance Committee	19 February 2019 05 June 2019 06 August 2019 08 October 2019	81,3%	75%	91%	88%	
Remuneration Committee	06 June 2019 08 August 2019 20 November 2019	81,8%	88%	89%	100%	
Assets Committee	09 May 2019 17 October 2019	100%	83%	88%	88%	

Committee	List of meetings	% attendance 2016	% attendance 2017	% attendance 2018	% attendance 2019	Self-evaluation undertaken
Investments Committee	10 April 2019 10 May 2019 14 June 2019 16 August 2019 11 October 2019	80%	67%	68%	85%	
TI Governance Committee	29 May 2019 16 October 2019	Not applicable	83%	62%	64%	
Social and Ethics Committee	21 May 2019 29 October 2019	Not applicable	Not applicable	Not applicable	71%	

Annexure 3: Composition of committees (as at October/November 2019)

Finance Committee

Name	Designation
Chairperson	
Mr C Mabe	External member of Council
Standing members	
Mr I Klynsmith	External member of Council
Dr BM Tyobeka	External member of Council and chairperson of Council
Ms T Semane	External member of Council
Mr OE Mongale	External member of Council
Prof ND Kgwadi	Vice-Chancellor
Prof M Verhoef	Registrar (ex officio secretary)
In attendance	
Ms E de Beer	Executive Director: Finance and Facilities

Mr A Sorgdrager	External member of Council
Mr MJS Thabethe	External member of Council
Dr K van der Walt CA (SA)	Independent audit specialist
Prof M Verhoef (ex officio)	Registrar
In attendance	
Prof ND Kgwadi	Vice-Chancellor
Ms E de Beer	Executive Director: Finance and Facilities
Ms M van der Merwe	Director: Internal Audit
Mr A Dale, Ms F Bootha, Ms S Bootha	External Auditors: PwC
Mr PB van Zyl	Representative: Auditor General

Audit, Risk and Compliance Committee

Name	Designation
Chairperson	
Mr A Redelinghuis CA(SA)	External member of Council
Standing members	
Mr JDS de Bruyn	External member of Council

Remuneration Committee

Name	Designation
Chairperson	
Mr C Mabe	External member and chairperson of the Finance Committee
Standing members	
Dr MB Tyobeka	External member and chairperson of Council
Fr D Dinkebogile	External member and chairperson of P&CEE

Mr A Redelinghuis	External member and chairperson of ARCC
Mr A Sorgdrager	External member of Council
Prof ND Kgwadi	Vice-Chancellor
Prof M Verhoef	Registrar (ex-officio secretary)
In attendance	
Dr M Singh	Executive Director: People and Culture
Ms E de Beer	Executive Director: Finance and Facilities

Tender Committee

Name	Designation
Chairperson	
Mr OE Mongale	External member of Council
Standing members	
Mr S de Bruyn	External member of Council
Mr BCO Maanyapelo	External expert
Prof ND Kgwadi	Vice-Chancellor
Prof M Verhoef	Registrar (ex officio secretary)
In attendance	
Ms E de Beer	Executive Director: Finance and Facilities

Technology and Information Governance Committee

Name	Designation
Chairperson	
Mr MJS Thabethe	External Council member
Standing members	
Mr W Human	External Council member
Ms T Semane	External Council member
Prof HJ van der Merwe	Internal Council member
Mr XV Hadebe	Independent external IT expert
Ms E Stander	Independent external information expert
Prof ND Kgwadi	Vice-Chancellor
Prof M Verhoef	Registrar (ex officio secretary)
In attendance	
Prof R Phaswana-Mafuya	Deputy Vice-Chancellor: Research and Innovation
Mr CE Pretorius	Chief Director: Information Technology

Acknowledgements

INTEGRATED REPORT TASK TEAM

Prof Marlene Verhoef, Prof Linda du Plessis, Robert Kettles,
Amanda van der Merwe, Nelia Engelbrecht, Jan-Hendrik Viljoen

PHOTOGRAPHY

Maclez Studio and NWU colleagues

COPY EDITING

Clairwyn van der Merwe

DESIGN AND LAYOUT

Alexander Marnewick for AFRICAN SUN MeDIA
www.africansunmedia.co.za
info@africansunmedia.co.za

PRINTING

AFRICAN SUN MeDIA
www.africansunmedia.co.za
info@africansunmedia.co.za

ENQUIRIES AND CONTACT DETAILS:

