



NWU®

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

INTEGRATED ANNUAL REPORT | 2020



Explore | Expand | Evolve

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Integrated Annual Report 2020

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NWU INTEGRATED ANNUAL REPORT 2020

Covering our theme

The Covid-19 pandemic has changed more than just our day-to-day life. It has also had a profound impact on education.

In making sure that the NWU's core business of teaching-learning, research and community engagement could continue, we had to adapt to the new normal, **explore** new ways of doing things, **expand** our horizons and **evolve** to become even more than we were before.

Adapt, explore, expand and evolve was the theme running through our activities in 2020 and now also through our story as told in this integrated report.



1 About this report

1.1 Explore, expand and evolve

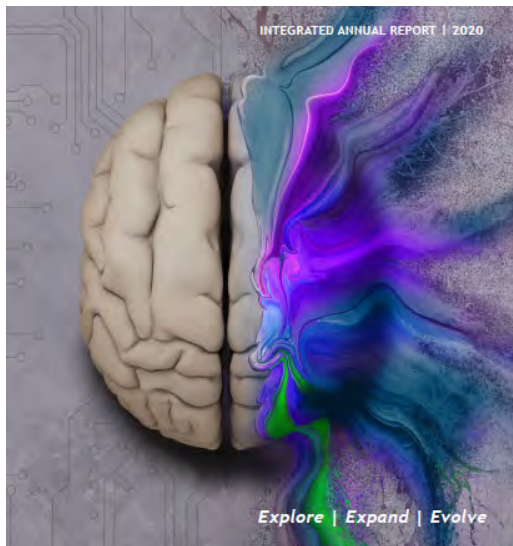
Owing to the Covid-19 pandemic, 2020 was a year like no other. Instead of “business as usual”, we as the NWU had to adapt to the new circumstances and explore, expand and evolve to save the academic year in the short term, but also stay steadfast on our path towards realising our strategy in the long term.

In this integrated report we tell you, our stakeholders, how we achieved that balance by mobilising and effecting our resources, skills and relationships, known as our “capitals”.

There are six capitals: intellectual, human, social and relationship, manufactured, natural and financial. (Read more about our capitals on page 3.)

Although we aim to create value in all instances, our capitals can also undergo either a net decrease or experience no net change. In such cases, value is eroded or preserved.

Keeping this in mind, we are committed to interact responsibly with our capitals, as our resources and relationships are, after all, vital to our ability to create sustainable value.



The image on the front page symbolises our theme, namely to adapt to the new circumstances brought about by the Covid-19 pandemic, and to explore, expand and evolve. We started this journey in 2020 – not only to keep up with changing circumstances, but to be constantly one step ahead.

In our front page image, the background (left), resembling a computer motherboard, symbolises our commitment to embrace the Fourth Industrial Revolution. Already steadily on our way towards finalising a digital strategy to keep pace with technological developments, we accelerated our digital journey as a result of the lockdown and resulting shift to online learning.

The brain in the front page image (centre) symbolises how we had to reimagine the way we think and act, and see the future. The colours bursting forth (right) portray our innovative and creative discovery of new pathways that expand our thinking and allow us to evolve to fully embrace the exciting opportunities the future may bring.

1.2 This story is for you

The story of how we explore, expand and evolve – during 2020 and beyond – is intended for you, our stakeholders.

Our stakeholders are 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 14.

1.3 How our story expands

As the pandemic swept across the globe, we had to adapt the way we look at education and execute our core business. Our story in this integrated report is to a great extent shaped by the new challenges we had to overcome.

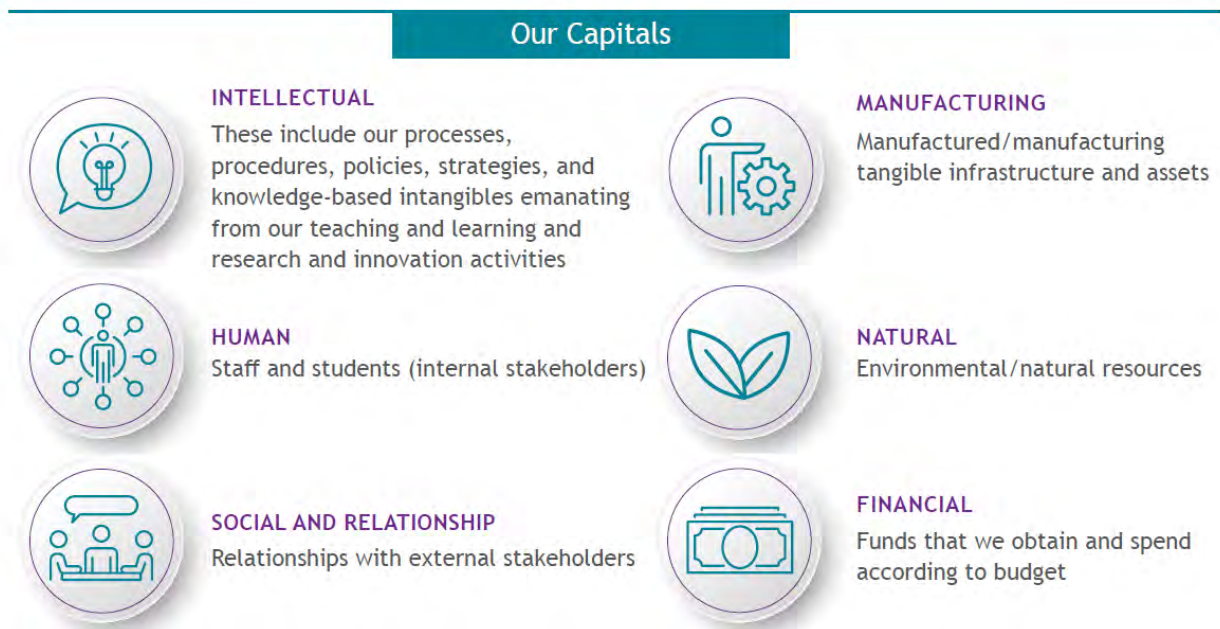
At the beginning of our story, we give an overview of the NWU (page 7) and explain how we interacted with our external environment (page 8) and specifically how we experienced and reacted to the impact of the Covid-19 pandemic.

On page 16 you will find a graphic of our business model.

1.4 How to navigate our story

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

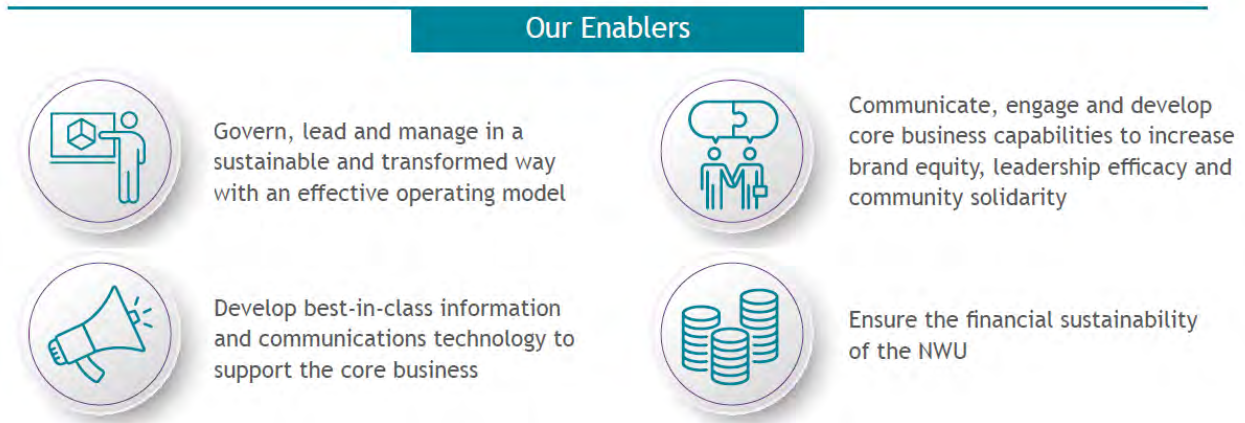
1.5 Our capitals



1.6 Our strategic goals



1.7 Our enablers



1.8 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) that 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.

- * 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 21.

We also considered those factors in our external environment (see page 8) 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 14, in the table under the subheading: Issues raised.

1.9 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 2020.

In addition to the financial information (pages 71-76 and 150 onwards), 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 2020, 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 III 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 121). 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 in the governance section of this report (page 82).

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.

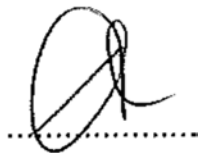
Furthermore, Council believes that it has appropriately considered the accuracy and completeness of the material matters, as well as the reliability of the information presented in this report.

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

Council approved the 2020 integrated report on 17 June 2021.



DR BISMARK TYOBKA
CHAIRPERSON OF COUNCIL



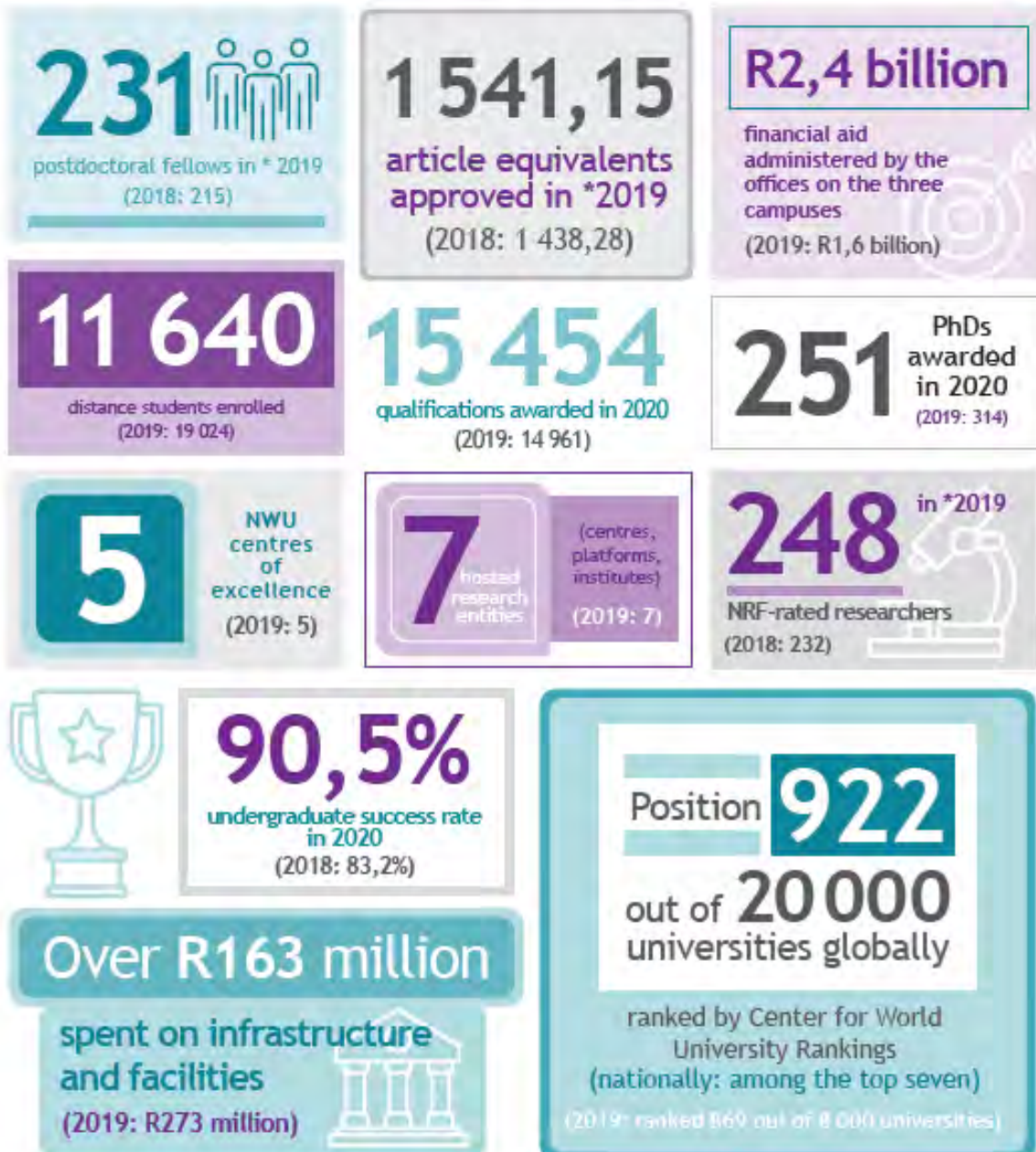
MR THABO MOKGATLHA
CHAIRPERSON OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE

2 Overview of the NWU

Overview of the NWU

Performance highlights

In 2020 we continued to create value for the NWU and for our stakeholders. The following achievements - and in many instances also improvements - are noteworthy:



* Please note that the research figures lag two years behind

2.1 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.

2.2 Our purpose

To excel in innovative learning and teaching and cutting-edge research, thereby benefiting society through knowledge.

2.3 Our dream

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

2.4 Our strategy

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

2.5 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.

2.6 Where we operate

We operate mainly in South Africa, but collaborate extensively with institutions and people all over the world. In 2020, the NWU had 2000 active agreements.

2.7 What sets us apart

- No academic time lost in the past few years, despite national student unrest and the Covid-19 pandemic
- Second-largest number of distance students in South Africa
- Rural setting and safety of our campuses (During 2020, students were allowed to return to campuses and residences according to the regulations under Alert Level 3 to Alert Level 1 of the pandemic.)

2.8 Our external environment

Various factors in our external environment affect our capitals and consequently our ability to create value for ourselves and our stakeholders. The event that took the world by storm during 2020 and severely influenced life as we knew it, was undoubtedly the Covid-19 pandemic.

Various factors in our external environment affect our capitals and consequently our ability to create value for ourselves and our stakeholders. The event that took the world by storm during 2020 and severely influenced life as we knew it, was undoubtedly the Covid-19 pandemic.

Harnessing the Covid-19 storm

The Covid-19 pandemic had a far-reaching social and economic impact on how institutions conduct their business and people live their lives. It also had a huge transformative impact on the higher education sector, triggering new innovations and what might be described as a revolution in how universities teach and students learn.

The NWU was no exception. Although not discussed below as a separate influencing factor in our external environment, the impact of the pandemic has been extensive.

Like a golden thread running through this integrated report, you will see how adapting to the new normal was intertwined with all our activities, influencing our value-creation story and taking us on a journey to explore, expand and evolve.

In the text below, we discuss other 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.

2.8.1 Rapidly changing societal roles/views/perceptions

Changing societal perspectives have a direct impact on the university environment as a microcosm of the larger South African and global society. Evolving views on gender norms and roles, cultural perceptions, sexuality and the role of religion have a major influence on how students engage with each other and the university.

This is clear from the level of support among students for current social movements focusing on gender-based violence and Black Lives Matter, as well as discussions on sexual fluidity and calls for cultural reforms on gender roles and norms. As an institution made up of people from many socio-economic, cultural, religious, racial and other backgrounds, we still have to do much more to ensure that we achieve the envisaged diversity at the NWU.

Similarly, the expansion of university online offerings and services, brought about by the global Covid-19 pandemic, exposed the stark inequalities in students' access to technology and the basic infrastructure they need to use such technology efficiently.

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 38

Effect on value creation

Conflict often arises when an institution cannot timeously recognise and effectively address changing societal perspectives and needs. This inability poses a risk as it can be seen to further exclude and marginalise the people impacted by such changes. The student value proposition we promote can subsequently be regarded as partially or wholly irrelevant. We therefore have to ensure that our value proposition is not based on a student culture that no longer takes societal norms and values into account.

Our strategic response

We have to keep on refining our student governance model and feedback mechanisms to ensure effective consultation processes. This will allow us to engage and respond to projected changes proactively, and consequently maintain a relevant and valuable student experience. Sporadic and once-off engagements in reaction to changing perceptions do little to create a valuable student proposition.

Our strategic response must therefore consist of structured feedback and purpose-driven engagements, which ultimately inform decision-making processes.

The feedback we receive allows the university to clearly understand the real needs of our students. We can then adjust our existing procedures, processes, systems and structures and come up with new initiatives that support and include changing perspectives.

2.8.2 Possible social instability in the higher education sector

Social instability within the higher education sector could influence our students and may result in messages and decisions within the university being received with scepticism and unwarranted resistance. This could be exacerbated by a lack of understanding of how the higher education sphere functions at a national and institutional level.

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 38

Effect on value creation

Stakeholders may resist NWU messages, which could delay and frustrate the development and eventual implementation of sustainable resolutions that advance the business of the university.

Our strategic response

We continually refine our communication and consultation strategy, involving a wide variety of staff, students and community stakeholders. This is further buttressed by improvements in stakeholders' understanding of the functions, roles, and responsibilities of the university, further strengthening symbiotic relationships between critical stakeholders and what our response is.

2.8.3 The Fourth Industrial Revolution

The Fourth Industrial Revolution (4IR), marked by rapid technological advances in all fields, has significant implications for higher education and will fundamentally reshape how universities operate.

The impact of 4IR requires not only the learning of new skills, but also the unlearning of outdated modes of operation (in terms of teaching, academic administration and student support).

Higher education is undergoing a technological revolution that will lead to agile, integrated systems,

ICT innovation will play an increasingly important role in the provision of teaching and learning and support throughout the student life cycle.

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

Capitals affected: All capitals

Risks involved: 2,3,5 6 and 8 – refer to page 38

Effect on value creation

We need to keep pace with the 4IR and seize the opportunities that it offers to create value. These opportunities include implementing ICT innovation to support our core business, broaden access to tertiary studies as the move to online teaching and learning gains momentum and being part of worldwide phenomena such as the multiversity, the unbundled university and the blockchain university.

Our strategic response

The development of a digital business strategy to embrace the 4IR was already well under way at the NWU when the Covid-19 pandemic changed the world as we knew it. The consequent lockdown and resulting shift to online learning forced us to accelerate our digital journey.

The result was a digital transformation in teaching and learning and the development of support systems such as a digital workplace management system, an automated work-integrated and service-learning management system and an online platform for student assessment.

We also have a team of education technologists who assist staff with the integration of technology into their teaching strategies.

2.8.4 Shortage of academic staff

An ongoing constraint is the limited pool of academic staff in South Africa, especially from designated groups at senior levels.

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 38

Effect on value creation

High-calibre academic staff are central to our ability to add value to students and the community. Failing to attract sufficient staff with the requisite demographic diversity, skills and experience may detract from our reputation for excellent teaching and learning, innovative research and community engagement with impact. It may also limit our capacity to implement functional multilingualism. Another risk associated with the recruitment challenges we are experiencing is an overreliance on temporary staff, which further constrains our core business capacity.

Covid-19 has added to the financial pressures on the university and necessitated stringent measures to optimise employment costs. Apart from freezing positions and transferring the associated funds to the central budget, we put special cost containment measures in place in line with the Staff Cost Risk Mitigation Plan.

Our strategic response

Improving the representation of employees from designated groups is a priority for the NWU. Our line managers are pursuing strategies that include identifying and fast-tracking professionally qualified academics from these groups.

Through our talent management strategy, we offer staff at all levels opportunities to build successful and satisfying career paths, and provide incentives and professional development to attract and retain scarce skills, particularly black academics.

The individual remuneration review process, which is ordinarily used to ensure fair, market-related pay had to be put on hold in 2020 as a result of the uncertainties brought about by the Covid-19 pandemic. Instead of conducting such reviews, we focused on cultivating a supportive and caring working environment through our strategic initiatives to construct a welcoming and unified culture.

2.8.5 Fee-free higher education affects financing model

There has been a marked increase in students qualifying for funding from the National Student Financial Aid Scheme (NSFAS). This, coupled with the evolving administrative system of NSFAS, has necessitated changes to our financing model and presented 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 of R350 000, and are expected to increase significantly due to the impact of Covid-19 on the economy. Any potential that NSFAS might not be sustainable in its current form would therefore pose a significant financial risk for NWU and our students.

The increase in the number of NSFAS-qualifying students has placed pressure on all the relevant internal business processes as the number of students assisted has increased by over 370%. Where there were 4 837 approved NSFAS students in 2015, the number climbed to 22 758 in 2020.

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 38

Effect on value creation

Although the current higher education financing model has the potential to disrupt our systems, we also recognise that the model might hold financial value for the NWU and our students. Fee-free higher education has opened up access to higher education opportunities to students who would previously not have been able to afford it, while also bringing temporary financial stability to the sector.

At the same time, the fee-free model has precipitated dramatic changes in our enrolment patterns, resulting in a more complex process for managing enrolment targets and affecting the administration of registrations. The greatest risk to value creation, though, remains the potential unsustainability of the NSFAS model and the financial impact that this could have on the NWU and our students.

Our strategic response

In 2020, the challenges linked to the increased number of students qualifying for NSFAS, as well as related administrative demands, had the potential to lead to interruptions in the academic year. We averted any such interruptions by harnessing effective administrative processes and keeping staff and students informed of developments around financial aid under the unprecedented circumstances caused by the Covid-19 pandemic. We also continued to build our long-standing relationship with NSFAS and Department of Higher Education and Training (DHET) as valued stakeholders.

2.8.6 Fee regulation by the DHET

Each year since October 2015, the DHET has made recommendations on tuition-fee increases, which the NWU Council then takes into consideration in its decision-making. During December 2019, the department requested a sector-wide tuition-fee increase of 5,4% for 2020, followed in 2020 by a tuition-fee increase of 4,7% for 2021. While the DHET task team working on a suggested fee regulation model had to postpone its work to focus on addressing the impact of Covid-19 on the sector, we expect to participate in this process again in 2021.

Strategic matter affected: financial sustainability (enabler no 4)

Capitals affected: financial, intellectual, human

Risks involved: 1 – refer to page 38

Effect on value creation

Fee regulation could put our financial stability at risk if the permitted increases do not reflect our cost structure and internal inflation rate. This may ultimately affect the quality of the services we provide. Adding to the risk of quality erosion is the still-unquantified impact of the Covid-19 pandemic.

Another issue is that regulations such as these have the potential to erode the autonomy of universities.

Our strategic response

Maintaining financial stability and the quality of our services is a complex task that calls for a multipronged strategy. This entails identifying opportunities to increase our income, for instance extending our continuing education offering and focusing on fund-raising activities, and diversifying our income streams, such as by implementing new third-stream income projects in our faculties. Our strategy further includes managing our budget process and improving operating cost efficiency. We also aim to make a positive contribution to the modelling of the future funding design for higher education.

2.8.7 State funding

The R-value of the block and earmarked grants allocated to universities increased by 6,5% and 1,2% respectively from 2019 to 2020 before adjustments were made to accommodate the Covid-19 responsiveness grants. However, these increases, coupled with the expected growth in funded units and the lower-than-required increase in tuition fees, do not fully cover higher education inflation in the long run, and in fact represent a decline in state funding in real terms.

Strategic matter affected: teaching and learning (goal no 1), research and innovation (goal 2), student value proposition (goal 4) staff profile (goal no 5), financial sustainability (enabler 4)

Capitals affected: human, financial, intellectual

Risks involved: 1, 3 and 8 – refer to page 38

Effect on value creation

Funding shortfalls may compel us to make budget cuts, meaning that we would not be able to fund all operational and strategic activities. In the short and medium term, however, the funding provided by the state does contribute to financial stability, bearing in mind that the impact of Covid-19 on future state funding is still unknown.

Our strategic response

We continue to follow the path of prudence: prioritise wisely when allocating the funds available while reviewing current activities and continuously investing in opportunities to increase efficiencies.

2.8.8 External research funding declines

Owing to the pandemic, most government and industry funding agencies experienced budget cuts. This led to the reduction or even discontinuation of research funding and support.

Postgraduate funding declined following NSFAS cuts and the implementation of the new NRF funding instrument, which saw fewer students being funded, although the amount per student increased.

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 38

Effect on value creation

Less external research funding may adversely affect our research productivity and the standing of the university in national and international rankings. At this point, however, research journal outputs have not been negatively affected and even improved. On the other hand, as was to be expected given the international travel bans in 2020, international conference proceedings outputs were down.

Our strategic response

Cushioning the impact of external funding cuts, we provided support in the form of mobility grants (R1 404 500) and research mentorship (R842 700), including assistance with NRF rating applications. We also contributed R850 000 to the salary component of the research chairs.

2.8.9 Low-growth economy inhibits commercialisation

Subdued economic conditions led to suppressed private sector interest in licensing our intellectual property (IP) and technology, and also reduced the flow of early-stage, seed and venture capital funding for NWU start-ups.

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

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

Risks involved: 3 – refer to page 38

Effect on value creation

Loss of potential income and reduced licensing and spin-off activity are some of the possible consequences of low uptake of our IP and technologies.

Our strategic response

We take a long-term view on funding, taking steps to develop and maintain good relationships with funders across economic cycles. Our approach is to engage with industry to understand their needs and challenges so that we respond with relevant solutions and innovations.

We are also improving our marketing of NWU IP, technologies and innovative research so that we can continue attracting funding, collaborators, commercialisation partners or licensees. (For more information, see 'Create value through innovation and technology' on page 59.)



2.8.10 Challenges in recruiting international students

Students from the Southern African Development Community (SADC) and other African countries have traditionally been an important target market for our postgraduate programmes.

It is becoming more difficult to recruit such students, due to stricter visa requirements for international students and intensified competition among universities for good postgraduate candidates. The DHET requirement that the NWU should prioritise South African students for postgraduate studies could also be a contributing factor.

In 2020, the pandemic prevented many international students resuming or completing their studies, resulting in a decline in the number of international students registered with the NWU.

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

Capitals affected: financial, human, social and relationships

Risks involved: 3 – refer to page 38

Effect on value creation

The number of international students enrolled at the NWU decreased from 6% of the total cohort of postgraduate students in 2016 to about 3% in 2020, which may lead to lower global rankings. As already mentioned, the pandemic had a serious impact on international enrolments in 2020 compared to 2019.

Our strategic response

Having opened global engagement offices on two more campuses in 2020, we are able to offer higher levels of administrative assistance to international students, making it easier for them to study with the NWU. Previously, only the Potchefstroom Campus had a global engagement office.

2.8.11 National call for curriculum change and transformation

National and global trends continue to influence the higher education sector. Most recently, we have experienced the effects of the Covid-19 pandemic, which has driven massive change in the way we teach and the way students learn. The advent of the 4IR and decolonisation of the curriculum have further highlighted the need for curricular innovation designed to transform higher education.

The shifts taking place across multiple fronts - political, economic, societal and technological - are changing the requirements for excellence in university teaching and impelling the further evolution of the university curriculum. In response, the NWU has deliberately embraced internal and external scrutiny of our modules and programmes⁵ to expand on teaching and learning opportunities and enhance the relevance, responsiveness and transformational potential of our academic offering. (For more information, see 'Ensure high-quality academic programmes' on page 56.)

A number of new postgraduate programmes that satisfy these requirements have been registered on the NQF, including master's programmes in nursing science, occupational hygiene and mechatronic engineering, and postgraduate engineering diplomas in industrial engineering infrastructure management and construction project management, among others.

Programme and Qualifications Mix (PQM) clearance was received for five postgraduate diplomas in nursing, three higher certificates in health, palliative care and theology, and several other qualifications in early childhood care and education, agriculture and theology.

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 38

Effect on value creation

Our Strategy Statement is "To transform and position the NWU as a unitary institution of superior academic excellence with a commitment to social justice". 2020 had the effect of making this commitment real in ways not anticipated. The sudden dispatch of students and staff to their homes during Covid-19 lockdown levels 5 and 4 had the dramatic effect of transitioning the university to support the functioning of its core business away from the campuses.

Our strategic response

The NWU rose magnificently to this challenge as our academics and professional support staff took the academic offering online with great success. The university was able to procure a number of devices for students with limited resources, who also received data packages to ensure they could complete their modules online.

Faculties established call centres for additional student support, and the Centre for Teaching and Learning developed a "keep on teaching and learning" website with focused lecturer, contact and distance student support pages that were updated daily and whenever a need for support arose.

Despite the tremendous challenges of a disrupted academic year, the NWU did not lose sight of other important teaching and learning imperatives, such as improving the way we prepare our students for their various transitions: from first year to their final undergraduate years and onwards to postgraduate study, and then into entrepreneurship or the workplace.

With this in mind, we revised our teaching-learning strategy, focusing strongly on giving expression to graduate attributes such as self-direction and project and problem-based learning, which we as a university and prospective employers value. The revised strategy will impact the revision of the faculties' Integrated teaching-learning plans and the university's teaching-learning and assessment rules.

2.8.12 National call for greater access to universities

Widening access to as many qualifying students as possible, is still a priority for the NWU.

Having taken the strategic decision to develop higher certificates for access purposes, we are following through with action. Three higher certificates received PQM clearance in 2020 and submission for accreditation will follow. These certificates, in health promotion, pastoral and palliative care and theology, are entry-level qualifications that will offer enrolled students additional vocational pathways and, most importantly, enable them to progress to bachelor's degree studies.

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 38

Effect on value creation

These entry-level access qualifications epitomise our commitment to higher education for the public good. The target market for the three higher certificates are people who are already active in their respective fields, meaning that the additional skills and knowledge they gain will add immediate value to their communities. Acquiring these qualifications will enable the student to progress to enrolment in further studies, with additional benefits to the student and community – and to the NWU in that we increase our intellectual and human capital, and our capacity to create value.

Our strategic response

Still on the subject of wider access, the NWU continues to offer 49 extended curriculum programmes (ECPs): 31 in the BSc, 14 in the BCom, four in the BAdmin degrees, as well as an extended LLB programme. We are looking forward to reviewing the ECPs in the Faculty of Economic and management sciences in 2021.

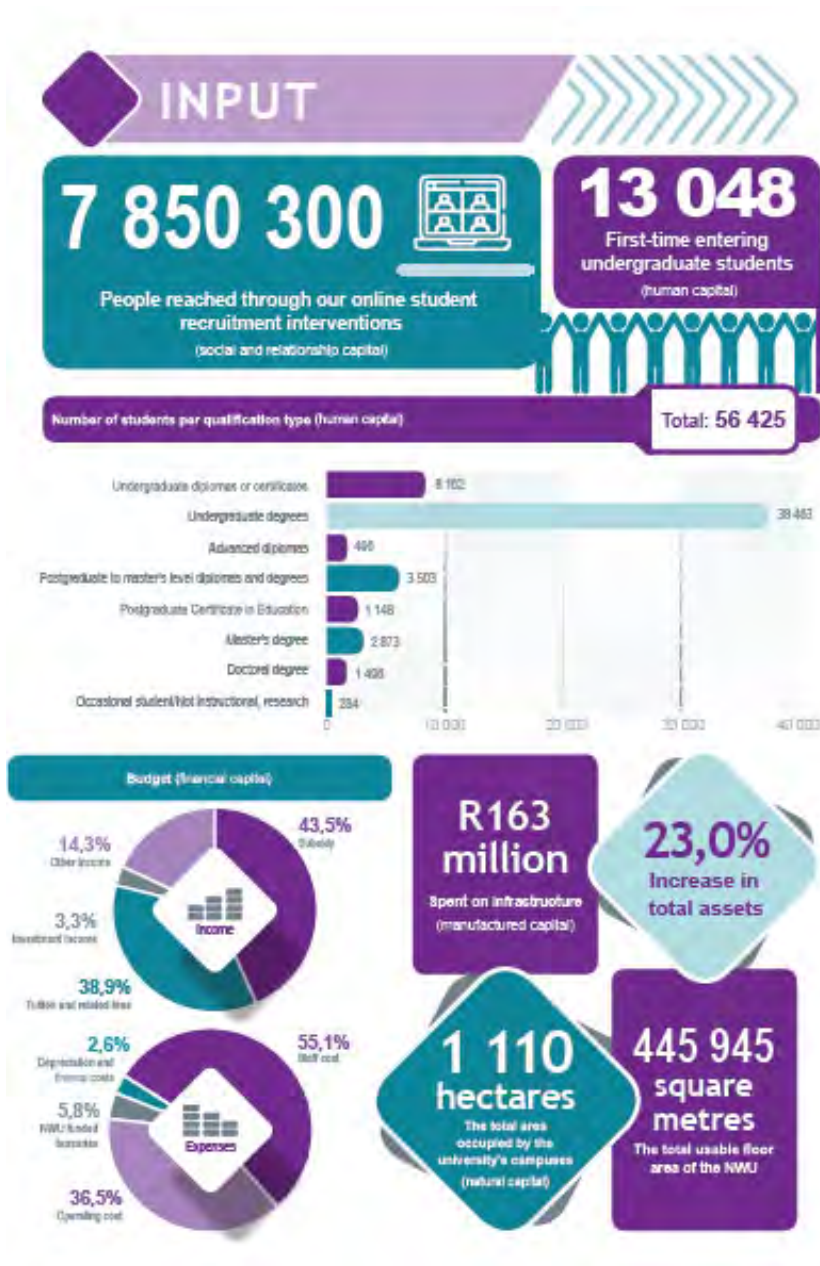


3 Our business model and value chain

3.1 Business model

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 related to our core academic 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.



Academic and support staff (human capital)				
Personnel category	Permanent	Temporary	2019	2020
Orfebriades			23	25
			0	0
Executive administration/management/professional			90	82
			5	3
Instructional/research/professional			1 575	1 612
			450	338
Non-professional administration			1 289	1 294
			3 755	3 388
Service			327	325
			40	59
Specialised/support/professional			522	503
			229	160
Technical			251	243
			50	44
Grand total			8 808	8 077

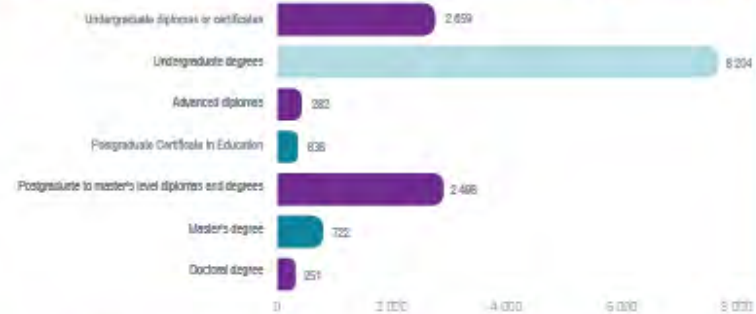
OUTPUT

Graduates: educational subject matter distribution (human capital)



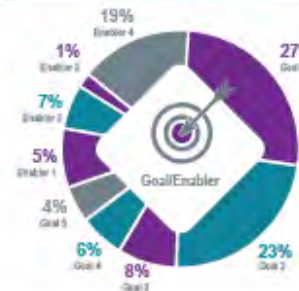
Number of graduates per qualification type (human capital)

Total: 15 454



ACTIVITIES

Spending according to the Annual Performance Plan (financial capital)



Goal 1 (teaching and learning); Goal 2 (research and innovation); Goal 3 (continuity, engagement and sustainability); Goal 4 (stakeholder value proposition); Goal 5 (staff and student equity); Goal 6 (governance, leadership and management); Goal 7 (diversity, inclusion, innovation and community engagement); Goal 8 (supporting the core business); Goal 9 (participation and stakeholder engagement); Goal 10 (financial sustainability).

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

Staff development activities
(intellectual capital)

Conducting research
(intellectual capital)

Community engagement
(social and relationship capital)

Offering over 942 academic programmes
(intellectual capital)

58%

Number of graduates who completed their studies in minimum time

R2,4 billion

The university, from its own resources, contributed R2,4 billion or 10% of the total funds allocated for financial aid.

Collaboration

(social and relationship capital)

We had slightly more than 1 950 active agreements and memoranda of understanding

97,27%

Success rate of the NWU merit bursary holders

Financial sustainability (financial capital)

R1,2 billion

Net surplus for 2020 as reflected in the consolidated statement of comprehensive income

OUTCOME

Research output 2019 (intellectual capital)	
Journal articles	1 233,18
Conference proceedings	118,75
Books	189,22
Total article equivalents published	1 541,15
Master's degrees conferred	709
Research master's	574,87
Research master's weighted	574,87
Doctoral degrees conferred	314
Doctoral degrees weighted	942
Total weighted research output	3 058,02
Postdoctoral fellows	231
Publication units per permanent academic staff member	0,98

The Times Higher Education (THE) World Rankings announced on 28 October 2020 indicated that the NWU excelled in the clinical and health subjects, as well as in the law subject groups, and was placed globally in the 201 to 250 and the 201+ categories respectively. It also shone in psychology, where it was ranked in the 301 to 400 category.

The external environment sets the context in which we use our business model to create value.

3.2 NWU value chain

Value creation through adapting, exploring, expanding and evolving.

Our 2020 value-creation story was about empowering people to discover their strengths and harness their skills to thrive amidst the new normal brought about by the Covid-19 pandemic.

In 2020, it was about setting the example for our stakeholders; taking them along on a challenging but exciting journey, we co-created value with them by adapting, exploring, expanding and evolving with us.

In other words: we invested in them because we believed in their potential (our input), we created value for them by exploring new possibilities and expanding our vision so that they could continue to grow and flourish (our activities), enabling them to evolve into critical thinkers (our output) and eventually enter the labour market and society as value creators themselves (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.

3.3 Input: Invest in people's potential

3.3.1 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 2020:

African (%)	64.4%
Coloured (%)	4.3%
Indian (%)	1.4%
White (%)	29.9%
Female (%)	64%
Male	36%

- **Student recruitment**
The NWU adjusted the response to stakeholder needs and expectations in 2020 in order to curb the spread of the coronavirus. Owing to the pandemic and lockdown, we could not pay physical visits to schools or host other recruitment events such as open days and sport events. As a result, we introduced new student recruitment interventions.
- **Broadening of access to studies for students of the NWU**
UnivPrep is a one-year programme offered as a Senate-approved short learning programme and enhances access to specific degree programmes at the NWU. Each year, approximately 45% of successful UnivPrep participants become eligible to apply for formal degree studies.

- **Financial aid**

In 2020, the NWU's financial aid offices administered R2,4 billion. This mostly comprised government funding (and a limited amount of other external funding), as well as a substantial amount from the university's own funds.

Government funding for bursaries amounted to R1,9 billion (81% of the total amount allocated for of bursaries, including Funza Lushaka bursaries administered by NSFAS). A sum of R107 million was outstanding from NSFAS at year end which, once received, will increase government's contribution to 85% of the total amount for bursaries.

We contributed R211 million to student bursaries, which is 8% of the total funds allocated for financial aid. By supporting academic performance and needy students, we increase our throughput rate and the value of our human capital and demonstrate our commitment to social justice and an ethic of care.

We offer ongoing and focused academic support, enabling students to achieve academic success. (More information about how we increase student success is available on page 55.) In addition, we also offer non-academic support services such as psychosocial, health, sport and arts and cultural services that develop our students on several levels.

3.3.2 Our staff

Another important input into our value chain is our staff complement. In 2020, we had a total of 4140 permanent staff members, compared to 4077 in 2019.

The following table shows how our number of **permanent academic staff** compares with those of other South African higher education institutions (based on 2019 audited HEMIS data):

Institution	Total
University of South Africa (Unisa)	1866
North-West University	1575
University of KwaZulu-Natal	1249
University of Johannesburg	1330
University of Cape Town (UCT)	1184
University of Pretoria	1224
University of the Witwatersrand (Wits)	1204

- **Staff development and support**

The NWU's permanent staff comprise 1632 academics and 2508 support employees. We consider them an invaluable part of our human capital and invest continually in providing the support and development they need to excel.

Important tools for this are academic promotions and awards programme, discussed below. We also place great emphasis on the holistic wellbeing of our employees. For more details about this aspect of staff development, turn to page 19 in the section on how we perform against our strategy.

- **Academic promotions and awards programmes**

The annual academic promotions process is a recognition programme that builds academics for the future, meaning academics who share the NWU's values and ethos as a unitary institution of superior excellence and, more broadly, contribute to the realisation of the National Development Plan and subscribe to the Pan-African ideal.

The principle underpinning academic promotions is the importance of creating mutual value both for the academic and the NWU.

Academic promotions 2019 vs 2020							
Promoted from:	Promoted to:	Black		White		organisational	
		2019	2020	2019	2020	2019	2020
Junior lecturer	Lecturer	6	9	7	5	13	14
Lecturer	Senior lecturer	9	10	29	22	38	32
Senior lecturer	Associate professor	8	11	17	23	25	34
Associate professor	Professor	3	5	23	17	26	22
Grand total		26	35	76	67	102	102
Percentages		26%	34,3%	74%	65,7%	100%	100%

Altogether, 102 academic promotions were approved in 2020, on par with the promotions approved in 2019.

From 2019 to 2020, black academics' share of promotions increased by 8,3% overall. This translated to increases of 2% in black promotions to associate professor, 2% to professor, 1,92% to senior lecturer and 3% to lecturer.

- **Caring for our staff**

One of the greatest challenges we face in recruiting and retaining staff is the competition among South African universities for academic talent. Our response to this challenge, which relates to risk cluster 3 (academic matters) revolves around ensuring we keep our employees engaged by creating an environment that is underpinned by an ethic of care.

This encompasses the biopsychosocial and spiritual wellbeing of our employees. NWU Wellness implements various wellness programmes, organisational wellness interventions and occupational health assessments. For team cohesion, we implement team assessments and interventions.

Managers receive management coaching, empowering them to deal with difficult situations involving employees and to promote employee wellness as part of their management responsibilities.

During 2020 most interventions were conducted on virtual platforms and centred on equipping line managers and staff members to adapt to remote working and remaining resilient in the face of adversity.

3.3.3 Funding

- **Research funding**

The limited external funding available in 2020 for research and innovation was put to good use:

	Awarded R
Freestanding bursaries	25 499 796.00
Freestanding bursaries for travel	21 538.16
Block grant bursaries	3 210 000.00
NRF postdoctoral awards	2 887 500.00
Chairs awarded	20 401 401.62
Research grants awarded	17 919 833.16
TOTAL awarded received from NRF	69 940 068.94
TOTAL unspent funds in 2020	7 551 273.98

It is also noteworthy that researchers in some of the NRF programmes were afforded the opportunity to move their 2020 funds to 2021.

- **Funding for technology transfer and innovation**

The Technology Transfer and Innovation Support Office established a R4 million pre-seed fund in a co-funding partnership model with the SA SME Fund, a collaboration between government, labour and business. The pre-seed fund provides grants of up to R500 000 for qualifying early-stage technology development projects and complements the Technology Innovation Agency’s Seed Fund programme.

As traditional sources of funding for technology transfer were either frozen or reallocated, the Technology Transfer and Innovation Support team concentrated their efforts on building new funding relationships (for more information see page 20) and channels to external funding. It is commendable that the university itself made a special allocation of strategic funds available for key Covid-19- related projects. (More information about our endeavours to increase research funding can be found under ‘Five goals to realise our strategy’ on page 49.)

- **International funding**

The table below shows the international funding each faculty received during 2020.

International funding for research	Actual as confirmed from faculties
Faculty of Economic and Management Sciences	R29 700.00
Faculty of Education	R371 981.67
Faculty of Humanities	R4 626.72
Faculty of Engineering	R1 853 091.37
Faculty of Health Sciences	R4 954 131.49
Faculty of Natural and Agricultural Sciences	R7 623 476.49
Grand total	R14 827 754.30

3.4 Activities: Explore and expand for continuous growth

3.4.1 Teaching-learning activities

The world of work is changing fast and our academic offering must keep pace accordingly. This is not just a matter of adapting or renewing the specialised and technical content and delivery of programmes but, equally important, incorporating transferable skills and flexible mindsets.

For example, our environmental scanning shows that the top five skills in demand by 2025 will be analytical thinking and innovation, active learning and learning strategies, complex problem-solving, critical thinking and analysis, and creativity, originality and initiative. These are the kinds of skills we are focusing on as we strive to ensure our academic offering remains relevant for the future.

While constantly reviewing the scope and relevance of our academic offering, we also continue with academic programme alignment. 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 53 in the section on how we performed against our strategy and succeeded in increasing our intellectual capital.

- **Increasing student access and success**

Peer mentoring, reading development and supplemental instruction are some of the tools our Centre for Teaching and Learning (CTL) uses to enable student retention and success.

These interventions contribute to the consistently high student retention rate at the university, especially among first-time entering students who, if not sufficiently supported, may be more at risk of dropping out than senior students. Refer to the section on page 55 to learn more about what we do to assure student success and retention.

- **Promoting continuing education**

Lifelong learning is becoming increasingly important in the labour market as employees and entrepreneurs at all stages of their careers come under increasing pressure to renew and diversify their skills. Our Unit for Continuing Education (UCE) has a diversified portfolio of short courses that is helping to build a skilled, agile and adaptable workforce for South Africa.

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

During 2020, 3 924 persons participated in 194 short course events combined for UCE and NWU Business School.

The distance learning market is poised for growth and the UCE has been hard at work extending the short course offering to this market through an online offering. Thus far, eight pilot courses have been earmarked for online learning and we hope to see further developments around this in 2021. 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**

The NWU Career Centre remained functional and productive during 2020, using online platforms to sustain its employability offerings during the Covid-19 health crisis. Some of the systems and tools that enabled the centre to keep operating were the Career Zone jobs portal, the first virtual fair, social media platforms and the centre's websites.

The first NWU virtual fair attracted 48 companies and 2 771 students. We also offered CV training to 4 222 and held our first virtual work readiness seminars, in which eight companies from various industries gave presentations.

The Career Centre's social media outreach increased significantly, receiving 17 052 Facebook likes and attracting 17 749 followers.

We accelerated the drive to automate career services. Revised service level and data processing agreements were concluded to streamline data integration and allow easy interaction between employers and NWU students.

The 2020/21 Career Guide was published, comprising 24 company listings and numerous articles and advertisements.

- **Focusing on academic and professional development**

Excellent university teachers are fundamental to student success, which is why we emphasise the professional development of our academics. Some of the professional development initiatives run at the NWU are the induction programme for new academics, the Teaching Excellence Awards (see page 23), activities focused on the scholarship of teaching and learning, and the annual Teaching and Learning Conference.

3.4.2 Research activities

Most of our research activities were conducted in our 54 research entities, consisting of 11 research chairs and 43 research entities. These comprised five centres of excellence, 11 research units, 14 research focus areas, 12 research niche areas, seven hosted entities and one commercial research unit.

Regular external and internal evaluations of our research entities ensure these continue to create maximum value for our stakeholders. The external evaluations were postponed in 2020 but the internal evaluations went ahead, focusing on quality, productivity, sustainability and good management practices.

We took our PhD review online, resulting in a self-evaluation report and improvement plan.

The current NWU research landscape is shown in the following figure.



3.5 Output: Evolve to become critical thinkers

3.5.1 Teaching learning output

We are proud of our student success rates, which can be ascribed to the high level of teaching excellence, and academic and student support available at the university.

Our contact success rate has stayed over 85% for the past three years. The contact undergraduate degree graduation duration factor stood at 1.12 in 2020, lower than in 2019, and indicates that most students complete their degrees in the minimum time.

The student-to-academic staff full-time equivalent (FTE) ratio is 29.17: 1 (31.93: 1 for 2019), meaning that one academic staff member is available for every 29.17 full-time equivalent students.

In the case of the first-time entrants, the dropout rate for contact degrees decreased from 10.8% in 2019 to 9.1% in 2020, and remains low in comparison to sector norms. The impact of the Covid-19 pandemic is evident in these rates.

The following graph shows the number of graduates per field of study for 2019 and 2020

Field of study	2019			2020		
	Graduates weighted	CESM	% of total	Graduates weighted	CESM	% of total
All other humanities and social sciences	2,947.167		19.70%	3,020.417		19.54%
Business and management	3,462.583		23.14%	3,539.750		22.91%
Education	5,610.083		37.50%	5,690.750		36.82%
Science, engineering and technology	2,941.167		19.66%	3,203.083		20.73%
Total	14961		100%	15454		100%

The following table shows how our number of graduates compare with those of other South African higher education institutions (based on 2019 audited HEMIS data):

Institution	Total
University of South Africa	48906
North-West University	14961
Tshwane University of Technology	16871
University of Pretoria	12651
University of Johannesburg	14099

- **Teaching and learning awards**

The NWU teaching and learning excellence awards are held annually to acknowledge and celebrate the exceptional output of our academic staff in teaching practices and innovation.

There are three categories of awards: Emerging Teaching Excellence Award, Teaching Excellence Award and Distinguished Teaching Excellence Award.

All candidates for the awards submitted a portfolio of evidence for evaluation and attended a two-day writing retreat. Internal panel evaluations took place during November 2019 and external moderation was finalised in January 2020, with a virtual awards event that took place on 12 March 2020.

There were nine winners in the category for emerging teaching excellence and 27 for teaching excellence, while Dr Deon van Tonder of the Faculty of Education received the coveted award for distinguished teaching excellence.

The participants in the prestigious Distinguished Teaching Excellence Award are also nominated for the 2021 CHE/HELTASA National Teaching Awards.

3.5.2 Research output

Our peers in the scholarly community are the best judges of the quality of our research and innovation output. They give their stamp of approval by publishing our articles in peer-reviewed journals and inviting our academics and postgraduate students to give presentations at accredited conferences. Master's and PhD students graduated is another important yardstick of quality.

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

- **Research output 2019 (intellectual capital)**

Journal articles	1233.18
Conference proceedings	118.75
Books and chapters	189.22
Total article equivalents published	1541.1503
Master's degrees conferred	798
Research master's	574.872
Research master's weighted	574.872
Doctoral degrees conferred	314
Doctoral degrees weighted	942
Total weighted research output	3058.0223
Postdoctoral fellows	231
Publication units per permanent academic staff member	0.98

Read more about our research output on page 58 in the section on how we create value against our strategy, thereby strengthening our intellectual capital.

- **Research and innovation excellence awards**

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

At the 2020 celebration which was a virtual event owing to the pandemic, we presented 48 awards, consisting of one Technology Transfer and Innovation Excellence Award, seven Research Excellence Awards, 38 new or improved NRF ratings and two International Research Excellence Awards.

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.

3.6 Outcomes: Enter society as value creators

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

Our Vice-Chancellor's review

4.1 Introduction: Looking at 2020

The Covid-19 pandemic has forced faculties and all teaching and learning support departments to explore new ways of teaching, learning and assessment, including online and distance education for contact students, and supporting distance students without the usual added value of support at a remote tuition centre.

Business as usual quickly became business unusual as Covid-19 invaded all aspects of human life. The pandemic had a grave impact on the NWU community, affecting campus and research activities and community engagement.

The pandemic has impacted dramatically on our student value proposition, with all student activities coming to a halt at the time of the hard lockdown. These activities were gradually resumed from the beginning of May in an online format, and in a printed distance modality for students living in such remote areas that online access and participation in teaching, learning and assessment were impossible.

The conditions under which researchers and postgraduate students had to continue with important projects were also impacted. During the year we participated in the national PhD review and are already implementing improvement plans following the self-evaluation report.

It is important that the overall understanding of our combined efforts to successfully complete the academic year is reflected in this integrated report. The progressive steps we have taken to continue with teaching, learning, assessment and research initiatives within a challenging context should also inform future perspectives of and on higher education.

We maintained our financial stability during 2020 despite the impact of the global pandemic. Through scenario planning and a consultative process, we have implemented a risk-mitigation strategy and reprioritised our capital and operational projects.

During 2020, we conducted an ethics assessment at the NWU and invited all staff to participate in the quantitative part of the assessment. This was preceded by focus group interviews conducted by The Ethics Institute, the independent body whose services we procured for facilitating the assessment of ethics at our university. Valuable insights have been obtained and feedback will be used for the development of an Ethics Strategy and an Ethics Management Plan, and also future ethics training.

Strategy revision was an important focus in 2020. We augmented the overarching NWU strategy to make provision for the digital business strategy, which had to be fast-tracked due to the impact of the Covid-19 pandemic and the accompanying shift to a virtual business environment. Our new teaching and learning strategy was also approved in 2020.

In a major change triggered by the Covid-19 pandemic, all physical graduation ceremonies were replaced by virtual ceremonies. During our first-ever virtual graduation ceremony on 29 May, over 9 000 qualifications were conferred. All ceremonies afterwards also took place in a virtual mode, the last being the December ceremony.

The NWU's ethic of care showed its value during this trying year. We salute the resilience and excellence displayed by staff and students in rising to the various challenges posed by the Covid-19 pandemic. It is a tribute to them that we succeeded in completing our academic year early in January 2021.

4.2 Our managerial and administrative activities

Since the outbreak of the Covid-19 pandemic and the commencement of the national lockdown at the end of March, the NWU – like many other higher education institutions – has shown significant capacity to adapt very quickly to the crisis, with lots of flexibility. Staff and students had to familiarise themselves with provisions, processes and mechanisms designed to resume teaching activities and transition to online education, with all that this entails in terms of technology and skills for digital teaching and learning.

After three years under the new structural arrangements at the NWU, our operational processes are now relatively mature. This is demonstrated in the successful way in which the relevant governance structures at faculty and university level operate.

That the NWU Council saw its way clear to embark on an external review of its effectiveness and efficiency under the defined measures of the NWU Quality Policy is an indication of the maturity of the Council, the confidence it has in the way in which it exercises its fiduciary duty and its willingness to learn.

4.3 Adequacy of staffing levels, particularly in critical areas

In aspiring to be an internationally recognised university, we appreciate the importance of having talented, energised staff who are innovative and highly skilled.

Such employees are in demand in the higher education sector. This was a challenge we addressed in 2020 through strategic workforce planning, talent attraction and management, recruitment, optimal remuneration management, training and development and performance management.

We continued rolling out our scarce and critical skills programme to attract and retain the talent required. Having already implemented this programme in the academic environment, we commenced roll-out in the support environment in 2020.

The total staff headcount stood at 4 844 in 2020, up from 4 837 in 2019. As the following table shows, this growth is mainly in the academic environment where our academic cohort increased from 1 515 in 2019 to 1 580 in 2020, an increase of 65, which is in line with our strategy.

Total staff headcount – 2019 vs 2020						
Classification	Permanent		Temporary		Total	
	2019	2020	2019	2020	2019	2020
Academic	1 515	1 580	198	181	1 713	1 761
Support	2400	2 379	724	704	3 124	3083
Grand total	3915	3 959	922	885	4 837	4 844

The overall attrition rate is 5.03%, 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 committees of Council that oversee this important matter are the People and Culture and Employment Equity Committee and the Transformation Oversight Committee.

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

Race	2020 Target		% Total	31 Dec 2020 Actuals		31 Dec 2020 % Total	Difference	Target Achieved Y/N
	Male	Female		Male	Female			
African	19,9%	19,2%	39,1%	19,5%	17,9%	37,42%	1,7%	N
Coloured	3,5%	4,6%	8,1%	2,9%	3,7%	6,59%	1,5%	N
Indian	1,1%	1,3%	2,4%	0,7%	0,8%	1,57%	0,8%	N
White	18,4%	31,1%	49,5%	19,8%	33,2%	52,93%	-3,4%	Y
Foreign Nationals	0,7%	0,2%	0,9%	1,2%	0,3%	1,49%	-0,6%	Y
	43,6%	56,4%	100,0%	44,1%	55,9%	100,00%	0,00%	

The freezing of vacancies necessitated by the staff-cost risk mitigation plan due to the Covid-19 challenges had an adverse impact on our ability to reach the employment equity targets.

A revised employment equity plan that builds proportions of black, women, and people living with disabilities has been approved by Council. The new plan will focus on the following four main strategies:

- Barriers for attracting people from the designated groups and people living with disabilities
- Succession planning for key positions

- Retention strategies
- Establishing an enabling organisational culture

4.4 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 2020, we developed a number of new indicators to support our implementation of online teaching and learning. Weekly reports enabled academic and support staff to monitor students' usage of eFundi, our learning management system and proactively identify inactive students.

Learning analytics and scenario planning were enhanced through the roll-out of Power-BI across the NWU. (Power BI is Microsoft's interactive data visualisation and analytics tool for business intelligence or BI.) The integrated information it produced was invaluable during the budget planning process, especially in identifying priorities and ensuring equity of provision, and we used it to inform our risk mitigation strategy.

High-quality, reliable information is essential for decision-making that secures the long-term financial sustainability of the NWU and manages the impact of the Covid-19 pandemic on our financial position. Consequently, we are focusing strongly on financial viability modelling and scenario planning.

4.5 Student services and co-curricular activities

We offer various student support services and co-curricular activities to encourage a sense of belonging, develop well-rounded students and celebrate their inherent diversity. Our challenge in 2020 was to continue offering this support despite the disruption brought about by the Covid-19 pandemic.

The immediate impact was a reduction of physical co-curricular activities from March 2020. Offsetting this as best we could, we migrated contact activities to the online environment, executed at residence, campus and institutional levels. Students embraced the virtual space, and although this did not replace the entire co-curricular offering, it still created a valuable platform for student engagement and assisted in creating some semblance of a vibrant student life.