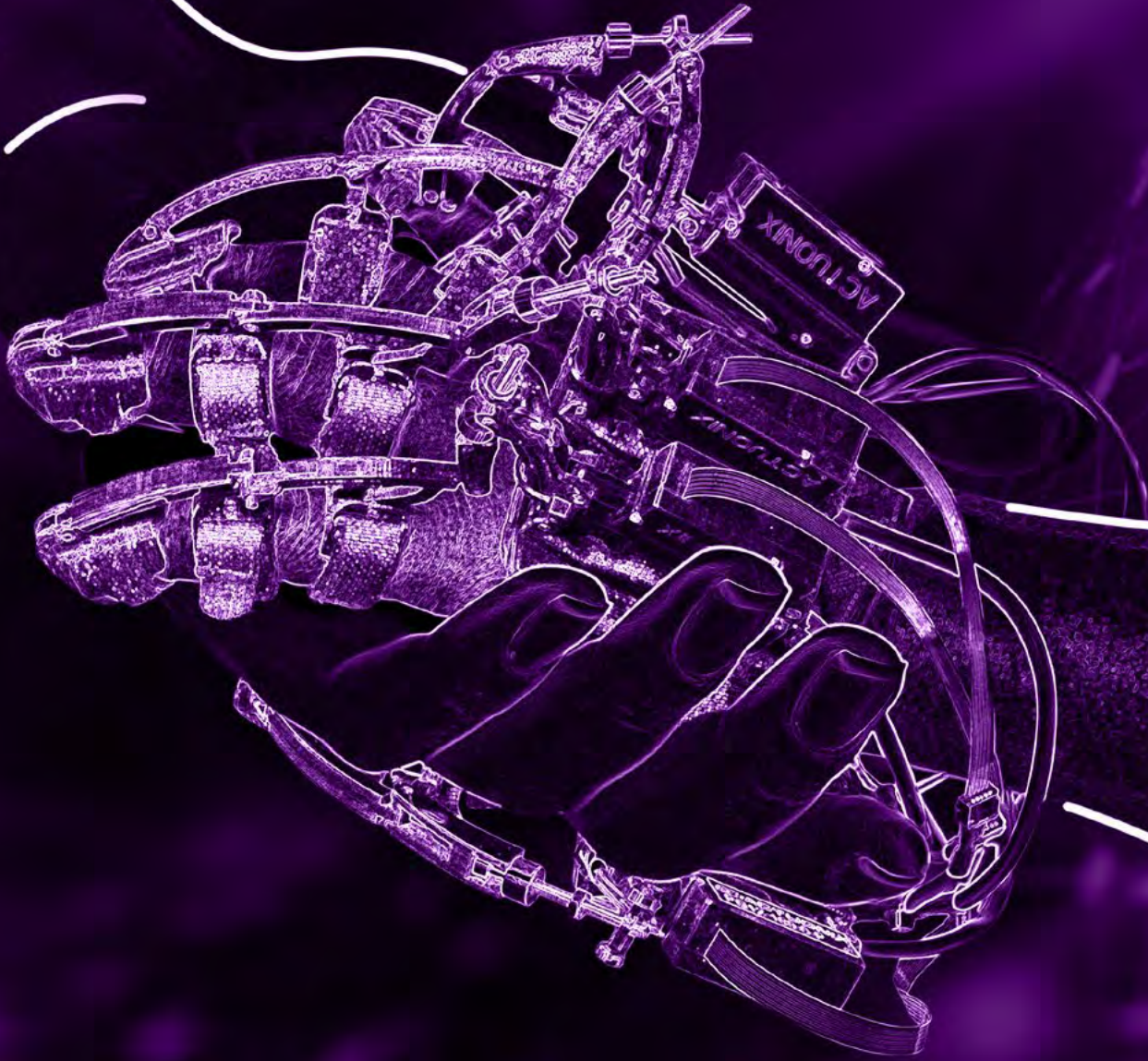
**Prof Marlene Verhoef, Registrar, +27 (18) 299 2612, marlene.verhoef@nwu.ac.za and
Louis Jacobs, Director: Corporate Communication, +27 (18) 299 4918, louis.jacobs@nwu.ac.za.**

The 2019 integrated report was compiled by Corporate and Information Governance Services and produced by Corporate Relations and Marketing.

The integrated report can be accessed on the NWU website at <http://www.nwu.ac.za/content/nwu-annual-reports>

An online version of this publication is also available in Afrikaans.

It all starts here®



 NWU®