Most notable was the facilitation of the student leadership electoral processes in the online environment, resulting in increased access and participation by eligible student voters and candidates. Similarly, activities relating to arts and culture and social cohesion continued through smaller virtual engagements, harnessing social media, instant messaging and word-of-mouth communication.

Counselling support services were also migrated to the virtual space, using eFundi, telecommunications and video conferencing platforms to ensure that support services and psycho-social crisis interventions were still accessible to all students. Campus Health Care Centres (CHCCs) resumed primary healthcare services as students gradually returned to campuses throughout the various national alert levels. Working with critical partners and stakeholders such as Higher Health and others, the CHCCs played a pivotal role in educating students on the risks and measures for managing Covid-19 in the university environment.

We also used virtual platforms to continue offering students and student leaders opportunities to obtain valuable skills such as project management, fundraising, teamwork, social responsibility and cultural integration.

It is worth highlighting and celebrating the fact that our Student Life portfolio managed to retain the most critical and valuable segments of support and opportunity available to students across 2020.

For more information about our academic support activities for students, turn to the section on how we create value through our performance on pages 54 to 56.

4.6 Changing patterns in the provision of academic courses

Our strategy is to enrol more students in the fields of science, engineering, technology and commerce, and we are making steady progress in this regard.

In fact, we experienced over-enrolments in the faculties of Health Sciences and Natural and Agricultural Sciences (as well as Humanities, which is traditionally oversubscribed). Enrolments in the faculties of Law, Theology, Education, Economic and Management Sciences and Engineering were largely on track.

In total, 56425 students were enrolled at our three campuses in 2020. Female enrolments decreased from 41350 to 35915, while male enrolments, at 20150, decreased from 22319 as in 2019.

In August 2020, we received ministerial approval for the NWU qualification and programme offering. The table below shows the development in terms of qualification types.

Qualification type	2019	2020
Advanced Certificate	3	3
Diploma	6	6
Advanced Diploma	1	3
PGCE	1	1
Bachelor (7) (360)	42	43
Bachelor (7) (480)	3	3
Bachelor (8) (480)	22	23
Bachelor honours	101	100
Postgraduate Diploma	13	14
Master's degree	130	131
Professional Master's degree	5	5
Doctoral Degrees	24	24
Total	351	356

Table: Number of qualification types for 2019 and 2020

Newly accredited and NQF-registered qualifications supporting the NWU vision include the Bachelor of Engineering in Mechatronic Engineering, Bachelor of Human Resource Development and Research Master of Nursing Science. Our distance offering expanded through the addition of the Postgraduate Diploma in Special Needs Education and two advanced diplomas in Education Management and Leadership and Intermediate phase mathematics education (the latter's NQF registration is pending). In addition, South African Qualifications Authority (SAQA) registration has been received for the PGDip (Industrial Engineering) and Bachelor of Theology Honours in Theology.

During 2020, the NWU Senate approved the extension of qualification offerings to other campuses and the addition of new programmes under existing qualifications and additional major fields of study.

Where required, Senate approvals were followed by approvals from the Department of Higher Education and Training and the Council on Higher Education. There were programme approvals in all eight faculties, although most were in the fields of education, health sciences and natural and agricultural sciences.

The School of Languages continued consolidating the undergraduate degree programmes, which were extended to the Mahikeng Campus.

Campus alignment has been strengthened and five BSc honours programmes are now also available at the Vanderbijlpark Campus. Similarly, the BCom honours in marketing management and entrepreneurship, as well as and marketing management, are now available in Potchefstroom and Vanderbijlpark, and the BCom in business operations may now be taken in Vanderbijlpark too.

4.7 Self-assessment of our achievements

Based on the figures presented throughout this integrated report, we can confidently state that we have succeeded in maintaining our upward trajectory as a university in regard to our core activities of teaching and learning, research and innovation and community engagement. Details to substantiate this can for instance be found in the highlights on page 7 and in the section on our business model on pages 16 to 17.

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 can report substantial success in our ability to execute our strategy. (Refer to the section on our performance against our strategy on page 53 and our performance assessment report on page 121.)

4.8 Looking to the future

Our future focus will be on maintaining a limited contact teaching and learning modality while finalising our digital business strategy for the long term to embrace the opportunities offered by the Fourth Industrial Revolution and 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. Our focus will also remain on developing 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



PROF ND KGWADI
VICE-CHANCELLOR



5 How we engage with our stakeholders

5.1 Creating value for ourselves and our stakeholders

We regard the relationships and regular engagement with our stakeholders as paramount for our success and long-term sustainability. Our stakeholder engagement approach and activities are guided by our commitment to diversity and inclusiveness.

Recognising that the needs and expectations of our various stakeholders are influenced by their varying backgrounds and circumstances, we consider it crucial to establish appropriate channels for engagement and to create value for ourselves and for all our stakeholders, regardless of their situation.

During 2020, the strength of our relationships with our stakeholders, including students, staff, donors and alumni, was tested due to the pandemic. Our challenge was to secure their support for the measures we needed to put in place to deal with the impact of the pandemic, while at the same time creating value for these stakeholders.

Surveys were conducted to determine the needs of stakeholders and ensure an appropriate response and support. Two of these surveys entailed determining the connectivity and data requirements of students, and finding out which students preferred to return to the campuses. This approach, which confirms the mutually beneficial nature of our relationships with stakeholders, ensured that we concluded the academic year successfully.

5.2 How we react to our stakeholders' interests and expectations

When we engage with our stakeholders, they raise matters that are of particular importance to them and to us.

In this report we focus on key stakeholders, including prospective students, current students, employees, alumni, donors and the business community.

The following tables show the key interests and expectations of these stakeholders in 2020, as well as our response to these:

Social relationship capital

Stakeholder group	Prospective students
How we engage	Our response
<ul style="list-style-type: none"> • Visits to schools • One-on-one and group career advice sessions • Marketing (direct and indirect) • Open days • Sports events sponsorships 	<p>We adjusted our response to stakeholder needs and expectations in 2020 in order to curb the spread of the coronavirus. Owing to the pandemic and lockdown, we could not pay physical visits to schools or host other recruitment events such as open days and sports events. As a result, we introduced new student recruitment interventions.</p> <p>These interventions, which included virtual open days, and interactive electronic brochures and webinars, reached an audience of approximately 7 850 300 people. The online interventions have generally been received positively by prospective students.</p>
Issues raised (material matters)	
<ul style="list-style-type: none"> • Career choice • Connectivity (devices and data) • Equity of student experience • Health and safety • Application for admission 	

Stakeholder group	Current students
How we engage	Our response
<ul style="list-style-type: none"> • Webinars • Website • Social media • Meetings • Communiques 	<p>Our student portal, eFundi, is a crucial source of information for current students. It served as the primary resource for students and staff during the lockdown and played a key role towards the successful completion of the academic year.</p> <p>The portal was zero-rated to enable students to fully participate in online teaching and learning. Measures were introduced to empower students who had connectivity problems to return to campuses to</p>

- SMS

Issues raised (material matters)

- Connectivity and data
- Financial assistance/NSFAS
- Equity of experience
- Health and safety

continue with their studies. Devices and data were distributed to students in need, facilitating access and success. Authoritative structures such as Council and Senate offered strategic responses and support to students.

Campus health centres were capacitated to continue to assist students who experienced health-related problems.

Stakeholder group	Industry and business community
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How we engage	Our response
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- Integrated report
- Webinars
- Publications and videos
- One-on-one and group engagements

We collaborated with industry players to develop solutions geared towards curbing the spread of Covid-19. For example, in collaboration with industry partners, we developed and distributed a Covid-19 screening APP, "Tjop-tjop", which was selected as a winner in the 2020 United Nations Innovation and Investment Forum from a total of 168 submissions.

Issues raised (material matters)

- Assurance on stability and sustainability
- Partnerships and collaboration
- Graduate attributes
- Research

We also partnered with various members of the business community to distribute relevant personal protective equipment (PPE) and other necessities to health and frontline workers/staff.

We continued marketing our technologies to government and industry as a crucial aspect of commercialising our intellectual property and expertise. (See page 59 for more information.)

Stakeholder group	Employees
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How we engage	Our response
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- Intranet
- Email
- Website
- Webinars
- Publications and newsletters

To ensure the health and safety of staff, we established the COVID-19 Response team to develop and manage protocols and other related interventions. The necessary policy guidelines were developed to assist in catering for the needs and preferences of our staff during lockdown.

We maintained and strengthened our partnerships with the South African Police Service and other local security service providers for the benefit of our staff, off and on campuses.

Issues raised (material matters)

- Health and safety
- Conducive work environment
- Employee equity
- Remuneration and compensation
- Skills development and empowerment
- Ethics and transparency

We continued engaging with staff representatives on remuneration, and reached agreements on key aspects of employees' benefits. For example, an agreement was concluded after a survey was conducted on group life insurance. For example, during 2020 management and SAPTU engaged on the revision of the group life benefit. After various consultations, an agreement was reached in this regard and the revised Group Life Benefit Scheme was implemented. Apart from this, and despite all the challenges we faced as a result of the Covid-19 pandemic, we were able to reach an agreement on the annual cost of living adjustment negotiations with SAPTU.

We continued to implement our NWU Culture Project, which is aimed at creating shared values among staff and contributing towards a conducive work environment. We also developed and implemented relevant initiatives to address the risks and challenges facing staff. These included the gender-based violence initiative, as well as the mental health awareness campaign.

We remain committed to being an ethics-oriented organisation; thus, we conducted an ethics survey in 2020 to determine the ethics, culture and staff perceptions. The recommendations of the survey will be implemented during 2021.

Staff equity, diversity and inclusivity remain top priorities for the university. Therefore, we continued to implement our transformation and equity plans in order to reach our set targets.

Stakeholder group	Alumni
How we engage	Our response
<ul style="list-style-type: none"> • Webinars • SMS • Events • Newsletters • One-on-one and group engagements • Website • Social media 	<p>We offered alumni various platforms for information-sharing and engagement, including participation in policy and strategy formulation through Convocation and Council.</p> <p>Convocation members who represent the alumni community sit on various committees and structures of the university and ensure that the interests of alumni are communicated and addressed. More than 170 alumni joined the Convocation in 2020, a continued upward trend in membership.</p> <p>We organised the Covid-19 Response Fund benefit concert in partnership with alumni, who also contributed to the fund. The alumni are also active donors to and sponsors of the university.</p>
Issues raised (material matters)	
<ul style="list-style-type: none"> • Stability • Sustainability • Partnerships • Reputation 	<p>We worked in collaboration with alumni in the health sector to present health-related advice online to staff and students during the lockdown.</p> <p>We updated our alumni about developments and achievements of the university and involved alumni in our brand campaigns.</p> <p>These are some of the responses from our alumni:</p> <p><i>"Great insights from the panelists. Perfect time as well.... Thank you to the team who put it together." - Yvonne Kgwarae. watching from Gaborone, Botswana.</i></p> <p><i>"My experience with the NWU Alumni Office has been pleasant, fun, and overall professional. The team took me back on a journey from my years on campus through to getting my first job. They are a dynamic team, professional, helpful, and always accessible. Well done." - Geronomow Tjueza, Johannesburg</i></p>

Stakeholder group	Donors
How we engage	Our response
<ul style="list-style-type: none"> • Integrated report • One-on-one and group interactions • Publications • Website 	<p>The Board of Donors continued to make significant contribution to the university. During 2020, the total contributions amounted to R16 429 041,63. Donors also contributed towards the NWU Covid-19 Response Fund, which has been assisting students with connectivity during the lockdown.</p>
Issues raised (material matters)	
<ul style="list-style-type: none"> • Stability and performance of the higher education sector in general and the NWU in particular 	<p>We used the Board of Donors meetings and subcommittees to share news on developments within the university.</p>

- Long-term sustainability of the Government's funding model
 - Students' access and success
- We reassured our donors about the prudent financial controls that are in place to ensure long-term sustainability.

Stakeholder group	Government and regulatory bodies
How we engage	Our response
<ul style="list-style-type: none"> • Publications • One-on-one and group engagements • Conferences • Workshops 	<p>We complied with the National Disaster Management Act, regulations and other related protocols with regards to Covid-19.</p> <p>We continued to share our performance information through prescribed progress reports, the integrated report and course-specific reports.</p>
Issues raised (material matters)	
<ul style="list-style-type: none"> • Compliance with legislation • Financial accountability and reporting • Quality and standards 	

Stakeholder group	Suppliers
How we engage	Our response
<ul style="list-style-type: none"> • One-on-one and group engagements • Workshops • Site visits 	<p>As in previous years, we communicated to and required our suppliers to comply with relevant legislation, including Occupational Health and Safety (OHS), Broad Based Black Economic Empowerment (BBBEE) and the Basic Conditions of Employment Act (BCEA).</p>
Issues raised (material matters)	
<ul style="list-style-type: none"> • Compliance with legislation • Business opportunities • Quality and standards • Financial turn-around times 	<p>We shared business opportunities with suppliers through open advertising of new projects.</p> <p>We continued to ensure that suppliers were paid in accordance with their signed contracts and service level agreements.</p>

“Motho ke motho ka batho” – African proverb

This proverb means “I am because you are” or “a person is a person because of other people”.

We are indeed who we are because of the support of our stakeholders and the mutually beneficial relationships that we have created with them.

6 Our transformation journey

6.1 The journey with Covid-19, the academe and students

Transformation is inextricably connected to issues of culture, communal well-being and an ethic of care, as well as excellence in all its facets. This view of transformation acknowledges that quantitative performance indicators focusing only on demographic representation cannot capture the extent of the fundamental shift required to establish the NWU as a unitary institution of superior academic excellence, with a commitment to social justice.

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 of Council, while the Institutional Forum plays a critical advisory role as prescribed in the Higher Education Act 101 of 1997, and in the NWU Statute.

The Covid-19 pandemic laid bare the existing societal inequalities prevailing within our student community, particularly in relation to students' access and competencies on technology and its functions. Subsequently, and in line with our transformation goals, we swiftly adjusted our internal platforms for teaching, learning and research to increase students' access to the online environment.

Apart from developing zero-rated online platforms for students who could access these, we catered for students who do not have technology infrastructure at their places of residence by providing hard-copy learning and assessment materials. We also provided data and devices to students who could complete the academic programme online and remotely. This, we feel, contributed towards our transformation goals by ensuring that all our students had the opportunity to successfully participate in university life.

6.2 Monitoring transformation

We built on the work done in 2019 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 2020, in line with the directive from Council, we included transformation of the procurement space as part of the transformation dashboard. This resulted in the development of a preferential procurement strategy involving SMMEs, one of the first for South African universities. Reporting on transformation is now more comprehensive and coherent, in line with the broader institutional goals and objectives.

6.3 Overseeing transformation

Transformation is the responsibility of every member of the NWU community. Several structures reporting to Council play a critical oversight role to ensure that the university remains on track with respect to its transformation targets and goals. In this regard, Council subcommittees remain actively involved in executing their oversight roles and these include the Transformation Oversight Committee, the People and Culture and Employment Equity Committee and also the Student Oversight Committee. These subcommittees have diverse representation and ensure that the university complies with the national transformational goals. The Institutional Forum is a statutory committee that fulfils an important advisory role on matters relevant to transformation.

In addition to these governance structures, transformation is inculcated as a primary objective for staff and students, specifically emphasising the importance of creating a diverse student population and student leadership cohort. It is inspiring to note that both staff and students are embracing the transformation journey and seeking innovative and practical mechanisms towards ensuring its success.

6.4 Adding value

In transforming and positioning the NWU as a unitary institution of superior academic excellence, with a commitment to social justice, we reached some important milestones in 2020, despite the challenges posed by the Covid-19 pandemic.

An example is the progress made with the NWU Culture Change Project. In an effort to build hope and optimism amid the pandemic, we added the Organisational Citizenship Behaviour Project (OCBP) to the Culture Change Project plan. The OCBP was positioned as a platform from which NWU encouraged, demonstrated care and addressed concerns.

In seeking to make life easier for individuals from disadvantaged backgrounds, needy students and people living with disabilities, we achieved great success in improving access to information, services and opportunities by

harnessing tangible solutions towards achieving equity of resources. This is seen in the provision of zero-rated digital platforms where students, regardless of their backgrounds, can access online content, and in the provision of data and devices to students.

Developments in the standardisation of assistance and opportunities available to students living with disabilities are also well under way. This includes improving existing mechanisms through the sharing of best practices, among other things.

In 2020, our staff participated in various sectoral transformation initiatives. These included the Universities South Africa (USAf) virtual summit with the theme: "Leading and Managing the University in Africa for Disruption, Complexity and Change." At this summit, our Executive Director: Student Life and Assigned Function Transformation, Dr Sibusiso Chalufu, chaired a plenary session focused on institutional cultures. Students ultimately benefit from such developments, which ensure the NWU's senior management are attuned to transformation trends across the entire higher education sector.

6.5 Pursuing and enabling equity

At the NWU, transformation is synonymous with justice, culture, performance indicators, communal wellbeing, excellence and relevance.

Transformation is also about being responsive to environmental and political changes, and being relevant to the needs of the communities we serve.

The Employment Equity Plan for the period 2021-2023 was approved by Council in September 2020. This plan gives expression to the Employment Equity Policy, which ensures that the university creates equal opportunities for all its employees and prospective employees and removes all related barriers.

At its meeting on 21 November 2019, Council resolved that in order to accelerate the pace of transformation, the following targets will be incorporated into the new Employment Equity Plan:

- Appointment of black employees: 70%;
- Appointment of people living with disabilities: 2%; and

Targets have been incorporated into the university's Annual Performance Plan (APP) and cascaded to individual performance agreements.

All individual performance agreements for line managers have been re-designed to incorporate the people management KPA for managing employment equity and diversity.

6.6 Academic transformation

The Covid-19 pandemic brought about unprecedented transformation in the thinking of academics and support staff regarding teaching, learning, assessment and student support.

Our predominantly contact offering was transformed into a fluid and focused online offering within a matter of weeks, using team teaching and shared eFundi teaching and learning spaces across our three campuses. Great efforts were made to keep on supporting students not only with access to devices and data, but in transitioning to online learning, the success of which was evident in our 2020 throughput rates.

We also remained true to the spirit of the NWU Language Policy and, to the best extent possible given the disruption caused by the pandemic, continued working towards the implementation of faculty language plans. In particular, we continued developing short courses that can be taught as multilingual offerings and presented language acquisition short courses.

We also hosted an exciting joint gender and language awareness week from 28 September to 2 October 2020, an online event where mainly pre-recorded videos were followed by live panel discussions and question-and-answer sessions.

We are continuing in our efforts to decolonise and align our curricula, and to re-imagine the size and shape of our PQM to better serve our target markets and our mandate as a traditional university.

6.7 Looking ahead

Although we continue to make significant progress in our transformation trajectory, there is a lot more 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.

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 remains our collective objective and responsibility through which we aim to create a university that cherishes inclusivity, celebrates diversity, upholds social justice, and works tirelessly towards the realisation of the goal of creating an internationally recognised institution known for engaged scholarship, social responsiveness and an ethic of care.

6.8 Statement on transformation

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 17 June 2021.



DR BISMARK TYOBEKA
CHAIRPERSON OF COUNCIL



PROF DAN KGWADI
VICE-CHANCELLOR

7 Material risks and opportunities impacting value

7.1 Risk governance and management processes

Our strategic approach to risk and opportunity management entails 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 8) 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.

7.2 How we prioritise our risks and opportunities

The NWU's strategic goals are the point of reference for prioritising, defining and assessing our risks. The main mechanism is the defined risk appetite framework adopted by the University Management Committee and endorsed by the Audit, Risk and Compliance Committee.

We use a template for risk identification and risk definition, coupled with a comprehensive process of implementing internal controls and action plans to address the relevant risk reasons and 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.

These clusters are listed in the following table and make up the core content of the risk management process. The table describes the risks related to each cluster and gives a short summary of the associated mitigation strategies.

Risk cluster	Risks
1	<p>Uncertainties in the higher education sector, largely related to uncertainties about financial matters and the funding model for universities</p> <p>Related material matter: <i>Ensure financial sustainability.</i> (Annual Performance Plan (APP), Enabler 4)</p> <p>Summary of risks:</p> <ul style="list-style-type: none"> • A new risk was identified in terms of the financial and related impacts of Covid-19. The large number of additional expenses and reduced income levels brought about by complying with the lockdown and the accompanied regulations created a risk for the NWU. • Insecurities regarding the proposed fee regulation model and leading to uncertainty around sustainability remained a risk for the NWU. • Government's funding model is not sustainable. The higher education sector is not sufficiently informed about the model, the impact of which is not known. Sustainability concerns are exacerbated by an overdependence on a single source of income (government subsidies and NSFAS). • Student debt is increasing as a result of the culture of non-payment. <p>Mitigation measures included the acceptance of a financial impact model containing all the mitigation plans included by Council. The mitigation strategies include fundraising and endowment initiatives to ensure new sustainable sources of income, building available reserves team to cover one year of operational expenses, building optimal relationships with funders and facilitating start-up capital by the Technology Transfer and Innovation Support office.</p>
2	<p>The demand for organisational change and ongoing transformation</p> <p>Related material matter: <i>Govern, lead and manage in a sustainable and transformed way with an effective operating model</i> (APP, Enabler 1)</p> <p>Summary of risks: In this cluster, we focused on risks such as:</p> <ul style="list-style-type: none"> • Insufficient levels of diversity in staff and student environment • Presence and escalation in sexual and gender-based violence on the campuses • Poor implementation of the unitary business model, resulting in silo functioning, ineffectiveness and inefficiencies. • Uncertainties around the language plan implementation in the unitary model that could lead to disruption. • Difficulty in recruiting and retaining qualified and talented staff as a result of challenges affecting staff morale, such as perceived non-implementation of retention strategies.

	Mitigation measures include putting a well-defined student recruitment and admission process in place; making provision for a scarce-skill allowance; building employment equity targets into the performance agreements of management members and measuring these as part of the performance evaluation process; focusing on retention strategies; compiling clear position profiles for senior management indicating roles and responsibilities; conducting targeted enrolment as per agreed-upon diversity targets; Employment Equity Policy, faculty language plans, Corporate Relations and Marketing language plan and Student Life plans approved.
3	Risks related to academic matters (teaching and learning, research and innovation and academic administration)
	<p>Related material matters: <i>Intensify research and innovation</i> (APP, Goal 2) and <i>promote excellent learning and teaching, and reposition the NWU to attain the size and shape required by market direction decisions.</i> (APP, Goal 1)</p> <p><u>Summary of risks:</u> In this cluster, we focused on risks such as:</p> <ul style="list-style-type: none"> • Decline in research funding and research, and the possibility of inadequate quality of research products. • Poor financial support to postgraduate students, which could result in loss of student income and poor continuity from undergraduate to postgraduate levels. • Loss of opportunity income, subsidy and loss of return, loss of students and staff and compromised teaching quality owing to limited and inadequate infrastructure planning for teaching. • Global engagement/internationalisation effort not being sufficient, with the effect that the NWU has little international exposure in terms of attracting international staff, students, investment and research sponsorship. • Apparent unpreparedness for functioning in a blended learning environment, exacerbated by the perception that technology does not optimally support the teaching and learning effort, leading to missed opportunities for blended learning. • Lack of competitive salaries in the academic environment might lead to an exodus of talent. • Slow external processes for approval of qualifications/programmes may result in missed opportunities and the possible irrelevance of the NWU programme offering. • Over and under enrolment might result in financial losses. • Perceived inability to meet marketplace expectations if graduates do not find employment quickly enough. • The possibility that undergraduate and postgraduate academic offerings and related services may not be sufficiently responsive, price appropriate and of the required quality and standard. • Declines in student throughput and student success may be caused by external factors such as NSFAS rules and internal factors such as inadequate student support. <p>As this risk cluster is wide ranging, various mitigation strategies are at play. These are elaborated upon in the risk register on page 139.</p>
4	Ensuring compliance
	<p>Related material matter: <i>Govern, lead and manage in a sustainable and transformed way with an effective operating model.</i> (APP, Enabler 1)</p> <p><u>Summary of risks:</u> Risks receiving attention in this cluster were:</p> <ul style="list-style-type: none"> • The lack of focus and clarity regarding the placement, functioning, and monitoring of environmental management at the NWU, posing a risk to both sustainability and compliance. • Inadequacies around a focused approach to information governance, disaster recovery and business continuity, which could also hamper the NWU's operations. • The risk that fraudulent activities could be prevalent in some business process environments and could impact negatively on the reputation of the NWU. • Inconsistent application of the NWU Policy on Academic Integrity, negatively affecting the reputation of the university through the issuing of penalties, revocation of qualifications and loss of income from subsidised publications. • Injury or loss of life, along with financial losses and business closure, should there be non-compliance with health and safety laws. • Financial losses, possible imprisonment and penalties due to lack of compliance to legislation, statutory requirements, licences and other legal requirements. <p>Mitigation included business continuity planning and contingency planning for key processes such as registration, as well as the implementation of the digital business strategy. An audit plan on environmental management is executed regularly by Internal Audit and assists in addressing the risk of inadequate environment management. To mitigate occupational health and safety (OHS) risks, there is continual OHS training and monitoring per schedule and budget. Departmental health and safety representatives are appointed and the NWU OHS management system has been implemented, while awareness campaigns about risk are run across the NWU. The 2020 internal audit plan executed</p>

	by Internal Audit addressed risks relating to academic integrity, and a Policy and Rules on Academic Integrity are in place.
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> <i>Promote excellent learning and teaching, and reposition the NWU to attain the size and shape required by market direction decisions.</i>(APP, Goal 1)</p> <p>Summary of risks: In this cluster, the risks we looked at were:</p> <ul style="list-style-type: none"> • Student safety on and off-campus at risk due to an escalation in criminal activities on and around campus. • Varied student experiences across campuses might lead to dissatisfaction because of the possible negative effect of “standardising” student life across campuses and the management of student life in a new structure. • Inadequate measures to create a welcoming student environment at the NWU. • Inadequacies in student leadership skills, leading to possible human rights and other values infringements and presenting a student offering no longer desired by students. • The possibility of student protests/unrest on campuses disrupting academic activity and endangering staff and student safety. <p>Mitigation strategies included: emergency contingency plans for student unrest; awareness and training programmes on LGBTQ+ and other human rights issues; leadership coaching and mentoring programme, and continual review and measurement of attitudes to the student offering and its acceptance among the student body. To mitigate the impact of possible student protest action, there are well-defined processes involving joint operating teams with the SAPS, Public Order Policing and Intelligence Services. The NWU has policy and rules on gatherings and demonstrations, supported by standard operating procedures, along with emergency contingency plans. For risk mitigation in respect of campus safety, all campuses are access controlled and the principles of the Cachet Park City Improvement District Non Profit Company (Cachet Park CID NPC) initiative is being rolled out to other campuses.</p>
6	IT risks (including cyber security) and university systems
	<p>Related material matter: <i>Develop best-in-class information and communications technology to support the core business.</i> (APP, Enabler 2) Related material matter: <i>Govern, lead and manage in a sustainable and transformed way.</i> (APP, Enabler 1)</p> <p>Summary of risks: In this cluster, the risks we looked at were:</p> <ul style="list-style-type: none"> • The fact that cyber security is not addressed adequately, making an attack on the NWU likely, coupled with the observation that digital transformation will increase this cyber security risk and will have a severe impact on operational models, structures, people, processes and roles. • IT provisioning for certain administrative and academic functions is not optimal and uncertainties around the digital business strategy could lead to delays in new system design and implementation. • Possible inadequate disaster recovery plan within IT could halt the operations of the NWU. <p>Mitigation measures include the implementation of a cyber-incident and execution management system; development of a cybersecurity strategy; using the best-in-class Firewall solution, the audit plan executed annually by Internal Audit and institution-wide use of network access control and penetration testing. Further, the NWU has an enterprise-wide digital business strategy as part of its strategic positioning.</p>
7	Commercialisation
	<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.</i> (APP, Goal 1)</p> <p>Summary of risks: The commercialisation environment looked into:</p> <ul style="list-style-type: none"> • Failure of licensees or spin-out ventures to commercialise • Commercialisation risks such as the offering of non-compliant SLPs; income not coming to NWU • Missing out on commercialisation opportunities <p>Mitigation measures 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>
8	Operational risks
	<p>Related material matters: <i>Govern, lead and manage in a sustainable and transformed way.</i> (APP, Enabler 1) <i>Ensuring the financial sustainability of the NWU.</i> (APP, Enabler 4)</p> <p>Summary of risks: Operational risks included:</p>

	<ul style="list-style-type: none"> • The academic project facing challenges around ineffectiveness and inefficiencies of support functions, possibly leading to loss of income and potential growth, loss of staff and negative impact on the reputation and ranking of the NWU. • Absenteeism and loss of valuable staff owing to low staff morale. <p>Mitigation measures 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>
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7.3 Risks and Covid-19

The following risk on the Covid-19 financial and related impacts received high priority and was included in the NWU risk register:

The risk was described as follows: Large number of additional expenses, as well as reduced income levels, brought about by complying with the lockdown and the accompanying regulations. Increase in outstanding debt due to parents not being able to pay/refusing to pay since it is not business as usual.

The risk impact was categorised as severe and the likelihood as certain, resulting in an inherent risk rating of 25 and a financial impact of R161 338 000. After considering the control established (financial impact model with the mitigation plans approved by Council) which was rated as adequate, the residual risk rating came down to 13, which is still above the risk appetite of the NWU.

7.4 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 that-

- 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; and
- provide an effective financial model, policies and structure for continuing education offerings and increased commercialisation opportunities.

7.5 Steps taken in 2020

The focus for the ongoing refinement of risk management was on strengthening the internal control environment. The restructuring of the NWU allowed an environment conducive to alignment and standardisation. The ongoing review of policies contributed to the strengthening of the control environment and the current drive towards the governance and management of ethics created an environment conducive to ethical behaviour. Clear policies and guidelines exist to keep functionaries and individuals accountable.

The 2020 focus on an improved description of internal controls assisted in the mitigation of risks, both in the understanding of the risk (in so far as these are linked to the risk causes) and in the pursuit of managing the relevant risks to acceptable levels. The identification of controls in accordance with specific categories assisted in improving our understanding of the nature of the risk and the controls needed for mitigation purposes.

The continued implementation and improvement of the electronic risk management approach contributed to more systematic risk management. The focus on proper risk identification, risk definition and risk appetite provided a basis for the achievement of objectives. The focus allowing risk owners to link risks to the operations and quality enhancement within a particular business process provided an opportunity for the integration of controls. Risk owners developed tasks related to the different control activities. The accomplishment of the relevant tasks have been monitored on an ongoing basis to ensure that risk mitigation is instilled as part of the risk management process.

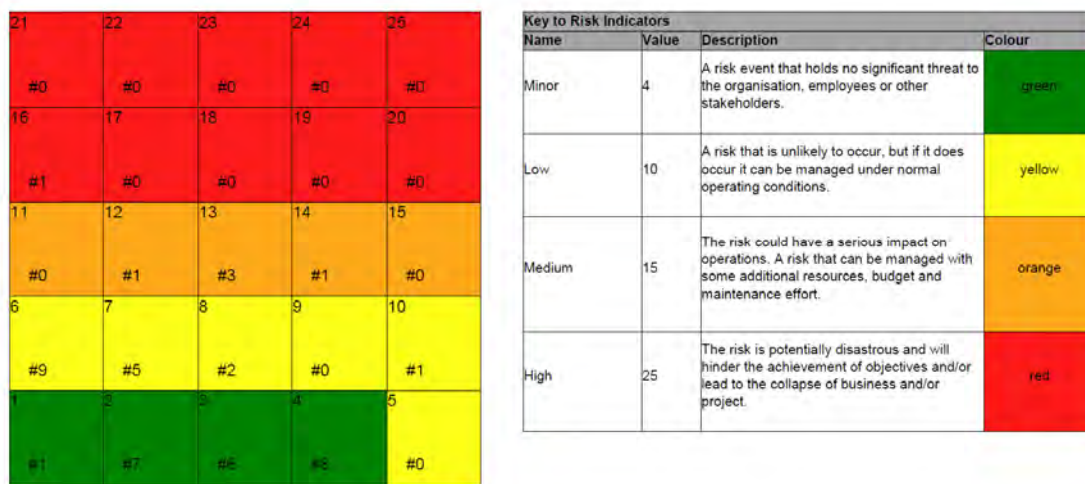
Clear conventions have been established for the use of information sources for ongoing risk management purposes. Information may only be sourced in consultation with existing data-source owners (finances, strategic intelligence, people and culture). Apart from the current information shared at governance levels and in the annual integrated report, improved information and communication received attention, and risk management was rolled out to faculty level and a number of support departments. Through the integrated annual report and stakeholder engagements,

we share developments related to internal controls and the effectiveness of these controls in securing the sustainability of the NWU.

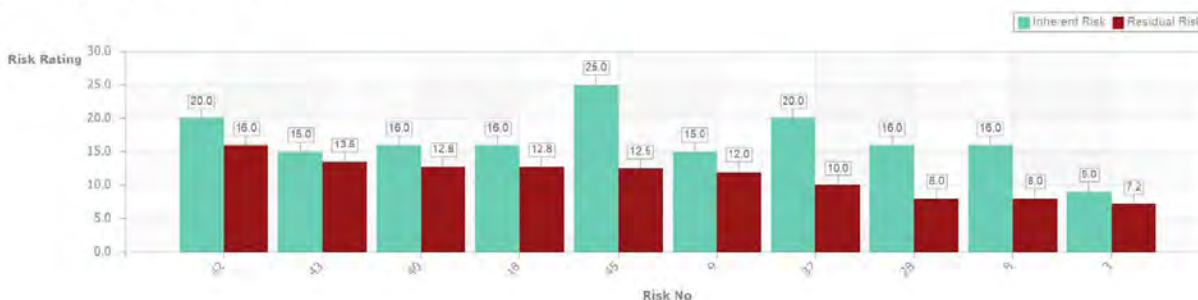
Improved monitoring was introduced in 2020. This entails conducting various internal and external evaluations to monitor risk management and internal controls implemented for mitigation purposes. Council committees, in particular the Audit, Risk and Compliance Committee, have a definitive role to fulfil in the ongoing monitoring of the risk-management enterprise. To this end, all Council committees receive risk reports regarding their areas of expertise at the May and October meetings of these committees.

The following graph indicates the status of residual risks for 2020 of the NWU strategic risk register, after the consultation phase with risk owners.

*The number in the top corner indicates the residual risk rating and the # indicates the number of risks at that particular rating on the NWU risk register



TOP 10 RESIDUAL RISKS



Rank	Risk No	Risk Owner	Type	Risk Name	Description	Inherent Risk	Residual Risk
1	42	DVC IT	Strategic	Cyber Security	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.	20,00	16,00
2	43	DVC IT	Strategic	Digital Business Strategy	Digital transformation will have a severe impact on operational models, structures, people, processes and roles.	15,00	13,50
3	40	UMC	Strategic	Environmental Management	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.	16,00	12,80
4	18	Registrar	Strategic	Information governance, BCP and DRP	Inadequacies around a focused approach on information governance, disaster recovery and business continuity could hamper the NWU's operations	16,00	12,80
5	46	ExDir FF	Strategic	COVID-19 Financial Impact	Covid-19 was declared as a national disaster, with all the different levels of lockdown and the accompanied regulations that severely impacted the economy negatively, as well as being able to continue with business as usual.	25,00	12,50
6	9	DVC RI	Strategic	Research	Decline in research funding and research, and possibility of inadequate quality of research products.	15,00	12,00
7	37	ExDir: Finance and Facilities	Strategic	Fee regulation	Insecurities regarding the proposed fee regulation model leading to uncertainty around sustainability	20,00	10,00

8	28	Registrar: Ex Dir P&C; DVC Integr Planning; DVC R&I	Strategic	Business processes	Academic project in jeopardy because of ineffectiveness and inefficiencies of support functions, possibly leading to loss of income and potential growth, loss of staff and negative impact on reputation and on ranking of the NWU	16,00	8,00
9	8	DVC RI, ExDir CRM	Strategic	Internationalisation	Global engagement/internationalisation effort not sufficient with the effect that the NWU has little international exposure in terms of attracting international staff, students, investment and sponsoring of research.	16,00	8,00
10	3	DVC R&I, ExDir FF	Strategic	PG Students	Poor financial support to PG students resulting in loss of student income and continuity from UG to PG. Furthermore postgraduate numbers' dependency on bursaries	9,00	7,20

7.6 Improving the effectiveness of risk management

A highlight for 2020 was the approval of a Risk and Compliance Management Policy by Council in March 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.

7.7 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 2020 to continue to identify, assess and manage the relevant potential risk consequences on the university's effectiveness and efficiency.

7.8 Statement on risk management

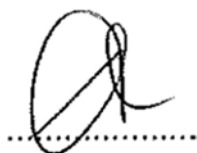
STATEMENT ON RISK MANAGEMENT

"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 17 June 2021.



PROF MARLENE VERHOEF
REGISTRAR DESIGNATED WITH RISK RESPONSIBILITY



MR THABO MOKGATLHA
CHAIRPERSON AUDIT, RISK AND COMPLIANCE COMMITTEE

7.9 Report on internal/administrative structures and controls

The North-West University maintains a system of internal control 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 reduce legal liability.

Particular attention is given to financial reporting and the safeguarding of assets against the unauthorised acquisition, use or disposal of such assets. The internal control system is designed 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 kinds of relevant information. This assurance is provided to the university as well as the university council.

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

The control objectives include measures to ensure completeness, accuracy, and proper authorisation concerning documented organisational structures, setting out the division of responsibilities, and establishing policies and procedures, including a code of ethics and a communication programme to make these known throughout the university.

Internal control practices are maintained in as far as policies and procedures are documented, implemented and monitored by the University Management Committee, the Council and the Internal Audit department. The updates

of policies are coordinated by the Corporate Information and Governance Services Department, following a regular schedule that includes consultation with all relevant structures. After Council approves the reviewed document, it is communicated to and available on the internet for all university employees and stakeholders.

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.

Regarding information systems, modern information technology is utilised at the university that, amongst others, entail the development and implementation of core systems in accordance with defined and documented standards to ensure efficiency, effectiveness, reliability and security.

To protect privacy and ensure control over data, accepted standards are applied like disaster recovery plans and backup procedures. Password controls are strictly maintained, with users required to change passwords regularly, except where otherwise approved.

Regular reviews are done to ensure no clashes in user-access rights and ensure that the basic internal control concept of division of duties is maintained. Where, for capacity reasons, occasional conflict does occur, sufficient manual controls are in place to ensure that these clashes are mitigated. Systems are designed to promote ease of access for all users.

In addition, the systems are integrated to minimise duplication of effort and to ensure minimum manual intervention and reconciliation procedures. The development, maintenance and operation of all systems are under the control of competently trained staff.

Following the outcomes of a cyber-maturity assessment, 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 reducing 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. The NWU prepares budgeting and resource plans for its overall cybersecurity defence programme that is aligned to business objectives and risk profile. Not all of the IT systems at the university are centralised, with the consequence that differing levels of control exist at the various management levels, including that of the respective faculties. The NWU strengthened their cyber detection capabilities after a cyber-attack in 2020 by implementing a Security Information and Event Management system (SIEM). The university's restore and recovery capabilities are well established, which were demonstrated by the quick recovery from the attack.

Against the background of the preceding, it is evident that the university is aware that there are inherent limitations to the effectiveness of any internal control system, including the possibility of human error and the circumvention or overriding of controls.

Accordingly, even an effective control system can only provide reasonable assurance concerning financial statement preparation and the safeguarding of assets.

The Audit, Risk and Compliance Committee (ARCC), which exercises the primary oversight role on behalf of the university council on the effectiveness of internal controls, is of the opinion that the university's internal control system as at 31 December 2020 (and as included in the finance policy, the procurement policy, the policy on delegations, as well as general financial guidelines in support of the finance policy and the guidelines for records management of financial records, as well as various other financially-related guidelines, procedures and guidelines available to employees) has met the criteria for effective internal control over financial reporting.

The compliance with all relevant policies, guidelines and procedures related to financial reporting is monitored continuously by both the internal and external audit functions and the relevant financial divisions and employees assigned with the responsibility. The monitoring takes place daily and regularly while transactions are being processed and during the execution of internal and external audits.

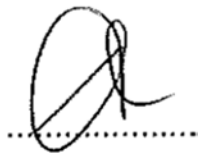
The university management committee and operational managers on different levels identify, report, review and manage all related risks regularly. The risk register is updated and maintained regularly with feedback requested from executive managers, the members of the Combined Assurance Forum and various operational managers.

Assurance is provided by the internal audit function. It includes audits in accordance with the risk-based internal audit plan as approved by the Audit, Risk and Compliance Committee and provides for the examination of relevant systems, procedures and controls in those areas considered as high risk. The internal audit function is responsible for identifying significant control deficiencies and reporting these to the relevant responsible managers, the

University Management Committee, and the Audit, Risk and Compliance Committee. Furthermore, Internal Audit needs to execute follow-up reviews, on areas where significant control deficiencies were reported, within a year to report the progress with the implementation and improvement of controls to the Audit, Risk and Compliance Committee.

In light of the above, the Audit, Risk and Compliance Committee is confident that, as at 31 December 2020, the NWU systems of internal control over its: operational environment; information reporting; safeguarding of assets against the unauthorised acquisition; and use or disposal of assets, met the criteria for effective control for financial reporting purposes. The committee is also confident that internal control measures assisted the NWU to achieve its goals in effective and efficient ways.

The Audit, Risk and Compliance Committee of the NWU Council reviewed this report on internal administrative/operational structures and controls for the 2020 financial year under review at its meeting of 3 June 2021 (which was quorate), and confirms that the documentation for approval by the Committee was circulated through the meeting agenda that reached members in advance and with due notice.

A handwritten signature in black ink, appearing to be 'TV Mokgathla', written over a horizontal dotted line.

Mr TV Mokgathla
CHAIRPERSON: AUDIT, RISK AND COMPLIANCE COMMITTEE

A handwritten signature in black ink, appearing to be 'M van der Merwe', written in a cursive style.

Mrs M van der Merwe
DIRECTOR: INTERNAL AUDIT

8 Our strategy to create value

8.1 Explaining our strategy

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.

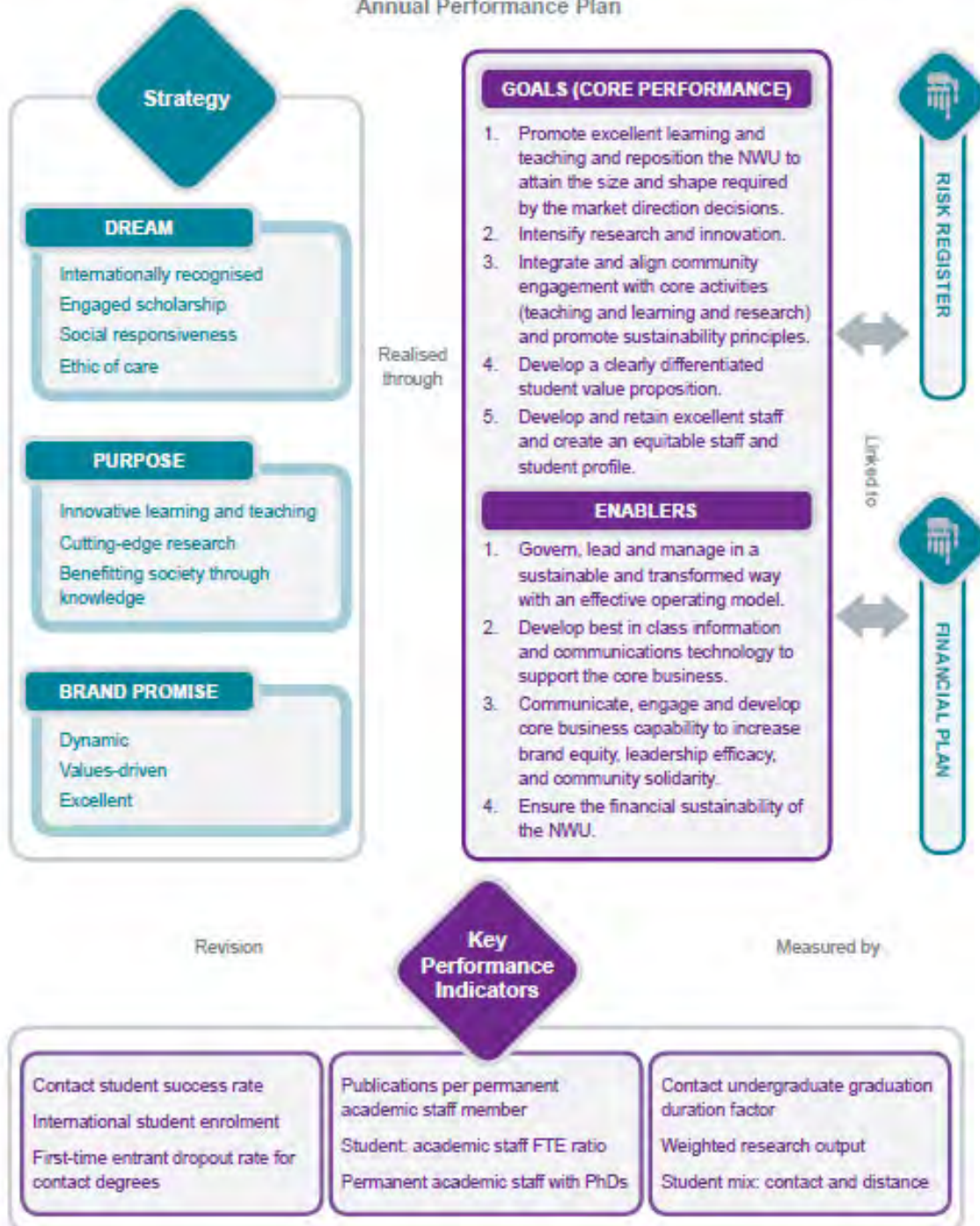
8.2 Explaining our strategy

In the following diagram, 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.



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

Annual Performance Plan



8.3 Five goals to realise our strategy

	How we get there
<p>We want to promote excellent learning and teaching and reposition the NWU to attain the size and shape required by the market direction decisions.</p>	<p>Quality is embedded in all aspects of teaching and learning, and an excellent and aligned learning experience is available across our campuses and modes of provision.</p> <p>We revise our academic programmes to ensure relevance and augment the work-integrated learning and service learning components within modules. More broadly, we are re-imagining the shape and size of our PQM. Through these efforts, we enhance the quality and work-readiness of our graduates.</p> <p>Our academics and professional teaching and learning support units provide accessible and appropriate student support in a variety of formats.</p> <p>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.</p> <p>Short learning programmes are now also available in the online environment. This, and the growth of our short learning programmes, provides professional services to the community while creating third-stream income for the university.</p>
<p>It is our goal to intensify research and innovation.</p>	<p>We successfully concluded the evaluations for research funding applications to the National Research Foundation (NRF), Medical Research Council (MRC), etc. Research funding opportunities were widely publicised on NWU online platforms as they were received.</p> <p>We managed the South African Research Chairs Initiative (SARChI) and made progress with establishing the joint Namibia-RSA chair.</p> <p>Briefing and training sessions on funding and ethics training for researchers and students was conducted. Research grants were concluded, including grant-holder-linked bursaries, block grants, freestanding travel grants and bursaries (although travel was restricted during lockdown), freestanding postdoctoral research grants and bursaries, SKA student travel grants and bursaries, external auditing, Thutuka payments, MRC funding, THRIP funding and NWU postdoctoral funding.</p> <p>We assessed and evaluated the NWU research landscape, research funding mechanisms and research project portfolio in light of the pandemic</p> <p>A holistic strategy for the internationalisation of research was pursued to ensure visibility for emerging and advanced researchers.</p> <p>An online research ethics application system and administrative support to faculty research ethics committees has been implemented.</p>
<p>We want our community engagement to be integrated and aligned with our teaching and learning and research, and want to promote sustainability principles.</p>	<p>We want our community engagement to be integrated and aligned with our teaching and learning and research, and want to promote sustainability principles.</p> <p>The integration of community engagement into teaching and learning and research provides an opportunity to develop the culture of citizenship where we share knowledge and expertise and, on the other hand, we learn from the community. It promotes mutual benefit.</p> <p>Work-integrated learning and, service learning through discipline-based outreach and research are undertaken in the community, and we encourage staff and students to volunteer in communities, thereby enhancing their social awareness and responsiveness.</p> <p>We have a responsibility towards the environment; it is for this reason that we embark on different projects such as maintaining green campuses and promoting waste management, electricity savings and recycling awareness. We continue to monitor the outcomes of the environmental legal compliance audit, conducted in 2014, in order to rectify compliance issues on all campuses.</p>
<p>It is important to develop a clearly differentiated student value proposition.</p>	<p>We continually implement projects to enhance our student value proposition. However, only some of the planned projects and programmes went ahead in 2020 while others were put on hold as a result of the pandemic. For example, a Student Life Spatial Development project, aimed at the sustainable provision of equitable student experience, had to be temporarily halted. On the other hand, work on the development of a Student Life Policy, encompassing various operational areas of student life and aimed at ensuring the standardisation and alignment of all student life activities, proceeded.</p> <p>We pursued the use of multi-modal approaches – including innovative digital platforms – in the provisioning of student life experience.</p>

<p>We want to develop and retain excellent staff and create an equitable staff and student profile.</p>	<p>By striving for staff and student equity, we promote social justice and diversity on all campuses:</p> <p>The Residence Department introduced an online application process for all three campuses, enabling better control over placements.</p> <p>All our residences are expected to reflect our enrolment targets for 2025 by following the plans and processes put in place for this purpose.</p> <p>We hosted a successful virtual career fair, resulting in standardised Career Centre offerings across the three campuses.</p> <p>Council has approved our new Employment Equity Plan, which complies with all the Department of Labour's requirements. The new plan focuses on removing barriers to the recruitment of people from the designated groups and people living with disabilities. It also addresses succession planning for key positions, retention strategies and the establishment of an enabling organisational culture.</p> <p>A successful leadership intervention was implemented for senior management, resulting in clear recommendations for effecting some changes to the organisation's leadership culture.</p>
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8.4 Four enablers to help us realise our strategy

Where we want to go (our enabler)	How we get there
<p>Govern, lead and manage in a sustainable and transformed way with an effective operating model.</p>	<p>We have an integrated and holistic approach to ensure the realisation of the 2015 – 2025 NWU Strategy.</p> <p>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.</p> <p>All expectations exist that the implementation of our digital business strategy that has been fast-tracked due to the Covid-19 pandemic will have a vital influence on the way in which we govern, manage and lead in future.</p>
<p>Develop best-in-class information and communications technology to drive digital transformation.</p>	<p>We incorporate the digital experience gained during the Covid-19 pandemic into the future proofing of our operations and align our IT goals to the NWU's positioning as a unitary institution of superior academic excellence with an ethic of care.</p> <p>We will use our digital business strategy to create new competitive advantages and make technology/digital transformation a core component of the NWU strategy.</p> <p>Our high-quality IT capabilities proved equal to the challenges of keeping the NWU running throughout the pandemic and the lessons learnt will inform our ongoing digital transformation.</p> <p>We are aware of the importance of ensuring stable, scalable, hybrid, manageable and responsive infrastructure, and of establishing the Next Generation Digital Environment (NGDE) as part of the long-term integration platform. (The NGDE is a modern integration platform which is one of the basic building blocks for digital transformation.)</p> <p>Our focus will be on maximising business agility through rapid deployment of standardised shared services, ensuring a secure digital environment, and starting to build the technology ecosystem that integrates students, partners, employees and things.</p> <p>The intention is to deliver exceptional customer experience and establishing a responsive operating model in IT, known for flexibility, competent people, best practices, innovative culture and well-looked-after staff.</p>

<p>Ensure the financial sustainability of the NWU.</p>	<p>The financial impact model and mitigation plan was developed in response to the possible impact of Covid-19, together with a three-year rolling budget for 2021 to 2023. The intention is to ensure medium and long-term sustainability, with a focus on cash flow management for the shorter term.</p> <p>The impact of remote learning on infrastructure projects was carefully considered in order to optimise capital investment and cash flow management.</p> <p>The Continuing Education Strategic Project is expected to optimise and expand our continuing education income. It includes developing and implementing a financial model.</p> <p>We are also making good progress with the facility optimisation project. Business release 1 of the Integrated Work Management System (IWMS) was implemented during 2020, with the goal of increasing effective and efficient use of our buildings and facilities.</p>
<p>Communicate, engage and develop core business capabilities to increase brand equity, leadership efficacy and community solidarity</p>	<p>We continue to develop and implement appropriate communication and engagement strategies targeting specific stakeholder groups. We build partnerships to implement these strategies and plans to achieve optimal value.</p> <p>Our partnership with stakeholders such as staff, alumni and students plays a key role in enhancing our brand, especially in terms of digital media platforms.</p> <p>We continuously evaluate our performance and work towards finding the most reliable performance measurement tools for our marketing communication initiatives to ensure maximum return on investment.</p>

8.5 Annual Performance Plan (APP)

8.5.1 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.

Performance measurement and monitoring occur through-

- Operational management at faculty and departmental levels
- Progress reports to the University Management Committee (UMC)
- Updating the data warehouse every month to monitor enrolments, research performance, graduates and staff data. Through our interactive management information systems environment, managers can customise and download reports.

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

8.5.2 How the APP was revised in 2020

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.

An external situation analysis offers a greater understanding of the structure and competitive nature of the higher education landscape. This scrutiny of the macro-environment equips the UMC and Council members with a broad overview of issues that will impact on the implementation of the NWU strategy and budget priorities.

An assessment of our major risks and opportunities informed our performance objectives for 2020. 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.

8.6 Future outlook

There are two assumptions concerning Covid-19 that underpin our planning: first, that Covid-19 will not disappear in the near future, and that we will continue to function within a regime of (health-related) caution, and second, that vaccines will take time to develop and roll out globally.

Covid-19 has also accelerated the implementation of our digital business strategy. Our future digital platform for the university will integrate students, partners, employees and things, in order to connect people to contextualised information and services.

The vehicles for this will be modern digital delivery channels and a resilient integration platform sitting on top of stable, hybrid, responsive, manageable and secure infrastructure and enabling systems. These will support our business and operating models, provide analytics-driven insights and enable exceptional customer experience, in order to differentiate this university from others.

“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.”



9 Our performance against our strategy: Creating value through the 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.

9.1 Our intellectual capital



See how we explore, expand and evolve

NWU embarks on remote learning

The coronavirus pandemic has forced the NWU to explore new ways of conducting our core business.

Due to the pandemic, we have for instance embarked upon remote learning, which includes online and distance learning. Staff and students had to embrace the new way of teaching and learning, thereby expanding their horizons and evolving to become even more than they were before.

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	Teaching and learning, research, community development, ability to govern, lead and manage, information and communication technology.
Risks involved	The risks include the demand for organisational change and ongoing transformation (for instance concerning the decolonising of the curriculum), risks related to academic matters (teaching-learning, research and innovation and academic administration), the risk of non-compliance (for instance with the standards and regulations of professional bodies), risks related to IT, university systems and commercialisation of our innovation and research results. For the mitigation of these risks, turn to page 38.

9.1.1 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.

9.1.2 Material matter: Teaching and learning

In realising our commitment to foster academic success we emphasise the quality and diversity of teaching and learning activities, and readily invest in staff development and student development and support. We also align our academic programmes across the university, ensure they are evaluated regularly and expand the reach of our distance learning offerings through appropriate ICT and multimedia resources.

9.1.2.1 Increase student access and success

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

9.1.2.2 Extended curriculum programmes

In a number of natural sciences and economic sciences programmes, students can complete their studies over an extended period of time.

The value of these programmes is evident from their overall student success rate of approximately 90%.

In 2020, we had 1 275 first-time entering students on extended programmes and a total enrolment of 4 404 students.

By the end of 2020, some 15% of this group of students had graduated.

9.1.2.3 University Preparatory Programme (UnivPrep)

UnivPrep is a one-year programme offered as a Senate-approved short learning programme and enhances access to specific degree programmes at the NWU. Each year, approximately 45% of successful UnivPrep participants become eligible to apply for formal degree studies.

9.1.2.4 Academic literacy tests and modules

An academic literacy test is compulsory for all first-year students, who may then be required to register for specific academic literacy modules in academic writing, reading, computer and information literacy and study skills. Incorporating discipline-specific content where possible, these modules have been redesigned to allow seamless integration of contact and multimodal offerings, as well as a greater focus on self-directed learning. It was noted, with concern, that students struggled with self-directed learning, particularly the weaker students who are in need of greater in-person support.

9.1.2.5 Tutorial programmes 2020

Together with the other student support programmes, appointing tutors enabled us to maintain a good contact success rate of 90%. (For more information about our student success rate, turn to page 55.)

For the first semester of 2020, we appointed 46 tutors: 20 at the Mahikeng Campus, 16 at the Potchefstroom Campus and 10 at the Vanderbijlpark Campus. Per faculty, across campuses, tutors were appointed as follows: 10 tutors in Education; 14 in Economic and Management Sciences; five in Health Sciences; seven (in Humanities, and 10 in Natural and Agricultural Sciences. Online tutoring commenced after campus closures in March 2020.

During the second semester, 14 tutors were appointed: 30 at the Mahikeng Campus, 68 at the Potchefstroom Campus and 16 at the Vanderbijlpark Campus. Per faculty, across campuses, tutors were appointed as follows: 16 in Education; 26 in Economic and Management Sciences; three in Health Sciences; five in Humanities; one in Law; 56 in Natural and Agricultural Sciences; and seven (in Theology. Online tutoring continued until the end of November 2020, with the completion of the academic programme.

Together with the other student support programmes, appointing tutors enabled us to maintain a good contact success rate of 90%. (For more information about our student success rate, turn to page 55.)

9.1.2.6 Supplemental instruction

During 2020, Supplemental Instruction (SI) was offered in an online modality for the first time due to Covid-19. SI is a non-remedial, voluntary, out-of-class, peer-facilitated approach to learning. Targeted at historically difficult (at-risk) modules, it supports undergraduate students within these modules through regularly scheduled small-group sessions by trained SI facilitators.

SI was offered in 455 modules across the three campuses in 2020. In the first semester 453 SI leaders were appointed and 318 SI leaders in the second semester. A total of 22 648 students attended the more than 17 706 sessions during the year.

9.1.2.7 Academic peer mentors

In the academic peer mentoring programme, high-performing senior students support first-year students to adapt to university life. Despite the challenges resulting from the Covid-19 pandemic, the 74 academic peer mentors recorded 5 052 interactions with 3 285 student mentees in their first year at the NWU. A total of 961 interactions focused on student mentees' engagement with institutional services and resources, 3 291 on the successful completion of modules and 800 on providing social support to student mentees.

9.1.2.8 Taking the contact offering into the online environment during the Covid-19 crisis

In response to stringent national lockdown measures, NWU faculties developed contingency plans to deal effectively with teaching and learning and continuous assessment while adhering to the General Academic Rules and specific Faculty Rules. Lecturers embraced pragmatic and appropriate technologies and online methodologies to enable the continuation of quality teaching and learning. In exceptional cases where connectivity issues prohibited participation in the online programme, printed material was provided.

It is important to emphasise that, in implementing these alternative teaching, learning and assessment measures, we applied the principles of social justice and equal opportunities for all to complete the academic programme successfully.

From the start, the NWU focused on mobile-friendly, low-tech, low-data and low-immediacy teaching. This approach was intended to enhance the chances of every student engaging with lecturers and with their study materials, and completing online assessments successfully.

Students who needed printed materials to complete their studies received comprehensive information packs and additional guidance for every module.

The NWU launched a project to provide students in need with data and devices, Faculties established special call centres to enable communication with students, and Library and Information Services came to the table with virtual library and information services. The Centre for Teaching and Learning made sure that staff and students had optimal virtual support to teach and learn in an online environment.

2020 will be remembered as a year during which all staff and students were required to think differently, act differently, and interact differently – and succeeded in doing so.

9.1.2.9 Student success rate

As indicated earlier, we maintained a good contact success rate of 90%.

Our 2020 contact undergraduate graduation duration factor was 1,12, improving slightly from the 1.13 of 2019. 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	2017	2018	2019	2020
Contact student success rate	86%	85%	85%	90%
Contact undergraduate, graduation duration factor	1,15	1,13	1,13	1,12
Graduation rate	25,6%	25,1%	23,5%	27%

How much value we created, compared to our targets

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.	90%
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.	1,12

9.1.2.10 Align academic programmes

Students across our campuses should all benefit from comparable high-quality teaching and learning, and have access to equivalent resources. It is important that academic programmes are sustainable and always relevant, so that any graduates have an equal opportunity to find work or to develop into entrepreneurs who create jobs for others.

9.1.2.11 Ensure high-quality academic programmes

In 2020, for quality assurance, three major NWU programmes were externally evaluated: BSc Agriculture (Agricultural Economics), Postgraduate Diploma (Nuclear Science and Technology) and the Bachelor of Theology (Pastoral Counselling and Psychology).

No professional or statutory body evaluations/reviews were conducted in any faculties because of the Covid-19 pandemic.

A number of internal programme reviews were conducted virtually at the Faculties of Humanities and Theology. The NWU National Doctoral Review took place in the second semester of 2020, and the report is expected in early 2021.

9.1.2.12 Contingency Plan for Emergency Remote Teaching and Learning Task Team

The Centre for Teaching and Learning (CTL) was instrumental in developing the strategy for emergency remote teaching and learning. A comprehensive keep-on-teaching webpage was prepared and frequently updated. The CTL then spearheaded the established of a learning analytics task team to generate information on students' data access, connectivity and technology access. All information about emergency remote teaching and learning was centrally coordinated and communicated via a single channel and portal.

9.1.2.13 Learning design

Owing to the pandemic, there was a need to redesign modules and study materials while migrating to the online environment.

Through webinars, one-on-one virtual consultations and general drop-in rooms, we assisted lecturers to execute the so-called "LOW strategy", referring to the combination of low bandwidth, low connectivity, low technology, low data and low immediacy characteristics that comprised our online strategy, which was also mobile friendly and eFundi based. We also successfully implemented the new study guide process App (SPA), which digitally coordinates the production of paper-based study guides and module overview documents.

Lecturers received support in the design and development of paper-based study materials for students without access to connectivity, data and technology.

9.1.2.14 Digital Teaching and learning Environment (DTLE)

Digital teaching and learning, whether physical or virtual, must always be based on educationally sound technologies integrated into and be supported by other systems. A good example is the NWU's learning management system, eFundi.

The eFundi infrastructure was upgraded to support the explosion in digital traffic in 2020. This entailed increasing the number of servers from 10 to 20. We also launched a proof of concept project to expand the footprint of Panopto, a digital platform used for the uploading and downloading of video materials, as part of the broader integrated video strategy.

Other important DTLE projects entailed completing an on-screen PDF marking system and implementing a call centre and service management system to deal with the sudden increase in service requests to the eFundi help desk.

9.1.2.15 Work-integrated (WIL) and service learning system established

The development of a centralised system for WIL and Service Learning started in 2019 and continued into 2020. Its primary client during this time has been the Faculty of Education, which requested the new system for its teacher

trainee placements. Although WIL placements could not go ahead owing to the outbreak of the pandemic, system development proceeded and from June 2020, was expanded to include the WIL modules of the schools of Nursing and of Pharmacy in the Faculty of Health Sciences.

9.1.2.16 Expand distance learning

The NWU expanded its academic offering via distance learning in 2020. We received SAQA registration for the PGDip in Industrial Engineering, Bachelor of Theology Honours in Theology, AdvDip in IP Mathematics Education, AdvDip in Education Management and Leadership and PGDip in Special Needs Education.

The AdvDip in Intermediate Phase Mathematics Education received accreditation, with NQF registration pending. Further development to our distance offering includes PQM clearance for the AdvDip in Foundation Phase Education, AdvDip in Intermediate Phase Education, AdvDip in FET Phase Education and BEDHons in Early Childhood Development.

9.1.2.17 Our output: graduates

The number of graduates is much lower than planned due to the drop in distance enrolments.

How much value we created, compared to previous years

Graduates	2017	2018	2019	2020
Overall	16 004	15 350	14 961	15454
Contact	9 931	10 650	11 191	11 697
Distance	6 073	4 700	3 770	3 757

How much value we created, compared to our targets

Output	Target	Definition	Actual
Graduates	15743	Based on HEMIS data; number of graduates in reporting year.	15454

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

This is how our graduation rates (for undergraduate students) compare to other South African higher education institutions:

NWU graduation rate for students in 2020: 27%

(The national average for 2019 was 20.6%.)

9.1.2.18 Challenges in teaching and learning

Critical teaching and learning priorities had to be managed despite the pandemic. A number of these included the further decolonisation of the curriculum, Africanising appropriate sections of our offerings and creating opportunities to promote multilingualism in teaching and learning spaces. At any given time, the NWU must also ensure that all our offerings are nationally and internationally comparable, appropriately designed and incorporate accessible ICT to address teaching and learning challenges such as those associated with Covid-19.

The pandemic compelled the NWU to attend to several key teaching and learning issues. Task teams were activated to address the development of the emergency remote teaching and learning strategy, eAssessment platforms, the 21 Futures task team (responsible for addressing capacity and spatial challenges associated with Covid-19 protocol adherence going into 2021). Another priority was the digital business strategy and development of appropriate learning analytics to generate in-time information on student access, progress and support so as to identify and address individuals at risk of not completing their studies.

9.1.2.19 Future outlook

In 2021, we will pursue the further establishment of a Centre for Higher Education Development, and the professionalisation of university teaching at the NWU through the development of a postgraduate diploma in higher education. Also planned for the year, is a strong focus on language, race and gender as key themes for cross-curricular, online engagement between academics and students.

We are revisiting our teaching, learning and assessment rules and looking into micro-credentialing and further open educational resource initiatives. Lecture rooms are being planned for the new methods of learning. Various academic departments will be relocated while their spaces are being upgraded.

On the Vanderbijlpark Campus, construction will start on the new Psycho-social Health Building, while construction of a new Law Clinic on the Mahikeng Campus is planned for the near future.

2021 promises to be a very exciting year ahead for everyone. The attention we focus on our core business depends of course on the capacity of our single most valuable resource, our staff.

Though we need to retain the teaching-learning project mostly in the online modality in order to remain compliant with Covid-19 regulations, the NWU will ensure there is adequate staff presence in our support and academic leadership offices so that the student body experiences friendly faces and words of welcome and support to facilitate the settling down to academic work and the smooth commencement of the academic programmes.

While the finalisation of our digital business strategy will be a key pillar of the unfolding teaching and learning journey at the NWU, we must never lose sight of why we are harnessing the tools of our trade. We remain committed to 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, with a continued commitment to an ethic of care.

Our commitment to staff development, student support research and teaching and learning excellence remains firm. We have the advantage of immense learning and understanding about how to operate effectively during a national (health) disaster in 2020, and so together we can approach 2021 with the spirit of hope and optimism, careful to curtail risks to our communities and determined to overcome the impact of isolation, fear and anxiety associated with Covid-19. Even within an ethos of Covid compliance, we will strive to enhance our ethos of care, so as not only to minimise the risk to lives, but also to enhance the sustainability of the NWU as an academic community devoted to social justice and committed to excellence.

“Our theme in 2020 as university was one of consolidation, in terms of the operational model and systems, but in fact it turned out to be a year of accelerated change and responsiveness”

9.1.3 Material matter: Research

Our researchers and inventors strive to find affordable, workable solutions to real-life problems. Through their cutting-edge research and innovation activities, we increase our intellectual capital and create value for ourselves and our stakeholders.

See how we explore, expand and evolve

NWU to validate new Covid-19 test

Our experts have been roped in to assist with the validation of a new test in the fight against the Coronavirus.

Developed by Austell Pharmaceuticals (Pty) Ltd, it is anticipated that this SARS Cov-2 diagnostic test will deliver results faster than current molecular-based tests (within 1,5 hours) and will also be more cost-effective than the tests currently used.

Austell Pharmaceuticals has requested the NWU's Faculty of Health Sciences to perform the validation, based on the university's prior experience and expertise.

9.1.3.1 Research output

NRF ratings are a key indicator of the calibre of a university's researchers. 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 following table.

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

9.1.3.2 Publications

How much value we created, compared to previous years

Research	2016	2017	2018	2019
Publications per academic staff member	0,92	0,86	0,94	0,98
Weighted research output	2 609,64	2 605,507	2 708,941	3058.0223

9.1.3.3 Increase our global standing and visibility

The NWU signed 19 formal international research and innovation collaborations in 2020, which further expanded our global presence. Of these collaborations, five were with top 500 institutions as rated by Quacquarelli Symonds.

However, it must be said that the Covid-19 pandemic adversely affected many internationalisation activities at the NWU and severely hindered the pursuit of new partnerships and collaborations. The impact of these constraints will be reflected in our reporting in 2021.

What has not changed, is the calibre of our international partners. Our research collaborations, which range from joint degrees and co-chairs to collaborative research and innovation programmes, skills development and international student recruitment and exchange, 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.

The NWU also belongs to strategic inter-institutional collaborations such as the Southern African Regional Universities Association (SARUA), which recently signed a memorandum of understanding with the OBREAL Global Observatory. Another strategic involvement is our membership of the Southern African-Nordic Centre (SANORD), which advances strategic, multilateral academic collaboration between institutions in the Southern African and Nordic regions.

NWU delegations regularly visit Chinese universities as China is a research and innovation hub and both China and South Africa are part of the BRICS block, whose other members are Brazil, Russia and India. The NWU is an active partner in BRICS research collaborations and has knowledge and skills-sharing agreements with several BRICS universities.

9.1.3.4 Create value through innovation and technology

The university is evolving its approach to innovation. Instead of focusing on intellectual property (IP) curation, we are shifting to the transfer or monetisation of our IP portfolio. This includes trimming the low-value or mature patents, and taking more relevant technologies to the marketplace.

Marketing NWU's technologies is a critical step of the technology transfer process, but was affected by the cancellation of various national and international events in 2020. We have pivoted to online marketing which will intensify as the pandemic persists.

Despite a difficult year for laboratory research, NWU researchers submitted 16 new IP disclosures to the Technology Transfer and Innovation Support Office, which filed four new patent applications. Among the disclosures were digital solutions to combat the Covid-19 pandemic, namely the TjopTjop™ health screening app, a method for remote monitoring of ventilators and a system to digitally process polymerase chain reaction or PCR-based diagnostic test results.

TjopTjop™ was initially being commercialised in-house to grow the customer base, which includes schools, businesses and large corporates. Developed by Prof Leenta Grobler and Dr Henri Marais, Faculty of Engineering,

the App won a United Nations Economic Commission for Africa (UNECA) innovation award and was a national finalist for South Africa in the World Summit Awards 2020.

Researchers also re-engineered existing technologies towards Covid-19 solutions. An example is the ozone generator prototype for disinfection, which was adapted from the ozone-producing method of Mr Barend Visser of Physics. He produced the prototype in collaboration with the School of Computer and Electronic Engineering and with the input of various NWU health sciences experts, and it will now be tested at various sites on the Potchefstroom Campus. The Technology Transfer and Innovation Support office played the role of connector in this multi-party collaboration.

Externally, the NWU was part of the MERSETA Viro-Vent Skills Innovation project, where we worked with researchers from four other South African universities to train scientists and engineers in ventilator development and production.

The Technology Transfer and Innovation Support office again received recognition for excellence in innovation management. Innovation manager Mr Hannes Malan received the DSI/SARIMA Award for Professional Excellence in Innovation Management in 2020. This followed the DSI/SARIMA award for Early Career Excellence in Innovation Management awarded to Mr FR Bezuidenhout, commercialisation Specialist, in 2019.

Licensing to industry, locally and internationally, is our preferred commercialisation route. In 2020, we concluded a new licence agreement for the Whartels™ mathematics board game.

The NWU's relationships with industry and communities are vital enablers of innovation and industry-led research. Efforts to develop these relationships will continue in all earnest.

"The university is evolving its approach to innovation. Instead of focusing on intellectual property (IP) curation, we are shifting to the transfer or monetisation of our IP portfolio. This includes trimming the low-value or mature patents, and taking more relevant technologies to the marketplace."

9.1.3.5 Challenges with research output

The Covid-19 pandemic has been a massive challenge for humanity but one that brought out the best in the research and innovation community globally. The NWU is privileged to have been able to contribute to solutions to some of the societal challenges posed by the pandemic.

By the same token, the global health crisis has exacerbated existing funding constraints, adding to the already significant effort that will be needed if we are to succeed in increasing our research output.

Another pre-pandemic challenge that has been amplified is the unequal distribution of contributions made to research and innovation. About 20% of our academics deliver almost 80% of our research output, limiting our ability to increase per capita output. This showed only slight growth from 0,94 in 2019 to 0.98 in 2020. We also view the lack of sufficient incentives for our productive researchers as a challenge.

9.1.3.6 Future outlook

The societal challenges within South Africa and the continent more broadly have been exacerbated by the Covid-19 pandemic and the inequalities and shortcomings it has exposed will have to be addressed in the months and years ahead.

There is room for contributions from researchers in all disciplines, from law and education to the natural and social sciences and the economic and management sciences. It is to be hoped that those not yet participating actively in research and innovation activities will heed the call to do so. This is in their professional best interests as the requirement to contribute has been formalised through the setting of research output targets in the faculties, in consultation with the relevant academics.

The NWU is playing its part through support mechanisms such as research leave, relief from teaching at selected times, dedicated research time for each academic and the integration of research into teaching and learning activities.

At the same time, we are formulating additional strategies to encourage and guide academics who do not deliver research output, and to retain those who are active researchers.

9.1.4 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 26 and, for information about governance, turn to page 83 in the section on governance supporting and protecting value.

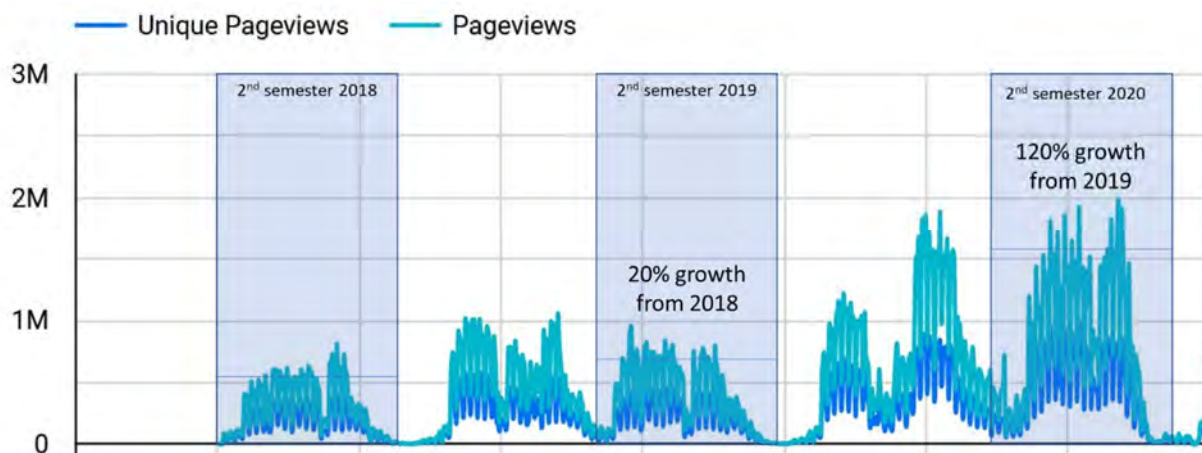
9.1.5 Material matter: Information and communications technology

As a 21st century university, the NWU uses information and communications technology (ICT) and digital resources for all aspects of its core business, as well as support services.

ICT affects two of our capitals: intellectual capital, such as 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.

The Information Technology (IT) department is responsible for enabling most of the university's technological capabilities and has comprehensive product, project and services portfolios.

Utilisation of IT products within the university community has been growing exponentially, an example being eFundi, our primary learning platform. The image below shows how activity on eFundi has escalated since 2018.



Since starting with online learning in 2020, the number of students using eFundi daily has at least doubled. Approximately 45 terabytes of traffic have been flowing to and from eFundi each month and lecturers have loaded about three terabytes of content on the system since the lockdown started.

Another factor that impacted our systems in 2020 was the huge increase in online meetings. During the first 16 days of lockdown in 2020, 5 470 connections were made on Vidyo, compared to 4 943 in the last six months of 2019. This does not include connections made via other virtual platforms such as Microsoft Teams, Google Hangouts, Zoom and Big Blue Button.

The IT team also developed a Covid-19 pre-screening app with questions that staff members have to answer before gaining access to the campuses.

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

9.1.6 Council statement on Information Technology

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 17 June 2021.

9.2 Our human capital



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

We create value for staff and students through our activities, outputs and outcomes. The infrastructure and support we offer our staff enable them to undertake research and teaching activities that increase the value of our intellectual and social and relationship capital. Similarly, when we provide students with various forms of support and high-quality study and residence facilities (manufactured capital), they are able to succeed academically and in other aspects of student life, which creates value for the university and strengthens our other capitals.

Student tuition fees increase our financial capital, and students increase our social and relationship capital when they graduate and contribute to society.

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. These matters are teaching and learning, research, community engagement, student value proposition, staff and student profile, ability to govern, lead and manage, information and communication technology, and financial sustainability.
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.

9.2.1 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.

9.2.2 Material matter: Teaching and learning, research, community engagement

9.2.2.1 Caring for our students

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

This goes beyond acquiring technical and professional skills. The world of work is changing rapidly – even more so since the Covid-19 pandemic broke out – and it is crucial for the workforce of the future to be well-rounded, versatile and adaptable global citizens. This is why social, cultural, arts and sport activities are such an important part of student life at the NWU. As a direct result of the pandemic, we moved these activities to online platforms, along with physical and psychological health and well-being services, while retaining traditional mechanisms of delivery where possible. Our agility in adapting our service delivery and student engagement continues, ensuring that our students have the life skills needed in a changing world. More information is available in the vice-chancellor's report on page 26.

9.2.2.2 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 value chain on pages 22, and in the section on our intellectual capital on page 53.

9.2.2.3 Career-related support

The NWU Career Centre remained functional and productive during 2020, using online platforms to sustain its employability offerings during the Covid-19 health crisis. Some of the systems and tools that enabled the centre to keep operating were the Career Zone jobs portal, the first virtual fair, social media platforms and the centre's websites.

The first NWU virtual fair attracted 48 companies and 2 771 students. We also offered CV training to 4 222 and held our first virtual work readiness seminars, in which eight companies from various industries gave presentations.

The Career Centre's social media outreach increased significantly, receiving 17 052 Facebook likes and attracting 17 749 followers.

We accelerated the drive to automate career services. Revised service level and data processing agreements were concluded to streamline data integration and allow easy interaction between employers and NWU students.

The 2020/21 Career Guide was published, comprising 24 company listings and numerous articles and advertisements.

9.2.2.4 Caring for our staff

Building staff capacity

Our staff continue to benefit from internal and external skills development opportunities, as well as formal training. These interventions build our employees' capacity and support their career development, which in turn increases our human capital.

About 20% 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.

We provide financial aid in the form of study discount benefits so that our staff and their dependants can study at the NWU. In 2020, we spent over R27,8 million on these benefits, which reached 1 003 people. Of these, 502 were staff members and 610 dependants. 422 were historically disadvantaged South Africans and 625 were female.

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 64 in the section on our value chain.

9.2.2.5 Empowering our researchers

In developing and motivating our researchers, we leverage opportunities that come with being part of the larger research community in South Africa. In 2020, such opportunities included five research integrity webinars with speakers from the National Research Foundation (NRF), the Southern African Research and Innovation Management Association (SARIMA) and the NWU itself.

Emerging researchers are encouraged to further their studies. During the year, they received study funding support of over R3,5 million from our University Capacity Development Programme. In addition, NWU staff busy with their master's and doctoral studies received support worth R2 613 675 through the NWU Staff Discount Scheme and R1 005 838 in Emerging Researcher grants.

In 2020, 227 researchers attended 12 research capacity-building workshops on supervision and article writing.

Our annual Research and Innovation Excellence Awards fulfilled a dual role: recognising outstanding researchers for their contribution and inspiring others. You can read more about these on page 25 in the section on our value chain.

9.2.3 Material matter: Student value proposition

We affirm that our students remain our primary stakeholders, and we continuously refine the services, programmes and offerings available to them to ensure that they receive the necessary support and opportunities to positively grow into well-rounded and socially responsible individuals. In addition to the academic support and career advice that we provide, our students have access – both physically and in the online environment – to various wellness support services and skills development programmes.

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

The campus disability rights units 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 provide crisis interventions to identify and support at-risk students through *Thuso*. Such interventions proved instrumental in supporting our students to cope with the stresses brought about by the pandemic. Through this programme, registered psychologists provide services that promote the psychological wellbeing of students so that they can flourish in their studies and personal lives. Despite the limitations imposed by the Covid-19 pandemic, we were able to provide our students with psycho-social support services using online, telephonic and SMS platforms.

9.2.3.1 Dropout rates

Our student to staff ratio decreased from 31.93 to 29.17 in 2020. Our first-time entrant dropout rate has decreased from 10.8% in 2019 to 9.1% in 2020.

<i>How much value we created, compared to previous years</i> Dropout rate	2017	2018	2019	2020
First-time entrant dropout rate for contact degrees	11,11%	9%	10,78%	9.1%

How much value we created, compared to our target

	Target	Definition	Actual
Academic staff full-time equivalent ratio : students	26,6	Based on HEMIS data and refers to the enrolled student full-time equivalent divided by the permanent instruction/research professionals full-time equivalent.	29.17
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.	9.1%

9.2.4 Material matter: Develop and retain excellent staff and create an equitable staff and student profile

9.2.4.1 Our employees matter

Our wellness offices support the all-round wellbeing of our staff through services that encompass biopsychosocial and spiritual facets.

We have a comprehensive employee wellness assistance programme, Care Ways, for NWU employees and their immediate families. The programme provides access to experienced counselling professionals who assist with personal, family and work-related problems. This free service is available 24 hours a day.

Our campus health care centres offer health services to staff, while our campus disabilities offices provide support for staff living with disabilities, in line with our Disability Policy. We also host an HIV and AIDS workplace programme and a toll-free emergency number that operates 24 hours a day, seven days a week.

Campus Protection Services and the Occupational Health and Safety Policy and Office contribute towards a safe and secure working environment.

9.2.4.2 Staff profile

Striving to create an equitable staff profile, we are guided by our employment equity plan that is running from January 2016 to December 2020. The freezing of vacancies necessitated by the staff- cost risk mitigation plan due to the Covid-19 challenges had an adverse impact on our ability to reach the employment equity targets.

How much value we created, compared to previous years

	2016	2017	2018	2019	2020
African (%)	33,5%	34,5%	35,9%	37,5%	38.3%
Coloured (%)	5,7%	5,7%	6,3%	6,5%	6.6%
Indian (%)	1,2%	1,3%	1,3%	1,5%	1.6%
White (%)	59,6%	58,5%	56,5%	54,5%	53.4%

How much value we created, compared to our equity targets

	2020 target	Actual
African (%)	37,5%	38.3%
Coloured (%)	86,4%	6.6%
Indian (%)	1,5%	1.6%
White (%)	54,4%	53.4%

9.2.5 Council statement on conflict management

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 2020, 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 17 June 2021.

9.2.6 Council statement on worker and student participation

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.

Statement approval obtained from the NWU Council on 17 June 2021.

9.2.7 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. This combination ensures that our systems are well maintained and that staff and students on all three campuses have the necessary hardware and software, as well as access to help desk services for daily support.

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 71.

9.3 Our social and relationship capital



See how we explore, expand and evolve

Solving widespread hunger – two million meals at a time

Millions of citizens were unable to earn a living during the lockdown, leaving tens of millions of dependents not knowing where their next meal is coming from.

This crisis encouraged our engineers to adapt their way of thinking and explore several possible solutions to this problem.

Taking their innovations to a higher level, NWU spin-off company, CFAM Technologies developed a food auto bank – a recycled shipping container filled with dried porridge and placed in a strategic location in a residential area.

Coupons bearing a pin number are sent to cellphones, and when keyed in on the autobank’s digital keypad a bag of dry porridge is delivered via the chute.

As a university we appreciate that a substantial part of our success in creating value depends on the relationships we have with individuals, groups and communities outside the NWU – locally, nationally and internationally. These relationships constitute our social and relationship capital.

When our stakeholder relationships are sound, they contribute to our social licence to operate, meaning that our stakeholders broadly approve of what we do.

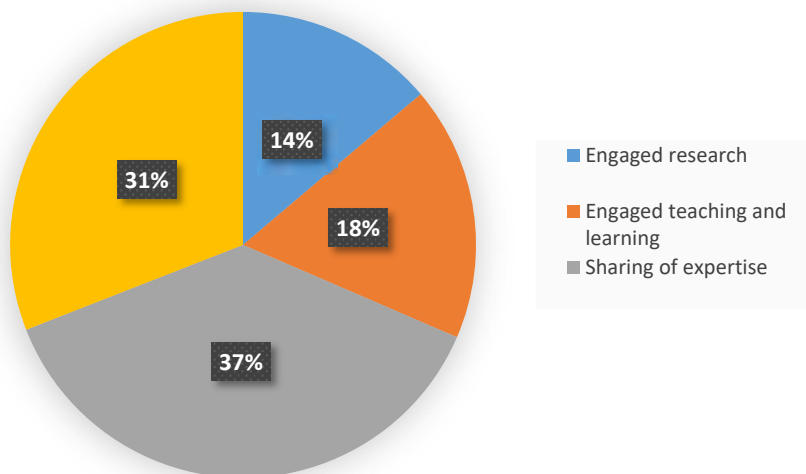
Effective engagement with our external stakeholders increases the value of our social and relationship capital.

Stakeholders who will benefit from effective engagement with the NWU	External stakeholders who need to benefit from our engagement with them 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	Our relationships with external stakeholders directly or indirectly influence all our goals as a university that strives to benefit society through knowledge. In increasing the value of our social and relationship capital, our communication, marketing and stakeholder engagement activities also fulfil an important role.
Risks involved	Communities surrounding our campuses may withdraw their support for WIL or service-learning opportunities, on which the NWU and our students are reliant, or may decline to participate in research initiatives involving community engagement. 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.

9.3.1 How we created value

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

The Covid-19 pandemic caused hardship in many communities around our campuses in 2020. In response, our staff and students undertook many interesting, innovative, selfless and creative activities to assist communities and a total of 105 engaged activities were reported. The figure below provides a breakdown of our 2020 community engagement activities:



Service learning for students is an important part of our community engagement work. Since 2019, we have been making contact with local non-governmental organisations (NGOs), public benefit organisations (PBOs) and religious organisations with a view to updating our database of legitimate service-learning partners for student placements. We have continued to make this a priority in order to expand the number of modules that contribute to service learning in our communities and have started to expand our data by calling our partners on the database to verify the status quo.

9.3.2 Material matter: Teaching and learning; research; community engagement

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; even student outreach can contribute to the acquisition of soft skills such as planning, negotiation and collaboration.

In 2020, we carried on integrating these two types of learning into our Teaching, Learning and Assessment Policy and Rules. We are continually exploring the possibility of developing and adding service-learning modules to our programme offering. The WISL database that was designed to assist with the tracking of student placements for work integrated learning will also be utilised for service learning.

In 2020, as our responsiveness was challenged, we found new and innovative ways of engaging with our community partners. This varied from outreach and providing food to those in need to donating personal protective equipment (PPEs).

We also deployed our mobile science labs to advance Covid-19 testing by the North-West Department of Health, conducted awareness raising through radio and designed a mobile app for use at schools when learners returned to the classroom.

As part of service learning, education students utilised social media to provide teaching assistance to teachers at schools. Commerce staff and students from the Vanderbijlpark and Potchefstroom campuses used social media platforms to provide tax tips to individuals, dealing with lockdown-related topics such as the impact of working from home on tax and travel allowances, as well as how to manage personal finances.

The NWU's law clinics and psycho-social service centres continued enabling students to integrate theory and practice while serving communities. At the Potchefstroom law clinic from 1 January to 30 June 2020, 50 client files were opened; 69 client files were closed and 125 active files were carried over to July 2020. Furthermore, law clinic staff and students saw 810 clients and attended 117 court proceedings.

The law clinic in Mahikeng opened 108 new files and finalised 82 matters in court, including divorces, domestic violence, children's court matters, evictions, civil claims and maintenance matters. The clinic also advised 75 clients. Given the perceived increase in domestic violence during the pandemic, it was important to continue offering access to justice and legal aid to people in need. (During the first three weeks of the Covid-19 lockdown, the government's gender-based violence and femicide command centre recorded more than 120 000 victims.)

9.3.3 Material matter: Research

We conduct research with, in and about communities and the real-life problems they face, thereby empowering people and improving their quality of life while increasing our social and relationship capital.

An example is the Bacha Tswelopele (Youth Taking Charge) project, which entailed investigating how a participatory action learning and action research approach can enable unemployed youth to take the initiative to make themselves and their peers more employable.

We partnered with Gatelepele Youth Development Consultancy in Khuma to ensure the sustainability of the project which, in addition to developing the employability skills of participants, examined the perceptions of local youth towards unemployment.

During this project, we developed an inclusive, ethical and sustainable framework for mutual learning and development through community-university partnerships. Based on this, we designed a short-learning programme to address the lack of public recognition of community learning and development, and the related challenge of adapting university systems (eg ethical approval) to support community-based research.

A team of NWU engineers, lead by Mr CP Klopper, is working on 3D printing of face masks, and have designed a ventilator that has been listed amongst top three in the #ZA Ventilator Challenge. Researchers in the Faculty of Natural and Agricultural Sciences developed a viable and cost-effective assisted-breathing device to contribute towards the fight against Covid-19. The "ventilator" prototype was demonstrated at a gathering of officials of the North West Provincial Department of Health and stakeholders at Wes Vaal hospital in Orkney on 17 June 2020.

A Potchefstroom Engineering Company, CFAM Technologies, which is a spin-off company of our Faculty of Engineering, helped in the battle against hunger by developing their first food "ATM". It consists of a reclaimed shipping container, filled with dry porridge, which uses an electronic dispensing system. Residents receive a PIN number on their mobile phones, which they enter on the food TM's digital keypad to gain access to a bag of dry porridge.

Knowledge exchange, nationally and internationally, is an important part of our research and community engagement ethos. Among others, Dr Mulunda Mwanza from the Faculty of Natural and Agricultural Sciences collaborated with the provincial Department of Agriculture to arrange activities in communities and secured an ambulance for use in the community. He organised animal health training for emerging farmers, using funds from the Health and Welfare Sector Education and Training Authority (HWSETA), and received an award from the NWU for Excellence in Community Engagement.

Prof Petra Bester and Prof Andrew Robinson from Health Sciences assisted the North West Province Department of Health with Covid-19 contact tracing and monitoring (surveillance), data capture, epidemiology modelling and trend analysis. Prof Hazel Mufhandu was part of the team formed to take action in the event of an increase in the infection rate.

The African Centre for Disaster Studies within the Unit for Environmental Sciences and Management has been running a multidisciplinary think tank on the Covid-19 pandemic since 3 March 2020. The centre has advised the Department of Health (DoH) on the declaration of a national state of disaster, the creation of the Covid-19 WhatsApp service, drafting of the quarantine sites protocol and lockdown protocols. Currently it is involved in scenario planning and forms part of DoH's multi-institutional Covid-19 modelling teams.

Various units within the university embarked on radio campaigns to raise awareness about Covid-19 precautions, including the Mahikeng Campus Science Centre.

9.3.4 Material matter: Student value proposition; develop and retain excellent staff

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

The deputy vice-chancellor for community engagement and Mahikeng Campus operations and the deputy chairperson of the Students' Campus Council distributed food parcels and vegetables to students off campus in May 2020 in Mahikeng.

Student RAG Community Services (SRCS) on the campus in Potchefstroom was able to donate clothes collected in 2019 and food collected in early March 2020. Annually, more than 400 students actively participate in over 80 similar projects in the greater Potchefstroom area.

The Student Campus Council of the Mahikeng and Vanderbijlpark campuses collected food, clothing and toys and distributed these in the communities, specifically at early childhood development centres.

These activities embody the culture of citizenship that the NWU strives to instil in students.

9.3.5 Challenges and future outlook

Technology development and online education can be valuable tools for making the NWU and its activities more accessible to communities. However, in endeavouring to assist communities and contribute to social justice under the new normal of the pandemic, the magnitude of the digital divide became evident. Because data is expensive and not all external partners are equally equipped in terms of connectivity, the playing field is unequal and could hamper our efforts to advance social justice.

Another challenge is that the communities we work with are accustomed to face-to-face interaction, in particular when trust has to be built with new partners. It will require a “cultural reset” to build new relationships and maintain existing ones using mainly online methods.

These challenges will have to be factored into efforts to get closer to communities.

The Covid-19 pandemic has exacerbated poverty, inequality and unemployment in many of the communities around our campuses, and amplified the obligation that institutions such as the NWU have to contribute to poverty alleviation and community capacity-building.

Our staff and students responded with agility and creativity to these challenges in 2020, bearing in mind that the range of community engagement activities available to them was severely curtailed as a result of the national disaster regulations. Amid projections that the pandemic will continue into 2021, the experience gained during the past year will be invaluable to the university and communities alike.

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 and also aligns with the Agenda 2060 for Africa.

9.4 Our natural capital



As with so many other aspects of human existence in 2020, the Covid-19 pandemic highlighted how vital it is for our society to safeguard natural resources such as water. Water, together with healthy soil, clean air and suitable land, are fundamental to the sustainable operations of the university and our ability to add value to our other capitals.

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).

9.4.1 How we created value

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 2021.

As there was limited utilisation of our campuses in 2020, our use of resources such as energy and water were considerably lower than in previous years, which has arguably had a positive effect on our environmental footprint. Depending on how universities resume operations in 2021, this could be a temporary or more lasting scenario that will have to be taken into account in our environmental impact strategy and measurement processes going forward.

9.4.2 Material matter: Promoting 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 106.)

Environmental audit

For the past six years, since conducting an institution-wide environmental audit, we have been systematically correcting the non-compliance issues found. This work was interrupted in 2020 as a result of the pandemic, when most of our staff worked remotely and very limited on-campus resources were available. We expect that compliance-related work will resume, to some extent at least, during 2021, although this will depend on the conditions under which the university is allowed to operate.

The different role players identified in the initial environmental compliance audit are still responsible for finalising outstanding compliance issues. Where applicable, responsibility for achieving these targets will be included in task agreements.

9.4.3 Material matter: Student value proposition

Yet again, the disruptive effect of the Covid-19 pandemic was felt. The various Green Campus initiatives that were up and running to save energy and water, to encourage recycling and to raise awareness of environmental sustainability had to be put on hold. With no students living in the residences, for instance, the annual energy-saving competition was postponed.

One area where there has been progress is in incorporating environmental sustainability issues into the curriculum. Several existing modules contribute substantially to student environmental training, such as those on Environmental Philosophy and Marine Spatial Planning, which cover issues such as marine pollution, microplastics and fishing pollution. Third-year tourism management students undertake eco-tourism recycling projects.

The e-Agro-Tourism CoLab funds e-agriculture skills within communities in the North West Province and runs a food security project at various schools. The CoLab is funded by the National Electronic Media Institute of South Africa (NEMISA) and assists schools to start their own vegetable gardens and gain environmental insights. The schools that benefit from this outreach are Lokaleng, Signall Hill, Ramosadi, Seetsele, Lotlamoreng and Podile primary schools.

All final-year engineering students take a course that has significant environmental content. Research contributions from engineering included a project on the reduction of organic fraction of municipal solid waste. This entails using solid waste and sewage sludge to produce solid and liquid fuel products, bio-adsorbents and biochemicals.

An important contributor to environmental sustainability scholarship and research is the South African Research Chair (SARChI) in Cities, Law and Environmental Sustainability (CLES) in the Faculty of Law. The chair is part of the SARChI Initiative of the National Research Foundation and focuses on legal scholarship and research skills development for sustainable urban development in South Africa, the broader African region and beyond.

9.4.4 Challenges and future outlook**Challenges**

It is clear that the NWU has limited specialised expertise in environmental remediation and sustainability matters.

We took steps to begin correcting this in late 2019, when we prepared a draft strategy and policy guideline on environmental responsibility. This was submitted for consultation with all stakeholders in December 2019. Currently no progress can be reported on this matter.

Future outlook

We have benchmarked ourselves against other universities to determine proper placement of the environmental management office. Indications are that this office should be part of the Facilities department.

As a starting point towards establishing an environmental management office, we are considering appointing an environmental expert who will be responsible for coordinating environmental issues at the university.

The Sustainability and Community Impact Office will continue with awareness creation, for instance by developing posters that highlighting different aspects of sustainability such as littering, water and electricity usage.

As students and staff return to our campuses, we will be able to resume activities such as the Flip-the-Switch campaign launched in March 2019 to highlight energy consumption and the impact it has on the environment.

Due to the Covid-19 pandemic, there were fewer people on our campuses in 2020, and consequently the challenge of litter was considerably reduced. As students and staff return to our campuses, we will however place more bins on our campuses to separate waste. We also intend to utilise the separation-at-source model for a variety of consumables that are normally treated as general waste.

Some of our other future plans include encouraging the habit of using jugs and water glasses instead of plastic water bottles at campus meetings, and encouraging our campuses to celebrate important days such as Arbor Day on 1 September.

9.5 Our financial capital



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

Managing our income and spending, as expressed in our annual budget, is the key to the health and stability of our financial environment, which is a prerequisite for achieving 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.

9.5.1 How we created value

We practise stringent financial discipline in planning, managing and investing our financial capital. This ensures access to adequate funding for operational requirements, sufficient capital expenditure to meet these needs and a healthy balance sheet.

9.5.2 Material matter: Ensure the financial sustainability of the NWU

Securing the NWU's long-term financial sustainability requires us to distribute our resources in a way that supports our core business strategies.

When compiling the annual budget, our budget task team prepares a high-level break-even budget on a cash-flow basis. The budget for 2020 was shaped by the realistic prediction of income, translating to expenses that we can "afford". This means we paid close attention to the calculation of the key sources of revenue, taking into account all the latest, most relevant information available.

As a financial sustainability guideline to steer the NWU towards the ideal combination of income and expenses, we used pre-determined ratios (expenses measured as a percentage of core business income). The 2019 budgeted expense ratios were used as the basis for the 2020 expense budget. The result of the income calculation gave an indication of the adjustment needed in terms of the 2020 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

The Covid-19 pandemic was an unforeseen event and was therefore not included in the 2020 budget. In the next paragraphs we explain our strategy to manage the financial impact of the Covid-19 pandemic during 2020 and in the years beyond (medium term).

9.5.2.1 How we managed the financial impact of the Covid-19 pandemic

The full financial impact of the Covid-19 pandemic for the NWU and the sector, as well as South Africa, is still unknown. Financial losses will be inevitable and therefore we have adopted a prudent approach that entails compiling different scenarios based on financial risk factors with various assumptions. The aim is to determine the possible financial impact and put a mitigation plan in place to ensure financial sustainability in the medium to long term.

Our cautious wait-and-see approach is also flexible, ensuring that we use the latest information to make decisions. We are continuously updating our financial impact model and mitigation plan as and when more information becomes available, using the model as the baseline in order to guide decision-making, which can be scaled up or down.

We are working from the stance that we need to:

- manage the unknown as and when it occurs.
- support the remote learning mode so as to reduce any possible negative impact on the throughput rate, enable students to complete the academic year successfully and retain students.
- preserve permanent and fixed-term appointments and salaries, also towards the medium to long term.

The main focus is on cash flow management and including the forecast in revising the 2021-2023 budget.

in the following sections we explain how we financed our strategic initiatives in 2020 and allocated our funds to achieve our goals and implement our enablers.

9.5.2.2 How we plan to finance our strategic initiatives

The strategic fund is used to invest in our strategy, in addition to aligning all activities and allocating resources (the normal operating budget) with the strategy and success model of the university. The fund is therefore used to allocate funds for specifically identified strategic projects. Managers request funds for these projects during the budget process. In 2020, when preparing the strategic fund allocation, we also analysed the previous year's strategic fund allocations/projects to determine possible savings that could be redistributed to fund new priority strategic projects in 2020. The university management committee approved the allocation of strategic funds.

To follow is how we financed our strategic initiatives in 2020 and allocated our funds to achieve our goals and implement our enablers.

9.5.2.3 Strategic projects per goal/enabler

9.5.2.3.1 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
- SABPP Accreditation project
- First generation study project
- Transformation of learning spaces project
- Work integrated learning (WIL) and service-learning management project

9.5.2.3.2 Research and innovation

Goal 2: Intensify research and innovation.

- Furnishing of new piggery unit
- Seed funding for research hub on Mahikeng Campus
- PhD review

9.5.2.3.3 Students

Goal 4: Develop a clearly differentiated student value proposition.

- Re-branding of NWU sport teams

9.5.2.3.4 Improved technology

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

- Developing a Digital Business Strategy (DBS)
- Establishing the NGDE architecture

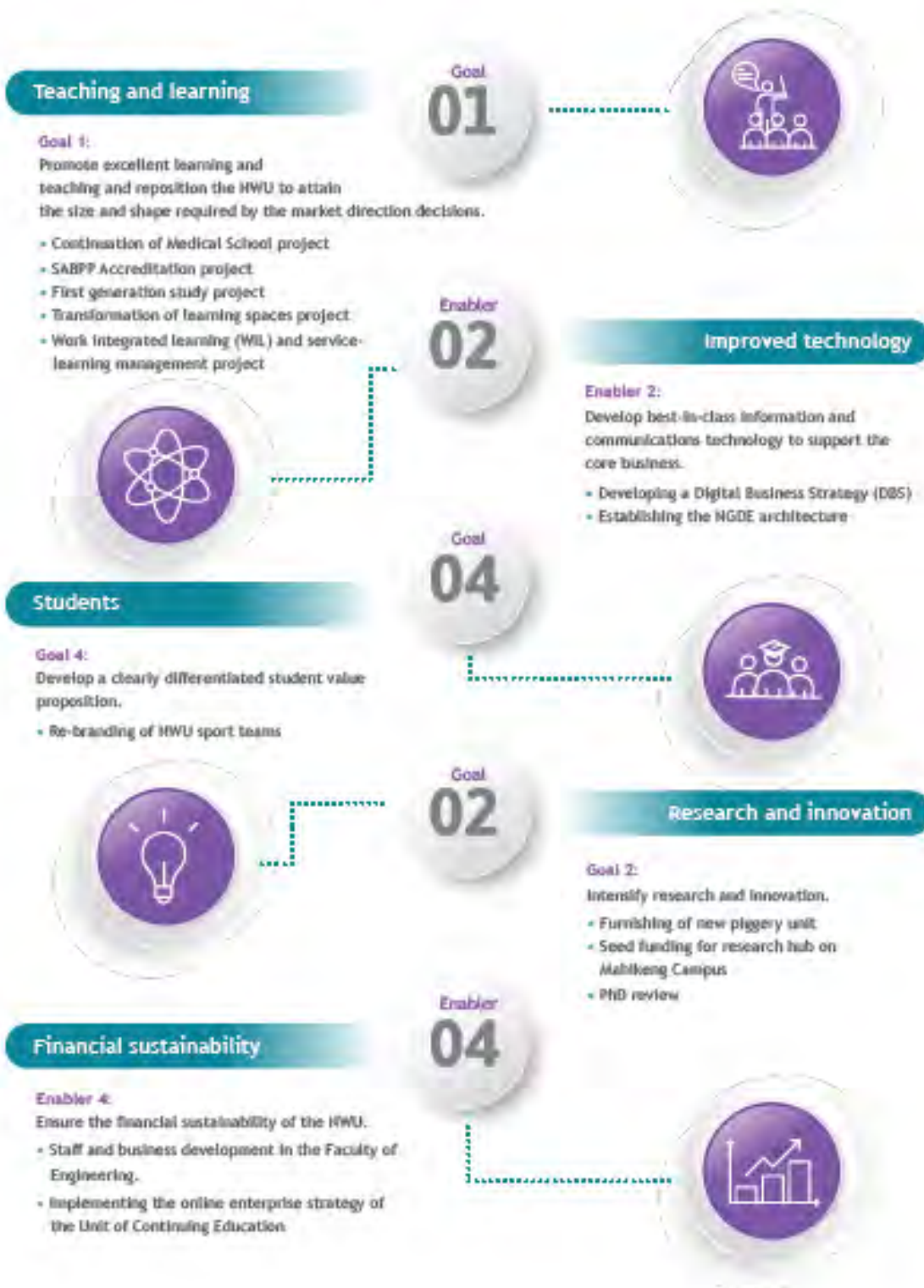
9.5.2.3.5 Financial sustainability

Enabler 4: Ensure the financial sustainability of the NWU.

- Staff and business development in the Faculty of Engineering.
- Implementing the online enterprise strategy of the Unit of Continuing Education

9.5.2.4 Funds allocated per goal/enabler

Strategic projects per goal/enabler



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

In response to #Feesmustfall, the annual across-the-board tuition fee increase that the DHET has requested since 2015, has been based on the consumer price index (CPI). The CPI rate is not representative of the increase in cost required to operate a university and we regard the so-called Higher Education Price Index (HEPI) as a better yardstick.

Universities are also grappling 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. Universities would need to adjust their expenditure in line with price changes (as calculated by the HEPI) if they would like to maintain the same level of quality and real output. However, volume changes based on the so-called Higher Education Volume Index (HEVI), should also be taken into account when estimating total budgetary requirements, resulting in a Higher Education Budget Index (HEBI). The Bureau of Economic Research (BER) analysis of the 2017 – 2019 dataset found that the cost of higher education was higher than headline inflation at the time.

The financial impact of the Covid-19 pandemic on the short- and medium-term can be added to the challenges that we are facing and will still be facing in the foreseeable future.

The possible impact of risk factors we considered as part of our financial impact model include lower block grant subsidy because of decreased 2020 outputs, lower block grant- and earmarked funding available to universities due to the financial difficulties that government is experiencing, the global economic downturn, etc. These were factored into the 2021-2023 rolling budget as part of the mitigation plan to ensure future financial sustainability.

However, there is a limit to what universities can achieve without a sustainable national funding model. Our view is that the NSFAS model is also not sustainable and that, owing to the considerable increase in the number of NSFAS-qualifying students, the model poses a sustainability risk for the higher education sector.

Covid-19 also brought about opportunities to expedite our digital business strategy and blended-learning model, which have an impact on how we will utilise our resources, while improving on the student experience and value proposition.

9.5.4 Future outlook: how to maintain financial sustainability

The funding of higher education and the as-yet unknown impact of the pandemic have 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, optimising the use of infrastructure and managing our mitigation plan and cash with the utmost care, while reviewing the higher education and NSFAS funding model. If not, 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.

"We are committed to maintaining financial stability, and therefore it will become increasingly important to generate our own income, review activities that are not financially viable and focus on disciplined cost."

9.5.5 Council statement on borrowings

The NWU did not enter into any new long-term borrowing agreements in 2020.

Statement approved by Council on 17 June 2021.

9.5.6 Financial review

This is the report of the chairperson of the Finance Committee of Council and the Executive Director: Finance and Facilities.

The purpose of this report is to present a summary of our financial results for 2020 and to provide information about the following:

- Budgeting and budgetary control processes
- Overview of financial achievements

9.5.6.1 Budgeting and budgetary control processes

The Finance Committee of Council approved the budget process and timeline for the 2020 budget in May 2019.

We used an interactive budget process and all levels of management ownership and participated actively in compiling the budget (per planned activity) for the next year and, where possible, applied zero-based budgeting principles.

The main focus within each executive portfolio during the budget process was to "cost" their annual performance plan for 2020, thus putting an R-value to their plan. This plan needed to be aligned with the managers' portfolio's strategy, the NWU strategy and NWU Annual Performance Plan (APP).

Budget discussions took place on various management levels. Each executive manager also had the opportunity to discuss his/her portfolio budget with the budget committee task team to ensure that the detailed budgets were aligned with the NWU strategy, that managers attended to equity of resource provision and possible risks and concerns were identified. Consultation sessions with the Senior Management Committee (SMC) were held to consult on the staff-fund allocation (focus, principles and recommendations) and to give feedback on the proposed 2020 budget.

The high-level budget, taking into account the approved APP, the viability and sustainability indicators and other financial information available, was used as a budget framework during the budget process.

9.5.6.2 Financial overview

Please see Annexure 5 on page 150 for the full financial overview.

9.6 Our manufactured capital



Our manufactured capital is the physical infrastructure that supports our core business activities and helps us to provide services to our stakeholders. It consists of buildings and infrastructure, including lecture halls and laboratories, as well as teaching technology, research equipment, IT systems and infrastructure, that enable our staff to teach our students and do research and community engagement. When we put our facilities and infrastructure to work, we increase our intellectual, human and social and relationship capital and support 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.
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Material matters (goals or enablers) involved	Teaching and learning, research, student value proposition, our ability to govern, lead and manage, information and communication technology, communication, marketing and stakeholder engagement, financial sustainability.
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.

9.6.1 How we created value

Through our various building and maintenance programmes and IT infrastructure, we created value for our stakeholders and increased our manufactured capital.

How we weathered the Covid-19 storm

- Students in our residences

The Covid-19 pandemic brought about a whole new way of accommodating students in university residences during the various alert levels. High levels of compliance to residence protocols were demanded from students and it was through the implementation of strict compliance rules that the university managed to contain the spread of the virus to the bare minimum.

Students were allowed to return to campuses and residences according to the regulations under Alert Level 3 to Alert Level 1. The majority of the residence students accepted the invitations to return under the various levels.

Management engaged extensively with the DHET and the rest of the educational sector to develop a rebate formula for the residence fees based on the savings generated on the variable cost portion of the residence expenses. The rebates ranged from 0% to 8% for an average of 5% of the residence fees for 2020.

- Safety on our campuses

A comparison of crime statistics in 2019 and 2020 indicated major decreases in crime during the lockdown associated with Covid-19.

The lockdown levels across South Africa and the university's online learning approach meant there were very few students and staff members on or in the vicinity of our campuses who could be targeted by criminal elements. This, together with visible policing, is the main reason for the reduction of crime in 2020.

On campus and around our campuses by NWU Protection Services officers, the South African Police Service and the South African National Defence Force carried out regular patrols, serving as a deterrent to potential offenders.

Another reason for the decrease in crime around our campuses was the ban on the sale of alcohol at times during the lockdown. Alcohol has always been a catalyst for crimes such as assaults, incidents of which declined markedly during the alcohol bans.

Although Covid-19 negatively impacted our progress in developing the infrastructure of the NWU, the challenges of the initial lockdown levels were overcome by implementing remote working practices, which enabled the project planning and procurement processes to continue. We implemented Covid-19 safety protocols at all our sites and ensured that all contractors and suppliers followed these. The safety protocols and procedures were developed and approved by our Covid-19 task team.

9.6.2 Infrastructure development

We spent a total of R163 million from the DHET and our own funds in 2020 for capital works, macro maintenance and minor works across the university. The following table gives a spending breakdown.

		Potchefstroom Campus	Mahikeng Campus	Vanderbijlpark Campus	Projects Across Campuses	Total
DHET	Funding 2015-2016			R 912 696	R -	R 912 696
	Funding 2016-2017	R 12 194		R -		R 12 194
	Student Housing 2016-2017	R -	R 29 699 762	R -	R -	R 29 699 762
	Student Housing 2017-2018		R 536 658			R 536 658
	Funding 2017-2018	R 166 060				R 166 060
	Funding 2018-2021	R 1 539 504	R 7 726 089	R 2 583 970	R 18 410 156	R 30 259 718
Capital Works	New	R 17 914 641	R 8 308 671	R 23 768 467		R 49 991 779
	Upgrade	R 11 596 298	R 10 140 040	R 6 974 330	R 3 515 988	R 32 226 655
Macro Maintenance		R 6 462 323	R 276 164	R 5 821 833	R 4 373 082	R 16 933 402
Minor Works		R 1 292 134		R 900 656	R 97 532	R 2 290 322
	Total	R 38 983 154	R 56 687 384	R 40 961 951	R 26 396 758	R 163 029 247

9.6.3 DHET grant funding

In 2020, the total spent from DHET grant funding from various funding cycles amounted to R61 687 088. This excluded R82 218 434 from NWU capital funding and R19 223 724 on macro and maintenance expenditure.

The NWU needs to invest in infrastructure for digital transformation, in line with our Digital Business Strategy (DBS), which is in turn aligned with the DHET's priorities. We have submitted an application for the first phase of this to the DHET.

9.6.4 Accommodation for our students

Student housing on and in close proximity to the three campuses consists of 41 university-owned residences and four leased accommodation facilities being operated as formal residences. Collectively, these have the capacity to accommodate 11 066 students. The staff complement of these residents includes 110 residence officers and house parents.

Through a joint initiative by the NWU, Development Bank of Southern Africa and the DHET, we have started to build additional residences on the Mahikeng Campus to accommodate up to 1 728 more students. The planning, procurement and sourcing of funds was mostly completed in 2019 and construction started in August 2020.

By making sure our students have safe accommodation on or around our campuses, we strengthen our student value proposition (including safety and security, and provide a space that is conducive for studying) and consequently, our human capital.

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.

9.6.5 Complying with norms and standards

All new student residence developments are developed in line with approved minimum norms and standards for student housing as prescribed by the DHET. When residences are upgraded, we ensure that the changes and improvements comply with these standards.

In 2020, the Covid-19 pandemic delayed the phasing in of the minimum norms and standards at residences which do not currently comply. This work will resume in the coming year.

A refreshed student accommodation strategy is in the development stage and includes an analysis of student behaviour in relation to residences. The new target is to increase the percentage of residence places available for first-time entrant students to at least 30% of the total residence capacity.

We made good progress with the accreditation of private student accommodation suppliers, in line with the DHET's expectation of the role that universities must play in this space. This was despite a very short lead time for the implementation of the guidelines.

The DHET has allowed the universities to develop their own accreditation criteria based on their unique circumstances as it is not feasible to have one set of guidelines for all the universities. To this end, the NWU has established guidelines that identify the accommodation needs and available spaces on each campus. The accreditation department is funded from the proceeds of the accreditation process and is well placed to ensure the supply of an acceptable standard of student accommodation.

9.6.6 Construction and refurbishment

Like all other campus operations in 2020, infrastructure, design and construction projects were interrupted during 2020, resulting in project backlogs. In all, 111 calendar days were lost during the period from 26 March to 3 July 2020.

In response, we prioritised and reevaluated projects, ensuring that all critical projects continue and postponing others, as approved by Council.

Construction sites were opened under strict Covid-19 regulations and some projects were completed during the year.

9.6.7 Large projects completed during 2020

Facilities completed the following capital projects in 2020:

- Building A7 - Upgrade Library on the Mahikeng Campus (final phase)
- Bulk services infrastructure (NWU water reticulation)
- Develop multipurpose facility for student social life (Rag farm)
- Building A2 - Upgrade roof of storage area

Total expenditure on capital projects came to R49,9 million for new infrastructure and R32,2 million for refurbishments. Several large projects have reopened and are still in construction phase.

9.6.8 Macro maintenance projects completed during 2020

Addressing deferred maintenance remained a priority for the university throughout 2020, despite the pandemic. The following macro maintenance projects were completed:

- Building 20 and 21 - external renovations of technical facilities, which included demolishing asbestos buildings
- Building G16 and E7 - upgrading the roofs and ceilings of lecture halls
- Resurfacing three rugby fields and installing irrigation on one field
- Resurfacing netball, tennis and other courts at the Fanie du Toit sports ground.
- Upgrade HT substations on the Mahikeng and Potchefstroom campuses
- Installing water meters on the Mahikeng and Potchefstroom campuses

The total spend on macro maintenance for 2020 amounted to R16,93 million. The projects that were not attended to were carried over to 2021 for implementation.

9.6.9 Smaller projects completed during 2020

Seven smaller projects with a combined value of R2,29 million were completed across the campuses.

9.6.10 Projects carried over to 2021

Due to the impact of Covid-19 on construction activities and to manage the cashflow of the university, 32 projects were carried over into 2021 and nine were re-scheduled for implementation in 2022. These projects will be completed over the next two years.

9.6.11 Facilities strategic optimisation project

In an effort to optimise the facilities environment, a strategic project was implemented to improve the business processes of Facilities and related departments. The aim is to bring about optimal integration and alignment of role

players, systems and processes to support the NWU's unitary strategy. The project was initiated in 2019 and gained good momentum in 2020 despite the challenges of social distancing and working from home. The final phase of the project is scheduled for completion in 2021.

9.6.12 IT infrastructure and developments

IT plays an indispensable role in the value chains of teaching and learning, research and the student life cycle, from student access to tertiary education through to continuous professional development for our graduates and others. Optimal, cutting-edge IT support is provided to all students and staff.

Here are some of the 2020 highlights of IT's contribution to the strengthening of our intellectual and human capital:

- IT played a key role in enabling emergency remote learning, as well as work from home. Nearly all services could be accessed from anywhere. We were proud to implement virtual application environments, enabling students to have access to all their PC lab applications.
- Security was, and still is, a big concern in the work-from-home era. NWU had a ransomware attack in July 2020, but we were able to fully recover most critical services in one day and all other services in seven days.
- IT also played a key role in national negotiations for the zero rating of websites, as well as affordable data packages for students.
- Many major projects are under way. Preparations to implement a brand-new student information system are currently in the request for information (RFI) phase, and the first phase of the integrated work management system will be live in the first month of 2021. Robotic process automation opportunities are being evaluated. These are just a few of over 100 active IT projects.
- IT resolved 38 000 incidents and dealt with 143 000 incoming and outgoing calls, all remotely.
- 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.

9.6.13 Future outlook

Being able to respond to the "new normal" during 2020 raised our confidence tremendously, as did the general stability of our IT services during the pandemic.

Years of applying good principles in planning and design are now bearing fruit. It will also be much easier to focus on digital business transformation going into the future and participating to the full in the 4IR.

"Our investment in IT infrastructure, support and teaching and learning solutions will determine the NWU market share in the teaching and learning value chain, as well as in the student life experience."

9.6.14 Council statement on additional investment in infrastructure

STATEMENT ON ADDITIONAL INVESTMENTS IN INFRASTRUCTURE

"All additional investments in infrastructure at the NWU during 2020 were duly authorised."

Statement approval obtained from the NWU Council on 17 June 2021.

9.6.15 Plans for the future

The coming year will see further renewal of the buildings and infrastructure on the three campuses.

On the Vanderbijlpark Campus, we are on track to complete the new administration building in 2021 and will then convert the existing administration building into a multi-purpose hall.

The new main road and lecture halls should also be completed in 2021 and construction will start on Psycho Social Health's new building which is planned for completion in 2022. We are also planning a new building-link between the two buildings occupied by the Faculty of Economic and Management Sciences to improve and expand the teaching and learning experiences and spaces of staff and students.

Highlights on the Mahikeng Campus will be the completion of the first phase of the new student residences and the addition of new lecture rooms to support the new way of teaching and learning. The Disability Unit will be relocated to a new space adjacent to the Campus Health Clinic and will offer a one-stop health support service to students living with disabilities.

In 2021, we plan to complete the new space for the Business School and Unit for Continued Education, as well as the new Psycho-Social Health building. Various academic departments will be relocated while their spaces are being upgraded. Construction of a new Law Clinic that will serve the community is planned for the near future.

On the Potchefstroom Campus, the construction of the new laboratories for the Faculty of Education will commence in 2021, along with the extension of the Faculty of Education's library to support students' group work activities. The High Performance Institute (HPI), currently located in building K21, will move to building K2 which will be renovated and restructured to house the institute and other research and educational units. Biological Sciences and Geo and Spatial Sciences will also relocate to upgraded spaces.



DR BISMARK TYOBKA
CHAIRPERSON OF COUNCIL



PROF DAN KGWADI
VICE-CHANCELLOR

10 GOVERNANCE: SUPPORTING AND PRESERVING VALUE



10.1 Council statement on governance

STATEMENT ON GOVERNANCE

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

Accordingly, Council endorses the Code of Practices and Conduct and the Code of Ethical Behaviour and Practice as set out in King IV, 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 17 June 2021.

10.2 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. 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 reviewed and published on 8 May 2020.

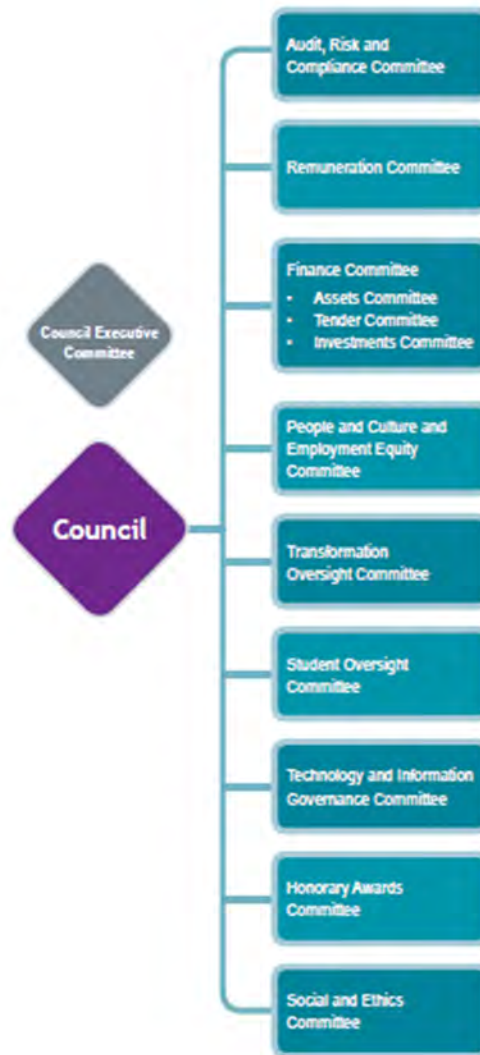
For the period under review, under Council's leadership, the NWU continued to adhere to high governance standards, while creating a value-driven governance landscape.

The composition of our Council accords 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		Council members internally elected or designated	
Ministerial appointees	5	Management: vice-chancellor and vice-principal	2
Donors	3	Senate	3
Convocation	4	Academic staff	2
Community leaders	3	Support staff	2
Specific expertise	3	Student Representative Council	3
	18		12

To ensure proper oversight and proper accountability, Council has a number of committees to advise it on all the relevant governance matters.



A number of the committees meet twice a year and report to Council twice a year. The remaining committees that meet more often are the Executive Committee of Council, the Audit, Risk and Compliance Committee, the Remuneration Committee, the Transformation Oversight Committee, Tender Committee, the Investment Committee and the Technology and Information Governance Committee.

The following new members joined the Council during the year under review:

- Pastor P Tlhabanyane – appointed by the Council from the ranks of the university’s community leaders
- Ms S Britz – appointed by the Council from the ranks of the university’s community leaders
- Mr T Tlale– designated by the SRC
- Mr S Hlope – designated by the SRC
- Ms D Giorgi – designated by the SRC

The following members re-joined the Council for subsequent terms:

- Mr TC Kgomo – appointed by the Minister of Higher Education, Science and Innovation (third term)
- Mr OE Mongale – appointed by the Minister of Higher Education, Science and Innovation (second term)
- Mr MSJ Thabethe – appointed by the Minister of Higher Education, Science and Innovation (second term)
- Mr A Sorgdrager – elected by the Convocation (second term)
- Dr BM Tyobeka – appointed by the Council for specific expertise

10.3 Council training

It is Council practice to require all new members joining Council in a particular year to attend an induction workshop. The annual induction meeting took place on 27 July 2020 and covered the following four topics:

What is expected of Council and Council members	An introduction to the NWU, in particular its strategy
Overview of important pieces of legislation and regulations, including the Higher Education Act and the university's Statute.	House rules, including honoraria payable to external members, travel claims and contact people.

All Council members attended a workshop on 27 July 2020 that covered the following topics:

Subject	Presenter
Engagement with the chancellor of the NWU, Dr Anna Mokgokong	Chairperson of Council, vice-chancellor and chancellor
The NWU's Digital Business Strategy	Vice-chancellor and core team responsible for the formulation of the NWU Digital Business Strategy
Engagement with the DHET covering the following topics: Student funding: past, present and future Feedback on the NWU Governance Scorecard	Dr Thandi Lewin Dr Philia Vukea,
Self-evaluation outcome 2019	Chairperson of Council

10.4 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 2020, the 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. This is to ensure absolute integrity in our behaviour at governance level.

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. At the Council meeting of 19 November 2020 it was noted that not all members of Council had fully declared their involvement in companies as was required. The chairperson subsequently requested the relevant members to do so by 30 November 2020 to enable the registrar to finalise the integrated annual report. As at 31 December 2020, four Council members had not made the necessary declarations, and formal letters from the registrar were sent to these members to indicate this non-compliance and its consequences.

During 2020, Exco continued with the practice of regularly noting and discussing all declarations made by members of the university management committee and referring any inquiries to the vice-chancellor.

10.5 Meet our Council members (Council membership as at 31 December 2020)

10.5.1 Composition of Council

	Name, age and qualifications	Council committee and total years of service	Number of committee meetings and average attendance	Directorships
1	<p>Prof ND Kgwadi (52)</p> <p>BScEd (University of North West), MSc (physics) (Ball State University, USA), MPhil (environmental law and management) (North West University), PhD (physics education) (Potchefstroom University for Christian Higher Education (PU for CHE), PhD (management – honoris causa) (Hanseu University, South Korea)</p> <p>Vice-chancellor, appointed for a six-year term from 2014 to 2020</p>	<p>All Council committees (except Audit, Risk and Compliance Committee – not a full member)</p> <p>One year into second term</p>	<p>53 meetings</p> <p>77%</p>	<p>USAf</p>
2	<p>Prof L du Plessis (51)</p> <p>PhD (education), MSc (computer science), Hons BSc, BSc (PU for CHE), Certificate for environmental educators (Unisa), Leadership in Higher Education (Institute for Educational Management, Harvard), Certificate in ICT in Education for Policy Implementers (Wits, Oracle University)</p> <ul style="list-style-type: none"> • 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) <p>Vice-principal, appointed in 2020 for an 3-year term coinciding with her term as deputy vice-chancellor: assigned functions and Vanderbijlpark Campus operations</p>	<p>Council Exco</p> <p>Second term</p>	<p>27 meetings</p> <p>100% attendance</p>	<p>None</p>
3	<p>Prof HH Janse van Vuuren (56)</p> <p>MCom (accountancy), BComHons – CTA, BComHons (cost and management accounting), BCom (accounting) (NWU); appointed for a three-year term from 2018 to 2021</p> <p>Elected by Senate</p>	<ul style="list-style-type: none"> • Student Oversight Committee • Honorary Awards Committee • Social and Ethics Committee <p>Two years, nine months into first term</p>	<p>8 meetings</p> <p>100% attendance</p>	<p>None</p>
4	<p>Prof AF Kotzé (55)</p>	<ul style="list-style-type: none"> • Honorary Awards Committee 	<p>9 meetings</p> <p>100% attendance</p>	<p>Innovation Highway Enterprises</p>

	Name, age and qualifications	Council committee and total years of service	Number of committee meetings and average attendance	Directorships
	BPharm, MSc, PhD (NWU), appointed for a three-year term from 2019 to 2022 Elected by Senate	<ul style="list-style-type: none"> • People and Culture and Employment Equity Committee Two years into first term		Hanks TB Diagnostics
5	Prof HJ van der Merwe (58) BSc, BScHons (University of Pretoria), MEd (Rand Afrikaans University), PhD (Unisa), higher education diploma (University of Pretoria); appointed for a three-year term from 2019 to 2022 Elected by the Senate	<ul style="list-style-type: none"> • Honorary Awards Committee • Technology and Information Governance Committee Two years and one month into first term	9 meetings 100% attendance	International Association for Mobile Learning (IAMLearn) Innovation Highway Enterprises IntSys (speech technology)
6	Prof JD van Romburgh (42) Chartered accountant (South Africa) (CA(SA)), MCom (management accounting) (NWU); appointed for a three-year term from 2018 to 2021 Elected by academic staff members	<ul style="list-style-type: none"> • Transformation Oversight Committee • Social and Ethics Committee Two years and eight months into first term	10 meetings 100% attendance	Adams & Adams Forensic Investigation Services Pty Ltd Moerlandsan Boerdery Pty Ltd Isebe The Branch Pty Ltd
7	Prof W du Plessis (61) BJur, LLB, MA (environmental management), LLD (NWU), appointed for a three-year term from 2018 to 2021 Elected by academic staff members	<ul style="list-style-type: none"> • Student Oversight Committee Two years and five months into first term	6 meetings 100% attendance	None
9	Mr FM Nkoana (58) Bachelor in Administration, appointed for a three-year term from 2019 to 2022 Elected by support staff members	<ul style="list-style-type: none"> • People and Culture and Employment Equity Committee One year and nine months into first term	6 meetings 100% attendance	None
10	Dr F Bothma (49) BA, Higher Education Diploma (N) Counselling (cum laude), BEdHons, MEd, DPhil in education law, appointed for a three-year term from 2019 to 2022 Elected by support staff members	<ul style="list-style-type: none"> • Transformation Oversight Committee One year and one month into first term	7 meetings 100% attendance	None
11	Mr S Hlope (25) Enrolled for BEd, NWU Student Representative Council	<ul style="list-style-type: none"> • Student Oversight Committee One month into one-year term	No meetings were held after appointment in 2020	None

	Name, age and qualifications	Council committee and total years of service	Number of committee meetings and average attendance	Directorships
12	M T Tiale (28) Enrolled for BEd, NWU Student Representative Council	<ul style="list-style-type: none"> Student Oversight Committee One month into one-year term	No meetings were held after appointment in 2020	None
13	Ms D Giorgi (25) Enrolled for LLM International Child Law, NWU Student Representative Council	<ul style="list-style-type: none"> Student Oversight Committee One month into one-year term	No meetings were held after appointment in 2020	None
14	Mr OE Mongale (48) Studying towards a master's of philosophy (in conflict transformation) (Nelson Mandela University), postgraduate diploma in management, master's in industrial psychology (NWU), honours in industrial psychology, bachelor's in administration (UniBo); appointed for a three-year term from 2020 to 2023 Appointed by the Minister of Higher Education, Science and Innovation	<ul style="list-style-type: none"> Tender Committee Finance Committee Executive Committee (alternate) Three months into second term	13 meetings 100% attendance	Hub Farming Sego Programme and Project Management The Hub People Monchwa Investment Bachem Izinyoni Trading 328 Kehu Projects Teki Project and Programme Management
15	Ms T Semane (43) Postgraduate diploma in business administration (GIBS), BCom (accounting), studying towards a master's degree in industrial psychology; appointed for a three-year term from 2018 to 2021 Appointed by the Minister of Higher Education, Science and Innovation	<ul style="list-style-type: none"> Technology and Information Governance Committee Social and Ethics Committee Finance Committee Two years and five months into first term	15 meetings 80% attendance	Linea Pty Ltd
15	Mr C Mabe (41) BCom (University of North West), Dip AIBM (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 Appointed by the Minister of Higher Education, Science and Innovation	<ul style="list-style-type: none"> Finance Committee Remuneration Committee Transformation Oversight Committee Two years and five months into first term	15 meetings 93% attendance	NH 2606 Pty Ltd CM 2510 Pty Ltd Jepa Resources
16	Mr TC Kgomo (52)	<ul style="list-style-type: none"> People and Culture and Employment Equity Committee 	12 meetings 100% attendance	None, only shareholding

	Name, age and qualifications	Council committee and total years of service	Number of committee meetings and average attendance	Directorships
	BCom (University of North West); appointed for a three-year term from 2020 to 2023 Appointed by the Minister of Higher Education, Science and Innovation	<ul style="list-style-type: none"> • 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		
17	Mr MSJ Thabethe (45) National diploma in information technology, BTech in information technology (TWR), MCom in information systems (University of the Witwatersrand), appointed for a three-year term from 2020 to 2023 Appointed by the Minister of Higher Education, Science and Innovation	<ul style="list-style-type: none"> • Technology and Information Governance Committee • Audit, Risk and Compliance Committee • Social and Ethics Committee • Innovation Highway Enterprises Advisory Board Three months into second term	15 meetings 93% attendance	Sihlasi Technologies CC
18	Mr JDS de Bruyn (69) BCom (accounting science), Bluris, LLB (PU for CHE); appointed for a three-year term from 2018 to 2021 Elected by the Board of Donors	<ul style="list-style-type: none"> • Audit, Risk and Compliance Committee • Tender Committee • Senate Two years and six months into second term	12 meetings 92% attendance	None
19	Mr A van Rooy (51) BSc (chemistry, biochemistry) (NWU), BProc (Unisa), Patent Examination Board, qualified as a patent attorney, admitted as an attorney; appointed for a three-year term from 2018 to 2021 Elected by the Board of Donors	<ul style="list-style-type: none"> • Innovation Highway Enterprises Advisory Board • Assets Committee Two years and one month into first term	5 meetings 100% attendance	DM Kisch Inc Kisch Africa Inc Sederkrans Familie Boerdery
20	Ms U Barravalle (37) BSc (chemistry and biochemistry), BSc (chemistry), (Hons) (RAU), LLB (Unisa), appointed for a three-year term from 2020 to 2023 Elected by the Board of Donors	<ul style="list-style-type: none"> • Assets Committee One year and one month into first term	5 meetings 100% attendance	DM Kisch Inc Kisch Africa Inc
21	Mr A Sorgdrager (61) Bluris and LLB (PU for CHE), international executive programme (INSEAD Business	<ul style="list-style-type: none"> • Executive Committee of Council • Remuneration Committee 	32 meetings 94% attendance	Yellowstone Trust Vaalrivier Steiltes Pegasus Alumni Trust

	Name, age and qualifications	Council committee and total years of service	Number of committee meetings and average attendance	Directorships
	School); appointed for a three-year term from 2020 to 2023 Elected by the Convocation	<ul style="list-style-type: none"> • Audit, Risk and Compliance Committee • Investments Committee • Student Oversight Committee Six months into second term		Erf 549 (Edms) Bpk
22	Prof AL Combrink (74) 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 Elected by the Convocation	<ul style="list-style-type: none"> • Student Oversight Committee • Executive Committee of Council (alternate) Two years and two months into second term	18 meetings 83% attendance	None
23	VACANT Elected by the Convocation			
24	Mr C Mulder (34) BA Communication Studies, BSc IT (NWU), appointed for a three-year term from 2018 to 2021 Elected by the Convocation	<ul style="list-style-type: none"> • Transformation Oversight Committee • Student Oversight Committee • Social and Ethics Committee Two years and six months into first term	14 meetings 86% attendance	None
26	Rev Canon DP Dinkebogile (66) Diploma in theology (St Peters College), Master's in Christian education (MACE) (USA-Virginia Theological Seminary); appointed for a three-year term from 2019 to 2022 Appointed from the ranks of the university's community leaders	<ul style="list-style-type: none"> • People and Culture and Employment Equity Committee • Institutional Forum • Remuneration Committee One year and six months into second term	17 meetings 88% attendance	None
28	Dr MB Tyobeka (45) BScEd and MSc (applied radiation science and technology) (University of North West), MSc and PhD (nuclear engineering) (Penn State University, USA), MSc (management) (Colorado Technical University, USA); appointed for a three-year term from 2020 to 2023 Appointed by Council for specific expertise	<ul style="list-style-type: none"> • Executive Committee of Council • Finance Committee • Remuneration Committee • Honorary Awards Committee One month into third term	27 meetings 96% attendance	None
29	Mr A Redelinghuis (70) MCom (PU for CHE), CA (SA); appointed for a three-year term from 2016 to 2019	<ul style="list-style-type: none"> • Audit, Risk and Compliance Committee 	18 meetings 100% attendance	None

	Name, age and qualifications	Council committee and total years of service	Number of committee meetings and average attendance	Directorships
	Appointed by Council for specific expertise	<ul style="list-style-type: none"> • People and Employment Equity Committee • Remuneration Committee <p>One year and six months into second term</p>		
30	<p>Mr TV Mokgatla (45)</p> <p>BCom (accounting) (NWU), Honours Bcompt/Certificate of theory in accounting (CTA) (Unisa), appointed for a three-year - term from 2019 to 2022</p> <p>Appointed by Council for specific expertise</p>	<ul style="list-style-type: none"> • Assets Committee <p>One year and six months into first term</p>	<p>6 meetings</p> <p>50% attendance</p>	<p>MTBG Investments</p> <p>Metsi Phepha Batho Holdings</p> <p>Neliscore</p> <p>Baphalane Ba Mantserre Investment Holdings</p> <p>Baphalane Siyanda Chrome Company</p> <p>Philisani Pty Ltd</p> <p>Avior Capital Markets Holdings</p> <p>StokFella</p> <p>Baphalane Ba Mantserre NPC</p> <p>Paphalane Property Holdings</p> <p>His Crown Apostolic Ministries</p> <p>BBMIH Textile</p> <p>BBMIH Food</p> <p>BBMIH Manufacturing</p> <p>Hyprop Investment</p> <p>Alpha Cube Capital 4AX</p> <p>YeboYetho Investment Company</p> <p>YeboYetho (RF) Limited</p> <p>Atomatic Trading</p> <p>Nutritional Holding</p>

10.5.2 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 2020 when seeking to fill vacancies in membership. The coloured blocks in the diagram below 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 expertise (medium to macro enterprises)
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

10.5.3 Council transformation

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%

As at 31 December 2020, the equity profile of Council was as follows:

African female	African male	Indian/Coloured male/female	White female	White male	Vacancies	Total
1	8	0	8	12	1	30
3.3%	26.7%	0%	26.7%	40%	3.3%	100%

10.6 Council decisions impacting value creation and the business impact of COVID-19

10.6.1 Value-creation issues

Management highlighted a number of value-creation issues during 2020 and Council responded by taking key decisions on the following:

- NWU Business School – alignment and autonomy

- Augmenting the NWU Strategy
- Approval of the Preferential Procurement Strategy
- Approval of the Covid-19 Financial Impact Model

10.6.2 Key decisions taken by Council in 2020

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 2020	<i>How these governance decisions affect future value creation</i>
<p>As part of the ongoing implementation of the 2015-2025 NWU Strategy, Council approved the refinement of academic structures such as the approval of the Unit for Open Distance learning (UODL) structure. This was approved on the basis that no new costs are incurred and the UODL would be located in the portfolio of the deputy vice-chancellor: teaching and learning.</p>	<p><i>As Council we are confident that the ongoing implementation of the strategy, structure and brand is shaping the NWU's operations and efficiency.</i></p> <p><i>We remain confident that the realisation of the strategic agenda of the NWU adds to the improved positioning of the university in the South African higher education landscape.</i></p>
<p>Policies and rules</p> <p>The Policy Refinement Committee continued with its activities in the drafting and review of policies.</p> <p>In ensuring compliance with national directives and mitigating possible risks facing the university, we approved nine policies (either revised or new) in 2020:</p> <ul style="list-style-type: none"> • Global Engagement Policy • Amendments to the General Academic Rules (A 4.11.5 and 5.11.5) • Risk and Compliance Policy • Information Governance Framework • NWU Policy and Rules on Conflict of Interest and on Declarations of Interest and of Gifts • SRC Constitution and Schedule 2 of the Student Representative Council (SRC) Constitution • Financial Policy, including the Schedule of Financial and Contractual Authorisation Levels • Rules for the Nomination, Designation and Election of Council Members 	<p><i>The NWU's success model indicates that the university is committed to the continued adoption of responsible and risk-embracing strategies and transformational practices.</i></p> <p><i>In line with this undertaking, and in adhering to the prescripts of the Statute, the university continually drafts and revises policies and rules.</i></p>
<p>Financial matters</p> <p>We, as Council, approved the audited financial statements for 2020 and the financial overview 2020.</p> <p>In addition, the following financial approvals were among the highlights of 2020:</p> <ul style="list-style-type: none"> • Approval of the Preferential Procurement Strategy • Approval of the Covid-19 Financial Impact Model in principle to form the baseline to guide decision-making; as well as of the Mitigation Plan, with flexibility built in by updating the plan for upscaling or downscaling as and when more information becomes available, with the proviso that any major deviation from the current scenarios be subject to prior consultations with Council. • Approval of the Rolling Budget 2021-2023, which will also form part of the Annual Performance Plan to be submitted to the Department of Higher Education and Training, as recommended by the Finance Committee, and to acknowledge that it might need to be reviewed once the Ministerial Statement was issued. • Approval of the revised infrastructure project list and allocation for macro-maintenance and minor building works in 2021, as recommended by the Finance Committee. 	<p><i>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.</i></p> <p><i>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.</i></p>

Key governance decisions taken by Council during 2020	<i>How these governance decisions affect future value creation</i>
<ul style="list-style-type: none"> • Approval of the 4.7% tuition fee inflation adjustment on all campuses and approval for the registration fees on all campuses to be increased to R2 020. • Approval of a 5.4% tuition fee inflation adjustment for distance students, aligned with the one-year lag principle that was approved in the previous year's budget process. • Approval of the residence and meal fees and amounts payable on registration for 2021. • Approval of a broad mandate enabling the Executive Director: Finance and Facilities to engage and negotiate with the appropriate bodies on the possible granting of credit for part of the residence fees for 2020 due to Covid-19. • Approval that the finally negotiated DHET directions and framework of fees be presented to the Finance Committee for consideration, and to Council for approval. • Approval of the extension of the following two contracts by a further three years from 1 January 2021 to 31 December 2023: <ul style="list-style-type: none"> 1. Amorispan 288 beds at Moahi 2. Ciaratouch 326 beds at Bohlale 	
<p>Tender matters</p> <ul style="list-style-type: none"> • Approval of the awarding of tender TR050/2019VTC to HBC Construction (Pty) Ltd on the condition that HBC agrees to the 30% local spending requirement. Should this agreement not be reached, the tender is to be awarded to Lemay (Pty) Ltd. • Approval of the awarding of tender TR173/2019MC to PL Enterprises (Pty) Ltd. • Approval that a meeting of the joint Transformation Oversight, Finances and Tender Committees (TOFT) be held to discuss and consider the suggested amendments to the Financial Policy, including the procurement guidelines. • Approval of an expedited process for appointing a suitably qualified quantity surveyor and for the suspension of the services of Havinga Olivier; also, that bids be opened for new providers until the appointment of the panel that is to be established in terms of the Financial Policy under development. • Approval that the Tender Committee be requested to undertake a trending analysis of the awarding of tenders and shortlisted bidders for the previous three years. Should any concerns be raised following the analysis, the possibility of a further forensic audit process may follow as informed by the analysis. • Approval that the Internal Audit Department be requested to continue the investigation that was started in 2019 regarding 2K Konstruksie, in particular completing the matters in regard to the shareholding, the trust and beneficiaries of 2K Konstruksie. Further, that the follow-up investigation needs to focus on the following three matters in particular: <ul style="list-style-type: none"> ○ commencing with a process to obtain the trust deed in order to gain a full understanding of the shareholding in this company; ○ seeking clarity on the relevant B-BBEE verification sector codes applicable for service providers of maintenance and infrastructure development; and 	<p><i>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.</i></p> <p><i>We are confident that the tenders that were awarded adhered to the principles laid down in relevant legislation.</i></p>

Key governance decisions taken by Council during 2020	<i>How these governance decisions affect future value creation</i>
<ul style="list-style-type: none"> ○ In light of the withdrawal of the verification company that pronounced on the validity of the B-BBEE certificate issued in respect of 2K Konstruksie, to continue with the investigation into possible fronting. ● The report from Internal Audit was to be tabled at the Executive Committee of Council in order for Exco to be afforded a complete view of all relevant matters pertaining to 2K Konstruksie in 2019 with regard to the tender at hand. 	
<p>Appointment of office bearers</p> <p>We oversaw the process of appointing senior office bearers and approved the following:</p> <ul style="list-style-type: none"> ● Subsequent term appointments of the registrar, Prof Marlene Verhoef, and the deputy vice-chancellor: assigned functions and Vanderbijlpark Campus operations, Prof Linda du Plessis. ● To appoint Ms de Beer for another term as Executive Director: Finance & Facilities for a period of four years ending on 30 June 2025 ● To appoint Prof Linda du Plessis for another term as Vice Principal for a period of three years, until 31 August 2023. 	<p><i>We made sure that the appointment of these office bearers was informed by the Statute and relevant rules.</i></p> <p><i>The calibre of those who are appointed is key to achieving the NWU's strategic objectives.</i></p>
<p>Governance matters</p> <p>Key resolutions related to governance included the following:</p> <ul style="list-style-type: none"> ● Approval of the Annual Performance Plan 2021, the Mid-Year Performance Report 2020 and the Annual Integrated Report for 2019 ● Approval of the awarding of an honorary doctorate to Justice Bess Nkabinde ● Approval of the cost of R14 025 000 for maintenance of OpenCollab for 2020, since the development and maintenance of the relevant systems formed part of the administrative ecosystem that was a prerequisite for the continuation of business. ● Approval of the reconfigured Academic Calendar for the first semester of 2020. ● Approval by majority vote that the Leopard Statue at the Mahikeng Campus be removed and relocated. ● Approval of various admission requirements ● Approval of the Vacancy Management and Temporary Appointment Processes as recommended by the University Management Committee and the People and Culture and Employment Equity Committee, with the proviso that management cautiously and carefully considers temporary appointments to prevent overloading academic staff. ● Approval of delegations by Council to the vice-chancellor: <ul style="list-style-type: none"> ○ Delegation to appoint ○ Delegation to form a negotiating team to negotiate with recognised trade unions ○ Delegation in regard to staff discipline ● Approval of the annual re-appointment of PricewaterhouseCoopers as external auditors of the NWU by the Executive Committee at their meeting of 6 August 2020, as recommended by the Audit, Risk and Compliance Committee. ● Approval of the final self-evaluation report of Council, including the external evaluation site-visit programme, forwarded to the external review panel members on 24 August 2020. 	<p><i>Through sound governance principles and practices, we create an ethical environment in which the NWU can realise its strategy.</i></p>

Key governance decisions taken by Council during 2020	How these governance decisions affect future value creation
<ul style="list-style-type: none"> • Approval of the revised framework for the 2020 second-semester academic calendar and the framework for the 2021 academic calendar, as recommended by Senate. • Approval of the list of recognised North-West University donors for the period June 2018 to June 2020 • Approval of the Successive Employment Equity Plan (2021-2023), as recommended by the People & Culture and Employment Equity Committee • The unanimous election of Dr Bismark Tyobeka as chairperson of Council for a subsequent term. • The election by majority vote of Mr Bert Sorgdrager as deputy chairperson of Council. • Adoption of the final report by the External Review Panel • Approval of the revised terms of references for the following committees: <ul style="list-style-type: none"> ○ Audit, Risk and Compliance Committee; ○ Tender Committee ○ Technology and Information Governance Committee; ○ Social and Ethics Committee; and ○ Student Oversight Committee. • Ratification of the full and final settlement agreement that was signed on 31 October 2020 by the chairperson of Council of the North-West University and Prof Refilwe Phaswana-Mafuya, Deputy Vice-Chancellor: Research and Innovation (on suspension). • Constituting a selection panel for the vacancy of deputy vice-chancellor: research and innovation • Approval of the following amendments to the NWU Strategy: <ol style="list-style-type: none"> 1. The revised common strategy assumptions; 2. the revised success model; and 3. the revised goals and enablers. • Approval that 2021 first semester classes would commence on 17 March 2021 for first-year students 	

10.6.3 Council and COVID-19 in 2021

Owing to the outbreak of the Covid-19 pandemic, Exco resolved at its meeting on 17 March 2020 that the NWU Council meeting scheduled for 18 and 19 March 2020 be cancelled, along with all related meetings scheduled for those dates.

The Council Exco therefore resolved to invoke paragraph 11(3) of the NWU Statute, which has the following description of the roles and responsibilities of the Exco:

"The executive committee may dispose of any urgent business between meetings on behalf of the Council, that the Council at its first ensuing meeting must review and where applicable confirm all business so disposed of."

The approved terms of reference of the Council Exco also refers to its functions as follows:

"2.1 To act on behalf of Council to determine matters that would need to be dealt with urgently and that could not be postponed until the next scheduled meeting of Council."

The Exco sat on 19 March 2020 and dealt with all the matters on the Council agenda of 19 March 2020, except for matters which required voting by Council members, namely the re-appointment of the registrar and the deputy vice-chancellor: Vanderbijlpark Campus operations and assigned functions, as well as the election of members of Council committees. These matters were dealt with through an electronic voting process.

All matters so disposed of by the Exco were ratified by Council at its next meeting on 28 July 2020, which was also held electronically, as was the Council meeting of 10 September 2020. After the country moved to lockdown level one, a hybrid format was used for the 19 November 2020 Council meeting, with Council members joining electronically and in person at a venue on the Vanderbijlpark Campus.

At each meeting, Council received reports concerning business continuity amidst the Covid-19 situation.

On 28 July 2020, Council noted that the vice-chancellor had established an NWU-wide Covid-19 response team on 4 March 2020. The mandate of the response team included:

- identifying mission-critical business processes impacted and possibly disrupted by Covid19,
- identifying processes to be implemented to minimise the effects of Covid-19 on NWU business processes,
- ensuring the provision of essential services during the period of disruption
- restoring normality as far as possible in mission-critical business processes
- undertaking a well-executed communication process
- ensuring the provision of health and safety services to all stakeholders throughout the crisis.

Active engagements at this stage continued to take place nationally among stakeholders such as the DHET, Universities South Africa (USAf) and the Council on Higher Education (CHE), as well as among universities, ensuring an optimal sectoral response to the COVID-19 situation. An important directive issued by the Minister of Higher Education, Science and Innovation (GG 43414, 8 June 2020) continues to guide the management of the phased-in return of staff and students to universities.

Council received comprehensive reports from the Covid-19 response team in July 2020. These included a general report of the team’s progress, as well as the status of the Covid-19 workplace plan. This plan outlined how staff would return to the workplace, what measures were in place to mitigate the risk of the spread of Covid-19 in the workplace and ensure business continuity, as far as possible, along with a financial impact report and a compliance report.

Council also noted the following principles agreed upon by the UMC that would guide its response to the threats posed by Covid-19:

1	Salvaging the 2020 academic year by employing accountable and responsible quality-driven processes
2	Being cognisant of the fact that a substantial number of NWU students might not be able to access online teaching and learning because of issues related to data, connectivity and lack of devices
3	Utilising online learning as the primary means of delivery during the crisis period and commencing with this as soon as possible, subject to any national developments
4	Finding alternative ways to ensure bespoke support to students who do not have optimal access to online learning opportunities (measures such as distance-mode delivery and catch-up winter school support)
5	Continuing with the delivery of essential services, ensuring financial viability and exploring ways and means to ensure a smooth transition of students and staff back to campuses and residences by executing a well-considered plan and ensuring absolute compliance with national health and safety regulations

On 10 September 2020, Council noted the following matters:

- At management level, that the NWU had entered into so-called Phase 2 reintegration in terms of the Directives issued by the Minister of Higher Education, Science and Innovation on 8 June, and that the student reintegration plan had been developed in consultation with all relevant stakeholders and submitted accordingly to the DHET.
- At compliance level, that, in order to commence with the reintegration plan, the NWU had to demonstrate compliance with the health and safety measures contained in the directives issued by the Minister of Employment and Labour on 4 June 2020.
- At reporting level, that bi-monthly reports and statistics on all relevant matters were submitted to the DHET.
- With regard to communication, that the NWU continued to communicate with all relevant stakeholders by means of daily emails to staff, weekly updates by the vice-chancellor and uploading of all relevant documents (including protocols and guidelines) on the NWU’s dedicated Covid-19 website. (URL <http://www.nwu.ac.za/coronavirus>).
- With regard to planning, a process was under way to prepare for a possible move to Alert Level 1, as well as to draft a comprehensive plan to position the NWU for the period beyond the pandemic. This project is currently located within the teaching-learning environment.
- With a view to ensuring continuous awareness of the risks and opportunities around the pandemic, the Audit, Risk and Compliance Committee discussed the matter at its May 2020 meeting. A separate risk was recorded on the NWU risk register concerning the potential impact of the coronavirus on the financial sustainability of the NWU. Management was requested to consider identifying other risks related to Covid-19 and to report on this at the committee’s next meeting.

In November 2020, Council received a comprehensive report on the following aspects:

- **Teaching and learning**

A task team was established, called the Futures21 team, to look at strategies for the teaching-learning endeavour at the NWU for the immediate and medium term.

Of immediate concern was the need to explore the possibilities for face-to-face teaching in 2021. The UMC approved the following principles for prioritising modules for any face-to-face component in 2021:

- Providing a normal timetable in the event that the virus would be contained and the protocols removed. Faculties were encouraged to work with the 70/30 principle, making provision for 30% of credits to be offered fully online and 70% by means of face-to-face delivery within a blended teaching and learning approach.
- In the event that the coronavirus was still in circulation and protocols would need to be observed, nullifying the 70/30 principle, the following alternative model would be implemented:
 - Identifying modules that would not need a face-to-face environment and preparing these for full online delivery. This would be augmented by internal chat sessions WhatsApp or other platforms for questions and answers.
 - Limited face-to-face teaching in contact environments, provided that such lecture spaces comply with Covid-19 regulations. (On a daily basis, only 7% of seats would be available at the Potchefstroom Campus, 10% at Mahikeng and 19% at Vanderbijlpark for such contact sessions.)
 - The allocation of certain lecture spaces to certain faculties to use for prioritised face-to-face teaching and learning.
 - The alignment of face-to-face contact sessions across campuses to ensure an equitable student experience.
 - Faculties would identify/prioritise the need for face-to-face teaching in programmes and confirm the number of sessions needed for prioritised modules.
 - Synchronous online classes would take place within the normal lecturing timetable and must be followed both for face-to-face and online learning.
 - A blended teaching and learning approach would apply to group work, with provision made for parallel sessions within and outside the formal timetable.
 - Requests for laboratory work, workshops and practicals would be handled by the Student Academic Lifecycle Administration function or by the faculty where allocated facilities are utilised.
 - Module assessments would be conducted online as far as possible, with provision for sit-down assessments in instances where the requirements of statutory bodies would need to be met.

- **Student Life**

- Student behaviour project

Concerns about student behaviour and apparent non-compliance to Covid-19 protocols led to an increase in the number of positive cases, prompting the executive director of student life to establish a task team comprising student leaders and employees. The purpose of the task team was to consider ways to manage students' social behaviour.

The team had the following tasks:

- Develop a campaign plan framework to raise awareness
 - Establish campus task teams under the chairpersonship of the relevant campus deputy vice-chancellor, responsible for the planning, execution, monitoring and reporting of the framework as implemented at the particular campus.
 - Registration and orientation (R&O) programme for 2021 first-time entrants
 - Approval of the pricing of the first-year packages including branded clothing and meal provisioning based on the type of accommodation.
 - Programme presentation modality for the 2021 R&O programme, planned for 8 1to 16 March 2021

- Sporting activities
 - Resuming priority sport activities at the NWU was crucial as the NWU is a preferred destiny for high-performing athletes (such as those participating in the Varsity Cup and Varsity Sports), SAFA, ABC Motsepe and SAB Leagues)
 - High-performance sport is complex and highly scientific, needing proper preparation. The strictest adherence to applicable protocols and regulations was ensured. The resumption of activities does not allow for spectators.
- **Staff matters**
 - Guidelines for remote working
 - The purpose of the guidelines was to regulate remote working, inform all staff of the expectations and arrangements while working remotely and seek to ensure fair labour practices and business continuity that addresses productivity and employee wellbeing.

Council expressed appreciation to the registrar, the vice principal and the chief strategy officer for the role they played in putting effective structures in place to contain the effects of the pandemic. Council expressed the view that the NWU could be proud of the way it had continued with the core business in the midst of the crisis and prepared for the 2021 academic year.

10.7 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.

<i>External Council member</i>	R3 356
<i>Council-appointed external expert in a structure, but not a Council member</i>	R 4 225
<i>Chairperson of a Council committee</i>	R 4 225
<i>Deputy chairperson of Council</i>	R3 357
<i>Council chairperson</i>	R6 708
<i>Council chairperson or deputy chairperson as an ordinary member of the structure</i>	R3 357

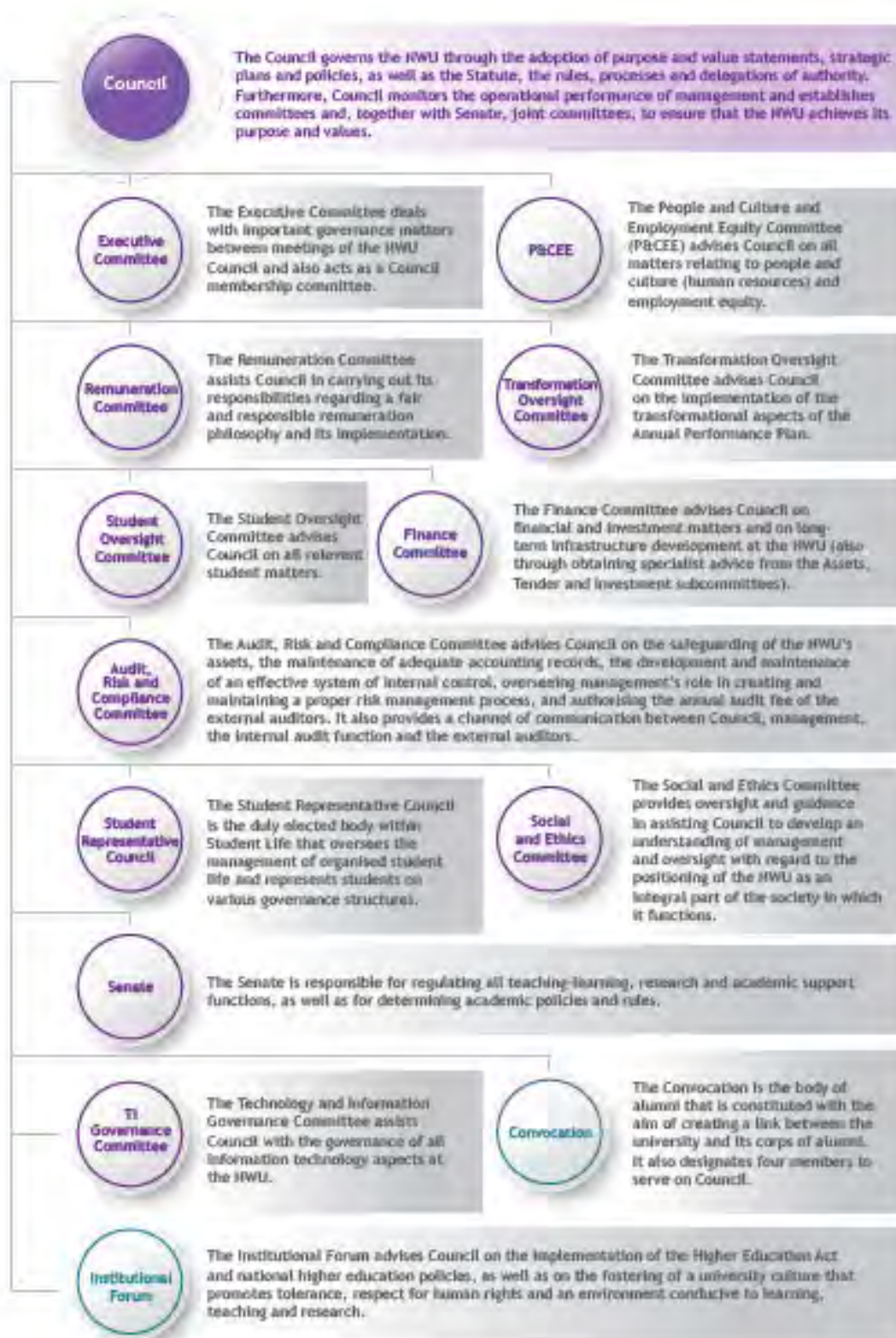
10.8 King IV as the guiding framework for value creation through governance

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> content element	Relevant governance structure
Leadership and ethics	Stakeholder engagement and relationships; governance	Council Social and Ethics Committee

Performance and reporting	Strategy and resource allocation; performance; outlook	Executive Committee Finance Committee Senate Council
Governance structure and delegation	Governance and remuneration	Council Executive Committee Remuneration Committee
Risks and opportunities	Stakeholder engagement and relationships; risk and opportunity	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	TI Governance Committee Audit, Risk and Compliance Committee Executive Committee Council
Compliance	Governance	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	Remuneration Committee Honorary Awards Committee Council
Assurance	Governance; basis of preparation and presentation	Audit, Risk and Compliance Committee Finance Committee Senate Council
Stakeholder relationships	Stakeholder engagement and relationships	Social and Ethics Committee People and Culture and Employment Equity Committee Transformation Oversight Committee Student Oversight Committee Institutional Forum Student Representative Council Convocation Board of Donors Council

10.9 Governance structures of the NWU



10.10 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.

10.10.1 Quality manual

Over time, the NWU Council has established a practice of self-evaluation of Council and Council committee activities at the end of each year.

The questionnaire has been organised in accordance with the Code of Good Governance Practice and Governance Indicators published in 2017 (DHET, 2017), and the terms of reference of the respective committees. For the purposes of reporting on the outcomes of the continuous self-evaluation assessments, the sets of questions are organised in accordance with the themes prescribed by the Department.

A process has been established since 2018 to ensure the completion of the DHET Governance Scorecard, first by means of a process administered by the Council Executive Committee for submission to the Council.

It was resolved at the Council meeting held on 26 September 2019 that a process should be initiated to embark on an external review process of the effectiveness and efficiency of the NWU Council and its committees.

In preparing for the review, Council oversaw the development of a quality manual that was approved on 19 March 2020, after establishing a task team to provide input into and see to the finalisation of the manual. The task team comprised the registrar, two representatives from the Executive Committee of Council, the chairpersons of Council committees, the NWU Secretariat and the Quality Enhancement Office.

The NWU Council Quality Manual is based on the norms prescribed by the DHET Governance Scorecard

The quality manual documents all aspects relevant to achieving, sustaining, monitoring and quality-enhancing all levels of activity of the NWU Council, and assists with the following matters:

- ascertaining the desired norm against which processes and procedures of Council are benchmarked;
- putting forward the monitoring mechanisms to determine the effectiveness and efficiency of the activities of Council,
- identifying risks relevant to the functioning of Council;
- applying the relevant measurements to ensure consistent achievement of good results in all areas of operation.

The following processes and quality measures are described in the quality manual:

- Strategic leadership, vision, mission, context and transformation, as well as risk and compliance management and sustainability
- The governance of the core functions of teaching-learning, research and innovation and community engagement, and of student matters
- The governance of resources: financial, human, equipment and infrastructure, as well as ethics management
- The governance of institutional accountability, including public reporting
- Council and Council committee meetings, and the way Council business is conducted.

10.10.2 External review of Council 2020

The external review panel was constituted as follows:

Panel members

Professor Jairam Reddy (chairperson and external evaluator)

Mr Hugh Amoore (external evaluator)

Professor Mandla Makhanya (external evaluator)

Dr Joe Tshifularo (internal evaluator/ former member of NWU Council)

The panel had a rigorous review process and interviewed the following persons and groupings over a period of two days:

- Council chairperson
- Vice-chancellor
- Exco of Council
- Registrar
- Council Support Staff Committee
- Chairpersons of Council committees (external members)
- Council members (internal members)
- Campus deputy vice-chancellors
- Deputy vice-chancellors
- Executive directors
- Council members elected by Senate
- Council members designated by SRC
- In attendance (non-Council members)
- Independent experts on council committees

PEER EVALUATION OF THE NWU COUNCIL 8-9 SEPTEMBER 2020



From left to right: Mr. Johan Erasmus (Quality Coordinator; NWU), Dr Jannie Jacobsz (Director: Quality Enhancement; NWU), Prof Jiram Reddy (Chairperson: Former Chancellor and Council Chairman; DUT), Ms Robyn Arnold (Scribe), Dr Joe Tshifularo (Panel Member: Former Council Deputy Chair; NWU), Ms Geraldine Noge (Senior Administrative Officer: Quality Enhancement; NWU), Prof Mandla Makhanya (Panel Member: Vice-Chancellor; UNISA), Mr Tommy Pietersen (Quality Manager: Support Departments; NWU), Mr Hugh Amoore (Panel Member: Former Registrar; UCT) inserted.



In summary, the external evaluation panel focused on the following matters and made the following commendations and recommendations:

Strategic leadership, vision, mission, context and transformation

Commendations by the panel:

- Leadership provided by the present Council chair, the Council that has forged a new culture of tolerance and respect.

- Council's commitment to a unified institutional culture is commended, as is its strategy of allowing this to evolve through sensitive handling (for example its sensitive handling of the language policy –with Afrikaans being retained as part of the multilingual approach).
- The trust and mutual respect that exists between the chair, the vice-chancellor and the registrar has helped to create the obviously healthy relationship between the Council and university management.
- The commitment to transformation, the unitary model instituted in the last few years, and equity in provision under the direction of Council have enabled NWU to make progress in addressing the legacy issues on the three campuses.
- A strong compliance culture exists and is due in no small part to the very effective Audit, Risk and Compliance Committee.
- A mature risk-management culture is in place. The EXCLAIM! compliance software will enhance the effectiveness and capacity of Council oversight.

Recommendations by the panel:

- The Student Oversight Committee requires attention and may need to play a more effective role in the all-important area of student life.
- Council should rethink the way in which Council and Exco relate to each other.

Governance of the core functions of teaching and learning, research and innovation and community engagement and matters concerning student life

Commendations by the panel:

- Teaching and learning: Council has played a critical and appropriate role in the steering and adoption of policies for the transformation of the curriculum and the unique multilingual language policy.
- Research and innovation: under the leadership of Council, the NWU is promoting both integrity and quality rather than just the quantity of research publications.
- Community engagement: the university is serious about entrenching community engagement as part of its core functions

Recommendations by the panel

Student life:

- Council may need to give more energy to the Student Oversight Committee and fundamentally reconceptualise its role. Investment is needed in the membership and drive of the committee to ensure adequate attention to the areas that fall within this portfolio.
- More attention may be required to the key issue of the culture of student housing and the developmental opportunities that student housing provides.
- The induction of student members who serve on Council needs special care.

The governance of resources: financial, human, equipment and infrastructure and business ethics

Commendations by the panel:

- Financial management: the assets of the university are well managed and the financial management is in good hands.
- Human resources: Council is taking transformation seriously and ensuring that it receives high-level attention.
- Procurement: the sensitivity to transformation in the implementation of procurement processes is commendable.
- Information governance: the management and governance of information are a high priority for the university and seem to be in very good hands.

Recommendations by the panel:

- Council might consider deploying external experts to serve on more than one Council committee for broader exposure and better integration of the functions of the various committees.
- Financial management:
 - augment the membership of the Audit, Risk and Compliance Committee

- Council should consider delegating authority to the Investment Committee when a quick decision is necessary, according to parameters that would have to be carefully determined.
- Procurement: in the interest of protecting Council members and maintaining the necessary distance between governance and management, Council should not be involved in the tender adjudication process.
- Delegations framework: Council should consider establishing a register of non-financial delegations that should be reviewed annually.

The governance of institutional accountability, including public reporting

Commendations by the panel:

- The detailed Annual Performance Plan (APP) is very effective in holding the university accountable to the strategic plan and measuring progress against it. The panel commends the detailed APP documentation; it is superb, a model of what an APP can be and provides measurable targets for performance in key areas of the strategic plan.
- The unified view expressed by all Council members on the issue of accountability is notable, with no evidence of divergent views in this regard between internal and external members.

Council and Council committee meetings, and how Council business is conducted

Commendations by the panel

- The panel was impressed by the calibre and commitment of the current Council members.
- The Council documentation is of a very professional standard. The steps that the secretariat is already taking to make the Council documentation more manageable seem to be effective.
- The attention the Council chair pays to succession planning for the executive team is exemplary.
- Council is commended for taking the initiative to have an external evaluation (for the first time) and for the thorough self-evaluation that preceded it.
- Council is also commended for its quality manual, which is another first for the NWU, but also for HE in general.

Recommendations

- The executive summaries in the Council documentation could perhaps be further improved.
- If the volume of Council documentation remains problematic, perhaps the Senate report could be reduced.
- The overload of Council and its documentation could be addressed through the suggestions of the panel on revising the role of Exco and its relationship with Council.
- Exco should meet at least a week before the Council meeting to give effect to a division of labour between Exco and Council, making it possible for a written report of Exco proceedings to be submitted in advance to the full Council meeting.
- Addenda to the Council agenda at short notice should be the exception.
- Capacity development and succession planning for Council members always need attention.
- The induction programme for Council members needs attention.
- Council should repeat the external review every few years as per the CHE indicators of good governance.

Management of internal risks, quality assurance, administration and record keeping

Commendations by the panel:

- The registrar and the secretariat received praise from all quarters for efficient Council administration, continuous quality enhancement and clear recording of decisions.
- The uniformity in the presentation of Council documentation through the use of templates and strict quality control is remarkable.

Recommendations by the panel:

- The format and presentation of the Council newsletter may need rethinking if the newsletter is to have its desired impact and reach the envisaged target audiences.
- Innovations currently under consideration need to be implemented, for example, giving the Council chair a “face” through a video message.

On 19 November 2020, Council received and adopted the final external review report and noted that all committees of Council had received feedback on the outcome of the external review process. The recommendations flowing from both the self-evaluation process and the external review would be considered at the Council workshop in March 2021. Council also expressed the view that adopting the report would not mean agreement with all recommendations, some of which would be easy to implement while others would require serious engagement.

Discussion of the external evaluation report’s recommendations and the development of an improvement plan is one of Council’s priorities for 2021.

Refer to Annexure 2 on page 124 for meeting dates and attendance, and Annexure 3 on page 126 for the composition of the committees.

10.11 Council statement on sustainability as value add

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 1 for our materiality determination process.”

Statement approval obtained from NWU Council on 17 June 2021.

Material matters of a social and environmental nature are as important as financial and economic issues in determining the overall value created by the NWU.

The five-year strategic plan and the business plan for implementing the strategy are integral to the value creation process and to ensuring our sustainability. The five long-term goals and the four enablers of the NWU Strategy 2015 to 2025 (as referred to on pages 49 and 50) underpin the commitment of the university in this regard.

Statement approval obtained from NWU Council on 17 June 2021.

10.12 Ethics in action at NWU

10.12.1 Council statement on ethics and values

COUNCIL STATEMENT 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 17 June 2021.

10.12.2 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. The committee emphasises matters that relate to the interdependencies between the university and the society in which it functions. This approach positions the NWU to fulfil its responsibility in terms of the environmental impact of its behaviour and supports value creation to its stakeholder communities.

10.12.3 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 36 employees across the NWU in 2020. 25 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 was reached with one employee who resigned. In the rest of the cases, written warnings were imposed.

Eleven CCMA cases were dealt with successfully.

10.12.4 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.

10.12.5 Dealing with sexual harassment

The NWU is committed to creating a safe working environment free from the fear of sexual harassment.

What happened

One case of sexual harassment was reported. Disciplinary action was taken against the employee and will be finalised early in 2021.

10.12.6 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

Five reports were received via the reporting boxes, and for all these cases, an official case was opened in each instance for further investigation by Internal Audit. This compares to the six cases opened in 2019 after reports of alleged irregularities. The other investigations were received via internal requests and/or referral.

10.12.7 Ongoing investigations

Internal Audit plays an important role in the ongoing investigation of suspected irregularities.

What happened

Of the investigations reported in 2019, 31 were completed, while 13 were in progress. In 2020 a total of 11 investigations were completed and 20 are still currently being investigated.

Over the year, there has been a significant increase in procurement-related matters reported.

10.12.8 Fighting fraud

After the verification of facts, Internal Audit handed several investigations over to prosecuting authorities, and various fraud awareness sessions were then held 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 Service (SAPS). In 2019, the amount/estimate involved was R70 563. During the pandemic of 2020 there have been challenges in reporting cases to law enforcement, as well as with the progress of cases reported. These challenges were as a result of the hard national lockdown, after which various law enforcement offices were repeatedly closed owing to positive Covid-19 cases among personnel. Challenges were also encountered with the handover/delegation of cases to new responsible officers, and with files that went missing. In 2020 investigations, the cases handed over to SAPS had an estimated value of R51 000.

In line with the university's Anti-Fraud Strategy and given the Covid-19 regulations, online anti-fraud awareness sessions were held. One of these sessions took place during November 2020 in support of Fraud Awareness Week and was presented by the Association of Certified Fraud Examiners (ACFE).

The Anti-Fraud Strategy calls for a specific focus on Internal Audit's proactive and continuous monitoring of transactions relating to procurement. Various tests are run and continually reported on to operational managers for follow-up. This has to a large extent assisted to mitigate the risk of fraud in this regard.

10.12.9 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 2020, compliance with the following pieces of legislation was self-assessed: National Student Financial Aid Scheme Act 56 of 1999; Basic Conditions of Employment Act, No 75 of 1997; Broad-Based Black Economic Empowerment Act, No 53 of 2003 and 2014 Code; Copyright Act, No 98 of 1978; Electronic Communications Act, No 36 of 2005; Financial Intelligence Centre Act, No 38 of 2001; National Building Regulations and Building Standards Act, No 103 of 1977; Occupational Health and Safety Act, No 85 of 1993; Promotion of Access to Information Act, No 2 of 2000; Prevention and Combating of Corrupt Activities Act, No 12 of 2004; Prevention of Organised Crime Act, No 121 of 1998; Compensation for Occupational Injuries and Diseases Act, No 130 of 1993; Electronic Communications and Transactions Act, No 25 of 2002; Trade Marks Act, No 194 of 1993.

The risk and compliance coordinator, a staff member who is part of the Corporate and Information Governance Services Department monitors compliance on an ongoing basis. EXCLAIM compliance software is used for compliance assessment and monitoring.

A Risk and Compliance Policy was finalised and approved by Council on 19 March 2020.

10.12.10 Promotion of Access to Information Act requests

The NWU subscribes fully to the Promotion of Access to Information Act (PAIA), 2 of 2000.

What happened

In 2020, the information manual was updated for the 16th time and copies were sent to the South African Human Rights Commission (SAHRC).

As per PAIA, 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 South African Human Rights Commission.

The section 32 report covered the period April 2019 to March 2020, during which 45 requests were received and 29 granted in full. 11 requests were refused in full. Three requests were refused on the basis of the mandatory protection of the personal information (section 34); one was refused based on the mandatory protection of commercial information of a third party (section 36(1)(b)); one was refused on the basis of an unreasonable diversion of resources (section 45(2)); one was refused on the basis that the records could not be found or do not exist (section 23), and five requests were refused based on the requester not using the correct platform or the request being unclear.

10.12.11 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 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 2020 and will be finalised during 2021. The forum also assisted the Audit, Risk and Compliance Committee to fulfil its responsibility in giving assurance to Council.

Specifically, it provided assurance that the university's risk management, risk control and governance processes are adequately addressed. CAF also provided a platform for discussions on optimising risk management at the NWU and addressing management concerns about the processes for managing risks.

The CAF met on 6 May 2020 and 26 August 2020.

10.13 Council statements

10.13.1 Council statement on going concern

We can confirm that the NWU is considered a going concern now, and in the foreseeable future."

Statement approval obtained from the NWU Council on 17 June 2021.

10.13.2 Council statement on financial controls outside financial statements

"Internal controls and administrative systems, which have been designed to provide reasonable assurance regarding the integrity of the financial statements and that assets have been protected and transactions carried out in terms of the university's policies and procedures, are in place and are properly maintained on a cost-effective basis."

Statement approval obtained from the NWU Council on 17 June 2021.

10.13.3 Council statement on financial health and viability

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.
- 15 454 students received degrees and diplomas during 2020.
- The University remains committed to supporting and enhancing academic performance and awarded bursaries in the amount of R211,0 million from own funds to students.
- The NWU's Financial Aid offices administered a total of R2,4 billion bursary funds in 2020.
- Student support was enhanced during Covid-19 by providing 3 534 laptops with a value of R19,8 million to qualifying students.
- 27 021 students received data in the amount of R12,4 million in order to continue their studies online and finish the academic year successfully.
- Printing of study material and courier expenses totalled R18,0 million to assist students during difficult Covid-19 circumstances.
- 64 180 face masks were provided to our students to protect their health and to comply with the set protocol.
- Residence fees of R25,0 million were refunded to qualifying student accounts to compensate for accommodation not used during applicable lock down periods.
- The cash flow investment in property, plant and equipment amounts to R210,1 million (2019: R398,5 million and 2018: R179,5 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 2021). Total assets increased by 23,0% (2019: 21,9% and 2018: 23,8%). However, this is less than planned for, due to 111 days being lost on building sites due to Covid-19 lockdown.
- The increase in the available reserves to 57,1% of total equity from a very low base at the end of 2014 (although some spending against this reserve is to be expected as explained above).
- The maintaining of a sound solvency position and optimal liquidity levels during the 2020 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 2021, as well as in the medium and long term. It needs to be pointed out that our two largest sources of income, namely state subsidy and tuition fee-related income totalling 77,3% of turnover (2018: 73,6% and 2018: 75,3%), increased once again in during 2020 – emphasising our dependence on these income stream one funds. In addition, our number of students funded by NSFAS increased from 4 837 in 2015 to 22 280 in 2020, adding to the dependency on state funding. Income stream three revenue decreased year on year as a percentage of total income, putting pressure

Statement approval obtained from the NWU Council on 17 June 2021.

10.13.4 Council statement on tenders

"The NWU requests tenders from the market for all purchases of goods and services with a total contract value exceeding R250 000. Tenders are evaluated and approved strictly in line with tender policies and procedures and within approved authorisation mandates, including the Broad-Based Black Economic Empowerment Act No 53 of 2003, with a focus on fairness and transparency.

The tender document forms the basis of the envisaged supply agreement and the standard template was therefore checked and approved by the Legal Services Department of the NWU.

The evaluation criteria as specified in the tender document is:

- For tenders with a total contract value of less than R1,5 million, 80% is awarded for price and 20% for the level of BBBEE.
- For tenders with a total contract value exceeding R1,5 million, 90% is awarded for price and 10% for the level of BBBEE.

Council has mandated the Tender Committee to evaluate and approve tenders with a total contract value of between R15 million and R50 million. For tenders with a total contract value exceeding R50 million, the Tender Committee will evaluate the tenders received and make a recommendation to Council for approval."

Statement approval obtained from the NWU Council on 17 June 2021

10.13.5 Council statement on contract management, SLAs and monitoring of suppliers' performance

"The NWU has a centralised procurement management structure that provides control and coordination without inhibiting evaluation, recommendation and authorisation powers in respect of procurement needs on a decentralised divisional level.

This authority is regulated by the Policy on Delegations and the Schedule of Financial and Contractual Authorisation Levels as approved by Council.

We continually strive to obtain the best value for money on each procurement transaction while not compromising the requirements of fair and transparent trade ethics.

We also strive to adhere to the standards as required by the Public Procurement Act, and our tender processes are strictly controlled and monitored by the internal and external audit functions.

We place a high value on obtaining the university's requirements from BBBEE-qualified suppliers with a qualified BBBEE contribution exceeding 70%. The Preferential Procurement Strategy was approved during 2020 which enables a much more focused approach to preferential procurement.

Contract management and service level agreements are decentralised to a divisional level, while problems with contracts and service delivery are escalated to the centralised procurement department for action."

Statement approval obtained from the NWU Council on 17 June 2021.

10.13.6 Statement on penalties, sanctions and fines

"The NWU has no material or immaterial regulatory penalties, sanctions or fines for contraventions or non-compliance with statutory obligations to disclose."

Statement approval obtained from the NWU Council on 17 June 2021.



DR BISMARK TYOBEKA

CHAIRPERSON OF COUNCIL

10.14 Human rights matters

The Human Rights Committee did not deal with any human rights infringements during 2020. It reviewed the various 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 discussed various awareness initiatives and noted that the SRC leadership structures had received training regarding human rights.

Further, the committee discussed and noted the Sexual Harassment Policy and the revised Code of Ethics of the NWU.

"It is of the utmost importance to appoint individuals in governance bodies who are properly equipped. Ethical values and good corporate governance principles remain core aspects of how these bodies conduct their business."

10.15 Institutional Forum: custodian of good governance

10.15.1 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 NWU five-year Employment Equity (EE) plan and NWU Gender Based Violence Policy.

The forum (as a whole or represented by some of our individual members) advised on the appointment of four university management members. They are Prof D Kgwadi (Vice Chancellor), Ms E de Beer (Executive Director: Finance and Facilities), Prof M Verhoef (Registrar) and the Vice-Principal, Prof L du Plessis, all of whom were being appointed for a second term.

The forum also advised the selection panels constituted to consider the appointment of the Deputy Vice-Chancellor: Research and Innovation, executive deans and deputy executive deans of NWU faculties, whose appointment was a key step in the implementation of our strategy.

10.15.2 Report of the Institutional Forum

The Institutional Forum (IF) is an advisory body that assists the NWU Council to maintain good governance and safeguard stakeholder value creation.

We advise Council on the implementation of the Higher Education Act and national higher education policy, and assist it in developing an institutional culture of tolerance and respect for human rights. In addition, we help promote an environment where effective teaching-learning and research can flourish.

Specific matters on which we usually advise Council are senior management appointments, policies on race and gender equity, codes of conduct, management of cultural diversity and policy on mediation and dispute resolution procedures.

During 2020 the following matters received our attention:

National legislation and policy

The IF took note of the revised Statute of the NWU as approved by the Minister of Higher Education and Training in April 2020. The revised Statute was published in Government Gazette 43288, 8 May 2020.

The IF also received and noted the following documents:

- DHET Policy framework to address gender-based violence in the PSET system and released on 15 April 2019.
- The amendment of the National Qualification Framework Act, 2008, assented to by the President on 19 August 2019 (Government Gazette 42646).
- The draft National Plan for Post-School Education and Training, completed at the end of 2017. In his budget speech in July 2019, the Minister of Higher Education, Science and Innovation indicated that the plan would “give practical planning effect to the policy goals and objectives of the post-school system” towards a more integrated, transformed, articulated and effective PSET.

Advice on senior appointments

The IF (as a whole or represented by some of our individual members) advised on the appointment of two university management members: Ms E de Beer (Executive Director: Finance and Facilities) and the Vice-Principal, Prof L du Plessis, who were being appointed for second terms.

We also advised the selection panels constituted to consider the appointment of executive deans and deputy executive deans of three NWU faculties.

The following appointments were then made:

Faculty of Natural Agricultural Sciences

- Executive Dean: Prof D Modise
- Deputy Dean: Research and Innovation: Prof Francois Van Der Westhuizen

Institutional culture and transformation

Given the release of the report by the Ministerial task team on the recruitment, retention and progression of black South African academics, the current task of the Transformation Portfolio is to look at the implications of the 20 recommendations made in the report in connection with the NWU. This work is currently under way.

Reviewing policies on transformation

The IF received and gave input into the following:

- NWU five-year Employment Equity (EE) plan
- NWU Gender Based Violence Policy

The forum received an update on the review of the Policy on Students with Disabilities.

Human rights matters

The IF noted that the SRC and Student Life were involved in human rights awareness during registration and orientation (R&O) in all campuses. The IF was informed that the idea was to conscientise students about human rights issues at NWU.

The IF was also informed about the alleged human rights violations reported campus residences and that this matter was being handled in accordance with NWU disciplinary processes. Furthermore, the IF was informed about efforts to curb incidents of gender-based violence across the campuses of the NWU.

Transformation and equity

The IF was informed that a transformation dashboard had been compiled in response to the request by Council to provide transformation progress reports and align the NWU transformation goals and indicators with the Annual Performance Plan. It was proposed that the dashboard be updated biannually prior to the second and the fourth Transformation Oversight Committee meetings for each year.

The forum received regular reports from the Executive Director: Student Life on transformation initiatives within the NWU and the higher education sector at large.

Composition of the IF

In accordance with the NWU Statute (par 24(2)), an Executive Committee was elected at our first meeting, consisting of Prof M Temane (chairperson), Dr KO Lefenya (deputy chairperson) and Prof JP Fouche (secretary).

The IF may have up to 25 members representing a broad range of stakeholder constituencies. The following table lists these constituencies, together with their representatives as at December 2020 and earlier in 2020.

Constituency	Members: December 2020	Sub-constituency	Earlier in 2020
Council	Father PD Dinkebogile	NWU	
University Management Committee	Mr Clement Manoko	NWU	
Senate	Vacant		
	Dr R Hobyane	Potchefstroom Campus	
	Prof M Temane	Potchefstroom Campus	
Academic staff	Vacant		
	Prof JP Fouche	Potchefstroom Campus	
	Dr KO Lefenya	Mafikeng Campus	
Recognised union	Vacant	SAPTU	
	Ms O Murray	SAPTU	
	Vacant	Awaiting recognition of an additional union	
	Vacant	Awaiting recognition of an additional union	
Support staff	Vacant	NWU	Mr B Schouwstra
	Mr L Malan	NWU	Mr F Nkoana
	Mr P Mahoko	NWU	Dr AA le Roux

Campus Student Representative Councils – CSRCs	Mr T Seepamore	MCSCC	
	Mr T Tlale	MCSCC	
	Mr P Hattingh	PCSCC	
	Ms D Giorgi	PCSCC	
	Mr T Siziba	VCSCC	
	Ms M Mogane	VCSCC	
NWU Convocation	Adv M Kruger	NWU	
	Mr N Mongale	NWU	
Special expertise	Dr S Chalufu	Executive Director: Student Life: NWU	
	Prof E du Plessis	NWU	

Meeting dates in 2020

The IF convened on 5 March 2020, 11 May, 13 August and 30 October.



PROF M TEMANE

CHAIRPERSON OF THE INSTITUTIONAL FORUM



11 Incentivising for achievement

The NWU creates an environment that motivates and reinforces superior performance on the part of our staff. In this way, we encourage high performance and harness the energies of our staff towards realising our strategy and creating value for our stakeholders and ourselves.

Performance incentives are attractive and sustainable and are applied fairly and consistently.

Through integrated performance management, we recognise superior organisational, team and individual performance.

11.1 Remuneration mix to attract and retain scarce and critical skills

Market-related remuneration is essential if we are to succeed in recruiting and retaining the best staff. Our remuneration mix has variable and fixed elements and includes monetary and non-monetary rewards. All these elements are aligned to our strategy, business-specific value drivers and the NWU values, ensuring a good skills and culture fit.

Annually, we do benchmarking to ensure continued competitiveness of guaranteed pay. Employees contribute 7,5% to the pension fund and can choose an employer contribution of 12%, 15%, 17,5% or 20%.

Variable pay includes performance bonuses and various value-adding allowances, and is paid according to the results of individual remuneration reviews.

11.2 Remuneration governance and management

The NWU Council fulfils its oversight function for remuneration through its Remuneration Committee. This committee understands how the income differentials affect fair and responsible remuneration and contribute to the positioning of the NWU as a value-adding institution for employees and other stakeholders.

It is important to close the income differentials between the higher and lower salary bands, and also to address the enhancement of salaries of academic staff. The outcome of the collective bargaining process for salary increases for 2020 supported this by introducing a differentiated increase to cater for academic staff and staff at the lower income bands.

11.3 Executive contracts

The appointment of senior officer bearers is driven by Council, in line with our Statute and the Council's Rules on the appointment of office bearers. The Council process applies to the appointment of the vice-chancellor, deputy vice-chancellors, the registrar, executive directors and deputy vice-chancellors for assignable functions and campus operations.

11.4 Current year incentives: University Management Committee

	Basic Salary R'000	Employee Benefits R'000	Other Allowance payments R'000	Total cost to NWU 2020 R'000
Prof RJ Balfour	1 847	436	486	2 770
Prof DM Balia	1 860	346	203	2 409
Dr JS Chalufu	1 564	258	-	1 822
Ms E de Beer	2 094	446	541	3 087
Prof LA du Plessis	1 951	388	805	3 144

Prof ND Kgwadi	3 243	612	738	4 593
Mr NC Manoko	1 619	382	371	2 371
Prof MN Phaswana-Mafuya	1 795	184	634	3 613
Prof BMP Setlalentoa	1 812	396	487	2 695
Prof V Singh	1 875	257	195	2 326
Prof MM Verhoef	2 100	457	540	3 097
Prof FB Waanders	1 500	-	21	1 521

11.5 External members' fees

As reported in the section on the remuneration of members of Council and Council committees on page 108, these members 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 91.)

Honoraria payments (gross remuneration to Council members) in 2020

** Mr Sorgdrager did not claim honoraria and requested that it be donated to one of the university's entities. As at year end, the remuneration due to him had still been in the university's account.*

Council member	R-value
Ms UA Davey Baravalle	3 307
Prof AL Combrink	33 070
Mr JDS de Bruyn	57 075
Rev PD Dinkebogile	48 010
Mr XV Hadebe	4 163
Mr WG Human	23 149
Mr TC Kgomo	120 836
Mr I Klynsmith	61 238
Mr CS Mabe	47 289
Mr BCO Manyapelolo	20 815
Mr SM Mohapi	20 815
Mr TV Mokgatla	6 614
Mr OE Mongale	45 559
Mr CP Mulder	39 684
Mr A Redelinghuis	56 336
Mr LE Seliane	20 815
Ms T Semane	33 070
Mr MSJ Thabethe	39 801
Dr MB Tyobeka	189 069
Dr K van der Walt	4 163
Mr WA van Rooy	6 614

Grand total	881 492
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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.

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.

The NWU Culture Baseline Report was finalised in February 2020, after all the role-players had perused and given inputs into the draft document. Owing to the limitations and restrictions brought on by the COVID-19 international pandemic, phase two of the NWU Way project was put on hold.

However, in July 2020, as part of the joint venture project in developing the organisational culture of NWU staff members and students, the Organisational Citizenship Behaviour Project (OCBP) was launched. Its aim is to complement and support the establishment of the "To Be" culture of the institution (phase two of the NWU Culture Project).

The project functioned as a stocktaking exercise on how both staff members and students understand the values of the university and, more importantly, how they experience the values in their everyday lives.

The addition of the OCBP to the initial NWU Culture Change project plan sought to build hope and optimism and was used as a platform from which the NWU will encourage and demonstrate care and pacify concerns.

The OCBP informed employees which behaviours are encouraged and implored each employee to commit to do something different to make the NWU a better place for all. Employees were encouraged to show up with a different spirit and energy to enhance the values we espouse.

"A comprehensive talent management strategy will be critical in distinguishing the NWU from other institutions competing for talent. Components of this strategy are an employee value proposition that increases engagement and belonging, competitive compensation and a programme for the recruitment and retention of scarce and critical skills."

12 Future outlook for the NWU

Looking ahead, we anticipate that the worldwide pandemic and the severe impact on the economy are the biggest factors in our external environment that will 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:

12.1 An unstable environment

– *Short-term expectations*

The lessons learned from Covid-19, as well as our digital business strategy and the improvement plans resulting from the national PhD review, will inform our process and priorities for 2021.

The provision of data to students is a priority, as is finding ways to ensure that all students have access to a device.

Our financial risk mitigation strategy will be carefully implemented going forward.

– *Medium-term expectations*

We need to continually learn and update our skills in order to stay relevant. Work in the digital economy will, not surprisingly, consist increasingly of knowledge work. More jobs will require substantial interaction with technology, shaped by technological disruption, labour automation and more flexible and fluid employment. The outdated industrial-age mind-set where people received an education early in life to be ready for a lifetime of work no longer reflects the individualised and unexpected trajectories of modern careers.

The idea of lifelong learning is nothing new. But in a world that has become much more non-linear, the conditions for lifelong learning have changed significantly since the concept was first introduced. The need for lifelong learning to enable individuals to access learning opportunities – in different ways, for different purposes and at various career stages – has never been greater. We need to build education models that reflect this change and a culture that promotes it.

– *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.

12.2 Using opportunities and addressing challenges and uncertainties

It will always be important to measure the applicability of technology against a set of explicitly determined and agreed-upon criteria concerning the university's core business.

Questions such as the following continue to guide our thinking about the future: Does the technology enable better operational support and offer a congenial human experience (given our focus on diversity, inclusion and access for success)? Does technology optimise our functioning in teaching and learning that enables student feedback which is more focused, nuanced and enabling of improvement (when it comes to e-assessment, for example)?

ICT innovation will play an increasingly important role in the offering of teaching and learning and support throughout the student life cycle and agile systems are required with seamless integration between the various stages of the student life cycle.

12.3 Our most important targets and plans for the future

– *In the short to medium term*

Lessons from Covid-19 and the work of the 21-Futures Task team that the NWU has appointed, will guide us to improved blended teaching and learning approaches. These will provide students with the opportunity to benefit from the flexibility and innovation that online learning platforms provide, complemented by well-structured face-to-face sessions. This reconfiguration of service delivery

methods will also have implications for our different infrastructure and student support services. Strategic success factors are: (i) to provide cutting-edge and relevant resources and services to fulfil academic expectations and (ii) to create an enabling and value-based, transparent and engaged organisational culture. The plans directly aimed at meeting these strategic success factors are:

- Provide collaborative teaching and learning support and professional development opportunities towards the scholarly development of academics as university teachers to enhance student retention, success and throughput.
- Collaboration between the Unit for Open Distance Learning (UODL) and the Centre for Teaching and Learning (CTL), to narrow the gap between asynchronous and synchronous modes of distance education and thereby improve access for students using low technology with high immediacy.
- Adopt and develop technology that enhances the enabling teaching and learning environment, informed by the strategic drivers and indicators in the Teaching and Learning Strategy in lieu of blended learning.
- Establish and maintain well-functioning campus structures involved in the communities.
- Develop social consciousness and responsiveness in students by encouraging participation in community work.
- Develop student and staff capacity to effectively engage with technology-enhanced teaching and learning.
- Improve partnerships with reputable international institutions so that collaborative research, joint degrees and co-publications can be increased.
- Access new sources of funding for technology development and commercialisation.

- ***In the long term***

The phenomenon of unbundling universities and online learning has made its appearance globally as part of what 4IR offers higher education.

Like any other business sector, the changing demands of our stakeholders (students and potential employers and industry) drive change in the education sector. The student population is constantly changing and as a result there are new expectations for seamless higher education and lifelong learning experiences that fit different lifestyles, individual circumstances and preferences.

Younger generations entering higher education have a completely different point of departure than previous generations. As digital natives, they have always had technology fully integrated into most aspects of their lives, and after Covid-19 they would expect the same when it comes to their educational experience.

12.4 In summary

The higher education sector, including the NWU, has proven its ability to adapt to change and focus on research and innovation efforts in contributing towards combating a global pandemic. With our focus on the implementation of our digital business strategy, we will continue to differentiate ourselves from other players. We believe that differentiator will be our ability to create value with an ethic of care.



13 Annexures

13.1 Annexure 1: 2020 Performance Assessment Report

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 2019	Target 2020	Actual 2020
1	Contact student success rate	85%	85% ¹	90%
Online learning and continuous assessment that was implemented during COVID-19 meant students had a higher level of engagement ensuring higher participation and success. Since the start of the lockdown, and approach of "leave no student behind" was adopted. To accommodate this, bearing in mind, the unexpected national lockdown, vacation of residences, data and connectivity problems, continuous assessment was implemented with flexibility and more than one opportunity incorporated in the strategy.				
2	Contact undergraduate, graduation duration factor	1.13	1.20 ²	1.12
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	4.1%	4.98% ³	3.18%
Our largest number of foreign students are enrolled for distance programmes. The drop in distance enrolments as a result of the phasing out of diplomas and certificates, had a detrimental impact on the percentage of foreign students.				
4	Headcount Enrolments	63671	63065	56425
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 B. Ed. Honours phasing out faster than anticipated and the approval of our new distance offering taking longer than expected.				
5	First-Time Entering Enrolments	12536	11960	13048
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	14961	15743	15454
We have not reached our graduates target due to a lower number of distance enrolments and graduates.				
7	Graduation Rate	23.50%	25%	27%

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

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.

Goal 2: Intensify research and innovation

	Relevant performance indicator	Actual 2018	Target 2019	Actual 2019 ⁴
8	Publications per permanent academic staff member	0.93	1.25 ²	0.98
The restructuring process took additional commitment for academic, 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	2708.942	3085 ¹	3058.0223
We delivered a record number of 314 Doctorates in 2019 resulting in a good weighted research output.				

Goal 4: Develop a clearly differentiated student value proposition

	Relevant performance indicator	Actual 2019	Target 2020	Actual 2020
10	Student: Academic Staff FTE ratio	31.93 : 1	26.6 : 1 ⁵	29.17 : 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 11 May 2021)	10.8%	Below 13%	9.1%
Online learning, continuous assessment the provision of paper-based material, laptops and data that was implemented during COVID-19 meant students had a higher level of engagement ensuring higher participation and lower drop-outs.				








⁴ 2019 final approved research publication units are reported as the approved 2018 publications are only received from the DHET later in in this year







⁵ A deviation of 3 is allowed on either side of target for achievement of the KPI

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

	Relevant performance indicator	Actual 2019		Target 2020		Actual 2020	
12	Student mix: NWU Contact & Distance; All Campuses	African (%)	67%	African	59%	African (%)	64.4%
		Coloured (%)	4%	Coloured	5%	Coloured (%)	4.3%
		Indian (%)	1%	Indian	1%	Indian (%)	1.4%
		White (%)	27%	White	35%	White (%)	29.9%
		Female (%)	65%	Female	64%	Female (%)	64%
		Male	35%	Male	36%	Male	36%
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 (%)	37.5%	African	37.59%	African (%)	38.3%
		Coloured (%)	6.5%	Coloured	6.42%	Coloured (%)	6.6%
		Indian (%)	1.5%	Indian:	1.54%	Indian (%)	1.6%
		White (%)	54.5%	White:	54.45%	White (%)	53.4%
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	51.05%		53% ¹		49.02%	
A stretch target was set for staff members with PhD and we have not achieved the target as yet. The challenge of the university is twofold: to support staff member 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 nGap appointments will only be visible 2-3 years from now.							

13.2 Annexure 2 – List of committee meetings

Committee	List of meetings	% attendance 2016	% attendance 2017	% attendance 2018	% attendance 2019	% attendance 2020	Self-evaluation undertaken
Council	28 July 2020 10 September 2020 19 November 2020	80%	80%	88%	84%	94%	
Council Executive Committee (Exco)	6 February 2020 17 March 2020 19 March 2020 7 May 2020 17 June 2020 26 June 2020 27 July 2020 7 August 2020 9 September 2020 30 October 2020 18 November 2020	91.8%	85%	92%	92%	97%	
Finance Committee	28 May 2020 5 November 2020	55%	80%	64%	83%	91%	
Transformation Oversight Committee	21 February 2020 19 May 2020 18 August 2020 20 October 2020	91.7%	67%	73%	73%	89%	
Student Oversight Committee	6 May 2020 29 October 2020	86.7%	64%	70%	85%	82%	
People and Culture and Employment Equity Committee	19 May 2020 18 August 2020	83.3%	67%	92%	100%	92%	
Tender Committee	16 May 2020 21 July 2020 2 September 2020 6 October 2020	62.5%	71%	64%	75%	85%	

Committee	List of meetings	% attendance 2016	% attendance 2017	% attendance 2018	% attendance 2019	% attendance 2020	Self-evaluation undertaken
Honorary Awards Committee	23 April 2020	60%	100%	100%	83%	100%	Committee only met once in 2020
Audit, Risk and Compliance Committee	3 March 2020 25 August 2020 25 October 2020	81.3%	75%	91%	88%	88%	
Remuneration Committee	7 May 2020 9 October 2020 18 November 2020	81.8%	88%	89%	100%	96%	
Assets Committee	21 May 2020 23 October 2020	100%	83%	88%	88%	75%	
Investments Committee	13 March 2020 20 April 2020 30 April 2020 21 August 2020 2 October 2020	80%	67%	68%	85%	92%	
TI Governance Committee	3 March 2020 12 May 2020 25 August 2020 15 October 2020	Not applicable	83%	62%	64%	74%	
Social and Ethics Committee	12 May 2020 15 October 2020	Not applicable	Not applicable	Not applicable	71%	79%	

13.3 Annexure 3: Composition of committees (as at October/November 2019)

13.3.1 Composition of Senate

	Reference to Statute	Description	Category 13(1)(h)	Member / Vacancy	Term start	Term end
Vice-Chancellor						
1	13(1)(a)	Vice-Chancellor (Chairperson)		Kgwadi DN Prof	Standing	
Vice-Principal						
2	13(1)(b)	Vice-Principal		Du Plessis L Prof	Standing	
Deputy Vice-Chancellors						
3	13(1)(c)	Deputy Vice-Chancellor: Teaching-Learning		Balfour RJ Prof	Standing	
4	13(1)(c)	Deputy Vice-Chancellor: Research and Innovation		Waanders, F Prof (acting)	Standing	
5	13(1)(c)	Deputy Vice-Chancellor: IT and Campus Operations (Potchefstroom)		Balia, D, Prof	Standing	
6	13(1)(c)	Deputy Vice-Chancellor: Community Engagement and Campus Operations (Mafikeng)		Setlalentoa, BMP, Prof	Standing	
-	13(1)(c)	Deputy Vice-Chancellor: Strategic Planning and Campus Operations (Vaal Triangle)		Du Plessis, L, Prof	Standing	
Registrar						
7	13(1)(d)	Registrar		Verhoef, M, Prof	Standing	
Executive Directors						
8	13(1)(e)	Executive Director: Finance and Facilities		De Beer, E, Ms	Standing	
9	13(1)(e)	Executive Director: Corporate Relations and Marketing		Manoko, NC Mr	Standing	
10	13(1)(e)	Executive Director: People and Culture		Singh, M, Dr	Standing	
11	13(1)(e)	Executive Director: Student Life		Chalufu, S, Dr	Standing	
Executive Deans						
12	13(1)(f)	Executive Dean: Law		De la Harpe, S, Prof	Standing	
13	13(1)(f)	Executive Dean: Natural and Agricultural Sciences		Modise, D, Prof	Standing	
14	13(1)(f)	Executive Dean: Engineering		Van Dyk, L, Prof	Standing	
15	13(1)(f)	Executive Dean: Health Sciences		Kotzé, AF, Prof	Standing	
16	13(1)(f)	Executive Dean: Theology		Goede, H, Dr	Standing	
17	13(1)(f)	Executive Dean: Education		Conley, L, Prof	Standing	
18	13(1)(f)	Executive Dean: Humanities		Maseko, P, Prof	Standing	
19	13(1)(f)	Executive Dean: Economic and Management Sciences		Swanepoel, S, Prof	Standing	
Deputy Deans						
20	13(1)(g)	Deputy Dean: Humanities (Research and Innovation)		Nel, M, Prof	Standing	
21	13(1)(g)	Deputy Dean: Humanities (Teaching and Learning)		Chaka, M, Prof	Standing	
22	13(1)(g)	Deputy Dean: Humanities (Community Engagement and Stakeholder Relations)		Tsidzumba, A, Dr	Standing	
23	13(1)(g)	Deputy Dean: Education (Community Engagement and Stakeholder Relations)		Kung, E, Dr	Standing	

Nr	Reference to Statute	Description	Category 13(1)(h) Member	Term starts	Term ends	
24	13(1)(g)	Deputy Dean: Education (Teaching-Learning)	Van Vuuren, Prof HJ	Standing		
25	13(1)(g)	Deputy Dean: Education (Research and Innovation)	Dudu, W, Prof	Standing		
26	13(1)(g)	Deputy Dean: Natural and Agricultural Sciences (Teaching-Learning)	Drummond, H, Prof	Standing		
27	13(1)(g)	Deputy Dean: Natural and Agricultural Sciences (Research and Innovation)	Groenewald G Prof (acting)	Standing		
28	13(1)(g)	Deputy Dean: Natural and Agricultural Sciences (Community Engagement)	Medupe, TR, Prof	Standing		
29	13(1)(g)	Deputy Dean: Law	Morei, N, Dr	Standing		
30	13(1)(g)	Deputy Dean: Economic and Management Sciences (CE & Stakeholder)	Moroke, N, Prof	Standing		
31	13(1)(g)	Deputy Dean: Economic and Management Sciences (Teaching-Learning)	Van der Merwe, HJ, Prof	Standing		
32	13(1)(g)	Deputy Dean: (Research and Innovation) Economic and Management Sciences	Surujlal, B, Prof	Standing		
33	13(1)(g)	Deputy Dean: Health Sciences (Research and Innovation)	Du Plessis, J, Prof	Standing		
34	13(1)(g)	Deputy Dean: Health Sciences (Community Engagement and Stakeholder Relations)	Robinson, ALK, Prof	Standing		
35	13(1)(g)	Deputy Dean: Health Sciences (Teaching and Learning)	Hanekom G Prof (acting)	Standing		
Academic staff members elected by academic staff in the faculties						
Faculty Economic and Management Sciences						
36	13(1)(h)	(1) Academic staff elected by academic staff in the Faculties	Associate Professor	Janse van Vuuren, H, Prof	2019/03/10	2022/03/10
37	13(1)(h)	(2) Academic staff elected by academic staff in the Faculties	Professor	Grobler, WCJ, Prof	2019/03/10	2022/03/10
38	13(1)(h)	(3) Academic staff elected by academic staff in the Faculties	Senior lecturer	Macintyre J Ms	2019/11/18	2022/11/18
39	13(1)(h)	(4) Academic staff elected by academic staff in the Faculties	NRF rated researcher	Viviers, W, Prof	2018/03/01	2021/03/01
Faculty of Education						
40	13(1)(h)	(1) Academic staff elected by academic staff in the Faculties	Associate Professor	Van der Westhuizen, CP, Prof	2018/10/24	2021/10/24
41	13(1)(h)	(2) Academic staff elected by academic staff in the Faculties	NRF rated researcher	Mentz, E, Prof	2019/03/10	2022/03/10
42	13(1)(h)	(3) Academic staff elected by academic staff in the Faculties	Senior Lecturer	<i>Vacant</i>		
43	13(1)(h)	(4) Academic staff elected by academic staff in the Faculties	Professor	Mentz, PJ, Prof	2018/05/09	2021/05/09
Faculty of Engineering						
44	13(1)(h)	(1) Academic staff elected by academic staff in the Faculties	Professor	Campbell, QP, Prof	2018/03/01	2021/03/01

Nr	Reference to Statute	Description	Category 13(1)(h)	Member / Vacancy	Term start	Reference to Statute
45	13(1)(h)	(2) Academic staff elected by academic staff in the Faculties	Associate Professor	Serfontein, DE , Prof	2018/03/01	2021/03/01
46	13(1)(h)	(3) Academic staff elected by academic staff in the Faculties	Senior Lecturer	Marais, H, Dr	2019/03/14	2022/03/14
47	13(1)(h)	(4) Academic staff elected by academic staff in the Faculties	NRF rated researcher	Fosso-Kankeu, E, Prof	2018/03/01	2021/03/01
Faculty of Health Sciences						
48	13(1)(h)	(1) Academic staff elected by academic staff in the Faculties	Professor	De Ridder H Prof	2019/10/30	2022/10/30
49	13(1)(h)	(2) Academic staff elected by academic staff in the Faculties	NRF rated researcher	Legoabe, L, Prof	2018/05/07	2021/05/07
50	13(1)(h)	(3) Academic staff elected by academic staff in the Faculties	Associate Professor	Coetzee, B, Prof	2020/03/18	2023/03/18
51	13(1)(h)	(4) Academic staff elected by academic staff in the Faculties	Senior Lecturer	Bisschoff, CA, Dr	2020/04/06	2023/04/26
Faculty of Humanities						
52	13(1)(h)	(1) Academic staff elected by academic staff in the Faculties	Associate Professor	Holtzhausen, L, Prof	2020/04/21	2023/04/21
53	13(1)(h)	(2) Academic staff elected by academic staff in the Faculties	NRF rated researcher	Van Schalkwyk, P, Prof	2019/10/01	2022/10/01
54	13(1)(h)	(3) Academic staff elected by academic staff in the Faculties	Professor	Van Eeden, E, Prof	2018/03/01	2021/03/01
55	13(1)(h)	(4) Academic staff elected by academic staff in the Faculties	Senior Lecturer	Kotzé, H, Dr	2018/03/01	2021/03/01
Faculty of Law						
56	13(1)(h)	(1) Academic staff elected by academic staff in the Faculties	Professor	Carnelley, M, Prof	2018/03/01	2021/03/01
57	13(1)(h)	(2) Academic staff elected by academic staff in the Faculties	Associate Professor	Mmusinyane, BO, Prof	2020/04/21	2023/04/21
58	13(1)(h)	(3) Academic staff elected by academic staff in the Faculties	Senior Lecturer	Rossouw, G, Mr	2018/03/01	2021/03/01
59	13(1)(h)	(4) Academic staff elected by academic staff in the Faculties	NRF rated researcher	Agbor, A, Prof	2018/03/01	2021/03/01
Faculty of Natural and Agricultural Sciences						
60	13(1)(h)	(1) Academic staff elected by academic staff in the Faculties	Senior Lecturer	Molale-Tom, LG, Dr	2019/03/10	2022/03/10

Nr	Reference to Statute	Description	Category 13(1)(h)	Member / Vacancy	Term start	Term ends
61	13(1)(h)	(2) Academic staff elected by academic staff in the Faculties	Professor	Bezuidenhout, CC, Prof	2019/03/10	2022/03/10
62	13(1)(h)	(3) Academic staff elected by academic staff in the Faculties	Associate Professor	Claasens S Prof	2019/11/18	2022/11/18
63	13(1)(h)	(4) Academic staff elected by academic staff in the Faculties	NRF rated researcher	Mawire, A, Prof	2018/03/01	2021/03/01
Faculty of Theology						
64	13(1)(h)	(1) Academic staff elected by academic staff in the Faculties	Senior Lecturer	Yates, H, Dr	2019/07/25	2022/07/22
65	13(1)(h)	(2) Academic staff elected by academic staff in the Faculties	Professor	Viljoen, FP, Prof	2018/03/01	2021/03/01
66	13(1)(h)	(3) Academic staff elected by academic staff in the Faculties	Associate Professor	Stoker, HG, Prof	2019/05/10	2022/05/10
67	13(1)(h)	(4) Academic staff elected by academic staff in the Faculties	NRF rated researcher	Hobyane, RS, Prof	2018/03/01	2021/03/01
Non-academic staff elected by non-academic staff (support staff)						
68	13(1)(i)	(1) Non-academic staff elected by non-academic staff (support staff)		Le Roux, AA, Dr	2018/10/03	2021/10/03
69	12(1)(i)	(2) Non-academic staff elected by non-academic staff (support staff)		Du Plessis, GI, Dr	2020/07/29	2023/07/29
Students designated by the SRC						
70	13(1)(j)	SRC Chairperson		Hlope, S, Mr	Dec-2020	Dec-2021
71	13(1)(j)	SRC Deputy Chair		Giorgi, D, Ms	Dec-2020	Dec-2021
72	13(1)(j)	SRC Secretary General		Tlale, T, Mr	Dec-2020	Dec-2021
73	13(1)(j)	SRC Current Affairs		Ndlovu, P, Mr	Dec-2020	Dec-2021
Chairperson of Council or delegate and one other council member						
74	13(1)(k)	Chairperson of Council or delegate and one other Council member elected by Council		<i>Vacant</i>	Term on Council	
75	13(1)(k)	Chairperson of Council or delegate and one other Council member elected by Council		Mr S de Bruyn	Term on Council	
Academic staff members co-opted by the Senate upon the advice of the Senate Standing Committee (Faculty Board)						
76	13(1)(l)	Economic & Management Sciences		Lodewyk, R, Ms	2018/10/24	2021/10/24
77	13(1)(l)	Education		Naidoo, S, Dr	2020/05/19	2023/05/19
78	13(1)(l)	Engineering		Du Plessis, C, Ms	2019/02/28	2022/02/28
79	13(1)(l)	Humanities		<i>Vacant</i>		
80	13(1)(l)	Health Sciences		Erasmus, M, Ms	2018/08/21	2021/08/21
81	13(1)(l)	Law		Schoeman, M, Ms	2018/08/21	2021/08/21
82	13(1)(l)	Natural and Agricultural Sciences		Ngobeni, D, Dr	2019/02/28	2022/02/28
83	13(1)(l)	Theology		<i>Vacant</i>		

As observers					
84	(13)(2)	Person responsible for teaching-learning support	Chief Director: Centre for Teaching-Learning	Van Vollenhoven, W, Prof	Standing
85	(13)(2)	Person responsible for research	Director: Research	Kgabi, N, Prof	Standing
86	(13)(2)	Person responsible for Library Services	Chief Director: LIS	Moyo, M, Dr	Standing
87	(13)(2)	Person responsible for Quality Enhancement	Director: Research	Jacobsz, J, Dr	Standing
88	(13)(2)	Person responsible for Global Engagement	Director: Research	Soobramoney, S, Dr	Standing
89	(13)(2)	Person responsible for IT Services	Director: Research	Pretorius, CE, Mr	Standing

13.3.2 Composition of the Finance Committee

As at the October meeting of the Finance Committee:

Name	Designation
Chairperson	
Mr C Mabe*	External member of Council
Standing members	
Mr TV Mokgatlha	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

13.3.3 Composition of the Audit, Risk and Compliance Committee

As at the October meeting of the ARCC:

Name	Designation
Chairperson	
Mr A Redelinghuis CA(SA)*	External member of Council
Standing members	
Mr JDS de Bruyn	External member of Council
Mr A Sorgdrager	External member of Council
Mr MSJ Thabethe	External member of Council
Ms M van Zyl 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, Mss F Bootha, Ms S Bootha	External Auditors: PwC
Mr PB van Zyl	Representative: Auditor General

13.3.4 Composition of the Remuneration Committee

As at the November meeting of the 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

13.3.5 Composition of the Tender Committee

Note: The Reporting Regulations for Public Higher Education Institutions stipulate that the Tender Committee adjudicated on significant tenders during the year under review, details of the Tender Committee's terms of reference, activities and membership must be disclosed.

As at the October meeting of the Tender Committee:

Name	Designation
Chairperson	
Mr OE Mongale*	External member of Council
Standing members	
Mr S de Bruyn	External member of Council
MS R Kenosi	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

13.3.6 Composition of the Technology and Information Governance Committee

As at the October meeting of the TI Governance Committee:

Name	Designation
Chairperson	
Mr MSJ Thabethe *	External Council member
Standing members	
Mr C Mulder	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 F Waanders	Deputy Vice-Chancellor: Research and Innovation
Mr CE Pretorius	Chief Director: Information Technology

* All council committees are chaired by external independent members, with required skills and expertise.

13.3.7 Council committee reports

13.3.7.1 Audit, Risk and Compliance Committee (ARCC)

The overall purpose of the ARCC is to provide independent oversight in assisting Council in fulfilling its oversight responsibilities in determining the effectiveness of the university's assurance functions and services.

There is a particular focus on combined assurance arrangements (including external assurance service providers, Internal Audit and the finance function). Other key focuses are the integrity of the annual financial statements, the financial reporting process, the system of internal control, the risk management process, the internal and external audit processes, as well as the university's process of monitoring compliance with laws and regulations and codes of conduct.

The ARCC has scrutinised the financial activities at the NWU as reported in this integrated report as well as in the audited consolidated financial statements prepared in accordance with the IFRS and independently audited by our external auditors, PricewaterhouseCoopers.

As a result, the ARCC can declare that it is satisfied with the following:

- the expertise, resources, experience of the institutional finance function
- the independence of the external auditor, the financial statements and the accounting practices;
- the effectiveness of the internal controls and the internal audit function

Reports to Council

For the period under review, the ARCC continued to report to Council on its statutory duties, on activities performed and on major findings of the internal audit functions and the external auditors.

The committee also continued to report on its communication and engagement with the external auditors, the risks that Council had to be made aware of and the importance of certain compliance matters.

The ARCC streamlined its activities to allow for reporting on specific topics at each meeting throughout the year. March: General update – brief overview of matters, June: Annual Report and Financial statements as well as progress made by Internal Audit against the Audit plan, August: Focus on Risk and Compliance. Brief

update by Internal Audit and October: Detailed planning of Internal Audit, performance or self-evaluations and brief mention of the other matters (risk and compliance); External audit planning

Par 13.2 and 13.3.3 include the composition and meeting attendance information.

Key decisions and discussions in 2020

Key decisions: Recommendations to Council for approval
<ul style="list-style-type: none"> • Recommended the Integrated Annual Report 2019 to Council for approval. • Recommended the annual NWU financial statements to Council for approval. • Recommend the appointment of Ms M van Zyl as External Audit specialist on the Audit, Risk and Compliance Committee to the NWU Executive Committee of Council. • Recommended the consolidated financial statements for the year ended 31 December 2019 to the NWU Council for approval. • Recommended the re-appointment of PricewaterhouseCoopers for a subsequent year as external auditors of the NWU via a round-robin process finalised on 1 August 2020. • Recommended an amended terms of reference to Council for approval in October 2020.
Key decisions: Approvals
<ul style="list-style-type: none"> • Approved the “Report on internal/administrative controls” for inclusion in the Integrated Annual Report. • Approved the Internal Audit Plan for 2020 to 2021.
Key decisions: Resolutions
<ul style="list-style-type: none"> • Resolved to add the Covid-19 financial impact to the NWU Risk Register • Resolved that Internal Audit had to provide additional scrutiny towards the monitoring of the Taxation office as required. • Resolved that a checklist on the financial controls be included as an annexure within the financial statements to be tabled within the 2021 June ARCC meeting.
Key discussions
<ul style="list-style-type: none"> • Risk management status report in March 2020 with the addition of a cyber security risk. • Compliance status report in March 2020, and that the following areas of focus existed for 2020: Management of Conflict of Interest, Occupational Health and Safety, Copyright management. Policy review process, Promotion of access to information, Eviction of students, Verification of qualifications at the NWU, Anti-corruption and fraud and Protection of Personal Information. • The NWU had an internal process in place which dealt with plagiarism and publications in predatory journals which the doctoral review process had further sharpened. The NWU was in the process of extending the Research Ethics office to include matters of integrity as well. • Internal Audit report in March 2020 which highlighted audit progress and continuous monitoring. • The key areas of focus for the external audit were: Management override of controls; Revenue, Receivables, which focussed on student debt receivables, Procurement, Salaries and payroll, Related party transactions, Property, Plant and Equipment (PPE), Investment property, Equity, Employee benefit assets and obligations, Creditors, Investments, Deferred income, Contingent liabilities and Predetermined objectives. An additional area of focus was the assumption of the running of the University as a going concern. Materiality for the audit was set at R84 million following additional benchmarking and minor adjustments to additional grant receivables from the Department of Higher Education, Science and Innovation. The ARCC also noted detailed findings, corrected and uncorrected misstatements and Auditor General reporting requirements. • Revised Policy and Rules on Conflict of Interest and on Declarations of Interest and of Gifts. • The matter of Related Entities was receiving the attention of the University Management Committee and was an ongoing point of attention within the Deputy Vice-Chancellor: Research and Innovation’s environment. It was resolved that a list be provided to the Audit, Risk and Compliance Committee which detailed the NWU’s contractual exposure to related entities, the governance of the entities and the entities’ compliance with relevant regulatory requirements. • Reports on business continuity planning amongst Covid-19. • The detailed IT and that the matter related to the effective housekeeping of the NWU’s IT systems and that sufficient controls existed to mitigate the risk posed with the findings. • Suggested risk appetite values and requested management to engage in internal and external consultations towards finalisation of the risk appetite. • Satisfactory progress concerning risk management and the implementation of the COSO framework, focussing on the strengthening of the internal control environment. • A cyber-attack experienced and that a security and risk management project was underway, alongside the revision of the NWU’s strategies and plans for cyber security. • Fair progress had been made in regard to combined assurance matters. • Progress made with the policy review process. • Comprehensive Conflict of Interest report and that management had approved a zero-tolerance approach to non-declarations.

- Reports on the external evaluation of council.
- Report on applications for section 34(5) approvals and that the matter was merely an initial step towards addressing the matter as, subsequent to the approval of the new conflict of interest policy, annual reports would need to be submitted to allow for the continuation of existing approvals.
- The Vice-Chancellor Pulse Survey (external auditors report regarding the Covid-19 pandemic that focussed on digital agility, financial sustainability and crisis management) and resolved that the report be tabled as part of the ARCC report to Council.
- Oracle had alleged non-compliance by the NWU uncovered during the Oracle Audit. In consultation with Gartner and external legal service providers, the NWU was addressing the matter and formulating an approach.

13.3.7.2 Finance Committee

The purpose of the Finance Committee and its subcommittees (Assets Committee, Tender Committee and Investment Committee) is in general to advise Council on financial and investment matters and on long-term development of university infrastructure.

It reinforces the governance function of the Council with regard to sound, responsible and effective financial planning, financial administration, financial governance and financial reporting.

Par 13.2 and 13.3.2 include the composition and meeting attendance information.

Reports to Council

The Finance Committee continued to report to Council on its statutory duties, the budget process and activities performed.

Key decisions and discussions in 2020

Key decisions: Recommendations to Council for approval
<ul style="list-style-type: none"> • Recommended to the NWU council approval of the following tenders: <ul style="list-style-type: none"> ○ Tender TR050-2019VTC - Additional Lecture Spaces on the Vaal Triangle Campus ○ Tender TR173-2019MC – New Psychosocial Building ○ TR168/2019 Security services ○ TR180/2019 New student housing construction ○ TR181/2019 New student housing electrical ○ TR196/2019 Relocation of HPI construction • Recommended the 2019 financial overview to the NWU council for approval. • Recommended the list of donations made for 2019 to the NWU Council for noting. • Recommended the revised 2021 budget timeline to the NWU Finance Committee of Council for noting. • Recommended the variance report to the NWU council for noting. • Recommended the student finances report to the NWU council for noting. • Recommended the quarterly report on residence finances to the NWU Council for noting • Recommended the approval of the financial impact model to the NWU Council, emphasising flexibility within the mitigation plan, with adequate responsiveness to be updated as information became available. The mitigation plan would form the baseline from which decision making would be guided. • Recommended the financial policy (including schedule of financial and contractual authorisation levels) and the preferential procurement strategy to the NWU Council for approval. • Recommended the 2021-2023 rolling budget (as part of the Annual Performance Plan to be submitted to the Department of Higher Education, Science and Technology) to the NWU Council for approval • Recommended the financial performance of the six months ending 30 June 2020 as part of the mid-year report to the NWU Council to be submitted to DHET. • Recommended the revised 2021 budget timeline to the NWU Finance Committee of Council for approval. • Recommended the following to the NWU Council for approval: i) The granting of credit for residence fees for 2020 due to COVID-19 based on a set of principles and a model that are affordable, fair and demonstrates the NWU's ethic of care value. ii) Before implementation, that the principle is also consulted on with DHET.
Key decisions: Approvals
<ul style="list-style-type: none"> • Approved and recommended the 2019 financial overview to the NWU Council for approval. • Approved the revised investment limits as detailed within the report, following the appointment of Taquanta. • Approved the amendments to the Investment Policy Statement. • Resolved to host a special combined Investment and Finance Committee to consider the asset allocation of the NWU's Investment portfolio.

<ul style="list-style-type: none"> • Approved the reappointment of the Investment Consultant Novare for a three-year period renewable annually and resolved that a document detailing the equity distribution of Novare be submitted to the Finance Committee. • Approved the exercising of the option that the NWU has in the existing contract with Amorispan for Moahi to lease 288 beds on the same conditions as contained in the existing contract for a period of 3 years from 1 January 2021 to 31 December 2023. The total value of the new contract was reported to amount to R8 479 827.96 for 1 year, R17 553 241.84 for 2 years or R27 261 808.80 for 3 years including escalation. • Approved the exercising of the option that the NWU has in the existing contract with Ciaratouch for Bohlale to lease 326 beds on the same conditions as contained in the existing contract for a period of 3 years from 1 January 2021 to 31 December 2023. The total value of the new contract would amount to R11 022 464.89 for 1 year, R22 816 518.97 for 2 years or R35 436 147.84 for 3 years including VAT and escalation.
Key discussions
<ul style="list-style-type: none"> • Abridged financial statements and management financial statements of the year-ending 31 December 2019. • De-risking of the disability fund project. • Reports on the external evaluation of Council and the Finance Committee's functioning. • NWU management statements as at 30 September 2020. • risk, compliance and business continuity amongst Covid-19 reports. • reports from the Tender, Assets and Investments Committee.

- The **Tender Committee** is a subcommittee of the Finance Committee with a mandate to:
 - Approve tender procedures and recommend tender policies to the Finance Committee for approval by Council.
 - Ensure that the tender procedures in terms of the Broad-Based Black Economic Empowerment Act 2003 (Act No. 53 of 2003) are adhered to.
 - Confirm that tender policies are adhered to.
 - Evaluate and approve tenders received, for specific contracts within their mandates.
- During 2020, the Tender Committee considered various tenders in regard of which the relevant particulars are available in the approved minutes of the meetings.

13.3.7.3 Remuneration Committee (RemCom)

The mandate of the Remuneration Committee is to assist Council in carrying out its responsibilities towards the conceptualisation and implementation of a fair and responsible remuneration philosophy that is evident in remuneration policies and strategies.

Reports to Council

For the period under review, the committee continued to report to Council on its statutory duties.

Par 13.2 and 13.3.4 include the composition and meeting attendance information.

Key decisions and discussions in 2020

Key decisions: Approvals
<ul style="list-style-type: none"> • Approved the payment of retention bonuses to Prof ND Kgwadi and Prof L du Plessis of 12% of annual package at the time their contracts end. • Approved the COLA for Executives (P1-P4) comprising of 1,5% as a permanent carry over component and 0,5% as a cash component backdated from 1 August 2020, instead of 1 April 2020. • Approved that performance and management bonuses be paid to qualifying staff for 2020. • Approved the revised process applicable to the Performance Management of UMC Members and the Standard Operating Procedure for Management Bonuses • Approved the contents of the Proforma Performance Agreement which included the KPAs of transformation and employment equity, as well as risk, compliance and OHS management. • Approved the 80%/20% split between central and decentralised apportionment of performance bonus budget, the revised performance bonus percentages, the revised management bonus percentages and the payment of performance and management bonuses which was within budget. • Approved the further refinement of the consistency process for 2021, i.e. (i) an overarching consistency process within the larger faculties and divisions, after the consistency process in their respective schools and directorates; (ii) an overarching consistency process for the support divisions, as was already the model implemented by the academia and (iii) Calling in the line manager to provide information required by the Moderation Committee.

Key decisions: Resolutions

- Resolved to support the following approaches to address the salaries of academic staff as requested by Council in September 2019 and to recommend these approached to council for noting for implementation:
 - a. Differentiated COLA to be phased-in over a period and managed within the affordability and sustainability principles.
 - b. Greater allocation of the Individual Remuneration Review (IRR) budget to faculties.
 - c. Scarce skills allowances allocated to scarce academic staff.
- Resolved to make the bonus payments to UMC members upon approval of the financial statements, and that the performance scores and bonus amounts would subsequently be provided to the RemCom for final approval.
- Resolved that the RemCom had to be privy to the performance agreements of the UMC members before they were signed off by the Vice-Chancellor in order to ensure that the RemCom had the context from the performance agreements when resolving on bonuses. Also, to ensure that the performance agreements
- were commensurate with the broader aims of council and the highest KPA weights were attached to burning issues.
- Resolved that the Vice-Chancellor and the Executive Director: People and Culture would take into account the resolution as indicated above and institute a process to have the matter addressed.
- Resolved that, should a bonus not be awarded to a UMC member, the reason for this had to be disclosed in the footnotes of the report provided to RemCom.
- Resolved that the Executive Director: People and Culture was tasked with consulting with Legal Services on a way to avail the required information regarding performance ratings and salaries to RemCom in order for the committee to fulfil its oversight role and mandate properly, without exposing the RemCom to legal risks in terms of POPIA.
- Resolved that the Executive Director: People and Culture would formulate a document providing for moderation powers to the RemCom in terms of performance evaluations and ratings of UMC members, whereby the RemCom would become a moderation committee in this regard, in the same manner a moderation committee existed for the moderation of performance scores of lower level staff members.
- Resolved that all Remuneration Committee members agreed to voice the stance on council autonomy at all appropriate forums and to mandate the Vice-Chancellor and the Executive Directors to voice the Remuneration Committee's stance against centralised bargaining

Key discussions

- Reports on the external evaluation of Council and the evaluation of RemCom.
- Comprehensive feedback reports on the referral of disputes regarding accrued leave by SAPTU and Solidarity to the CCMA.
- Progress reports on the performance management process for 2020
- Succession planning for UMC members and resolved that the matter be a standing item on the RemCom agenda.
- Changes to executive remuneration and remuneration of the Internal Auditor after cost-of-living (COLA) adjustments.
- Ex gratia/ex lege payments.
- Honorarium payments to Council members.
- COLA negotiation process for 2020.
- Benchmarking of NWU salaries for both academic and support staff.
- USAf remuneration report
- NWU participation in the CHE remuneration survey.
- Vice-Chancellor had concluded performance agreements with all University Management members.
- Bonus payments to be made to the UMC after the approval of the financial statement on 5 June 2020.
- Bonus payments to executives with contracts ending in December and made some changes which was effected.
- Risk report on risks related to remuneration matters.
- Reviewed staff cost mitigation plan in response to COVID-19 financial impact.

13.3.7.4 Technology and Information (TI) Governance Committee

The TI Governance Committee is responsible for information technology governance and ensuring that Council fulfils its role as the overall governing body for information technology. Its mandate is to:

- Oversee the implementation of an TI governance framework that sets the direction for technology and information at the NWU.
- Recommend policy to Council that articulates and gives effect to the direction set.
- Hold university management accountable for the implementation and execution of effective technology and information management.
- Exercise ongoing oversight of technology and information management, including IT risk management, prevention of cyber-attacks and ensuring legal compliance.

Reports to Council

For the period under review, the committee continued to report to Council on its statutory duties.

Par 13.2 and 13.3.6 include the composition and meeting attendance information For the Council Statement on IT, see par 9.1.15

Key decisions and discussions in 2020

Key decisions: Recommendations
<ul style="list-style-type: none">• Recommended the amended terms of reference of the TIGovCom to Council Exco and Council for approval with minor changes.• Recommended the Policy and Rules for Business Continuity to Council for approval.
Key decisions: Resolutions
<ul style="list-style-type: none">• Resolved that the university would make use of the services of OpenCollab, winding it down to implement the new Student Information System on 11 March 2020.• Agreed that the Digital Business Strategy presentation would be presented to Council.
Key discussions
<ul style="list-style-type: none">• Reports on the external evaluation of Council and the evaluation of the TI Governance Committee.• IT strategy would be revisited after the Digital Business Strategy has been finalised by June/July of 2020.• IT Product Portfolio.• IT Project Portfolio.• IT Committee structures.• IT model and change management.• IT Transformation Plan.• DHET Infrastructure Grant.• IT policy was being reviewed.• Information Governance Framework was in its final development stages.• Status reports on information management.• Reports on business continuity amongst Covid-19.• Risk and compliance reports on information technology and information management matters.• Draft Policy and Rules on Business Continuity Planning.• Report on third party providers• The responsible disposal of obsolete technology and information and resolved that the inclusiveness of the report, with specific reference to the environmental report of the university, would be investigated. The conceptual framework for the data and information classification framework would include notions relevant for the governance and management of redundant, obsolete and trivial data and information.• Cyber security and a risk assessment had been done, providing amongst other, the Gartner Score Overview, Overall Maturity and a Roadmap for the way forward, based on the responsibilities and functional areas of the university to enable business decisions.• An Information Management Committee had been established in terms of the Council approved Information Governance Framework. A report from the IMC was noted, that specifically eluded to the compliance to POPIA.• e-Assessments and the next steps that would entail to evaluate and recommend proctoring software, develop a policy and procedure for e-Assessment and to develop pedagogically sound and custom made e-Assessment empowerment workshops.• The Code of Conduct for the implementation of POPIA. Objectives and deliverables were discussed and the TI Governance Committee noted the five-phase approach by means of which the project would be rolled out.• The development of various policies to give effect to the Information Governance Framework, especially the Personal Information Privacy Policy.• An implementation plan for business continuity management at the NWU and the preliminary progress made with BCM at the NWU and the BIA criteria and weighting factors to be utilised for purpose of the Business Impact Analysis.

13.3.7.5 Council Membership Committee

The NWU Council resolved in 2015 to add to the mandate of the Council Executive Committee that of Council Membership Committee.

In this regard, Exco considers nominations for vacancies related to Council and its committees, oversees the nomination and election processes, deals with all other membership matters, and delegates authority to

subcommittees when necessary. Exco also oversees the attendance of Council members and the self-evaluation of Council.

During 2020 Exco, at each ordinary meeting, noted and considered the vacancies on Council and the processes for filling and scrutinising these vacancies.

Exco also received a list of all vacancies in Council committees, and made recommendations for the filling of these vacancies to Council for approval.

13.4 Annexure 4: NWU Risk Register as noted by the ARCC in August 2020

*Arranged in order of residual risk rating

Risk No	Risk Owner	Risk Name	Risk Description	Inherent			Inherent Rating	Residual Rating	Current Controls
				Impact	Likelihood	Exposure			
42	DVC IT	Cyber Security	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.	Severe	Likely	R0	20	16	Cyber incident and execution management system; * Cyber security strategy; * Business process: Using the best in class Firewall solution; * Audit plan executed annually by Internal Audit which covers the risk; * Institution-wide use of network access control; * Penetration testing (internal and external); * Awareness campaigns across NWU about the risk
43	DVC IT	Digital Business Strategy	Digital transformation will have a severe impact on operational models, structures, people, processes and roles.	Significant	Certain	R0	15	14	Enterprise-wide Digital Business Strategy for the NWU as part of the strategic positioning of the NWU
40	UMC	Environmental Management	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.	Critical	Likely	R10 000 000	16	13	Audit plan executed annually by Internal Audit which covers the risk; * Awareness campaigns across NWU about the risk
18	Registrar	Information governance, BCP and DRP	Inadequacies around a focused approach on information governance, disaster recovery and business continuity could hamper the NWU's operations	Critical	Likely	R0	16	13	BCP and Contingency planning in place at execution of key processes e.g. registration etc; * Implementation of a Digital Business Strategy
45	ExDir FF	COVID-19 financial impact	Large number of additional expenses as well as reduced income levels brought about by complying with the lockdown and the accompanied regulations.	Severe	Certain	R322 676 000	25	13	Financial Impact Model with all the mitigation plans included

			Increase in outstanding debt due to parents not being able to pay / refuse to pay since it is not business as usual.						
9	DVC RI	Research	Decline in research funding and research, and possibility of inadequate quality of research products.	Significant	Certain	R200 000 000	15	12	NWU budgetary process to focus on sustaining and enhancing the research function
37	ExDir: Finance and Facilities	Fee regulation	Insecurities regarding the proposed fee regulation model leading to uncertainty around sustainability	Critical	Certain	R28 000 000	20	10	USAF fee regulation task team in which the ExDir FF is a member; * Initiatives in regard to fundraising and endowment to ensure new sustainable source of income
28	Registrar; Ex.Dir.P &C; DVC Integr Plannin g; DVC R&I	Business processes	Academic project in jeopardy because of ineffectiveness and inefficiencies of support functions, possibly leading to loss of income and potential growth, loss of staff and negative impact on reputation and on ranking of the NWU.	Critical	Likely	R0	16	8	Participation of NWU in ratings and rankings process by means of clear focus and strategy and with bespoke data.
8	DVC RI. ExDir CRM	Internationalisation	Global engagement/internationalisation effort not sufficient with the effect that the NWU has little international exposure in terms of attracting international staff, students, investment and sponsoring of research.	Critical	Likely	R0	16	8	Internationalisation Policy; * Business process established to ensure a well-organised process in place in regard to cooperative agreements by the DVC R&I
3	DVC R&I, ExDir FF	PG Students	Poor financial support to PG students resulting in loss of student income and continuity from UG to PG. Furthermore postgraduate numbers' dependency on bursaries	Significant	Possible	R0	9	7	Post-graduate funding model where merit bonuses are available for qualifying students who received NSFAS funding during UG studies.; * Strategic funds are made available for PG bursaries for only a small number of potential candidates.
24	DVC IT; UMC	IT Support and Innovation	IT provisioning for certain admin and academic functions not optimal; indications exist that	Significant	Possible	R0	9	7	Staff: Focus on retention strategies; * Implementation of a Digital Business Strategy; * Project by IT to modernise learning spaces

			individual IT staff are overburdened due to inadequate human resources in IT; uncertainties evident about direction in regard to digitised business strategy leading to delays in new system design and implementation						
30	ExDir FF; DVC Integr Plannin g; DVC TL	Infrastructure	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	Significant	Possible	R0	9	7	Guidelines: Enrolment plan (2020-2025) developed and approved; * Strategic Intelligence committee aims at redesigning the system to ensure effective use of infrastructure; * Institutional Budget Committee makes provision for infrastructure planning in budgeting planning.; * Space management project established to optimise governance and management of space across NWU (teaching spaces and non-teaching spaces)
36	ExDir: Student Life, DVC Campus Operations, ExDir FF	Campus and Safety	Student safety on and off-campus at risk due to escalation in criminal activities on and around campus.	Significant	Possible	R0	9	7	Well-described process to deal with any instances of crime as establishment of Joint Operating Teams including SAPS, liaison with Public Order Policing and Intelligence Services; * Protection services at all campuses operating in accordance with pre-determined SOPs; * Awareness campaigns across NWU about the risk; * All campuses are access controlled; * Cachet Park City Improvement District Non Profit Company (Cachet Park CID NPC) and rolling out of initiative to other campuses
44	DVC TL; Registrar	No SAQA ID registration	NWU qualification without SAQA IDS will lead to graduates in those qualifications not being captured on the NLRD.	Significant	Possible	R0	9	7	USAF fee regulation task team in which the ExDir FF is a member; * Initiatives in regard to fundraising and endowment to ensure new sustainable source of income

6	ExDir P&C; All line managers; ExDir CRM; ExDeans	Diversity	Insufficient levels of diversity in staff and student environment	Significant	Likely	R0	12	6	Well-defined recruitment and admission process in place; * Provision for a scarce-skill allowance; * Business process: EE targets built into the performance agreements of SMC members and is measured as part of the performance evaluation process.; * Staff: Focus on retention strategies; * EESDF meets 4x per annum to monitor the effectiveness of implementation. ; * Policies and Rules: Clear position profiles for senior management indicating roles and responsibilities; * Targeted enrolment as per agreed-upon diversity targets; * Employment Equity Policy
11	DVC TL	Technology Based Learning	Apparent unpreparedness for functioning in blended-learning environment, exacerbated by the perception that technology does not support the Teaching-Learning effort in an optimal way, leading to missed opportunities for blended learning.	Critical	Possible	R0	12	6	Induction programme on blended teaching offered by CTL; * NWU Teaching-Learning and Assessment policy guides the implementation of a blended model aimed at enhancing access and success
16	Registrar; ExDir FF	Fraud	The risk that fraudulent activities could be prevalent in some business process environments and could impact negatively on the reputation of the NWU.	Critical	Possible	R0	12	6	KFS process to detect and prevent transactions between NWU and staff; * Reporting to and oversight of the ARCC which covers the risk; * Awareness campaigns across NWU about the risk; * Policy and Rules on conflict of interest and on declaration of Interest and gifts
20	ExDir SL; Campus DVCs; DVC IT	Standardising	Varied student experiences across campuses might lead to dissatisfaction because of the possible negative effect of 'standardising' student life across campuses and the management of student life in new structure.	Significant	Likely	R0	12	6	Student satisfaction survey done annually. ; * IT service equally shared and aligned.

27	ExDir: Student Life	Student experience	Inadequate measures to create a welcoming student environment at the NWU	Significant	Likely	R0	12	6	Awareness campaigns across NWU about the risk; * Thoughts and complaints line. Inclusive planning process takes place with all the stakeholders. Planning includes feedback from the Thoughts and Complaints line process.; * Defined process to appoint and train house parents; * Aligned R&O programme across all 3 campuses
29	ExDir P&C	Staff	Absenteeism and loss of valuable staff due to low staff morale	Significant	Likely	R25 331 618	12	6	IRR guidelines strictly applied for the purpose of addressing disparities.; * Positions on P7 and below advertised internally first to provide growth opportunities for staff within the NWU
33	Chief Director: TTIS, Directors of Companies, Shareholder Representatives	Commercialisation	Failure of licensee or spin-out to commercialise	Minor	Likely	R0	8	6	Building optimal relationships with funders; facilitating start-up capital by TTIS
35	ExDir: Student Life, DVC: Campus Operations	Sexual and Gender based violence	Presence and escalation in sexual and gender-based violence on the campuses	Significant	Likely	R0	12	6	Awareness campaigns across NWU about the risk; * Protection services at all campuses operating in accordance with pre-determined SOPs; * All campuses are access controlled; * Well-described process to deal with any instances of crime as establishment of Joint Operating Teams including SAPS, liaison with Public Order Policing and Intelligence Services; * Awareness and training programmes on LGBTQ+ and other human rights issues

41	ExDir P&C; DVC TL; DVC R&I; ExDeans	Staff	Lack of competitive salaries in the academic environment might lead to exodus of talent	Significant	Likely	R0	12	6	IRR guidelines strictly applied for the purpose of addressing disparities.; * Provision for a scarce-skill allowance; * Guidelines: Clear promotion criteria for academic employees; * Private Work Policy; * Differentiated COLA for academic staff
4	VC, UMC Members	Business Model	Poor implementation of the unitary business model resulting in silo functioning, ineffectiveness and inefficiencies.	Minor	Likely	R0	8	4	Implementation of the organisational structure. Adaption of systems to structure, Joint accountability and individual responsibility clarified and implemented.; * Individual executive performance agreements contain KPI's on the implementation of the business model that are measured; * Policies and Rules: Clear position profiles for senior management indicating roles and responsibilities; * Statute, policies and procedures in place, implemented and monitored. ; * CMC meetings established to ensure proper handshaking between Campus DVC role fulfilment and brown-line responsibilities of functional owners; * Regular reporting to UMC. (UMC sits every month)
13	DVC TL and ExDeans	Student Throughput	Decline in student throughput and student success due to external factors such as NSFAS rules, lack of focus of student-support services and other factors	Significant	Certain	R0	15	4	Admission tests and placement tests are performed to guide admission into qualifications and allocation of students to second and third choices if admission requirements to preferred choice have not been met; * Measuring tools in place to trace and track student success; * Faculty plans in place to enhance and manage student throughput.; * Offering of supplemental instruction (SI) interventions, group and individual tutorial interventions and one on one student support walk in services. Each faculty has student advisors(usually honours or master students who mentor junior students.
14	DVC TL; ExDeans; Registrar	Programme Offering	Slow external approval process of qualifications/programmss leading to loss-of-opportunities and possible irrelevance of NWU programme offering.	Significant	Possible	R0	9	5	External (HEQC) and internal (Q and APP) workshops

17	Registrar	Academic Integrity	Inconsistent application of the NWU Policy on Academic Integrity resulting in negative impact on the reputation of the University, the issuing of penalties, revoking of qualifications and loss of income from subsidised publications.	Significant	Possible	R3 000 000	9	5	Audit plan executed annually by Internal Audit which covers the risk; * Policy and Rules on Academic Integrity; * In student environment, the Writing Laboratories across campuses and the Student Judicial Office collaborate in regard of all cases related to transgressions pertaining academic integrity matters
26	DVC Integrated Planning; Registrar, DVC IT, DVC TL, DVC R&I, ExDir FF	Business Processes	Loss of students and student income due to the processes and systems that drive the core business being inadequate.	Significant	Possible	R100 000 000	9	5	BCP and Contingency planning in place at execution of key processes e.g. registration etc; * Implementation of a Digital Business Strategy
31	VC, ExDir FF, UMC	Compliance	Loss of lives, financial losses and closure of business due to non-compliance to health and safety laws.	Critical	Unlikely	R100 000	8	4	Continuous OHS training and monitoring per schedule and budget. Departmental Health and Safety reps. Health and safety appointments such as 16(2)'s.; * NWU OHS management system implemented; * Continuous OHS training and monitoring per schedule and budget; * Awareness campaigns across NWU about the risk
34	ExDir: Student Life	Student Leadership	Inadequacies in student leadership skills leading to possible human rights and other values infringements presenting a student offering no longer desired by students	Significant	Possible	R0	9	5	Awareness and training programmes on LGBTQ+ and other human rights issues; * Leadership coaching and mentoring programme implemented; * Continuous process of review and measurement to gauge the student offering and its acceptance among the student body

38	DVC: TL	Business Model	Uncertainties in regard to the language plan implementation in the unitary model could lead to disruption	Significant	Possible	R0	9	5	Faculty language plans, CRM language plan and SL plans approved; * Leadership coaching and mentoring programme implemented; * Monitoring and evaluation of implementation in place by Senate Committee.; * SLPs on multi lingual pedagogies developed for offering to academic staff.
12	DVC Integrat ed Plannin g	Enrolment	Over and under enrolment resulting in financial losses	Significant	Likely	R49 000 000	12	3	elines: Enrolment plan (2020-2025) developed and approved; * Well-defined recruitment and admission process in place
19	ExDir Student Life; Campus DVCs; Registra r	Protest	Possibility of student protests/unrest on campuses disrupting academic activity and endangering staff and student safety.	Minor	Possible	R50 000 000	6	3	Well-described process to deal with any instances of crime as establishment of Joint Operating Teams including SAPS, liaison with Public Order Policing and Intelligence Services; * Protection services at all campuses operating in accordance with pre-determined SOPs; * Policy and Rules on Gatherings ; * Emergency contingency plans in place. ; * Continuous engagement with stakeholders.
22	ExDir CRM	Market place Expectations	Reputational risk if the public and stakeholders do not perceive the university as having shared values, conduct and practices. Negative perception of university offering could result in financial losses.	Significant	Likely	R0	12	3	The marketing strategy promoting multi lingualism; * The recruitment strategy currently focuses on quality of TL delivery; * Message to stakeholders focuses on the delivery of the promise of academic excellence and overtly moving away from any notion related to "campus niche".
25	Registra r; DVC TL	Commercialis ation	Commercialisation risks - offering of non-compliant SLPs; income not coming to NWU	Significant	Likely	R0	12	3	Oversight body established since 2014 to guide the approval process.; * Establishment of UCE with a clear mandate to work proactively towards income stream 3 to add value.
32	DVC RI; Chief Director: TTIS	Commercialis ation	Missing out on commercialisation opportunities	Minor	Possible	R0	6	3	Continuous engage with potential funders to understand funding criteria; * Recruit additional senior commercialisation specialists

39	Vice-Chancellor	Staff	Key person dependencies leading to loss of institutional knowledge and create vacuums in key functional areas	Minor	Possible	R0	6	3	Leadership coaching and mentoring programme implemented
1	ExDir:FF, Director: Business Development; UMC	Funding	Government funding model is not sustainable, the HE sector is not sufficiently informed, also the impact is not known, exacerbated by an over-dependence on a single source of income (government subsidies and NSFAS).	Critical	Unlikely	R2 200 000 000	8	2	Building available reserves by ExDir FF and financial team to cover one year of operational expenses.; * Building optimal relationships with funders; facilitating start-up capital by TTIS; * Undertaking initiatives with regard to fundraising and endowment to ensure new sustainable source of income
2	ExDir FF	Student Debt	Increase in student debt as a result of non-paying culture, exacerbated by uncertainties on the sustainability of the NSFAS model	Significant	Possible	R500 000 000	9	2	Careful implementation of Financial Rules guidelines; * Business process: Consistent information-sharing and communication on NSFAS processes by Student Finance Department to NWU student population; * Building available reserves by ExDir FF and financial team to cover one year of operational expenses.; * Building optimal relationships with funders; facilitating start-up capital by TTIS; * Undertaking initiatives with regard to fundraising and endowment to ensure new sustainable source of income; * Process in place by Student Finance dept. to follow-up on student debt matters, such as ongoing communication with students; pre-registration finance committee structures at respective campuses, various options to students to pre-agree on settlement of debt.
5	Ex. Dir. P&C	Staff	Difficulty to recruit and retain qualified and talented staff due to challenges in staff morale due to change and uncertainties and perceived non-implementation of retention strategies.	Minor	Likely	R0	8	2	Provision for a scarce-skill allowance; * Guidelines: Succession Planning Framework; * Establishment of a talent management programme; * Communication of a clear employee value proposition; * Well-defined recruitment and admission process in place
7	DVC TL	Market place Expectations	Perceived inability to meet market-place expectations in that graduates do not find employment quickly enough.	Minor	Possible	R0	6	2	Participation of NWU in ratings and rankings process by means of clear focus and strategy and with bespoke data.

10	DVC TL; Executive Deans	School Leavers	Standards gap between basic and tertiary education leading to ill preparedness of school leavers for tertiary education	Significant	Possible	R120 000 000	9	2	Admission tests and placement tests are performed to guide admission into qualifications and allocation of students to second and third choices if admission requirements to preferred choice have not been met; * Faculty plans in place to enhance and manage student throughput.; * Offering of supplemental instruction (SI) interventions, group and individual tutorial interventions and one on one student support walk in services. Each faculty has student advisors(usually honours or master students who mentor junior students.; * Offering of Academic Literacy module that runs over the whole first year including components of reading, writing and basic computer literacy; also providing guidance in terms of learning strategies.; * Allocation of student to second and third choices if admission requirements to preferred choice have not been met; * Offering of bridging courses to augment skills of university entrants
15	Registrar	Compliance	Financial losses, possible imprisonment and penalties due to lack of compliance to legislation, statutory requirements, licenses and other legal requirements.	Significant	Possible	R0	9	2	Systematic annual review process implemented involving all owners of legislation with the aim to complete compliance checklists, draft improvement plans that are, in turn, monitored by management and governance structures; * Audit plan executed annually by Internal Audit which covers the risk; * Reporting to and oversight of the ARCC which covers the risk; * Reporting to and oversight of the Compliance Committee which covers the risk; * Risk and Compliance Policy
21	DVC TL; DVC R&I; DVC Integrated Planning; ExDir FF; Registrar	Programme Offering	Possibility that UG and PG academic offering and services related to offering are not responsive, price appropriate and that the quality is not of the required standard.	Significant	Possible	R0	9	2	National Doctoral Review project to provide insight into possible deficiencies of effectiveness and efficiency.; * Executing a PQM audit over the next three years ; * Executing a situational analysis for new products before development.; * Rigorous planning process in place for new academic offerings, after the completion of the HEQSF process.

23	DVC IT	DRP	Possible inadequate Disaster Recovery Plan within IT could halt the operations of the NWU	Critical	Rare	R0	4	1	Monitoring of machine rooms; * Disaster Recovery Plan; * Replicated site on campus
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13.5 Annexure 5: Financial Overview

ANNUAL FINANCIAL REVIEW 2020

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 2020 and to provide information regarding the following:

- Budgeting and budgetary control processes
- Overview of financial achievements

13.5.1 BUDGETING AND BUDGETARY CONTROL PROCESSES IN 2020

The Finance Committee of Council approved the budget process and timeline for the 2020 budget in May 2019. During an interactive budget process, it was expected from all levels of management to take ownership and to participate actively in compiling the budget (per planned activity) for 2020 and where possible, apply zero-based budgeting principles. The main focus within each executive portfolio during the budget process was to cost their annual performance plan for 2020. This plan needed to be aligned with the portfolio's strategy, the NWU strategy and NWU Annual Performance Plan (APP). Budget discussions took place on 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, that managers attended to equity of resource provision and to identify possible risks and concerns. Priority was given during the 2020 budget process to integrate the different planning processes (operational budget, infrastructure, macro maintenance, strategic projects and new personnel cost requests). All the relevant role players were included in the budget discussions with the executive managers and the main focus during all these discussions was that the relevant processes and requests need to be informed by and aligned with the NWU strategy and APP. Consultation sessions with the Senior Management Committee (SMC) were held to consult on the staff fund allocation (focus, principles and recommendations) and to give feedback on the proposed 2020 budget.

The high level budget, taking into account the approved APP, the viability and sustainability indicators and other financial information available, was used as a budget framework during the budget process.

Budget overview

When compiling the annual budget, our budget task team prepares a high-level break-even budget on a cash flow basis. The budget for 2020 was shaped by the realistic prediction of income, translating to expenses that we can "afford". This means we paid close attention to the calculation of the key sources of revenue, taking into account all the latest, most relevant information available.

As a financial sustainability guideline to steer the NWU towards the ideal combination of income and expenses, we used pre-determined ratios (expenses measured as a percentage of core business income). The 2019 budgeted expense ratios were used as the basis for the 2020 expense budget. The result of the income calculation gave an indication of the adjustment needed in terms of the 2020 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

Budget control process

As 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 therefore the budget control process

did not change. In the course of any given year all staff members who deal with finances remain closely involved through the monthly variance reporting structures. Variance reports were monitored up to University Management level on a quarterly basis via the Management Statements that served at the University Management Committee (UMC), and 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.

How we managed the financial impact of the Covid-19 pandemic

The Covid-19 pandemic was an unforeseen event and was therefore not included in the 2020 budget. The full financial impact of the Covid-19 pandemic for the NWU and the sector, as well as South Africa, is still unknown. Financial losses will be inevitable and therefore we have adopted a prudent approach that entails compiling different scenarios based on financial risk factors with various assumptions. The aim is to determine the possible financial impact and put a mitigation plan in place to ensure financial sustainability in the medium to long term.

Our cautious, wait-and-see approach is also flexible, ensuring that we use the latest information to make decisions. We are continuously updating the Financial Impact Model and mitigation plan as and when more information becomes available, using the model as the baseline in order to guide decision making, which can be scaled up or down.

We are working from the stance that we need to:

- manage the unknown as and when it occurs
- support the remote learning mode so as to reduce any possible negative impact on the throughput rate, enable students to complete the academic year successfully and retain students and
- preserve permanent and fixed-term appointments and salaries, also with a view to the medium to long term.

The main focus is on cash flow management and on including the forecast in revising the 2021-2023 budget numerous times.

13.5.2 OVERVIEW OF FINANCIAL ACHIEVEMENTS

The Covid-19 pandemic (past, current and ongoing) situation and the implications thereof in its entirety should be kept in mind when reading and referring to the analysis and interpretation of the content of this overview. Surplus should rather mostly be seen as “Unspent funds” and not interpreted as income in excess of expenses, as would “normally” be the case. Focus should be placed on the unprecedented times under which operations had to be conducted during 2020 and the delay of, or the restrictions of normal operating activities, giving rise to distorted spending patterns.

The financial review for the year ended 31 December 2020 is presented under the following headings:

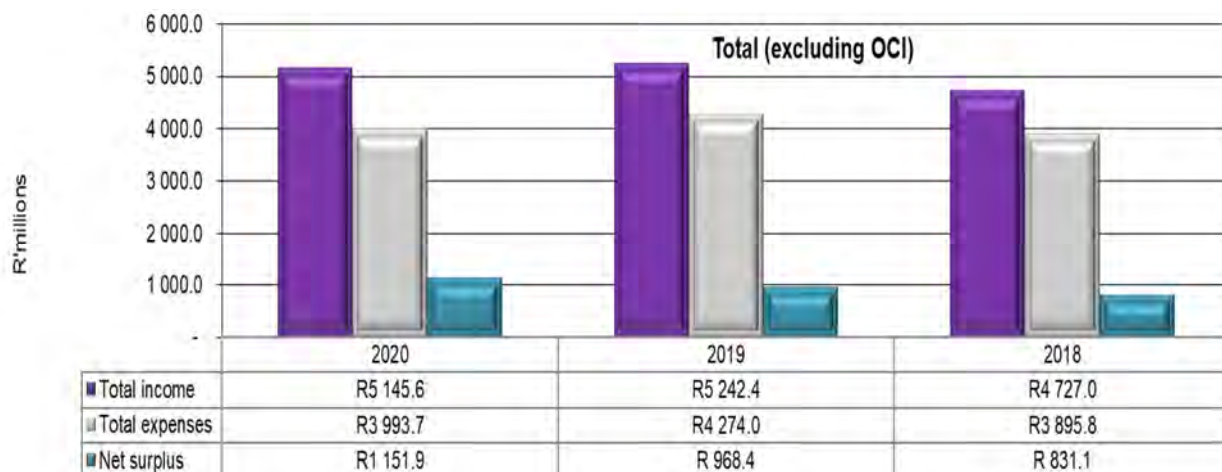
• Surplus and growth

The total surplus for 2020 is R1 151,9 million (2019: R968,4 million and 2018: R831,1 million) and increased by 18,9% compared to 2019. Total surplus expressed as percentage of total income is 22,4% for 2020 (2019: 18,5% and 2018: 17,6%). Total surplus can be divided into surplus from recurrent activities of R1 107,8 million (2019: R905,7 million and 2018: R859,8 million) and surplus from non-recurrent activities of R44,1 million (2019: R62,7 million surplus and 2018: -R28,6 million deficit). Expressed as a percentage, surplus from recurrent operations represents 21,5% of total income for 2020 (2019: 17,3% and 2018: 18,2%) and non-recurrent surplus 0,9% (2019: 1,2% surplus and 2018: - 0,6% deficit).

The total income of the University decreased by 1,9% during 2020 to R5 145,6 million compared to the previous year (2019: R5 424,4 million) and increased by 8,9% compared with 2018 (R4 727,0 million). Total expenditure of R3 993,7 million decreased by 6,6% for the 2020 financial year (2019: R4 274,0 million) and was therefore the main contributor to the higher surplus. Total expenditure increased by only 2,5% since 2018 (R3 895,8 million). These ratios clearly indicate a deviation from normal operating activities and spending patterns leaving a great amount of available budgeted funding unspent during 2020.

The impact of IAS19 valuations on expenses is an increase of R12,2 million for 2019 (2019: R15,0 million decrease), compared to the decrease of R20,3 million for 2018.

Other comprehensive income (OCI) for 2020 totalled a surplus of R23,1 million (2019: R69,1 million deficit and 2018: R18,3 million surplus). This gave rise to a reportable total comprehensive income for the year of R1 174,9 million (2019: R899,3 million and 2018: R849,6 million).

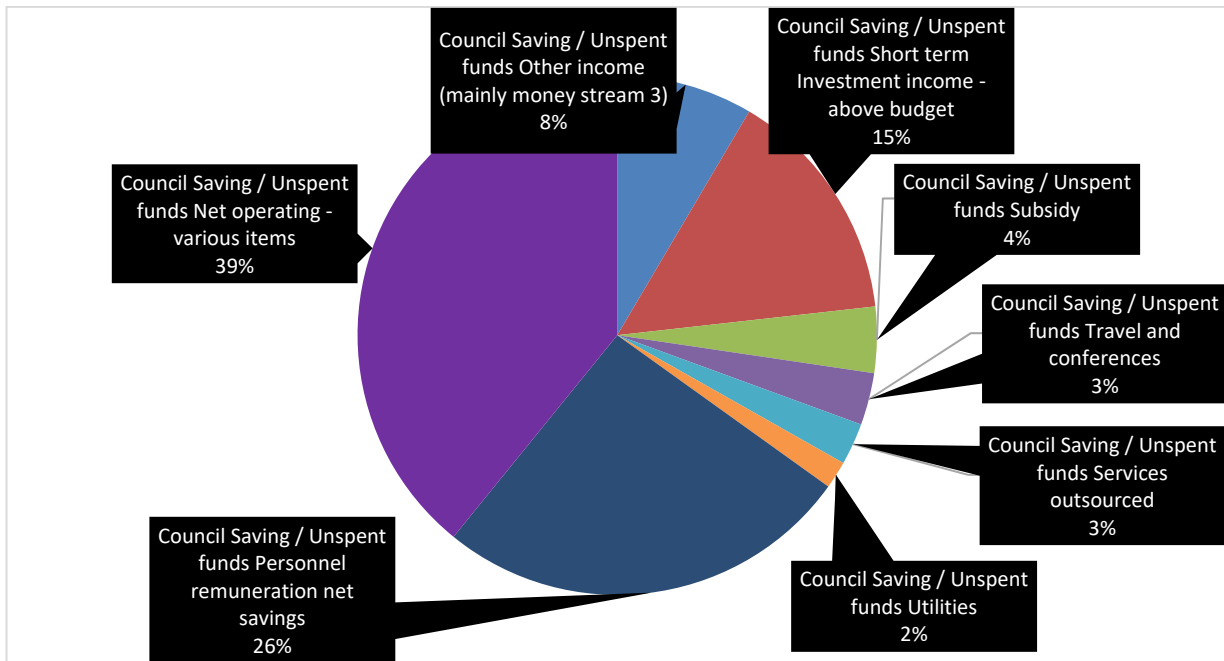


The income of the University from recurrent activities increased by 0,8% to a total income of R5 088,8 million, while the total expenses from recurrent activities decreased by 3,9% to a total expenditure of R3 981,0 million for 2020. The surplus for the 2020 financial year from recurrent activities represents 21,8% (2019: 17,9% and 2018: 18,2%) of the total recurrent income.

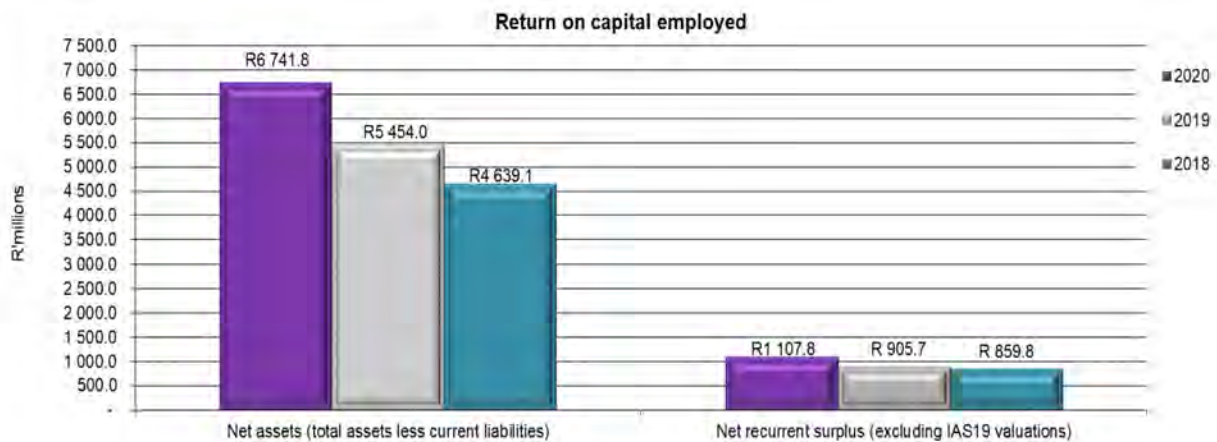
The material contributing items to the higher amount of unspent funds are the saving on operational costs, as well as staff costs which are a result impact of Covid-19 and the accompanying lockdown levels that prevented certain activities from continuing during 2020. Furthermore, savings on staff costs were planned in line with the staff cost mitigation plan that was informed by the Financial Impact Model. The increase in the surplus from recurrent activities can be attributed to a number of factors i.a.

- Infrastructure efficiency earmarked grant for infrastructure projects that is recognised as and when the expenses are incurred;
- timing differences due to e.g. capital and macro-maintenance projects, as well as strategic projects not completed during the year, which was carried over to 2021;
- favourable investment returns on a growing long term investment portfolio;
- staff remuneration savings on vacant positions, etc.

Higher than planned expenses include provisioning of data, printed study material, and an increase in bad debt.



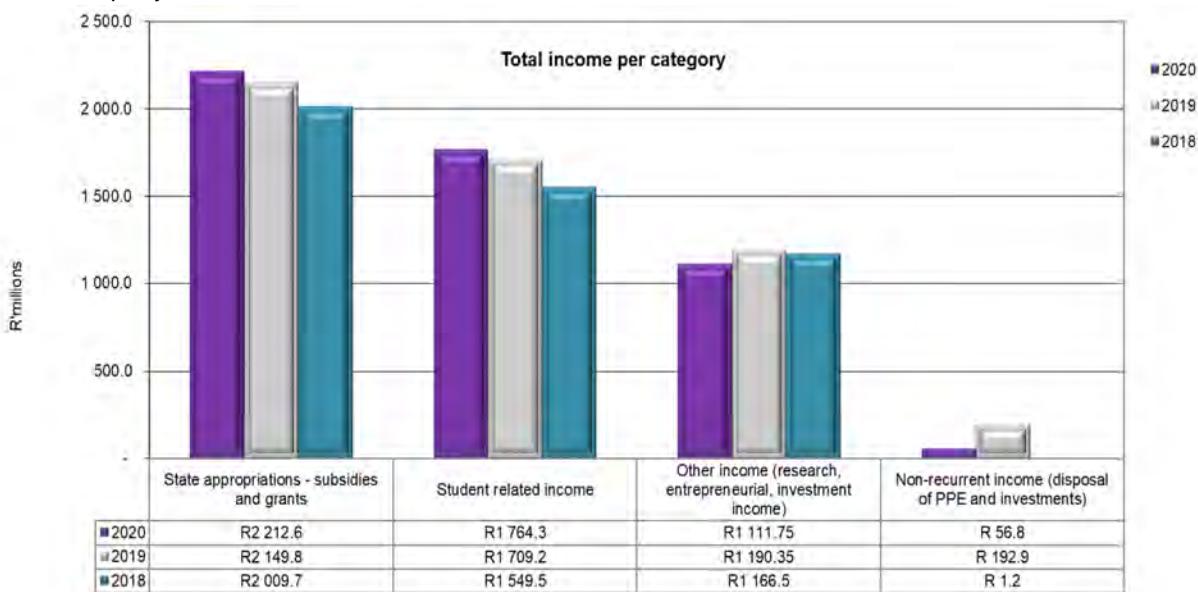
The University's return from recurrent operating activities on capital employed (total assets less current liabilities) decreased to 16,4% (2019: 16,6% decrease) but still compares satisfactorily to 18,5% in 2018. This is mainly due to an increase of 23,6% in net assets despite an increase in the recurrent surplus.



Income from state appropriations (subsidies and grants) represents 43,0% of total income (2019: 41,0% and 2018: 42,5%), an increase of 2,9% from 2019 to 2020 – compared to the 7,0% increase from 2018 to 2019 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 94,2% block grant and 5,8% earmarked grants. Earmarked grants in the amount of R162,0 million were deferred (2019: R86,7 million and 2018: R50,1 million). This amount includes R36,9 million received in advance regarding the final gap funding grant which is being phased out. Universities will be responsible for surpluses and deficits 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 5,4% for contact students and 5,3% for distance students for 2020, and by 5,3% for 2019 and 8,0% for 2018. Although our major growth driver, namely student numbers, decreased by 11,4% for 2020, student-related income was still 3,2% higher than in 2019 (2019: 10,3% higher and 2018: 23,7% higher). Additional NSFAS funding enabled a higher number of enrolments of students funded by NSFAS. The total student-related income represents 34,3% of the total income (2019: 32,6% and 2018: 32,8%).

Other income represents 21,6% of total income (2019: 22,7% and 2018: 24,7%). This ratio excludes non-recurrent income (1,1% of total income), which may affect comparability depending on events and related amounts per year. Non-recurrent income for 2019: 3,7% and 2018: 0,0%.



Total expenditure decreased by 6,6% (2019: increased by 9,7% and 2018: increased by 10,5%). Note should be taken of the interruption in this ratio, as an increase would normally be expected in line with Higher Education Inflation. Underspensing of funds due to the impact of Covid-19 on operations gave rise to a decrease in total expenditure compared to previous years.

Personnel remuneration increased by 4,7% compared to 7,2% for 2019 (2018: 8,9%). The increase reflects a combined weighted annualised average of the 3,1% COLA adjustment. The COLA increase comprised both a permanent carry-over component effective 1 August 2020, and a cash once-off component paid in November 2020 (for a period of 8 months – 1 August 2020 to 31 March 2021). The total cost of personnel expenditure for 2020 increased to 48,9% of total income (2019: 45,9% and 2018: 47,5%), mainly due to the decrease 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, i.e. 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 52,8% for 2020 (2019: 49,7% and 2018: 52,4%). The main reason for this increase in 2020 is the decrease in income, despite the higher than normal number of vacancies as a result of the staff cost mitigation plan in response to the forecasted medium-long term financial impact of Covid-19. The total effect of IAS19 valuations amounted to a R12,2 million increase in staff expenses (recurrent and non-recurrent) for 2020 (2019: R15,0 million decrease and 2018: R20,3 million decrease).

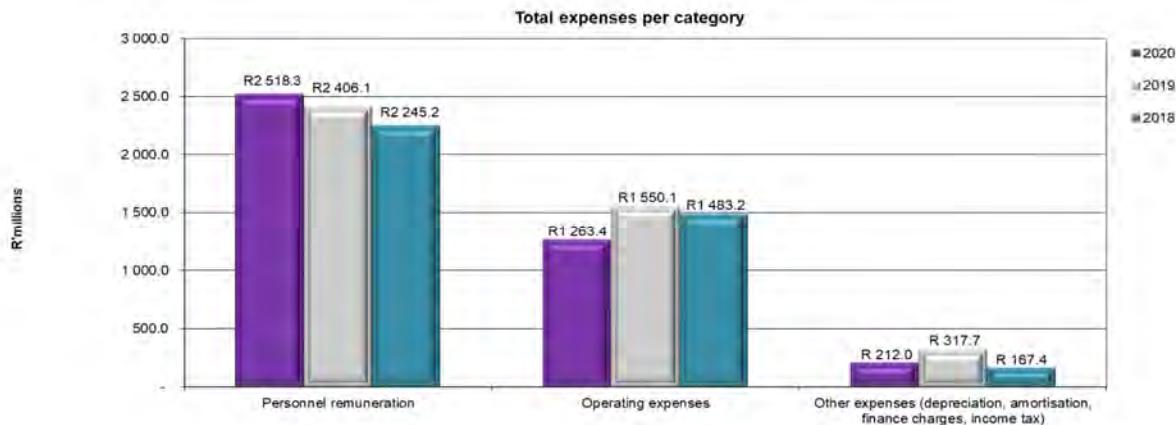
Operating expenditure decreased by 18,5% compared to 2019 as a direct result of Covid-19 and the lockdown levels that prevented certain activities from continuing. During 2019 operating expenses increased by 4,5% compared to 2018 (2018: 11,8% increase). Operating costs represent 31,6% of total income (2019: 36,3% and 2018: 38,1%), which is mainly due to the decrease in income and therefore below the maximum target of 42%. A number of projects had to be carried over to 2021 due to Covid-19.

Expenses include an amount of R54,9 million (2019: R47,1 million and 2018: R47,6 million) written off as irrecoverable and doubtful student debt. The 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 17,8% for 2020 (2019: 12,2% and 2018: 17,6%). Provision for expected credit loss on student debtors increased by R30,5 million or 49,7% in 2020 compared to the R5,1 million or 9,0% increase in 2019 (2018: R8,6 million or 18,0% increase). The impact of calculating the expected credit loss on sundry debtors was a decrease of R1,1 million in expected impairment for 2020.

Other expenditure relating to depreciation and finance charges, also including non-recurrent expenditure, decreased by 33,3% (2019: 89,8% increase and 2018: 21,3% increase). Adjustment to financial assets at fair

value through profit or loss (FVPL) instruments included in non-recurring items for 2020, amount to a loss of R10,8 million. This was the result of markets absorbing the economic effect of the worldwide Covid-19 pandemic.

Strict monitoring of income and expenses together with tight budgetary controls heightened awareness and behaviour regarding savings, as well as the impact of Covid-19 on activities, resulted in a higher surplus and therefore a positive contribution 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 2021.



• Equity

The University's equity increased by 25,1% in the 2020 financial year (2019: 23,8% and 2018: 32,4%), mainly due to the higher amount of unspent funds (surplus). A decrease of R0,7 million in the net asset value of employee benefits (pension fund and disability reserve fund) at 31 December 2020 must be noted – as per external actuarial valuation in terms of IAS19 (2019: R53,2 million decrease and 2018: R32,2 million increase). This small deviation is attributable to all members being converted to defined contribution as opposed to the previous combination of defined contribution members and defined benefit members. Investment in property, plant and equipment contributed R61,0 million to the higher equity percentage. The unrealised fair value adjustment reserve increased by R56,8 million during 2020, compared to the decrease of R125,2 million in 2019. This is the result of an increase in unrealised profits adjustments after all profits were realised during 2019 when the University switched to new brokers to manage investment portfolios.

The available funds increased to 57,1% of total equity (2019: 51,3% and 2018: 39,6%), mainly due to the recurrent surplus of 21,8%. Although the University has a normal target of 3% to 6% of turnover for surplus from recurrent activities, the current target is set higher, in an effort to maximize the level of available Council-controlled reserves. The impact of Covid-19 on the University's activities had a material impact on the spending pattern. Some infrastructure and other projects were postponed due Covid-19 circumstances which placed practical restrictions on the NWU, while other projects commenced late in 2020 and will only be completed in 2021 – thus spending against carried-forward 2020 available reserves will take place during 2021.

The sustainability ratio of Council-controlled reserves over total expenditure for the year is 0,84 for 2020 (2019: 0,56 and 2018: 0,38). This trend, as well as the vast improvement in Council-controlled reserves (which increased from R746,8 million in 2017 to R3 339,7 million in 2020), is indicative of the commitment of the NWU towards financial sustainability, and of good progress towards the DHET norm of 1,0.

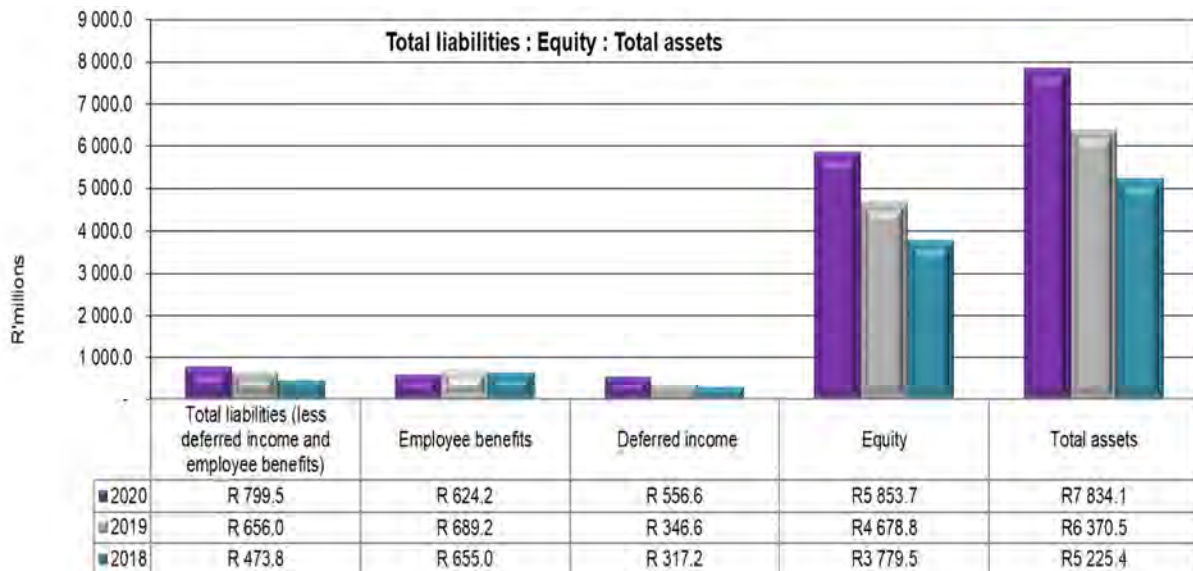


- **Solvability**

The total liabilities (R1 980,3 million) at year-end for 2020 expressed over total equity (R5 835,7 million) means the University's ratio of debt to equity is 0,34 (2019: 0,36 and 2018: 0,38). This is the result of an increase of 25,1% in equity (2019: 23,8% and 2018: 32,4%) for the reasons explained above, and an increase of 17,1% in total liabilities (2019: 17,0% and 2018: 5,9%). The amount of R556,6 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 academic year was extended by 15 days into 2021 in order to complete the year successfully. Tuition fees of R67,7 million and residence fees of R11,1 million were deferred for the same period and are included in income received in advance, with no comparatives, The first of three accumulated leave pay outs in the amount of R130,1 million was paid in January 2020. The significance of this impact on the employee benefits liability was countered by a great number of annual leave days carried over to 2021 due to Covid-19 restrictions and operational demands resulting in employees not taking leave.

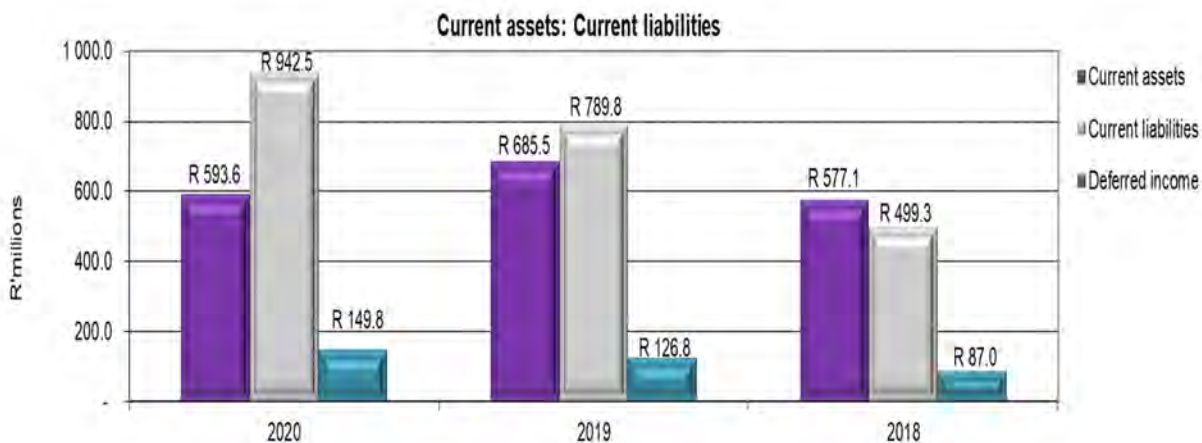
The total liabilities expressed over total assets indicate a ratio of 0,25 for the year (2019: 0,27 and 2018: 0,28). Thus total liabilities are covered 3,96 times by total assets (2019: 3,77 and 2018: 3,61 times).

The Financial Impact Model built in response to the Covid-19 pandemic indicates that a significant negative financial impact can be expected in the medium and long term, and therefore the University will be vigilant in monitoring and managing this potential impact on the current solvability and sustainability, while the current improvement on the Solvency ratio's will go a long way in enabling the University to be able to sustain the potential financial impact.



• Liquidity

The working capital ratio indicates that the current liabilities are covered 0,51 times by the current assets (2019: 0,75 times and 2018: 0,98 times). If the analysis is expressed in rand value, the current assets (excluding current portion of investments) decreased by R91,9 million for the 2020 financial year, whilst current liabilities for the same period increased by R257,8 million. The working capital ratio decreased compared to 2019 due to the R349,7 million larger increase in current liabilities over current assets. This is due to the increase of R23,1 million in the current portion of deferred income (R149,8 million or 12,8% of total current liabilities) relating to infrastructure grants. For 2019 this portion of deferred income represented 13,8% (R126,8 million) of total current liabilities. Included in the current portion of employee benefits is R111,3 million representing the second accumulated leave pay-out that was made in January 2021 to qualifying employees (January 2020 first pay-out: R130,1 million). Council approved a change in the accumulated leave policy during 2019 to reduce the liability over a period of three years.



Funds invested in highly liquid instruments for 2020 improved to R5 510,0 million (2019: R4 110,0 million and 2018: R3 029,0 million), representing an increase of 34,1% from 2019 to 2020. Compared to 2018, funds increased with 81,9%.

	2020 R million	2019 R million	2018 R million
Cash and cash equivalents	285,3	424,5	215,3
Money market portfolio (NCDs)	4 150,1	3 125,3	2 396,7
Broker portfolio (listed shares and bonds)	1 022,0	543,2	383,5

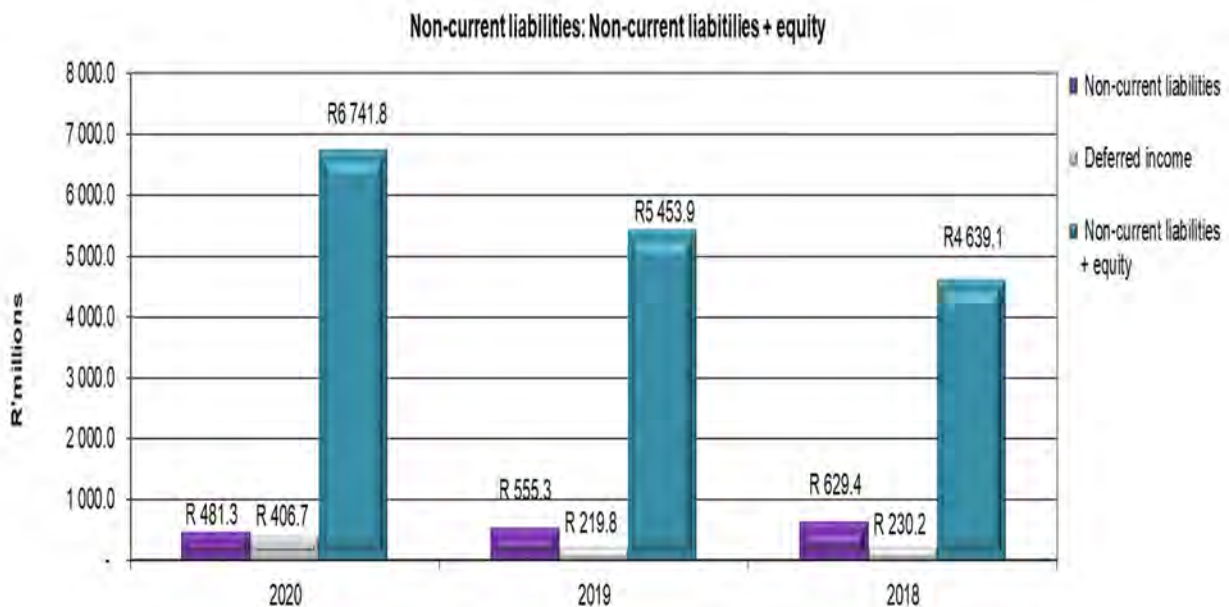
Other investments (unlisted, including associates)	53,1	17,0	33,5
Total investments and cash	5 510,5	4 110,0	3 029,0

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 cash flow for operational needs.

• 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.

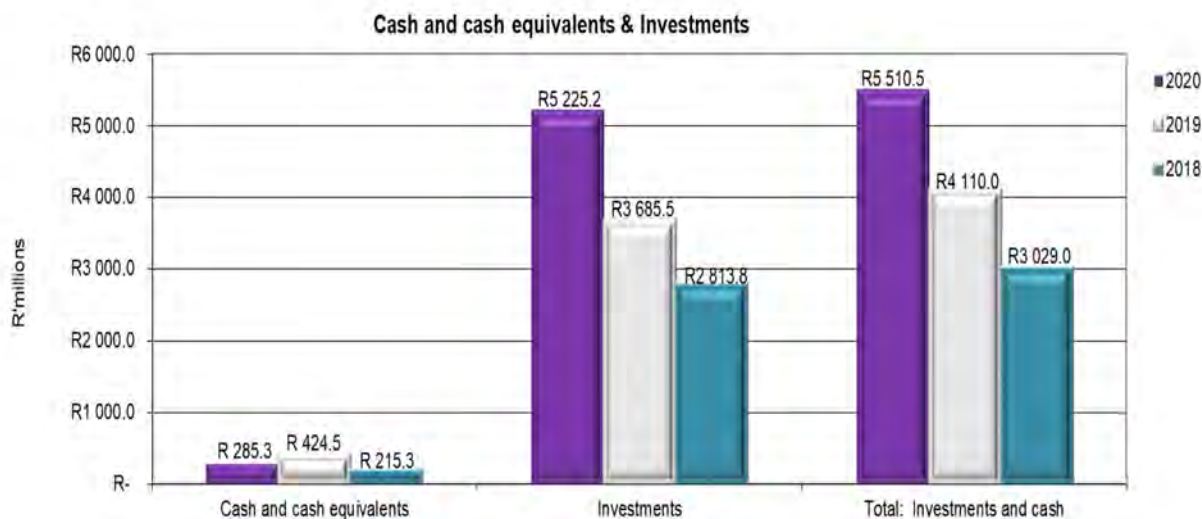
Non-current liabilities represent 13,2% of total funds employed (2019: 14,2% and 2018: 18,5%). This ratio decreased, as equity increased by a large margin, borrowing commitments decreased and infrastructure grant amounts expected to be utilised in 2021 were transferred to current liabilities. Furthermore, R111,3 million of the employee benefits liability was also transferred to current liabilities, representing the second accumulated leave pay-out.



• Cash flow

The University generated a surplus of R1 164,0 million for the 2020 financial year (2019: R953,4 million and 2018: R810,8 million), excluding total IAS19 adjustments, while the net cash flow amount generated from operating activities was R1 090,4 million (2019: R1 045,6 million and 2018: R782,2 million). The total net cash flow decreased by R139,2 million in 2020, taking into account i.a. R298,3 million net investment income, transfers of cash and cash equivalents to longer term investments (R1 483,5 million), investment in property, plant and equipment (R210,2 million) and a R210,0 million increase in deferred grant income. For the 2019 financial year the net cash flow increased by R209,3 million and for 2018 decreased by R148,2 million.

The University manages and plans cash flow needs with great caution, even more so in response to the potential financial impact of Covid-19, 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 32,5% of the money markets investment portfolio has maturity dates during 2021 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.



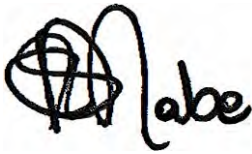
• Conclusion

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.
- 15 454 students received degrees and diplomas during 2020.
- The University remains committed to supporting and enhancing academic performance and awarded bursaries in the amount of R211,0 million from own funds to students.
- The NWU's Financial Aid offices administered a total of R2,4 billion bursary funds in 2020.
- Student support was enhanced during Covid-19 by providing 3 534 laptops with a value of R19,8 million to qualifying students.
- 27 021 students received data in the amount of R12,4 million in order to continue their studies online and finish the academic year successfully.
- Printing of study material and courier expenses totalled R18,0 million to assist students during difficult Covid-19 circumstances.
- 64 180 face masks were provided to our students to protect their health and to comply with the set protocol.
- Residence fees of R25,0 million were refunded to qualifying student accounts to compensate for accommodation not used during applicable lock down periods.
- The cash flow investment in property, plant and equipment amounts to R210,1 million (2019: R398,5 million and 2018: R179,5 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 2021). Total assets increased by 23,0% (2019: 21,9% and 2018: 23,8%). However, this is less than planned for, due to 111 days being lost on building sites due to Covid-19 lockdown.
- The increase in the available reserves to 57,1% of total equity from a very low base at the end of 2014 (although some spending against this reserve is to be expected as explained above).
- The maintaining of a sound solvency position and optimal liquidity levels during the 2020 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 2021, as well as in the medium and long term. It needs to be pointed out that our two largest sources of income, namely state subsidy and tuition fee-related income totalling 77,3% of turnover (2018: 73,6% and 2018: 75,3%), increased once again in during 2020 – emphasising our dependence on these income stream one funds. In addition, our number of students funded by NSFAS increased from 4 837 in 2015 to 22 280 in 2020, adding to the dependency on state funding. 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 come, is the successful management of the continued uncertainties that the Covid-19 pandemic brings and to adapt to rapidly changing circumstances. The possible financial impact will without a doubt be significant in the medium to long term and all resources must be applied with great caution. Further pressure will definitely be added by the wide-spread weakened South African economy and conditions as experienced by other sectors and individuals also affected by the Corona virus, 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.

A handwritten signature in black ink, appearing to read 'Mabe', with a stylized circular flourish on the left side.

MR CS MABE
CHAIRPERSON: FINANCE COMMITTEE

A handwritten signature in black ink, appearing to read 'E de Beer', with a large, stylized initial 'E'.

MS E DE BEER
EXECUTIVE DIRECTOR: FINANCE AND FACILITIES

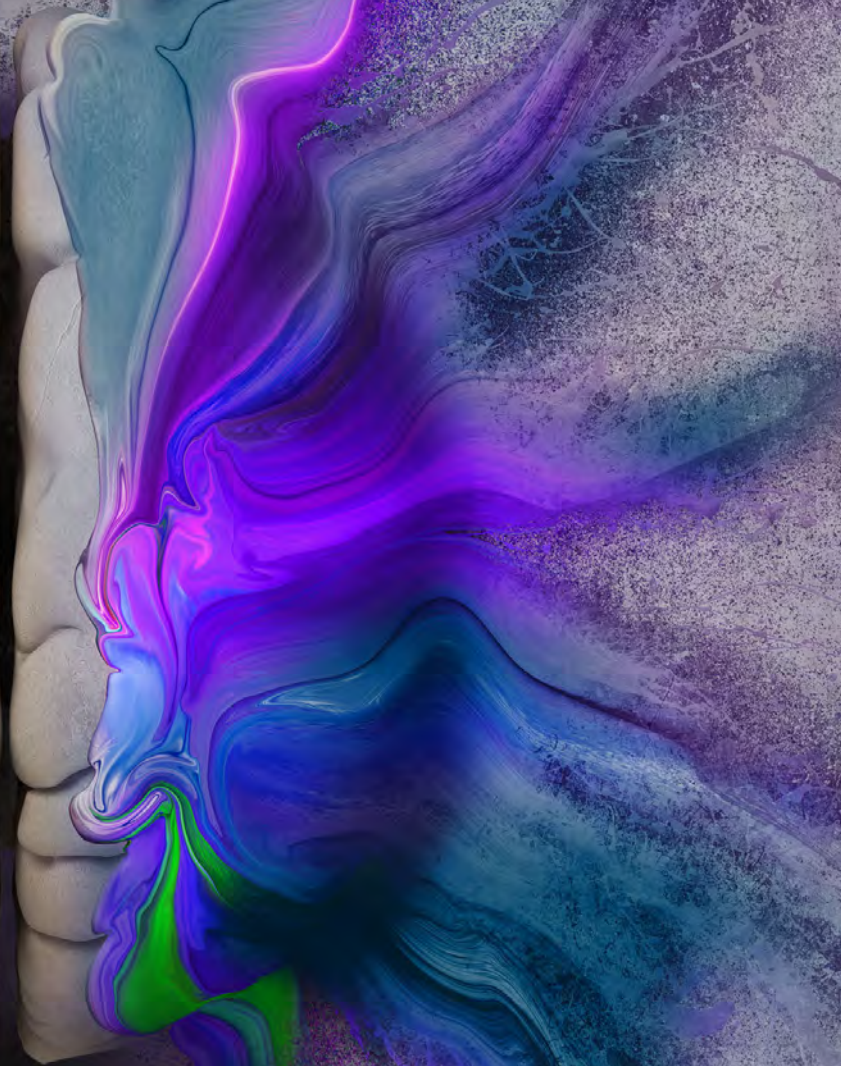
13.6 Annexure 6: Consolidated Financial Statements as at 31 December 2020

See next page.



NWU®

NORTH-WEST UNIVERSITY
NOORDWES-UNIVERSITEIT
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CONSOLIDATED FINANCIAL STATEMENTS 2020



Established: 01 January 2004 (MERGED)

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Auditors

PricewaterhouseCoopers Inc.
Mafikeng
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NORTH-WEST UNIVERSITY**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****CONTENTS**

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NORTH-WEST UNIVERSITY**COUNCIL'S STATEMENT OF RESPONSIBILITY AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

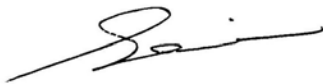
The Council is ultimately responsible for the preparation, integrity and objectivity of the consolidated financial statements and related financial information included in this report, which is a fair presentation of the activities of the University at the end of the financial year. In order to meet this responsibility, they are assisted by management, the Audit, Risk and Compliance Committee of the Council, the Finance Committee of the Council, and the internal auditors of the University. Both the internal and external auditors have unrestricted access to all documents, minutes, records and information and no limitations have been placed on the audits. The external auditors are responsible for reporting on the consolidated financial statements. Internal controls and administrative systems, which have been designed to provide reasonable assurance regarding the integrity of the financial statements and that assets have been protected and transactions carried out in terms of the University's policies and procedures, are in place and are properly maintained on a cost-effective basis.

The consolidated financial statements comply with International Financial Reporting Standards (IFRS), including full and responsible disclosure in accordance with the University's accounting policies and in the manner required by the Minister of Higher Education, Science and Innovation in terms of Section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997 (as amended)). The consolidated financial statements are prepared on the going concern basis and all indications are that the University will continue in existence for the foreseeable future. The accounting policies have been applied consistently and are supported by reasonable and prudent judgements and estimates.

The consolidated financial statements for the year ended 31 December 2020 as set out on pages 11 to 67 have been approved by the Council on 17 June 2021 and are signed on behalf of the Council by:



CHAIRPERSON OF COUNCIL



VICE-CHANCELLOR



EXECUTIVE DIRECTOR: FINANCE AND FACILITIES



Independent auditor's report to the Council and the Minister of Higher Education, Science and Innovation on North-West University

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements¹ of the North-West University set out on pages 11 to 67, which comprise the consolidated statement of financial position at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of comprehensive income (as required by Section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997, as amended)), the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

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

¹ The examination of controls over the maintenance and integrity of the North-West University's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements or annual report since they were initially presented on the website.

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Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.

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



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

Responsibilities of the Council for the consolidated financial statements

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

In preparing the consolidated financial statements, the Council is responsible for assessing the North-West University's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

Report on the audit of the annual performance report

Introduction and scope

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

Our procedures address the usefulness and reliability of the reported performance information, which must be based on the University's approved performance planning documents. We have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. Our procedures do not examine whether the actions taken by the University enabled service delivery. Our procedures do not extend to any disclosures or assertions relating to the extent of



achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.

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

Goals	Pages in the annual performance report
Goal 1: Promote excellent learning and teaching and reposition the NWU to attain the size and shape required by the market direction decisions	121
Goal 2: Intensify research and innovation	122

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

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

Report on the audit of compliance with legislation

Introduction and scope

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

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

Procurement and Contract Management

Some members of staff or employees did not in writing notify the public higher education institution concerned of any conflict or possible conflict of interest before such public higher education institution procured any goods or services from such member of staff or an organisation within which such



member or employee held an interest, in contravention of section 34(4) (b) of the Higher Education Act.

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

Other information

The Council is responsible for the other information. The other information comprises the information included in the “Integrated Annual Report”. The other information does not include the consolidated financial statements, the auditor’s report and those selected goals presented in the annual performance report that have been specifically reported in this auditor’s report.

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

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

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

Internal control deficiencies

We considered internal control relevant to our audit of the consolidated financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance on it. The matter reported below is limited to the significant internal control deficiencies that resulted in the material non-compliance noted above.

Not all employees declared their interests as required by the Higher Education Act and University’s General Financial Guidelines in support of the Financial Policy, and as a result the university conducted business with suppliers in which employees have interests that were not declared.

Other reports

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



Audit-related services and special audits (Agreed-upon procedures)

Agreed-upon procedures on certificates were performed for grants, other funding and similar items. Agreed-upon procedures engagements performed or are in the process of being performed in relation to 2020 is listed below;

Engagement	Period end	Party performing engagement	Report date
Student and staff statistics (HEMIS)	31-Dec-2020	PwC	In progress
NRF and THRIP projects (Grant Deposit, all other National Research Foundation (NRF) and South African Square Kilometre Array Project (SKA SA) awards) (Technology and Human Resources for Industry Programme awards)	31-Dec-2020	PwC	09-Mar-2021
Clinical Training Grant	31-Mar-2021	PwC	27-May-2021
Clinical Health Enrolments	31-Mar-2021	PwC	Not started
Water Research Hydrogen Project Grant (per project)	31-Mar-2021	PwC	17-May-2021
NWU Publications and Submission of Articles	31-Dec-2020	PwC	7-June-2021
Foundation Provision Grant	31-Mar-2021	PwC	27-May-2021
Veterinary Science project	31-Mar-2021	PwC	26-May-2021
DHET Excel (Financial Data Submission)	31-Dec-2020	PwC	28-June-2021
nGAP Grant	Not started	PwC	Not started
DAC Language Grant	31-Dec-2020	PwC	15-Mar-2021
UCDP Grant (University Capacity Development Programme Grant)	31-Dec-2020	PwC	26-May-2021
BRICS Grant	28-Feb-2021	PwC	6-Apr-2021
Infrastructure Grant	31-Mar-2021	PwC	26-May-2021



Engagement	Period end	Party performing engagement	Report date
SRC Election	Not started	PwC	Not started
NSFAS Historical Debt Grant	31-Dec-2018 and 2019	PwC	29-Jan-2021
Veterinary Enrolments	Not started	PwC	Not started
SCC Rag	Not started	PwC	Not started
Eskom Power Plant Engineering Institute Funding (EPPEI)	31-Dec-2020	PwC	28-May-2021
Early Childhood Care and Education Project	Not started	PwC	Not started
Covid-19 Responsiveness Grant	31-Mar-2021	PwC	07-Jun-2021

PricewaterhouseCoopers Inc.

Director: Andrew Dale

Registered Auditor

Mafikeng

28 June 2021



Annexure – Auditor’s responsibility for the audit

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

Consolidated Financial statements

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

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



Communication with those charged with governance

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

NORTH-WEST UNIVERSITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	NOTE	2020 R'000	2019 R'000
ASSETS		7 834 052	6 370 547
NON-CURRENT ASSETS		5 754 462	4 974 958
PROPERTY, PLANT AND EQUIPMENT (PPE)	6a, 6b	1 644 776	1 628 491
INVESTMENT PROPERTIES	7	17 515	18 002
INTANGIBLE ASSETS	8	1 457	950
INVESTMENTS	9	3 738 144	2 974 008
EQUITY-ACCOUNTED INVESTEEES	10	1 100	1 367
DEFERRED TAX ASSET	32	207	149
EMPLOYEE BENEFITS	18	351 263	351 991
CURRENT ASSETS		2 079 590	1 395 589
INVENTORIES	13	23 885	30 238
TRADE AND OTHER RECEIVABLES	14	284 396	227 631
INCOME TAX RECEIVABLE	32	14	26
STRAIGHT LINE LEASE ACCRUAL		0	3 049
CURRENT PORTION OF INVESTMENTS	9	1 485 982	710 119
CASH AND CASH EQUIVALENTS	15	285 313	424 526
EQUITY AND LIABILITIES		7 834 052	6 370 547
EQUITY	16	5 853 743	4 678 796
NON-DISTRIBUTABLE RESERVES		1 670 521	1 552 753
FIXED ASSET RESERVE FUND (PPE)		1 614 101	1 553 133
UNREALISED FAIR VALUE ADJUSTMENT RESERVE		56 420	(380)
RESERVE FUNDS		4 182 393	3 125 207
RESTRICTED USE FUNDS		483 054	363 840
STUDENT LOAN FUNDS		563	563
STUDENT AND STAFF ACCOMMODATION FUNDS		200 622	158 736
DONATIONS AND SIMILAR FUNDS		62 525	59 657
RESEARCH AND OTHER (CONTRACTS) FUNDS		219 344	144 884
NWU PENSION FUND AND DISABILITY FUND		351 263	351 991
HELD FOR INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT		8 401	8 421
UNRESTRICTED RESERVE FUNDS - EDUCATION AND GENERAL		25 081	14 012
DESIGNATED RESERVE FUNDS - EDUCATION AND GENERAL		3 314 594	2 386 944
NON-CONTROLLING INTERESTS		829	836
NON-CURRENT LIABILITIES		888 011	775 163
BORROWINGS - INTEREST-BEARING	17	0	5 760
EMPLOYEE BENEFITS	18	481 274	527 031
DEFERRED GRANT INCOME	19	406 737	219 814
LEASE LIABILITIES	6b	0	22 558
CURRENT LIABILITIES		1 092 298	916 588
CURRENT PORTION OF BORROWINGS - INTEREST-BEARING	17	5 965	5 682
CURRENT PORTION OF EMPLOYEE BENEFITS	18	142 920	162 158
CURRENT PORTION OF DEFERRED GRANT INCOME	19	149 837	126 759
CURRENT PORTION OF LEASE LIABILITIES	6b	27 315	43 964
TRADE AND OTHER PAYABLES	20	516 026	445 454
INCOME RECEIVED IN ADVANCE	21	243 532	91 607
NET CONTRACT LIABILITIES	22	6 703	40 903
INCOME TAX PAYABLE	32	0	61

The notes on pages 17 to 67 are an integral part of these consolidated financial statements.

NORTH-WEST UNIVERSITY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 R'000	2019 R'000
INCOME		5 145 573	5 242 358
REVENUE		4 772 217	4 767 405
OTHER INCOME (investment income and non-recurrent income)		373 356	474 953
EXPENDITURE		3 993 775	4 273 767
PERSONNEL REMUNERATION	25	2 518 266	2 406 089
OPERATING EXPENSES	26, 6a, 6b, 7	1 452 364	1 721 023
OTHER EXPENSES (capital expenditure expensed and non-recurrent expenditure)		15 758	136 352
FINANCE CHARGES	28	7 387	10 303
NET SURPLUS BEFORE INCOME TAX		1 151 798	968 591
INCOME TAX EXPENSE	32	(58)	187
SURPLUS FOR THE YEAR		1 151 856	968 404
OTHER COMPREHENSIVE INCOME (OCI)		23 092	(69 091)
Items that will not be reclassified to surplus or deficit		23 092	(69 091)
Remeasurements of employee benefit obligations			
PENSION FUND - (DEFICIT)/SURPLUS	18.1	(728)	(82 579)
DISABILITY RESERVE FUND - SURPLUS	18.2	8 850	7 486
HEALTH CARE (MEDICAL) - SURPLUS	18.3	14 970	6 002
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1 174 948	899 313
Surplus for the year attributable to:			
- North-West University		1 151 864	968 380
- Non-controlling interests		(8)	24
		1 151 856	968 404
Total comprehensive income for the year attributable to:			
- North-West University		1 174 956	899 289
- Non-controlling shareholders		(8)	24
		1 174 948	899 313

The notes on pages 17 to 67 are an integral part of these consolidated financial statements.

NORTH-WEST UNIVERSITY

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

(as required by Section 41 of the Higher Education Act (Act No. 101 of 1997, as amended))

	NOTE	EDUCATIONAL & GENERAL			STUDENT AND STAFF ACCOMMODATION: RESTRICTED R'000	2020 TOTAL R'000	2019 TOTAL R'000
		COUNCIL-CONTROLLED: UNRESTRICTED OR DESIGNATED R'000	SPECIFICALLY FUNDED ACTIVITIES: RESTRICTED R'000	SUB-TOTAL R'000			
RECURRING ITEMS		941 589	104 457	1 046 046	61 647	1 107 693	905 916
INCOME		4 494 732	292 862	4 787 594	301 173	5 088 767	5 049 457
STATE APPROPRIATIONS - SUBSIDIES AND GRANTS	23	2 212 570	0	2 212 570	0	2 212 570	2 149 836
TUITION AND OTHER FEES	24	1 764 442	0	1 764 442	0	1 764 442	1 709 273
INCOME FROM CONTRACTS	24	1 991	238 923	240 914	0	240 914	196 046
FOR RESEARCH		576	237 422	237 998	0	237 998	192 093
FOR OTHER ACTIVITIES		1 415	1 501	2 916	0	2 916	3 953
SALES OF GOODS & SERVICES AND OTHER INCOME	24	193 590	28 514	222 104	301 173	523 277	663 797
PRIVATE GIFTS AND GRANTS		15 900	15 114	31 014	0	31 014	48 453
SUB-TOTAL		4 188 493	282 551	4 471 044	301 173	4 772 217	4 767 405
INVESTMENT INCOME	27.1	306 239	10 311	316 550	0	316 550	282 052
EXPENDITURE		3 553 143	188 405	3 741 548	239 526	3 981 074	4 143 541
PERSONNEL REMUNERATION	25	2 405 410	65 070	2 470 480	47 786	2 518 266	2 406 089
ACADEMIC PROFESSIONAL		1 335 953	31 230	1 367 183	0	1 367 183	1 250 564
OTHER PERSONNEL		1 057 289	33 840	1 091 129	47 786	1 138 915	1 170 513
IAS19 - ADJUSTMENTS (EMPLOYEE BENEFITS)		12 168	0	12 168	0	12 168	(14 988)
OTHER CURRENT OPERATING EXPENSES	26	990 675	123 436	1 114 111	146 257	1 260 368	1 544 015
CAPITAL EXPENDITURE EXPENSED	31	3 058	0	3 058	0	3 058	6 126
DEPRECIATION	6a, 6b, 7	154 202	0	154 202	37 779	191 981	177 008
AMORTISATION	8	14	0	14	0	14	0
SUB-TOTAL		3 553 359	188 506	3 741 865	231 822	3 973 687	4 133 238
FINANCE CHARGES	28	(216)	(101)	(317)	7 704	7 387	10 303
NON-RECURRING ITEMS		44 099	1	44 100	5	44 105	62 675
INCOME		56 800	1	56 801	5	56 806	192 901
PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	27.2	0	1	1	5	6	28 295
PROFIT ON INVESTMENTS		0	0	0	0	0	164 606
NET FAIR VALUE GAINS ON FINANCIAL ASSETS THROUGH PROFIT OR LOSS	9.1	56 800	0	56 800	0	56 800	0
EXPENDITURE		12 701	0	12 701	0	12 701	130 226
LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	27.2	1 510	0	1 510	0	1 510	0
LOSS ON INVESTMENTS	10	10 821	0	10 821	0	10 821	0
SHARE OF LOSS OF EQUITY-ACCOUNTED INVESTEEES	10	370	0	370	0	370	0
NET FAIR VALUE LOSS ON FINANCIAL ASSETS THROUGH PROFIT OR LOSS	9.1	0	0	0	0	0	130 226
NET SURPLUS BEFORE INCOME TAX		985 688	104 458	1 090 146	61 652	1 151 798	968 591
INCOME TAX EXPENSE	32	(58)	0	(58)	0	(58)	187
SURPLUS FOR THE YEAR		985 746	104 458	1 090 204	61 652	1 151 856	968 404

NORTH-WEST UNIVERSITY

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

(as required by Section 41 of the Higher Education Act (Act No. 101 of 1997, as amended))

	NOTE	EDUCATIONAL & GENERAL			STUDENT & STAFF ACCOMMO- DATION: RESTRICTED R'000	2020 TOTAL R'000	2019 TOTAL R'000
		COUNCIL- CONTROLLED: UNRESTRICTED OR DESIGNATED R'000	SPECIFICALLY FUNDED ACTIVITIES: RESTRICTED R'000	SUB-TOTAL R'000			
SURPLUS FOR THE YEAR		985 746	104 458	1 090 204	61 652	1 151 856	968 404
OTHER COMPREHENSIVE INCOME (OCI)		23 092	0	23 092	0	23 092	(69 091)
Items that will not be reclassified to surplus or deficit		23 092	0	23 092	0	23 092	(69 091)
Remeasurements of employee benefit obligations							
PENSION FUND - DEFICIT	18.1	(728)	0	(728)	0	(728)	(82 579)
DISABILITY RESERVE FUND - SURPLUS	18.2	8 850	0	8 850	0	8 850	7 486
HEALTH CARE (MEDICAL) - SURPLUS	18.3	14 970	0	14 970	0	14 970	6 002
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1 008 838</u>	<u>104 458</u>	<u>1 113 296</u>	<u>61 652</u>	<u>1 174 948</u>	<u>899 313</u>
Surplus for the year attributable to:							
- North-West University		985 754	104 458	1 090 212	61 652	1 151 864	968 380
- Non-controlling interests		(8)	0	(8)	0	(8)	24
		<u>985 746</u>	<u>104 458</u>	<u>1 090 204</u>	<u>61 652</u>	<u>1 151 856</u>	<u>968 404</u>
Total comprehensive income for the year attributable to:							
- North-West University		1 008 846	104 458	1 113 304	61 652	1 174 956	899 289
- Non-controlling shareholders		(8)	0	(8)	0	(8)	24
		<u>1 008 838</u>	<u>104 458</u>	<u>1 113 296</u>	<u>61 652</u>	<u>1 174 948</u>	<u>899 313</u>

The notes on pages 17 to 67 are an integral part of these consolidated financial statements.

NORTH-WEST UNIVERSITY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

DESCRIPTION	UNRESTRICTED RESERVE FUNDS: EDUCATIONAL AND GENERAL R'000	DESIGNATED RESERVE FUNDS: EDUCATIONAL AND GENERAL R'000	SUB-TOTAL A R'000	RESTRICTED RESERVE FUNDS: DONATIONS AND SIMILAR FUNDS R'000	RESTRICTED RESERVE FUNDS: RESEARCH AND OTHER (CONTRACTS) R'000	SUB-TOTAL B R'000	RESTRICTED RESERVE FUNDS: STUDENT LOANS R'000	RESTRICTED RESERVE FUNDS: STUDENT AND STAFF ACCOMMODATION R'000	FIXED ASSET RESERVE FUND (PPE) R'000	HELD FOR INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT R'000	UNREALISED FAIR VALUE ADJUSTMENT RESERVE R'000	NWU PENSION FUND AND DISABILITY FUND R'000	SUB-TOTAL C R'000	TOTAL R'000	NON-CONTROLLING INTEREST R'000	TOTAL EQUITY R'000
BALANCE AT 31 DECEMBER 2017 (note 16)	11 930	786 438	798 368	41 395	115 054	156 449	563	99 072	1 333 147	14 167	154 420	372 983	1 974 352	2 929 169	736	2 929 904
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	0	739 849	739 849	8 002	59 007	67 009	0	39 969	0	0	(29 562)	32 237	42 644	849 502	76	849 578
SURPLUS/(DEFICIT) FOR THE YEAR	0	725 954	725 954	8 002	59 007	67 009	0	39 969	0	0	(29 562)	27 702	38 109	831 072	76	831 148
OTHER COMPREHENSIVE INCOME	0	13 895	13 895	0	0	0	0	0	0	0	0	4 535	4 535	18 430	0	18 430
TRANSFERS	3 164	(41 551)	(38 387)	(387)	(13 780)	(14 167)	0	(9 869)	58 077	4 347	0	0	52 555	(0)	0	(0)
BALANCE AT 31 DECEMBER 2018 (note 16)	15 094	1 484 736	1 499 830	49 010	160 281	209 291	563	129 172	1 391 224	18 514	124 858	405 220	2 069 551	3 778 671	812	3 779 483
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	0	1 020 651	1 020 651	7 956	1 681	9 637	0	47 469	0	0	(125 238)	(53 229)	(130 998)	899 289	24	899 313
SURPLUS/(DEFICIT) FOR THE YEAR	0	1 014 649	1 014 649	7 956	1 681	9 637	0	47 469	0	0	(125 238)	21 864	(55 905)	968 380	24	968 404
OTHER COMPREHENSIVE INCOME	0	6 002	6 002	0	0	0	0	0	0	0	0	(75 093)	(75 093)	(69 091)	0	(69 091)
TRANSFERS	(1 082)	(118 443)	(119 525)	2 691	(17 078)	(14 387)	0	(17 905)	161 909	(10 093)	0	0	133 911	0	0	0
BALANCE AT 31 DECEMBER 2019 (note 16)	14 012	2 386 944	2 400 956	59 657	144 884	204 541	563	158 736	1 553 133	8 421	(380)	351 991	2 072 464	4 677 960	836	4 678 795
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	0	952 765	952 765	1 727	102 731	104 458	0	61 652	0	0	56 800	(728)	117 724	1 174 948	0	1 174 948
SURPLUS/(DEFICIT) FOR THE YEAR	0	937 795	937 795	1 727	102 731	104 458	0	61 652	0	0	56 800	(8 850)	109 602	1 151 856	0	1 151 856
OTHER COMPREHENSIVE INCOME	0	14 970	14 970	0	0	0	0	0	0	0	0	8 122	8 122	23 092	0	23 092
TRANSFERS	11 069	(25 115)	(14 046)	1 141	(28 271)	(27 130)	0	(19 766)	60 968	(20)	0	0	41 182	6	(7)	0
BALANCE AT 31 DECEMBER 2020 (note 16)	25 081	3 314 594	3 339 675	62 525	219 344	281 869	563	200 622	1 614 101	8 401	56 420	351 263	2 231 370	5 852 914	829	5 853 743

The notes on pages 17 to 67 are an integral part of these consolidated financial statements.

NORTH-WEST UNIVERSITY
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 R'000	2019 R'000
CASH FLOWS FROM OPERATING ACTIVITIES	29	1 090 432	1 045 649
INVESTMENT INCOME LESS COST OF FINANCE		298 342	436 355
INTEREST RECEIVED	27.3	300 064	437 015
DIVIDENDS RECEIVED	27.3	5 665	9 643
INTEREST PAID	28	(7 387)	(10 303)
NET CASH GENERATED FROM OPERATING ACTIVITIES		1 388 774	1 482 004
CASH FLOWS UTILISED BY INVESTING ACTIVITIES		(1 483 302)	(1 327 452)
DISPOSAL OF OTHER INVESTMENTS		0	0 *
PURCHASES OF PROPERTY, PLANT AND EQUIPMENT	6a, 6b	(210 188)	(398 532)
PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT		906	31 235
INCREASE IN DEFERRED GRANT INCOME	19	210 001	29 336
TRANSFER OF INVESTMENT PROPERTY TO PROPERTY, PLANT AND EQUIPMENT	7	0	342
DISPOSAL OF ASSETS HELD FOR SALE		0	10 229
INCREASE IN INTANGIBLE ASSETS (internally generated)		(521)	0
PURCHASES OF INVESTMENTS		(1 483 500)	(1 000 062)
CASH OUTFLOWS FROM FINANCING ACTIVITIES		(44 685)	54 705
REPAYMENTS OF INTEREST-BEARING BORROWINGS	17	(5 477)	(11 818)
INCREASE IN LEASE LIABILITIES		(39 208)	66 523
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(139 213)	209 257
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		424 526	215 269
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15	285 313	424 526

* amounts less than R1 000 are disclosed as Rnil due to rounding off to the nearest thousand.

The notes on pages 17 to 67 are an integral part of these consolidated financial statements.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

STRUCTURE OF THE UNIVERSITY

1.1 Legal persona and country of registration

The University is a legal person in the Republic of South Africa and is regulated by the Higher Education Act 101 of 1997, as amended by Act 54 of 2000.

1.2 Nature of business, operations and main activities

The operations and main activities of the University are education, research and community service, based on its vision and mission.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements are presented in rand (R) (rounded off to the nearest thousand, unless otherwise indicated), which is the University's functional currency, and are prepared in accordance with International Financial Reporting Standards ('IFRS'). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The consolidated financial statements are also prepared in accordance with the requirements set by the Minister of Higher Education and Training in terms of Section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997 (as amended)). Council approved the consolidated financial statements on 17 June 2021.

The consolidated financial statements are prepared on a going concern basis under the historical cost convention, except for:

- electing to carry financial assets at fair value through other comprehensive income and profit or loss; and
- valuing post-employment and disability benefit obligations by using the projected unit credit method.

Management is of the opinion that the University has adequate resources to continue with operational activities for the foreseeable future and therefore will continue to adopt the going concern basis in preparing its consolidated financial statements.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

Since the financial numbers relating to subsidiaries are insignificant in relation to the consolidated financial accounts, only the consolidated financial statements are presented in the annual report.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) Standards, amendments and interpretations effective in 2020 and adopted by the University

- The IASB made amendments to **IAS 1, 'Presentation of Financial Statements'** and **IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'** which use a consistent definition of materiality throughout International Financial Reporting Standards and the *Conceptual Framework for Financial Reporting*, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
 - the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.
- The IASB issued a revised **Conceptual Framework** to be used in standard-setting decisions with immediate effect. Key changes include:
 - increasing the prominence of stewardship in the objective of financial reporting
 - reinstating prudence as a component of neutrality
 - defining a reporting entity, which may be a legal entity, or a portion of an entity
 - revising the definitions of an asset and a liability
 - removing the probability threshold for recognition and adding guidance on de-recognition
 - adding guidance on different measurement bases, and
 - stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. The accounting policies for transactions, events or conditions for the University are dealt with under the relevant and applicable accounting standard. Entities will need to consider whether their accounting policies are still appropriate under the revised Framework where applicable.

(b) Standards, amendments to and interpretations of existing standards that are not yet effective and have not been adopted early by the University

• **Covid-19-related Rent Concessions – Amendments to IFRS 16**

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.1 Basis of preparation (continued)

(b) Standards, amendments to and interpretations of existing standards that are not yet effective and have not been adopted early by the University (continued)

- **Covid-19-related Rent Concessions – Amendments to IFRS 16 (continued)**

In May 2020, the IASB made an amendment to IFRS 16 'Leases' which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The University does not yet know what the possible impact of these amendments may be and if the University will apply this standard in the coming financial year.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Basis of consolidation

All the different components, including the institutes, bureaux, companies and educational units of the University, as well as the results, assets and liabilities of the Institutional Office and of the Mafikeng, Potchefstroom and Vaal Triangle Campuses, are included in the consolidated financial statements.

Subsidiaries are entities controlled by the University. The University controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control commences until the date on which control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

(a) Subsidiaries

When the University loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any non-controlling interests (NCI) and other components of equity. Any resulting gain or loss is recognised in the statement of comprehensive income.

The University applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities assumed towards the former owners of the acquiree and the equity interests issued. The consideration does not include amounts related to the settlement of pre-existing relationships. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Subsequent changes in the fair value of the contingent consideration are recognised in surplus or deficit. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date

NORTH-WEST UNIVERSITY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.2 Basis of consolidation (continued)***(a) Subsidiaries (continued)*

The University recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the gain on a purchase is recognised immediately as a surplus.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the University.

(b) Associates (equity-accounted investees)

Associates are all entities over which the University has significant influence but does not have control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method, the investment is initially recognised at cost (which includes transaction costs), and the carrying amount is increased or decreased to recognise the University's share of the profit or loss and OCI of the equity-accounted investee after the date of acquisition. The University's share of post-acquisition profit or loss is recognised in surplus or deficit.

(c) Transactions eliminated on consolidation

Inter-company transactions, balances, income and expenses on transactions are eliminated. Surpluses and deficits resulting from inter-company transactions that are recognised in assets are also eliminated.

2.3 Property, plant and equipment (PPE)

2.3.1 Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, except for donations of assets that are initially recorded at fair value less depreciation and impairment. Fair value is considered as deemed cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably (macro maintenance). The carrying amount of the replaced part is derecognised. All other repairs and maintenance not recognised as macro maintenance are charged to surplus or deficit during the financial period in which they are incurred.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Property, plant and equipment (PPE) (continued)

2.3.2 Land and buildings comprise mainly lecture halls, laboratories, hostels and administrative buildings. Land and buildings are not depreciated. The useful life of buildings is considered to be indefinite due to building maintenance done according to the ten-year macro maintenance rolling plan. However, the macro maintenance included in the carrying amount of land and buildings is depreciated using the straight line method. Buildings still under construction at year end are included at cost. Depreciation on other assets is calculated using the straight-line method to depreciate the depreciable amount, which is the difference between their cost and their residual values, over their estimated useful lives, as referred to below.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.6).

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in surplus or deficit.

CATEGORY	PERCENTAGE PER ANNUM	USEFUL LIFE
Buildings and other improvements (macro maintenance)	Indefinite	: The useful life is estimated as indefinite
Computer equipment	10,00%	: The useful life is estimated at 10 years.
Computer equipment less than R5 000	20,0% - 33,3%	: The useful life is estimated at 3 to 5 years.
Servers and printers	33,3%	: The useful life is estimated at 3 years.
Laboratory equipment	20,0%	: The useful life is estimated at 5 years.
Specialised equipment	15,0%	: The useful life is estimated at 6,67 years.
Furniture	4,0% - 20,0%	: The useful life is estimated at a range between 5 and 25 years.
Vehicles	5,0% - 10,0%	: The useful life is estimated at a range between 10 and 20 years.
Synthetic hockey field (carpet)	50,0%	: The residual value of the vehicle pool is estimated at 50% after 5 years for passenger vehicles, which is the average replacement term of vehicles and 10 years for commercial vehicles
Synthetic hockey field (base)	12,5%	: The useful life is estimated at 8 years.
Low value assets	2,0%	: The useful life is estimated at 50 years.
Right-of-use leased assets	33,3%	: The useful life is estimated at 3 years.
	50,0% - 33,3%	: Depreciated over the lease term

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Property, plant and equipment (PPE) (continued)

2.3.3 Actual improvements to buildings are capitalised (macro maintenance) when it is probable that future economic benefits exceeding the originally estimated performance standard of the existing asset will flow to the business. Routine maintenance with regard to buildings and equipment is charged to surplus or deficit as incurred.

2.3.4 Costs relating to library books are written off in the year acquired. See note 31.

2.4 Investment properties

Investment properties, principally comprising land and buildings, are held for long-term capital appreciation and rental yields and are not occupied by the University. Investment properties are carried at cost less accumulated impairment losses and accumulated depreciation.

Depreciation on investment properties is calculated using the straight-line method to allocate their cost less their residual value over the estimated useful life of 50 years.

2.5 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the University's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired is allocated to each of the cash-generating units that is expected to benefit from the acquisition or business combination. Each unit to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Separately recognised goodwill is carried at cost less impairment losses and goodwill impairment reviews are undertaken annually. The carrying value of goodwill is compared to the recoverable amount, which is the higher of the cash generating unit's (CGU's) value in use and its fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Computer software

Computer software is initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided to write down the intangible assets, on a straight-line basis, over an average useful life of 10 years. The residual value, amortisation period and amortisation method are reassessed when there is an indication that there is a change from the previous estimates.

Goodwill and computer software are both the result of consolidation of subsidiaries.

2.6 Impairment of non-financial assets

Intangible assets not ready for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

NORTH-WEST UNIVERSITY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**2.6 Impairment of non-financial assets** (continued)

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units).

Impairment losses are recognised in surplus or deficit in the period in which the impairment loss occurs. Prior periods' impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.7 Foreign currency translationFunctional and presentation currency

Items included in the financial statements of each of the University's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in South African rand (R) (rounded to the nearest thousand, unless otherwise indicated), which is the University's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in surplus or deficit.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other (losses)/gains – net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences relating to changes in amortised cost are recognised in surplus or deficit, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in surplus or deficit as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in other comprehensive income.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investments and other financial assets

(i) Classification

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

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

The classification depends on the University's business model for managing its financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in surplus or deficit.

The University reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and de-recognition

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

(iii) Measurement

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the University's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the University classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in surplus or deficit and presented in other gains/(losses) together with foreign exchange gains and losses.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in surplus or deficit and presented net within other gains/(losses) in the period in which it arises.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investments and other financial assets (continued)

Equity instruments

The University subsequently measures all equity investments at fair value. Where the University's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to surplus or deficit following the derecognition of the investment. Dividends from such investments continue to be recognised in surplus or deficit as other income when the University's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

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

For trade receivables, the University applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (see note 2.11 for further details).

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in surplus or deficit and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount

2.9 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and applicable variable selling expenses.

Cost of inventory is determined by the following methods:

- 2.9.1 Central warehouse, trade, cafeteria and residence inventories are stated at the weighted average cost.
- 2.9.2 Printed publications are stated at the weighted average purchase price.
- 2.9.3 Veterinary health inventory is stated at the weighted average purchase price.

Provision for obsolete and slow-moving inventory is made where applicable and recognised in surplus or deficit.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and investments in money-market instruments with an initial maturity of less than three months. Cash and cash equivalents are short-term highly liquid instruments that are readily convertible to known amounts of cash which are subject to insignificant changes in value.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Trade and other receivables

The University holds trade receivables with the objective of collecting the contractual cash flows and therefore trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowances.

The University applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Receivables held by the University do not have a significant financing component. The contract assets (which arise from research contracts) relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The University has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates for student debtors are based on the three payment collection profiles and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the cash-paying students to settle their accounts. The University uses a global rating as the probability of default (PD) to calculate the ECL for government funded student debt.

Sundry trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the University, and a failure to make contractual payments for a period of more than 90 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the income from sale of goods and services and other income as bad debt recovered.

For other sundry receivables the University uses a global corporate average rating table to indicate the probability of default (PD) for government and similar-to-government debt. Interest rates applicable to unsecured loans are used for credit ratings regarding corporate customers. Outstanding debt of 90 days and older owed by individuals is expected to be impaired in full.

2.12 Equity – reserve funds

The accumulated funds are subdivided on the basis of its employability between restricted and unrestricted funds and comprise mainly the following:

Educational and General – Council-controlled – Unrestricted or designated

Unrestricted and designated funds relate to funds over which the Council of the University has absolute legal control and discretion. Designated funds are unrestricted income which the Council has designated for purposes that it deems fit. Decisions in this regard can always be changed at the discretion of Council. The Council-controlled segment predominantly represents the teaching component of the University.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Equity – reserve funds (continued)

Educational and General – Council-controlled – Unrestricted or designated (continued)

It reflects the University's subsidised activities and comprises mainly formula subsidy, tuition fees, sales of goods and services and investment income. (Refer to sub-total A in the statement of changes in equity.)

Educational and General – Specifically funded activities – Restricted

Specifically purposed income (restricted) relates to funds that have been provided in terms of legally enforceable requirements of the purpose for which they may be expended. This may result from a contract, a condition of a grant, a bequest or a condition stipulated in a notarial deed of donation. Council has no discretion or control in this regard, but retains an oversight role in regard to ensuring that expenditure is in accordance with the mandate received from funders. (Refer to sub-total B in the statement of changes in equity.)

Included in sub-total C of the statement of changes in equity are the following funds:

Student and staff accommodation – Restricted

The student housing segment relates to the provision of accommodation and accommodation-related services to students (residences). Income from this source (income stream 3) is shown separately in the statement of comprehensive income as per requirements from the DHET.

Fixed asset reserve fund (PPE)

These are funds utilised and invested in property, plant and equipment (PPE).

Held for investment in property, plant and equipment

These funds are reserved for approved and already committed future investment in, or acquisition of, property, plant and equipment (PPE) (refer to note 30).

Unrealised fair value adjustment reserve fund

The University has elected to recognise unrealised changes in the fair value of investments at FVPL in a separate fund as these funds are not readily available for use.

NWU Pension fund and Disability fund

These funds equal the amount invested in employee benefits as reflected in non-current assets.

Other

Funds representing non-controlling interests, as a result of the consolidation of other entities, are shown separately in the last column of the statement of changes in equity.

2.13 Employee benefits

2.13.1 Pension

The University has both defined-benefit and defined-contribution plans. A defined-contribution plan is a pension plan under which the University pays fixed contributions into a separate entity. The University has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined-benefit plan is a pension plan that is not a defined-contribution plan.

NORTH-WEST UNIVERSITY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**2.13 Employee benefits** (continued)**2.13.1 Pension** (continued)

Typically defined-benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and remuneration.

Defined-benefit plans

Retirement-benefit costs are provided in accordance with defined-benefit plans, which include the North-West University Pension Fund and the Associated Institutions Pension Fund. The North-West University Pension Fund has two fixed-benefit options, only available to members who changed from the Associated Institutions Pension Fund to the North-West University Pension Fund on 1 January 1995 – closed options.

The University's net obligation in respect of defined-benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined-benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the University, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined-benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI.

The University determines the net interest expense (income) on the net defined-benefit liability (asset) for the period by applying the discount rate used to measure the defined-benefit obligation at the beginning of the annual period to the then net defined-benefit liability (asset), taking into account any changes in the net defined-benefit liability (asset) during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined-benefit plans are recognised in profit or loss in personnel remuneration costs.

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

Defined-contribution plan

Retirement-benefit costs are provided in terms of a defined-contribution plan (North-West University Pension Fund). The North-West University Pension Fund has a fixed-contribution plan with a defined-benefit guarantee for all new enrolments since 1 January 1995 and was ring-fenced on 31 December 2003. A fourth option was introduced on 1 January 2004 for all new members of the fund and is a pure defined-contribution plan. The contributions to the defined-contribution plan are recognised as expenditure in the relevant period in which the liability arises, and the liability is thus matched with the benefit received by the employee during his/her working life.

NORTH-WEST UNIVERSITY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**2.13 Employee benefits** (continued)**2.13.2 Disability Reserve Fund**

The disability benefits are provided in accordance with the rules of the North-West University Disability Reserve Fund, which was established on 1 January 1995.

The objective of the fund is to provide disability benefits to the members of the North-West University Pension Fund. After a waiting period of six months, a member who is disabled receives a disability income equal to 82,5% of the member's monthly salary, subject to a maximum disability income benefit as determined by the Trustees. The income is reduced by the member's contributions towards the North-West University Pension Fund. The disability income will continue to the earlier of recovery or 65 years of age.

The asset recognised in the statement of financial position is the fair value of plan assets less the present value of the liabilities at the end of the reporting date. This is calculated annually by qualified independent actuaries using the projected unit credit method and discounting the estimated future cash outflows using interest rates of government corporate bonds that are denominated in rand (R).

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions, the effects of asset ceilings (if any, excluding interest) and amendments are charged or credited to OCI (other comprehensive income) in the period in which they occur.

2.13.3 Post-employment medical benefits

The University's net obligation in respect of post-employment medical benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of post-employment medical benefits is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the University, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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

NORTH-WEST UNIVERSITY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**2.13 Employee benefits** (continued)2.13.3 Post-employment medical benefits (continued)

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

2.13.4 Termination benefits

Termination benefits are payable when employment is terminated by the University before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The University recognises termination benefits when it is demonstrably committed to a termination when the University has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value and are treated as other long-term employee benefits. Termination benefits settled within 12 months are treated as short-term employee benefits. Refer to note 25.

2.13.5 Bonus plans

The University recognises a liability and an expense for bonuses. The University recognises an accrual where contractually obliged or where there is a past practice that has created a constructive obligation.

2.13.6 Accumulated annual leave

Employee entitlements to annual leave are recognised at an undiscounted amount in accordance with the conditions of service of the employees, with leave accruing to them as a result of services rendered. These include annual leave and accumulated leave. Leave payments that become payable within 12 months after the reporting date are disclosed as the current portion of employee benefit obligations.

2.14 Income

Income is measured at the fair value of the consideration received or receivable, and represents amounts receivable from the sale of goods and delivery of services in the ordinary course of the University's activities. Revenue is shown net of value-added tax (as applicable), rebates and discounts and after eliminating sales within the group.

Income is recognised when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the University's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the activity have been resolved. The University bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

NORTH-WEST UNIVERSITY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**2.14 Income** (continued)

The accounting policy regarding the elements of gross income includes the following:

- 2.14.1 State apportionment – subsidies and grants are recognised as income over the periods that are required to systematically match the income with the related expenditure for which it is intended. Subsidies for specific purposes, e.g. capital expenditure, are brought into the appropriate fund at the time they are available for expenditure for the purpose provided. However, if the funding is provided in advance of the specified requirement (i.e. the University does not have immediate entitlement to it), the relevant amount is retained as a liability until the University has complied with all the conditions attached to the construction of the asset, after which the grant is deducted from the carrying amount of the asset.
- 2.14.2 Grants from the government are recognised at their value where there is a reasonable assurance that the grant will be received and the University will comply with all conditions attached.
- Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.
- Government grants relating to property, plant and equipment are deducted in calculating the cost of the asset. The grant is carried as a liability in the statement of financial position until the University has complied with all the conditions attached to the construction of the asset, after which the grant is deducted from the carrying amount of the asset.
- 2.14.3 Tuition fees and residence fees are recognised as the service and products are rendered over a period of time. It is based on the services rendered to date as a percentage of the total services to be performed by the University. Income is considered to be received for the performance of a single obligation based on a fixed transaction price and it is highly probable that there will not be a significant revenue reversal. Delivering these services falls within the financial period of the University.
- 2.14.4 Research income mainly arises from contracts with customers. Contracts may differ regarding time frames and performance obligations but revenue is recognised based on a fixed transaction price. Payments from customers are received according to contract terms and revenue is recognised when the University satisfies a performance obligation in terms of a research contract. Research contracts do not contain a significant finance component. The University assesses the progress made and confirms the stage of completion on the reporting date based on the percentage of completion method. For contracts with completion dates after year end, assessments may give rise to a contract asset or a contract liability. Contract assets relate to the University's right to consideration for work completed but not billed at reporting date. Contract liabilities relate to the advance consideration received from the customer for which the University is to still satisfy an obligation.
- 2.14.5 Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as investment income in surplus or deficit when the right to receive payment is established. Where the dividend clearly represents a recovery of part of the cost of an investment, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

NORTH-WEST UNIVERSITY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**2.14 Income** (continued)

2.14.6 Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI, calculated using the effective interest method is recognised in the statement of comprehensive income as part of investment income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

2.14.7 Donations received are recognised at the fair value on the date of the donation.

2.14.8 Rental received is recognised over the lease term on a straight-line basis.

2.15 Leases

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the University. Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease and are allocated between principal and finance cost. Refer to note 6b for detail.

2.16 Provisions

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

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

2.17 Tax

The University is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act. Subsidiary entities are not exempt from tax and are liable for normal South African Income Tax. On consolidation, this may give rise to current income tax and deferred tax.

2.18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are measured initially at fair value and subsequently measured at amortised cost using the effective interest method.

NORTH-WEST UNIVERSITY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**2.19 Borrowings**

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

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3. FINANCIAL RISK MANAGEMENT

The University's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk.

The University's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the University's financial performance.

Council delegated the responsibility of the process of risk management to the Audit, Risk and Compliance Committee. This Committee reports key risks to Council twice a year, or more often if the need arises.

The risk approach of the University is based on the following definition of risk: "Risk can be defined as a potential threat or possibility that an action or event will adversely affect an organisation's ability to achieve its objectives". The University's approach is to balance opportunities and risks based on the supposition that the University sustains itself as a going concern. As there are risks that will have direct financial implications and others that will not have (immediate) direct financial implications, risk profiles are differentiated as "financial risks" and "non-financial risks".

Risk abatement strategies are identified based on the strategic objectives of the University according to the Institutional Plan. The University Management (through defined responsibility and accountability of executive management) identifies the most significant risk events, conditions or areas. There is an established line function with the remit of determining the identification, assessment, intervention measures and all aspects of the management of risk affecting the University.

Previously identified and newly identified as well as new events and actions that are potential risks are included in the risk register of the University. The list is maintained, reviewed and updated at least biannually and is managed accordingly.

Despite these structures and procedures, the potential exists that adverse events may occur that may affect the results of normal operations throughout the University at all levels of activity.

Only in limited instances are financial instruments used to cover risks linked to the University's activities. Where instruments are used to cover risks linked to the University's activities, each instrument is linked to an asset or liability, or an operational or financing transaction. Management of these instruments, which are mostly traded on organised or related markets, is centralised. Financial institutions are selected on their national grading to limit risks and to provide diversification.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. FINANCIAL RISK MANAGEMENT (continued)

The University's investment policy is designed to limit exposure to financial risks and no portfolio that has speculative characteristics is utilised. A money-market division and four independent investment management companies are responsible for managing these related risks.

3.1 FINANCIAL RISK FACTORS

Market risk

(i) Price risk

The University's exposure to equity securities price risk arises from investments held by the University and classified in the statement of financial position either as at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL).

To manage its price risk arising from investments in equity securities, the University diversifies its portfolio. Diversification of the portfolio is done in accordance with the prescripts set by the Committee for Investments. The majority of the University's equity investments are publicly traded and are included in listed shares that are traded on the Johannesburg Securities Exchange. The risk exists that the value of these financial instruments may fluctuate as a result of changes in the market price.

A 1% movement of the ALSI of the JSE, while all other variables held constant and all the University's equity instruments moved accordingly, would affect the value of the investments to be R5 510 000 higher/lower as at 31 December 2020 (2019: R4 568 000) (refer to note 9.1). Owing to the unpredictability of equity market returns, a general indicative percentage of 1% is used to highlight the changes in market value of equity investments.

(ii) Cash flow and fair value interest rate risk

In the case of long-term borrowings, the University's interest rate risk is limited because loans are only entered into at a fixed interest rate and in South African currency. Borrowings issued at fixed rates expose the University to fair value interest risk. Interest rates on overdraft facilities are linked to the prime rate and are floating. Income and operating cash flows are substantially independent of changes in the market interest rates and therefore no formal interest rate risk management policy exists.

Interest rate risk and therefore cash flow risk arises mainly from cash and cash equivalents.

At 31 December 2020 an investment performance measurement was done by the University which indicated an actual yield on the University's cash and cash equivalent portfolio of 6,77% (2019: 8,01%). Had the interest rate been 0,5% higher/lower (50 basis points), the surplus would have been R20 751 000 higher/lower (2019: R15 626 000).

(iii) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures regarding outstanding receivables.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 FINANCIAL RISK FACTORS (continued)

Market risk (continued)

(iii) Credit risk (continued)

The University's policy is designed to limit exposure to any single financial institution. Council evaluates the financial institutions annually and sets a credit limit for each institution. The University's investments in debt instruments are considered to be low-risk investments. Cash and cash equivalents as well as investments are only placed with reputable financial institutions with high credit ratings.

No credit evaluations are done for trade receivables – other debtors, nor for student debtors.

The University also does not require any collateral as security.

This credit risk exposure is mitigated by requiring students to pay an initial instalment in respect of tuition and accommodation fees at registration. Students with an outstanding balance from the previous year are only permitted to renew their registration after settling the outstanding amount as well as paying the current year's initial requirements. (Refer to note 14 for detailed disclosure.)

Credit risks are limited by the large number of clients, the diversity of the University's activities and a strict recovery policy. The University is of the opinion that no significant concentration of risk that has not been insured or adequately provided for existed at year end.

Trade receivables, contract assets, debt investments carried at amortised cost and debt instruments carried at FVOCI are subject to the expected credit loss model. (Refer to note 11b.)

The maximum credit exposure in relation to debt investments that are measured at fair value through profit or loss at the end of the reporting period is the carrying amount of these investments.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash levels and ensuring availability thereof to meet obligations when due. Constant monitoring, cash management and thorough cash planning ensure that the University is able to meet its commitments at all times, under both normal and stressed conditions. The University has minimised the risk of liquidity, as is reflected in its substantial cash and cash equivalents.

	2020	2019
Listed investments – shares and bonds	78%	56%
Cash and cash equivalents	22%	44%
Total	100%	100%

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 FINANCIAL RISK FACTORS (continued)

Liquidity risk (continued)

The table below analyses the University's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	R'000	R'000	R'000
	Less than	Between	Between
	1 year	1 and 2 years	3 and 5 years
Liabilities at amortised cost			
2020			
Borrowings	6 290	0	0
Lease liabilities	27 315	0	0
Trade and other payables	512 371	0	0
2019			
Borrowings	6 290	6 290	0
Lease liabilities	43 964	29 268	0
Trade and other payables	445 454	0	0
Liquidity ratio			
	2020	2019	
	R'000	R'000	
Current assets *			
Inventories	23 885	30 238	
Trade and other receivables	284 396	227 631	
Income tax receivable	14	26	
Straight line lease accrual	0	3 049	
Cash and cash equivalents	285 313	424 526	
	593 608	685 470	
Current liabilities			
Trade and other payables	512 371	445 454	
Contract liabilities	6 703	40 903	
Income tax payable	3 655	61	
Current portion of interest-bearing borrowings	5 965	5 682	
Current portion of post-employment benefits	142 920	162 158	
Current portion of deferred grant income	149 837	126 759	
Current portion of lease liabilities	27 315	43 964	
Income received in advance	243 532	91 607	
	1 092 298	916 588	
Net liquidity of operations	(498 691)	(231 118)	
Ratio	0.54	0.75	

* Current portion of investments is not included in the calculation of the liquidity ratio as it is the intention of the University to reinvest these investments when they mature in investments of the same nature as our non-current investments portfolio.

3.2 CAPITAL MANAGEMENT

The University's objectives when managing capital are to safeguard the University's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. A well-planned budgeting process is followed each year to meet these objectives. A sound financial position has been established by limiting exposure to debt and increasing investments and cash balances.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 CAPITAL MANAGEMENT (continued)

	2020	2019
	R'000	R'000
Assets		
Investments (current and non-current)	5 224 126	3 684 127
Cash and cash equivalents	285 313	424 526
Total	<u>5 509 439</u>	<u>4 108 653</u>
Liabilities		
Non-current liabilities (excluding deferred income)	481 274	555 349
Current liabilities (excluding deferred income)	942 461	789 829
Capital commitments (infrastructure) (note 30)	741 694	95 845
Total	<u>2 165 429</u>	<u>1 441 023</u>
Net position	<u>3 344 009</u>	<u>2 667 630</u>

The greater part of capital commitments is being financed through subsidy from the Department of Higher Education and Training.

3.3 FAIR VALUE ESTIMATION

The fair value of financial and non-financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the University is the current bid price.

These instruments are included in Level 1 of the table below. Instruments comprise primarily JSE equity investments.

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

The University uses a variety of methods and applies assumptions based on market conditions existing at each reporting date.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2.

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

The carrying values of the following financial assets and liabilities are deemed to approximate their fair value: cash and cash equivalents, trade and other receivables and trade and other payables. An explanation of these is given by means of notes with regard to each item.

Note 9 contains further information with regard to investments and note 17 with regard to borrowings.

The following table presents the University's assets and liabilities that are measured at fair value at 31 December 2020.

	Level 1	Level 2	Total
	R'000	R'000	R'000
Assets			
Debt investments at fair value through profit and loss (FVPL)			
Equity securities - Listed shares in public companies	510 974		510 974
Bonds	511 030		511 030
Investments - Unlisted shares that do not qualify as an investment in equity-accounted investees		1 633	1 633
Total assets	<u>1 022 004</u>	<u>1 633</u>	<u>1 023 637</u>

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3.3 FAIR VALUE ESTIMATION (continued)

The following table presents the University's assets and liabilities that are measured at fair value at 31 December 2019.

Assets	Level 1 R'000	Level 2 R'000	Total R'000
Debt investments at fair value through profit and loss (FVPL)			
Equity securities - Listed shares in public companies	456 806		456 806
Bonds	86 387		86 387
Investments - Unlisted shares that do not qualify as an investment in equity-accounted investees		1 543	1 543
Total assets	543 193	1 543	544 736

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the University's accounting policies. Estimates, assumptions and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the University and that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

Estimates and assumptions having a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

(i) Property, plant and equipment

The University annually estimates the useful life and the expected residual value of items of property, plant and equipment for measurement and ensures that changing circumstances are taken into account.

(ii) Employee benefits

The present value of the employee-benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for benefits include the discount rate, the expected salary and pension increase rates, mortality rates, contribution rates and number of dependents.

Any changes in these assumptions will have an impact on the charge to surplus or deficit and other comprehensive income and may affect planned funding of the employee benefits.

The appropriate discount rate is determined at the end of each year, which represents the interest rate that should be used to determine the present value of the estimated future cash flows expected to be required to settle the pension, disability and post-retirement medical obligations. The expected increases in salaries and pensions are based on inflation rates, adjusted for salary scales.

Other key assumptions for pension, disability and medical obligations are based in part on current market conditions. Additional information is disclosed in note 18.

(iii) Loss allowance for impairment of trade receivables and contract assets

Measurement of expected credit loss allowance for trade receivables and contract assets. Management need to classify and group receivables according to characteristics and identify key assumptions in determining the loss rate.

(iv) Impairment of goodwill

Goodwill is allocated to the University's cash-generating units (CGUs). The recoverable amount of cash-generating units has been determined based on value-in-use calculations. These calculations require the use of estimates (refer to note 8).

4.2 Significant judgements

(i) Impairment of financial instruments

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates.

The University uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the University's past history, existing market conditions and forward-looking estimates at the end of each reporting period.

5. NUMBER OF EMPLOYEES

The number of permanent employees and fixed-term employees with benefits on 31 December 2020 totalled 3 960 (2019: 3918).

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6a. PROPERTY, PLANT AND EQUIPMENT (PPE)

Movements (R'000)	Land	Buildings and other improvements *	Vehicles	Furniture	Laboratory equipment	Specialised equipment	Computer equipment	Servers and Printers	Synthetic hockey field	Low value assets	Computer equipment less than R5 000	Right-of-use assets **	Total
Carrying amount at 31/12/2018	30 371	978 186	38 980	47 335	40 921	154 478	62 486	24 829	2 521	26 220	3 093	0	1 409 422
Cost	30 371	1 164 025	55 430	145 947	106 629	409 791	216 235	82 439	3 059	52 764	5 426	0	2 272 117
Accumulated depreciation	0	(185 839)	(16 450)	(98 612)	(65 708)	(255 313)	(153 749)	(57 610)	(538)	(26 544)	(2 333)	0	(862 695)
Additions during the year	342	92 186	5 517	21 375	11 889	34 710	75 747	33 033	8 642	13 464	2 382	99 244	398 532
Depreciation for the year	0	(7 140)	(2 404)	(11 041)	(11 761)	(27 763)	(42 936)	(15 352)	(1 156)	(17 149)	(2 041)	(37 779)	(176 522)
Cost of disposals/scrapings during the year	0	0	(3 064)	(3 141)	(3 353)	(6 405)	(47 700)	(26 959)	0	(19 425)	(1 172)	0	(111 219)
Accumulated depreciation of disposals	0	0	1 075	2 940	3 259	6 212	47 262	26 935	0	19 423	1 172	0	108 279
Carrying amount at 31/12/2019	30 713	1 063 233	40 105	57 468	40 955	161 233	94 859	42 485	10 006	22 534	3 434	61 465	1 628 491
Cost	30 713	1 256 211	57 883	164 181	115 166	438 097	244 281	88 513	11 701	46 803	6 636	99 244	2 559 430
Accumulated depreciation	0	(192 979)	(17 778)	(106 713)	(74 210)	(276 864)	(149 423)	(46 027)	(1 695)	(24 270)	(3 202)	(37 779)	(930 939)
Additions during the year	0	67 160	2 467	12 416	13 293	37 466	59 461	7 043	0	9 119	1 763	0	210 188
Depreciation for the year	0	(9 611)	(5 771)	(11 143)	(11 738)	(32 089)	(49 615)	(16 119)	(1 323)	(14 160)	(2 147)	(37 779)	(191 495)
Cost of disposals/scrapings during the year	0	(110)	(3 157)	(27 209)	(46 555)	(89 422)	(98 456)	(36 736)	0	(18 193)	(2 081)	0	(321 919)
Accumulated depreciation of disposals	0	4	1 617	27 033	46 523	89 375	97 971	36 729	0	18 178	2 081	0	319 509
Carrying amount at 31/12/2020	30 713	1 120 675	35 261	58 565	42 479	166 563	104 219	33 402	8 683	17 476	3 050	23 686	1 644 776
Cost	30 713	1 323 261	57 193	149 388	81 903	386 141	205 287	58 820	11 701	37 728	6 319	99 244	2 447 701
Accumulated depreciation	0	(202 586)	(21 932)	(90 824)	(39 424)	(219 578)	(101 067)	(25 418)	(3 018)	(20 253)	(3 269)	(75 558)	(802 925)

Buildings and equipment with a cost price of R38 668 000 (2019: R33 875 000), funded with Government grants, were not included above (note 2.14.2).

Government grants are recognised as deferred income (current liability) and then applied against the cost of the relevant asset as the asset is obtained/developed, in accordance with IAS 20.

All assets are unencumbered. All disposals of land and buildings acquired with the financial support of the government require approval from the Minister of Higher Education in terms of the Higher Education Act.

The University has a ten-year rolling plan in accordance with which large-scale building maintenance takes place and which is evaluated annually in order to properly maintain the buildings.

The assets register with full particulars of land and buildings is available for inspection at the registered address of the University.

Refer to note 30 regarding capital commitments.

* Included are buildings still under construction at year end to an amount of R153,9 million for 2020 (2019: R31,6 million).

** Refer to notes 6b regarding right-of-use assets.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6b. LEASES

This note provides information for leases where the University is a lessee.

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2020	2019
	R'000	R'000
Right-of-use assets		
Buildings	23 686	61 465
Lease liabilities		
Non-current (discounted amount)	0	22 558
Current	27 315	43 964
	<u>27 315</u>	<u>66 522</u>

(ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

Depreciation charge of right-of-use assets (included in depreciation)	37 779	37 779
Interest expense (included in finance cost)	4 756	7 171
Expense relating to short-term leases (included in operating cost)	2 070	1 791

The total cash outflow for leases in 2020 was R44 605 000 (2019: R46 741 000).

(iii) The University's leasing activities and how they are accounted for

The University leases various buildings, mainly to accommodate students, as well as offices where needed. Rental contracts are typically made for fixed periods of 12 months to 3 years, but may have extension options.

Contracts may contain both lease and non-lease components. For leases of real estate for which the University is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis although terms and conditions are of a similar nature. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the University.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), but not lease payments to be made under extension options.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6(b). LEASES (continued)

(iii) The University's leasing activities and how they are accounted for (continued)

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for the University, the University's incremental borrowing rate is used, being the rate that the University would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-in-use asset in a similar economic environment with similar terms, security and conditions.

The University as at date of applying IFRS 16 Leases did not have finance lease liabilities and had minimal external borrowings. The 3 month Jibar rate of 7,15% as on 1 January 2019 was used as an indication of the weighted average incremental borrowing rate for the University.

Lease payments are allocated between principal and finance cost. The finance cost is charged to surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- * the amount of the initial measurement of lease liability
- * any lease payments made at or before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in surplus or deficit. Short-term leases are leases with a lease term of 12 months or less.

(iv) Contractual maturities of lease liabilities

The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 December	2020 R'000	2019 R'000
Less than 1 year	27 315	43 964
Between 1 and 2 years (discounted amount R22 558 000)	0	29 268
Total contractual cash flows	<u>27 315</u>	<u>73 232</u>

7. INVESTMENT PROPERTIES

Carrying amount at beginning of year	18 002	18 831
Cost	24 327	24 862
Accumulated depreciation	(6 325)	(6 031)
Transfers to property, plant and equipment / disposals	0	(535)
Accumulated depreciation with transfers / disposals	0	193
Depreciation	(487)	(487)
Carrying amount at end of year	17 515	18 002
Cost	24 327	24 327
Accumulated depreciation	<u>(6 812)</u>	<u>(6 325)</u>

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVESTMENT PROPERTIES (continued)	2020 R'000	2019 R'000
Income	10 664	10 867
Rental income (short-term investment income - note 27)	10 664	10 867
Less: Expenditure (direct operating expenses arising from investment properties that generate rental income)	8 153	9 011
Personnel remuneration	490	683
Maintenance - buildings	4 748	5 111
Municipal fees and property tax	896	1 020
Operating costs	33	67
Services outsourced	1 497	1 643
Depreciation	487	487
Net surplus from investment properties	2 511	1 856

The fair value measurement for investment properties has been categorised as a Level 3 under IFRS 13. Investment properties consist of various business buildings that are leased.

Valuations of investment property are done every 5 years.

Valuations were done in 2017 by Acom Valuers, who have appropriate qualifications and experience in the valuation of the investment property being valued.

Assumptions used for the valuation of Cachet Park include an occupancy rate of 95% and a rental margin of 67,9%. No tax implications were applicable.

Present value of future cash flow projections, based on lease agreements, were used in the calculation of the fair value to the amount of R82 000 000, using a discount rate per annum of 9,50%.

Investment properties - Other: The fair value amounts to R3 650 000. Valuation was done in 2016 by Danie Rothman Accountants. This firm has the appropriate qualifications and experience to perform valuations.

The Nest Complex is now owner-occupied and was transferred to property, plant and equipment during 2019.

The sensitivity analysis below shows the impact on the fair value of the investment property to changes in key valuation assumptions.

R'000	Discount rate		
	8,50%	9,50%	10,50%
Rental (5% decrease)	87 065	77 900	70 481
Rental (per valuers' report)	91 647	82 000	74 190
Rental (5% increase)	96 229	86 100	77 900

All assets are unencumbered. All disposals of land and buildings acquired with the financial support of the government require approval from the Minister of Higher Education in terms of the Higher Education Act, 1997 (Act No. 101 of 1997).

Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts may include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Minimum lease payments receivable on leases of investment properties are as follows:

	2020 R'000	2019 R'000
Within 1 year	8 151	9 220
Between 1 and 2 years	7 194	8 597
Between 2 and 3 years	6 315	8 323
Between 3 and 4 years	6 365	7 749
Between 4 and 5 years	5 497	7 248
Later than 5 years	2 226	7 987
	35 747	49 123

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. INTANGIBLE ASSETS

	Computer software	Goodwill	Total
	R'000	R'000	R'000
Opening carrying value - 01/01/2021	0	950	950
Cost	0	950	950
Accumulated amortisation	0	0	0
Additions	521	0	521
Amortisation charges	(14)	0	(14)
Closing carrying value - 31/12/2021	507	950	1 457
Cost	521	950	1 471
Accumulated amortisation	(14)	0	(14)

9. INVESTMENTS

9.1 Total investments

Financial assets at fair value through profit or loss (FVPL) as elected at initial recognition.

Comprise:

- * Debt investments that do not qualify for measurement at either amortised cost or FVOCI;
- * Equity investments that are held for trading, and
- * Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Refer to note 2.8 and note 12.

	2020	2019
	R'000	R'000
<i>Investments at FVPL</i>		
<u>Unlisted investments</u>		
Unlisted shares that do not qualify as an investment in equity-accounted investees	1 633	1 543
<u>Listed investments</u>		
Shares in public companies	510 974	456 806
Bonds and credit notes	511 030	86 387
	<u>1 023 637</u>	<u>544 736</u>

Financial assets at amortised cost

Comprised of assets that meet both of the following criteria:

- * asset is held within a business model whose objective is to collect the contractual cash flows, and
- * the contractual terms give rise to cash flows that are solely payments of principal and interest.

Refer to note 2.8.

Committee for investments (cash portfolio)	7 734	(1 435)
Other (money market portfolio)	4 192 755	3 140 826
	<u>4 200 489</u>	<u>3 139 391</u>

Financial assets at FVPL and at amortised cost

Presented as follows:

Non-current assets	3 738 144	2 974 008
Current assets	1 485 982	710 119
Total investments	<u>5 224 126</u>	<u>3 684 127</u>

The University reinvests all investments which mature in investments of similar long-term nature.

The carrying values (cost) of investments held at fair value are as follows:

The market value of listed investments represents the closing prices at year-end as fixed on the Johannesburg Securities Exchange. The valuation of unlisted investments which takes place on the reporting date in accordance with relevant valuation bases (note 2.8) is regarded to be the same value as reflected above.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. INVESTMENTS (continued)

9.1 Total investments (continued)

Other information

Realised income on investments is included in investment income (note 27).

The register with full particulars of the above-mentioned investments is available for inspection at the registered address of the University.

Refer to notes 3 and 11 for additional disclosure on financial instruments.

Amounts recognised in the statement of comprehensive income	2020	2019
	R'000	R'000
The following amounts were recognised in surplus or deficit:		
Fair value gains/(losses) on debt instruments at FVPL		
Shares in public companies	56 710	(130 442)
Unlisted shares - not investments in equity-accounted investees	90	216
	<u>56 800</u>	<u>(130 226)</u>

9.2 Investment in subsidiaries

The University is the ultimate holding entity of the group.

All the subsidiary entities are incorporated in South Africa and their principal place of business is situated in South Africa.

Details as reflected in the respective entities' annual financial statements

PUK Kanselierstrust (100% interest)

The principal business of the trust is to promote higher education at the University.

Carrying amount of trust funds	1 478	1 452
Attributable profit	<u>25</u>	<u>29</u>

PUK Ontwikkelingstrust (Incorporated association not for gain) (100% interest)

The principal business of the company is to generate funds in order to realise the vision and mission of the University.

Carrying amount: Reserves	13 922	13 922
Attributable loss: Non-distributable	<u>0</u>	<u>0</u>

Notable related-party transaction: Amount held in NWU Money Market investments

Investment is unsecured and payable/due on request from Trust	<u>5 698</u>	<u>5 698</u>
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OpenCollab Proprietary Limited (94,90% interest)

The principal business of the company is to provide software development, maintenance, support and consulting services.

Carrying amount of shares	0 *	0 *
Attributable (loss)/profit after tax	<u>(151)</u>	<u>480</u>

Notable related-party transactions:

Operating expenses paid to related party	<u>12 107</u>	<u>14 014</u>
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Amount held in NWU Money Market investments on behalf of related party

Investment bears interest at 6,35% per annum and is available on call	<u>10 611</u>	<u>9 916</u>
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Innovation Highway Proprietary Limited (100% interest)

The principal business is acting as holding company as well as an incubator for early venturing in a commercial environment, from which fully-fledged spin-out companies will be formed.

Carrying amount of shares	0 *	0 *
Attributable loss after tax	<u>(306)</u>	<u>(839)</u>

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. INVESTMENTS (continued)

9.2 Investment in subsidiaries (continued)

Details as reflected in the annual financial statements (continued)

	2020 R'000	2019 R'000
<u>Innovation Highway Enterprises Proprietary Limited (100% interest)</u>		
The principal business of the company is technology transfer, innovation and business commercialisation and any other related activities.		
Carrying amount of shares	0 *	0 *
Attributable loss after tax	(15)	(17)
<u>Hydrogen Core Technologies Proprietary Limited (100% interest)</u>		
The principal business of the company is the commercialisation of HySA technologies (under DST funding).		
Carrying amount of shares	0 *	0 *
Attributable loss after tax	(11)	(14)
<u>Medehive Proprietary Limited (previously Hyfra Proprietary Limited) (100% interest)</u>		
The principal business of the company is the commercialisation of HySA technologies (outside DST funding).		
Carrying amount of shares	0 *	0 *
Attributable profit after tax	0	0
<u>North West Fibre Proprietary Limited (100% interest)</u>		
The principal business of the company is the development of fibre technology.		
Carrying amount of shares	0 *	0 *
Attributable profit after tax	0	0
<u>NWU Open Learning Operations Proprietary Limited (100% interest)</u>		
The principal business of the company is to act as a point of reporting and support to all Namibian students who are enrolled at the NWU through distance learning.		
Carrying amount of shares	0 *	0
Attributable loss after tax	(1 889)	0
Total assets and liabilities of consolidated subsidiaries		
Assets	23 445	33 403
Liabilities	(72)	(1 070)

* Amounts less than R1 000 are disclosed as Rnil due to rounding off to the nearest thousand.

The University has no other interest or investments in unconsolidated or structured entities.

Other

PURCO SA is the purchasing consortium of the Higher Educational sector in South Africa. North-West University is a member of the consortium. NWU is entitled to utilise PURCO SA on specific tenders to obtain the best prices. PURCO SA is not a subsidiary, associate, joint venture or unconsolidated special purpose entity.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. EQUITY-ACCOUNTED INVESTEEES

	2020 R'000	2019 R'000
Balance at beginning of year	1 367	1 098
(Disposal)/acquisition of holding in investees *	0	(0) *
Movement for the year	(267)	269
Share of (loss)/profit	(370)	0
Loan to Finclude Technologies Proprietary Limited	103	269
Balance at end of year	<u>1 100</u>	<u>1 367</u>

* Amounts less than R1 000 are disclosed as Rnil due to rounding off to the nearest thousand.

The University's share of the results of its principal equity-accounted investees, and its aggregated assets (including goodwill) and liabilities are as follows:

Name	Assets R'000	Liabilities R'000	Revenue R'000	Profit/(loss) R'000	Interest held
2020					
- Ambixtra Proprietary Limited #	n/a	n/a	n/a	n/a	24%
- Finclude Technologies Proprietary Limited *	<u>3 996</u>	<u>6 994</u>	<u>2 246</u>	<u>(1 056)</u>	35%
	<u>3 996</u>	<u>6 994</u>	<u>2 246</u>	<u>(1 056)</u>	
2019					
- Ambixtra Proprietary Limited #	36 629	59 492	0	(2 513)	24%
- Finclude Technologies Proprietary Limited *	<u>4 483</u>	<u>5 864</u>	<u>4 517</u>	<u>(1 068)</u>	35%
	<u>41 112</u>	<u>65 356</u>	<u>4 517</u>	<u>(3 581)</u>	

All the equity-accounted entities are incorporated in South Africa.

The University's interests in associate entities are considered to be non-material and their activities are not strategic to those of the University. The associated risk is therefore minimal. No dividends were received.

Ambixtra Proprietary Limited is a start-up operation funded jointly by the Independent Development Corporation (IDC) and founders. The main business of this entity is that of technology development and commercialisation. As the company was expected to only start generating profit in 2019, the loan was impaired in full. Ambixtra Proprietary Limited has however been struggling to stay afloat. The NWU declared a dispute in February of 2020 and also gave contractual notice. Ambixtra was put under final liquidation on 11 March 2021. No financial statements were made available for 2020.

* The main business of Finclude Technologies Proprietary Limited is licensed computer software to third parties and the selling of airtime.

11. FINANCIAL INSTRUMENTS

Financial instruments carried in the statement of financial position include investments, trade and other receivables, cash and cash equivalents, borrowings, derivatives, trade and other payables.

The fair values of these financial assets are deemed to approximate their carrying amounts.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(continued)

11. FINANCIAL INSTRUMENTS (continued)

11a. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

	Amortised cost R'000	Fair value through profit or loss R'000	Total R'000
2020 - Assets			
Investments and derivatives (note 9)	4 200 489	1 023 637	5 224 126
Trade and other receivables (note 14) (excluding prepayments and VAT)	276 102	0	276 102
Contract assets (note x)	0	0	0
Cash and cash equivalents (note 15)	285 313	0	285 313
Total	<u>4 761 903</u>	<u>1 023 637</u>	<u>5 785 540</u>
2020 - Liabilities			
Borrowings (note 17)		5 965	5 965
Trade and other payables (note 20)		512 371	512 371
Total		<u>518 336</u>	<u>518 336</u>
2019 - Assets			
Investments and derivatives (note 9)	3 139 391	544 736	3 684 127
Trade and other receivables (note 14) (excluding prepayments and VAT)	216 987	0	216 987
Cash and cash equivalents (note 15)	424 526	0	424 526
Total	<u>3 780 904</u>	<u>544 736</u>	<u>4 325 640</u>
2019 - Liabilities			
Borrowings (note 17)		11 442	11 442
Trade and other payables (note 20)		445 454	445 454
Total		<u>456 896</u>	<u>456 896</u>

11b. CREDIT QUALITY OF FINANCIAL ASSETS

The University has the following types of financial assets that are subject to the expected credit loss model:

- * Debt investments carried at amortised cost
- * Trade and other receivables
- * Contract assets relating to research contracts

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Financial assets at amortised cost

Financial assets at amortised cost include NCDs, treasury bills and listed corporate bonds, loans to related parties and other receivables.

Instruments are considered to be of low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Trade receivables and contract assets

The University applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Refer to note 2.11 for accounting policy and method of grouping of assets.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(continued)

11. FINANCIAL INSTRUMENTS (continued)

11b. CREDIT QUALITY OF FINANCIAL ASSETS(continued)

Trade receivables and contract assets (continued)

The following information was used to determine the expected loss allowance for both trade receivables and contract assets. Trade receivables were divided between student debtors and other debtors.

	Potch campus	Vaal campus	Mafikeng campus
STUDENT DEBTORS			
31 December 2020			
Groups as classified for payment collection purposes:			
NSFAS funded students	11 581	8 088	11 012
Amount not covered by NSFAS	100.00%	100.00%	100.00%
Other government funded students	1 013	442	1 788
PD based on a BB+ government rating	0.36%	0.36%	0.36%
Cash paying students	34 409	9 501	30 465
Historical 3 year average	65.00%	65.00%	80.00%
Open distance learning students	46	0	0
Management decision - students responsible for own funding	50.00%	50.00%	50.00%
Open distance learning students - Other government funded	36 185	0	0
PD based on a BB+ government rating	0.36%	0.36%	0.36%
Open distance learning students	7 021	1 089	0
Bursary projects (2013 - 2015) for write-off in 2021	100.00%	100.00%	100.00%
Loss allowance per campus	<u>41 125</u>	<u>15 355</u>	<u>35 390</u>
TOTAL LOSS ALLOWANCE			<u>91 870</u>

	Potch campus	Vaal campus	Mafikeng campus
STUDENT DEBTORS			
31 December 2019			
Groups as classified for payment collection purposes:			
NSFAS funded students	22 137	30 229	33 179
PD based on a BB+ government rating	0.36%	0.36%	0.36%
Other government funded students	2 187	1 296	747
PD based on a BB+ government rating	0.36%	0.36%	0.36%
Cash paying students	55 054	24 721	70 425
Historical 3 year average	27.28%	27.36%	21.66%
Open distance learning students	36 393	2 957	0
Management decision - students responsible for own funding	50.00%	50.00%	50.00%
	55 054	24 721	70 425
* Calculated percentage added for provision (refer to note below)	4.00%	3.00%	2.00%
Loss allowance per campus	<u>35 502</u>	<u>9 097</u>	<u>16 786</u>
TOTAL LOSS ALLOWANCE			<u>61 385</u>

Note: Calculated % added for provision

* Taking into account the possible impact that the Fees must fall movement may have on the University and the recoverability of the student debt, this percentage is added and relates to forward looking information.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(continued)

11. FINANCIAL INSTRUMENTS (continued)

11b. CREDIT QUALITY OF FINANCIAL ASSETS(continued)

SUNDRY DEBTORS

31 December 2020	Rating	PD (90+ days)	Total R
Classified groups:			
Government	BB+	0.0036	44
Similar to government and universities	BB	0.0058	80
Municipalities	BB-	0.0105	2
Corporates with balances above R1 million (5 customers)	individually calculated PD		1 021
Corporates with balances under R1 million		0.3082	134
Individuals and other		Full amount 90 days and longer outstanding	5 501
Loss allowance			<u>6 782</u>

31 December 2019	Rating	PD (90+ days)	Total R
Classified groups:			
Government	BB+	0.0036	25
Similar to government and universities	BB	0.0058	186
Municipalities	BB-	0.0105	5
Corporates with balances above R1 million (5 customers)	individually calculated PD		109
Corporates with balances under R1 million		0.2774	27
Individuals and other		Full amount 90 days and longer outstanding	7 513
Loss allowance			<u>7 865</u>

The expected credit loss on contract assets at year end amounts to R55 000 (2019: R17 000) and is considered non-material.

Exposure per category:

	2020 R'000	2019 R'000
Investments (note 9)		
FVPL - listed shares	510 974	456 806
FVPL - unlisted shares	1 633	1 543
FVPL - bonds	511 030	86 387
Amortised cost - money market instruments *	4 200 489	3 139 391
Trade and other receivables (note 14)	284 396	227 631
Cash and cash equivalents	285 313	424 526
Total	<u>5 793 835</u>	<u>4 336 284</u>

* An amount of R4 150 122 000 (2019: R3 125 256 000) is invested in "AA" Bank NCDs and Treasury Bills with guaranteed buy-back. Same day settlement.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)

Balance at beginning of year	544 736	384 828
(Disposals)/additions - shares in public entities	(41 727)	242 932
Additions - bonds and credit notes	463 828	47 202
Net profit/(loss) transferred to surplus or deficit	56 800	(130 226)
Balance at end of year	<u>1 023 637</u>	<u>544 736</u>

There were no impairment provisions made on financial assets at fair value through profit or loss (FVPL) in 2019 and 2020.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL) (continued)

	2020	2019
	R'000	R'000
FVPL financial assets include the following:		
Listed securities: Shares in public entities	510 974	456 806
Bonds and credit notes	511 030	86 387
Unlisted securities: Investments that do not qualify as an investment in equity-accounted investees	1 633	1 543
	<u>1 023 638</u>	<u>544 736</u>

FVPL financial assets are denominated in rand and none of the assets are impaired.

The fair value of unlisted securities is based on cash flows and other valuation techniques (note 2.8).

The maximum exposure to credit risk at the reporting date is the carrying value of the securities.

13. INVENTORIES

Net realisable value (see note 26)

Foodstuffs (Residence and Catering Services)	2 333	4 663
Publications and study materials	0	716
Other consumables	18 068	21 895
Veterinary health	3 484	2 964
	<u>23 885</u>	<u>30 238</u>
At cost		
Foodstuffs (Residence and Catering Services)	2 689	4 925
Publications and study materials	363	2 993
Other consumables	17 957	23 051
Veterinary health	3 484	2 964
	<u>24 493</u>	<u>33 933</u>

Obsolete inventory in the amount of R608 000 (2019: R3 695 000) was written off (see note 26).

14. TRADE AND OTHER RECEIVABLES

Balance at beginning of year	296 881	360 820
Plus: Net movement	<u>146 643</u>	<u>(13 715)</u>
	443 524	347 105
Less: Bad debts written off	<u>(60 476)</u>	<u>(50 224)</u>
Balance at end of year	383 048	296 881
Less: Loss allowance	<u>(98 652)</u>	<u>(69 250)</u>
Balance at beginning of year - calculated under IAS 39	(69 250)	(61 306)
Debtors written off during current year	60 476	50 224
Allowance for credit losses created in current year	<u>(89 878)</u>	<u>(58 168)</u>
Balance at end of year	<u>284 396</u>	<u>227 631</u>

Details of trade and other receivables

Students

Tuition and residence fees	313 616	207 222
Less: Loss allowance	<u>(91 870)</u>	<u>(61 385)</u>
Sub-total: Students	<u>221 746</u>	<u>145 837</u>

Sub-total: Advances and prepayments

<u>8 294</u>	<u>8 337</u>
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Other debtors

Projects: Services rendered	51 811	59 317
VAT	0	2 308
Other	9 327	19 697
Less: Loss allowance	<u>(6 782)</u>	<u>(7 865)</u>
Sub-total: Other debtors	<u>54 356</u>	<u>73 457</u>

Total trade and other receivables

<u>284 396</u>	<u>227 631</u>
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NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. TRADE AND OTHER RECEIVABLES (continued)

Student receivables

Student debtors who have not paid their accounts by the autumn graduation ceremony of the following year are considered non-recoverable or doubtful and handed over to attorneys for collection. Current student debtors are also not allowed to register for studies unless outstanding balances are settled or repayment contracts have been negotiated. The increase or decrease in the loss allowance, debts written off, as well as amounts previously written off and recovered during the year, are included in current operating expenditure.

Refer to note 2.11 for accounting policy and calculation of expected credit loss (ECL).

	2020	2019
	R'000	R'000
Movement in the loss allowance for student debtors:		
Balance at beginning of year	61 385	56 321
Student debtors written off during current year as uncollectable	(54 860)	(47 141)
Increase in expected loss allowance during the year	85 345	52 205
Balance at end of year	<u>91 870</u>	<u>61 385</u>
The ageing of student debtors that are past due is as follows:		
Student debtors past due and impaired (enrolled up to 2020)	91 870	61 385
Student debtors past due but not impaired (enrolled again in 2021)	<u>221 746</u>	<u>145 837</u>
Total balance at end of year	<u>313 616</u>	<u>207 222</u>

Other debtors

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the University, and a failure to make contractual payments for a period of 90 days or more.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Refer to note 2.11 for accounting policy and calculation of expected credit loss (ECL).

Movement in the loss allowance for sundry debtors:

Balance at beginning of year - calculated under IAS 39	7 865	4 984
Other debtors written off during current year as uncollectable	(5 616)	(3 082)
Increase in expected loss allowance during the year	<u>4 533</u>	<u>5 963</u>
Balance at end of year	<u>6 782</u>	<u>7 865</u>

Other debtors (continued)

The fair values of trade and other receivables are as follows:

Student debtors	221 746	145 837
Other debtors	<u>54 356</u>	<u>71 149</u>
Financial assets	276 102	216 986
Advances and prepayments	8 294	8 337
VAT	<u>0</u>	<u>2 308</u>
Total	<u>284 396</u>	<u>227 631</u>

The fair value is deemed to approximate the carrying amounts.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The University does not hold any collateral as security.

NORTH-WEST UNIVERSITY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

	2020	2019
	R'000	R'000
15. CASH AND CASH EQUIVALENTS		
Short-term bank deposits	188 613	210 039
Bank balances	95 623	213 507
Petty cash advances	1 077	980
	<u>285 313</u>	<u>424 526</u>

The weighted average effective interest rate on short-term bank deposits was 6,77% (2019: 8,01%).

The fair value is deemed to approximate the carrying amounts.

The cash and cash equivalents are managed together with investments according to the financial needs of the University. Funds are totalled and restricted funds are not managed separately.

Unspent grant funds of R718 623 000 (2019: R433 279 000) are included in the total funds of the University consisting of cash and cash equivalents and investments. These funds are restricted and may only be used for specific grant requirements.

The reserves have been split between restricted funding and non-restricted funding.

Guarantees of R1 324 000 are currently held by ABSA Bank (2019: R1 324 000).

16. EQUITY

The movement in equity is the result of the normal financial cycle after fair value adjustments had been made.

Refer to note 9 for detail.

Transfers between funds include the following:

- If the utilisation of funds results in the creation of an asset, the amount so utilised is transferred from its relevant fund to property, plant and equipment funds. It also includes depreciation;
- Where Council has designated funds for specific purposes, e.g. bursaries;
- Funds allocated for financing of major capital expenditure projects (funds held for investment in property, plant and equipment); and
- On completion of certain projects/defined activities, the surplus is transferred to designated funds.

17. BORROWINGS - INTEREST-BEARING**Carrying amounts**

First National Bank - New residence	5 965	11 442
Less: Current portion	<u>5 965</u>	<u>5 682</u>
Non-current liabilities	<u>0</u>	<u>5 760</u>

A FirstRand Bank Negotiable Certificate of Deposit serves as security for the loan. This loan bears interest at a fixed rate of 9,20% per annum. Repayments take place in equal annual instalments in the amount of R6 290 000 (including interest and capital), with a final instalment due on 28 July 2021.

Borrowings are carried at amortised cost using the effective rate method.

The fair value approximates the carrying amount.

Maturity of borrowings (capital and interest):

Less than 1 year	6 290	6 290
Between 1 and 2 years	<u>0</u>	<u>6 290</u>
	<u>6 290</u>	<u>12 579</u>

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(continued)

18. EMPLOYEE BENEFITS	2020	2019
ASSETS	R'000	R'000
Net assets recognised in the statement of financial position		
North-West University Pension Fund (note 18.1)	351 263	351 991
Total employee benefit assets	351 263	351 991
LIABILITIES		
Accrued leave	475 912	529 255
Post-employment medical benefits (note 18.3)	148 282	159 934
Total employee benefit liabilities	624 194	689 189
Less: Current liability - accrued leave	(142 920)	(162 158)
Total non-current liability	481 274	527 031

18.1 North-West University Pension Fund

The North-West University Pension Fund, which is registered in terms of and governed by the Pension Funds Act (Act 24 of 1956 (as amended)), was implemented on 1 January 1995. The North-West University Pension Fund has two fixed-benefit options, which were only available to members who changed from the Associated Institutions Pension Fund to the North-West University Pension Fund on 1 January 1995 – closed options (2020: no members and 2019: 0,39% or 14 members). A fixed-contribution option with a defined-benefit guarantee applied to all new members joining from 1 January 1995 (2020: no members and 2019: 6,62% or 238 members). This option closed in December 2003.

A fourth option was introduced on 1 January 2004 for all new members of the Fund, namely a fixed-contribution option (2020: 99,84% or 3 861 members and 2019: 92,80% or 3 336 members). A statutory actuarial valuation of the North-West University Pension Fund is undertaken every three years. At 1 January 2020, the effective date of the most recent statutory actuarial valuation, the retirement benefit fund was found to have a surplus of R349 037 000.

No formal valuation calculations were done in terms of IAS19 (revised) in reporting on the defined benefit pension fund, as the Fund converted all its defined benefit members to defined contribution members with annuity policies being purchased for all the pensioners in 2019. As at 31 December 2019, the Fund did not have any defined benefit obligations remaining as at that date. The asset reflected in the IAS19 disclosures was the balance in the employer surplus account.

Similarly, for 2020, there are no defined benefit obligations as all obligations are of a defined contribution nature.

Only a build-up of the employer surplus account (reflected as an assets for IAS19 purposes for the 2020 year) was done.

	2020	2019
	R'000	R'000
Current estimated employee benefit obligation:		
Fair value of plan assets at year-end	(351 263)	(351 991)
Recognised in profit or loss:		
Net interest (personnel remuneration)	0	(29 350)
Recognised in other comprehensive income:		
Actuarial gain due to experience	0	(1 262)
Actuarial gain due to financial assumption changes	0	(4 966)
Actuarial loss due to the conversion (note 1)	0	65 560
Actuarial loss due to outsource of pensioners (note 2)	0	43 723
Actual return on assets	(1 215)	(42 107)
Expected return	0	50 370
Adjustments made to finalise statutory valuation of the Pension Fund as at 31 December 2019	2 954	0
Refund from Momentum pension purchases	(1 011)	0
Total actuarial loss	728	111 318
Total actuarial loss	728	111 318
Irrecoverable surplus (effect on asset ceiling)	0	(28 739)
	728	82 579

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. EMPLOYEE BENEFITS (continued)

18.1 North-West University Pension Fund (continued)

	2020 R'000	2019 R'000
Recognised in the statement of financial position:		
Opening net asset	(351 991)	(405 220)
Expense	0	(29 350)
Remeasurements recognised in other comprehensive income	728	111 318
Irrecoverable surplus (effect on asset ceiling)	0	(28 739)
Asset at year-end	<u>(351 263)</u>	<u>(351 991)</u>
Movement in the liabilities:		
Liability for defined-benefit obligations at 1 January	0	1 103 360
Interest cost	0	21 020
Benefits paid	0	(15 709)
Actuarial gain	0	(6 228)
Settlement 1 (note 1)	0	(674 025)
Settlement 2 (note 2)	0	(428 418)
Liability for defined-benefit obligations at 31 December	<u>0</u>	<u>0</u>
Movement in the plan assets:		
Fair value of plan assets at 1 January	351 991	1 537 319
Expected return on plan assets	0	50 370
Benefits paid	0	(15 709)
Actuarial loss	(728)	(8 263)
Assets in respect of active members converted to defined contribution (note 3)	0	(739 585)
Cost of insurance annuities brought for pensioners	0	(472 141)
Fair value of plan assets at 31 December	<u>351 263</u>	<u>351 991</u>

Note:

- The Fund converted the defined benefit members to defined contribution with effective date 1 November 2018. As the Financial Sector Conduct Authority (FSCA) only approved the conversion on 12 June 2019, after the finalisation of the previous valuation, the defined benefit obligation was shown for these members in the previous valuation. To allow for the conversion, the obligation in respect of the defined benefit members is deducted from the opening obligation as at 31 December 2018.
- Insured annuities were purchased from Momentum for all pensioners, in the Fund's name, with effective dates of 1 June 2019 and 1 July 2019. The liability for the pensioners has therefore been calculated as at 31 December 2019 and the asset has been set equal to the value of the liabilities.
- The Fund converted the defined benefit members to defined contribution with effective date 1 November 2018. As the Financial Sector Conduct Authority (FSCA) only approved the conversion on 12 June 2019, after the finalisation of the previous valuation, the assets in respect of the defined benefit were included in the fair value of assets as at 31 December 2018. To allow for the conversion, the value of the defined contribution value of the converted members is deducted from the opening fair asset value as at 31 December 2018.

Plan assets comprise:	2020 %	2019 %
Local equity securities	40,7	48,8
International equity securities	24,0	22,5
Local fixed interest	11,7	9,7
International fixed interest	1,2	2,1
Local cash	6,8	5,1
Local property	5,6	10,4
Local commodities (other)	7,2	1,4
International commodities (other)	2,8	0,0
	<u>100,0</u>	<u>100,0</u>

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(continued)

18. EMPLOYEE BENEFITS (continued)

18.1 North-West University Pension Fund (continued)

	2020 %	2019 %
Principal actuarial assumptions at 31 May 2019:		
Inflation rate	n/a	5,70
Discount rate	n/a	9,03
Expected return on plan assets**	n/a	9,70
Expected future salary increases	n/a	6,70
	n/a	+ merit increases
Expected pension increases	n/a	5,20
Mortality rates post-retirement	PA (90), rated down 1 year, 1% future mortality improvement	PA (90), rated down 1 year, 1% future mortality improvement

** The expected investment return reflects the return anticipated and allowing for the asset mix and investment mandate. The return used in the valuation for the determination of the surplus or deficit charge in the year is the discount rate. The pension increases are determined by the extent to which the expected return on plan assets, including allowance for returns in excess of the discount rate above, exceeds the threshold rate of 4,5% per annum. The expected return used is based on the long term investment strategy of the Fund, which is to target CPI + 4% (i.e. 9,70% for 2019).

18.2 North-West University Disability Reserve Fund

The disability benefit is 82,5% of the member's pensionable salary as at the date of disability. In addition the fund pays the the employer contributions to the North-West University Pension Fund. The employee contribution of 7,5% is included in the 82,5% of pensionable salary. A decision was taken for the purposes of this valuation to include the employer contributions in the benefits payable. This additional liability was taken into account. A statutory actuarial valuation of the North-West Disability Reserve Fund is undertaken every three years. At 1 January 2020, the effective date of the recent statutory actuarial valuation, the disability reserve fund was found to have a surplus of R15 897 000.

Valuation calculations in terms of IAS19 (revised) on the disability reserve fund were performed, with the following results:

	2020 R'000	2019 R'000
Current estimated employee benefit obligation:		
Present value of obligation	0	17 918
Fair value of plan assets	(7 728)	(42 173)
Impact of asset ceiling	7 728	24 255
Asset at year-end	0	0
Recognised in profit or loss:		
Current service costs	843	971
Net interest	(1 725)	(2 253)
Reinsurance premiums	9 732	8 768
Total included in personnel remuneration	8 850	7 486
Recognised in other comprehensive income:		
Actuarial (gain)/loss due to experience	(170)	3 371
Actuarial loss/(gain) due to financial assumption changes	3 995	(3 282)
Actuarial gain due to outsourcing of pensioners (note 1)	(1 952)	0
Actual return on assets	3 307	(5 246)
Expected return	2 497	3 788
Impact of asset ceiling limitation	(16 527)	(6 117)
	(8 850)	(7 486)

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. EMPLOYEE BENEFITS (continued)

18.2 North-West University Disability Reserve Fund (continued)

Valuation calculations in terms of IAS19 (revised) (continued)

	2020	2019
	R'000	R'000
Recognised in the statement of financial position:		
Opening net asset	0	0
Expense	8 850	7 486
Remeasurement recognised in other comprehensive income	(8 850)	(7 486)
Asset at year-end	<u>0</u>	<u>0</u>
Movement in the liabilities:		
Liability for defined-benefit obligations at 1 January	17 918	18 567
Interest cost	771	1 535
Service cost	843	971
Benefits paid (net of reinsurance recoveries)	(3 205)	(3 244)
Actuarial loss on obligation	3 825	89
Settlement (note 2)	(20 152)	0
Liability for defined-benefit obligations at 31 December	<u>0</u>	<u>17 918</u>
Movement in the plan assets:		
Fair value of plan assets at 1 January	42 173	48 939
Expected return on plan assets	2 496	3 788
Contribution (net of reinsurance premiums)	(9 732)	(8 768)
Benefits paid (net of reinsurance recoveries)	(3 205)	(3 244)
Actuarial (loss)/gain on assets	(5 804)	1 458
Cost of outsourcing (note 1)	(18 200)	0
Fair value of plan assets at 31 December	<u>7 728</u>	<u>42 173</u>
Plan assets comprise:		
	2020	2019
	%	%
Local equity securities	0,0	50,5
International equity securities	0,0	30,1
Property	0,0	13,6
Bonds	0,0	3,8
Local cash	100,0	2,0
	<u>100,0</u>	<u>100,0</u>
Principal actuarial assumptions at the reporting date:		
	30 September *	31 December
Inflation rate	3,62	4,41
Discount rate	7,27	8,20
Expected return on investment **	7,62	8,41
Benefit increases	3,62	4,41
Increases in payments from reinsurers	5,00	5,00

* Different assumptions were used for the different outsourcing dates as on 31 July 2020, 31 August 2020 and 30 September 2020. Assumptions used for the last outsourcing date were used for disclosure purposes.

** The expected investment return reflects the return anticipated and allows for the asset mix and investment mandate. The return used in the valuation for the determination of the surplus or deficit charge in the year is the discount rate.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. EMPLOYEE BENEFITS (continued)

18.2 North-West University Disability Reserve Fund (continued)

Valuation calculations in terms of IAS19 (revised) (continued)

Principal actuarial assumptions (continued)

Mortality rates

<u>2020</u>	<u>2019</u>
PA (90) tables for males and females, rated up by 4 year, 3% additional loading on mortality at each age	

Note 1: Plan amendments, curtailments and settlements

The disability benefits being paid by the Fund have been outsourced to various reinsurers who were paying insured benefits to the Fund in respect of the members. Thus, there are no defined benefit obligations remaining in the Fund, with disability benefits being fully insured. The Fund has been paying the insurance premiums in respect of the disability benefit (0,76% of payroll), and still pays the premiums for the active members of the North-West University Pension Fund. These premiums are only payable whilst there is surplus under the Fund. It should be noted that the available asset will not cover the premiums for a year.

Note 2:

Liability in respect of the disability members who have been outsourced with effective dates of 1 August 2020, 1 September 2020 and 1 October 2020.

18.3 Post-employment medical benefits

In accordance with current staff practice, contributions to the medical aid fund are also made on behalf of retired employees (Potchefstroom and Vaal Triangle Campuses) who had been employed before 1 January 1999.

Valuation calculations in terms of IAS19 (revised) are done annually and the results of the 2020 valuation are as follows:

	<u>2020</u>	<u>2019</u>
	<u>R'000</u>	<u>R'000</u>
Current estimated employee benefit obligation:		
Present value of obligation	<u>148 282</u>	<u>159 934</u>
Recognised in profit or loss:		
Current service costs	1 213	2 079
Net interest	<u>14 190</u>	<u>14 746</u>
Total included in personnel remuneration	<u>15 403</u>	<u>16 825</u>
Recognised in the statement of comprehensive income:		
Actuarial gain recognised in other comprehensive income (OCI)	<u>(14 970)</u>	<u>(6 002)</u>
Recognised in the statement of financial position:		
Pensioners	120 423	128 093
Active employees	<u>27 859</u>	<u>31 841</u>
Present value of unfunded liability	<u>148 282</u>	<u>159 934</u>
Movement in the liabilities:		
Liability at 1 January	159 934	159 060
Interest cost	14 190	14 746
Service cost	1 213	2 079
Contribution	(12 085)	(9 949)
Actuarial gain	<u>(14 970)</u>	<u>(6 002)</u>
Liability at 31 December	<u>148 282</u>	<u>159 934</u>

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(continued)

18. EMPLOYEE BENEFITS (continued)

18.3 Post-employment medical benefits (continued)

Valuation calculations in terms of IAS19 (revised) (continued)

Principal actuarial assumptions at the reporting date:	2020	2019
	%	%
Inflation rate	4,89	5,32
Discount rate	9,26	9,22
Expected future salary increases	5,39	6,00
Expected future medical cost increases	6,89	6,82

Mortality rates

Pre-expected retirement age: SA1985-90 light
Post-expected retirement age: PA(90)-2

The sensitivity analysis below illustrates how results change under various alternative assumptions.

Assumption	Variation	% change in past-service contractual liability	% change in service cost plus interest (contractual liability)
2020			
Salary/Health-care cost inflation	+1%	-7,3%	+1,4%
	-1%	+8,5%	-1,7%
Mortality	+1%	-3,3%	- 3,4%
	-1%	+3,3%	+3,4%
2019			
Salary/Health-care cost inflation	+1%	+9,2%	+10,0%
	-1%	-8,0%	-8,7%
Mortality	+1%	-7,5%	- 8,0%
	-1%	+8,4%	+9,0%

Expected contributions to post-employment benefit plans for the year ending 31 December 2021 are R12 031 000.

There are currently no long-term assets set aside in respect of the NWU's post-employment health care liabilities. Therefore, no assumption specifically relating to assets has been made.

18.4 Associated Institutions Pension Fund

Some of the permanent staff in the relevant staff categories (Potchefstroom and Vaal Triangle campuses), (2020: 0,16% or 6 staff members and 2019: 0,19% or 7 staff members) exercised the option of remaining members of the Associated Institutions Pension Fund (AIPF), which fund is registered in terms of and governed by the Pension Funds Act (Act No. 24 of 1956 (as amended)). Upon retirement these staff members receive retirement benefits in terms of a defined-benefit plan. The University has a liability to make an additional contribution to the pension fund if the cash flow of the AIPF is insufficient for the payment of the pensions of pensioners. The latest valuation was done on 31 March 2005 and the results show a funding level of 151,4% and a R3 631 000 surplus. The AIPF is administered by the State.

The amount as recognised in the statement of comprehensive income (note 25 – Personnel remuneration) for 2020 is R792 000 (2019: R973 000).

18.5 NWU Provident Funds

The NWU provident funds were established on 1 March 1993 and 1 March 1996 respectively. All permanent staff members in the relevant staff categories (Potchefstroom and Vaal Triangle Campuses 2020: 74 staff members and 2019: 83 staff members) contribute to the NWU provident funds. The Registrar of Pensions does not require that a fixed-contribution fund be valued actuarially. The fund is 100% funded because benefits are limited to fixed contributions plus growth. The University has no further obligation towards the funds.

The amount as recognised in the statement of comprehensive income (note 25 – Personnel remuneration) for 2020 is R1 637 000 (2019: R1 736 000).

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

	2020	2019
	R'000	R'000
19. DEFERRED GRANT INCOME		
Deferred income mainly comprises state infrastructure grants. These grants are capital by nature.		
Capital projects	556 574	346 573
Balance at beginning of year	346 573	317 237
Subsidy received during the year	281 408	127 991
Interest capitalised during the year	19 558	19 756
	647 539	464 984
Recognised during the year	(90 965)	(118 411)
Balance at end of year	556 574	346 573
<u>Presented as follows:</u>		
Non-current liability: Long-term portion	406 737	219 814
Current liability: Short-term portion	149 837	126 759
	556 574	346 573
20. TRADE AND OTHER PAYABLES		
Trade creditors	352 383	256 859
Student fees - credit accounts	159 988	188 595
Financial liabilities	512 371	445 454
VAT	3 655	0
	516 026	445 454
The fair value approximates the carrying amount.		
21. INCOME RECEIVED IN ADVANCE		
Student-related fees and deposits (including tuition fees)	81 432	4 573
Deferred earmarked grants (operational by nature - granted annually)	162 049	86 706
Other (research and projects)	51	328
	243 532	91 607
The fair value approximates the carrying amount.		
22. ASSETS AND LIABILITIES RELATING TO CONTRACTS WITH CUSTOMERS		
All contract assets and contract liabilities relate to research contracts.		
Contract assets		
Opening balance	14 033	26 486
Consideration received during the period	58 810	12 427
Performance obligations completed	(28 134)	(24 880)
Total contract assets - Closing balance	44 709	14 033
Contract liabilities		
Opening balance	54 936	60 801
Performance obligations met during the period	(47 216)	(47 261)
Performance obligations not satisfied	43 692	41 396
Total contract liabilities - Closing balance	51 412	54 936
Net contract liabilities	6 703	40 903

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. ASSETS AND LIABILITIES RELATING TO CONTRACTS WITH CUSTOMERS (continued)

Performance obligations not satisfied

Unsatisfied performance obligations amounting to R51 412 000 (2019: R54 936 000) relate to research contracts and revenue will be recognised as the performance obligations are met during future accounting periods. Management expects that 60% of the transactions price allocated to unsatisfied performance obligations as on 31 December 2020 will be recognised as revenue during the next reporting period (R30 847 000). The remaining 40% (R20 565 000) will be recognised in the 2022 financial year.

23. STATE APPROPRIATIONS - SUBSIDIES AND GRANTS	2020	2019
	R'000	R'000
<u>Unrestricted or designated</u>		
Operating purposes	2 084 065	1 988 756
Earmarked grants	128 505	161 080
Total: State appropriations - subsidies and grants	<u>2 212 570</u>	<u>2 149 836</u>

There are no unfulfilled conditions or other contingencies at year end.

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is derived from the transfer of goods and services over time and at a point in time in the following major categories:

	2020	2020	2020
	R'000	R'000	R'000
	Tuition and other fees	Income from contracts	Sales of goods & services and other income *
Timing of revenue			
Revenue recognised at a point in time	0	0	251 463
Revenue recognised over time	1 764 442	240 914	271 814
Total revenue from external customers	<u>1 764 442</u>	<u>240 914</u>	<u>523 277</u>

	2019	2019	2019
	R'000	R'000	R'000
	Tuition and other fees	Income from contracts	Sales of goods & services and other income *
Timing of revenue			
Revenue recognised at a point in time	0	0	402 071
Revenue recognised over time	1 709 273	196 046	261 726
Total revenue from external customers	<u>1 709 273</u>	<u>196 046</u>	<u>663 797</u>

	2020	2019
	R'000	R'000
* Included in this category is the following other income:		
Bad debt recovered	14 985	18 346
Insurance claims	1 263	2 870
Miscellaneous income	1 729	14 114
Rental income - various sources (continuous)	6 172	4 018
Recovered costs, discounts and rebates received	2 955	3 840
Staff-related income (housing, parking, development, etc.)	10 628	8 757

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(continued)

	COUNCIL- CONTROLLED: UNRESTRICTED OR DESIGNATED	SPECIFICALLY FUNDED ACTIVITIES: RESTRICTED	STUDENT & STAFF ACCOMMO- DATION: RESTRICTED	2020 TOTAL	2019 TOTAL
	R'000	R'000	R'000	R'000	R'000
25. PERSONNEL REMUNERATION					
Remuneration and fringe benefits	2 431 282	64 782	47 574	2 543 638	2 373 839
Arbitration awards	1 288	0	0	1 288	1 231
Accrued leave	(53 342)	0	0	(53 342)	33 349
NWU Pension Fund	0	0	0	0	(29 350)
NWU Disability Reserve Fund	8 458	226	166	8 850	7 486
AI Pension Fund	757	20	15	792	973
NWU Provident Fund	1 564	42	31	1 637	1 736
Post-employment medical benefits	15 403	0	0	15 403	16 825
	<u>2 405 410</u>	<u>65 070</u>	<u>47 786</u>	<u>2 518 266</u>	<u>2 406 089</u>

Annualised Gross Remuneration to University Management (excludes exceptional payments - exceeding an annual aggregate of R249 999)

Name	Office held	Basic salary	Employment benefits	Other payments / allowances	Total costs to NWU 2020	Total costs to NWU 2019
		R'000	R'000	R'000	R'000	R'000
Prof ND Kgwadi	Vice-Chancellor	3 230	356	335	3 920	3 965
Prof F Waanders ^	Deputy Vice-Chancellor: Research and Innovation	3 600	41	21	3 662	0
Prof ME Phaswana-Mafuya^	Deputy Vice-Chancellor: Research and Innovation	3 077	316	39	3 432	2 442
Prof LA du Plessis	Deputy Vice-Chancellor: Assigned Functions and Campus Operations (Vaal Triangle)	1 944	274	955	3 173	2 953
Prof RJ Balfour	Deputy Vice-Chancellor: Teaching and Learning	1 840	241	715	2 796	2 544
Ms E de Beer	Executive Director: Finances and Facilities	2 085	243	412	2 740	2 708
Prof MM Verhoef	Registrar	2 092	272	371	2 734	2 801
Prof BMP Setlalentoa	Deputy Vice-Chancellor: Assigned Functions and Campus Operations (Mafikeng)	1 805	204	432	2 441	2 393
Prof DMD Balia	Deputy Vice-Chancellor: Assigned Functions and Campus Operations (Potchefstroom)	1 853	207	373	2 433	2 265
Mr NC Manoko	Executive Director: Corporate Relations and Marketing	1 612	190	592	2 394	2 188
Dr V Singh	Executive Director: People and Culture	1 868	200	280	2 348	2 113
Dr S Chalufu#	Executive Director: Student Life	1 558	169	113	1 840	1 777
Prof I Mwanawina#	Acting Executive Director: Student Life	0	0	0	0	1 046
Total		26 562	2 713	4 639	33 913	29 195

^ Management member not in service for full year - 2020. Remuneration annualised.

Management member not in service for full year - 2019. Remuneration annualised.

These include annual remuneration, levies, bonuses and in the case of the Vice-Chancellor, housing benefits.

Refer to note 36 - Related-party transactions.

Number of senior staff members 2020: 11 (2019: 11).

Other information regarding personnel remuneration	COUNCIL- CONTROLLED: UNRESTRICTED OR DESIGNATED	SPECIFICALLY FUNDED ACTIVITIES: RESTRICTED	STUDENT & STAFF ACCOMMO- DATION: RESTRICTED	2020 TOTAL	2019 TOTAL
	R'000	R'000	R'000	R'000	R'000
Accrued leave - increase (note 18)	(53 342)	0	0	(53 342)	33 349
Retirement benefit costs	255 417	6 831	5 016	267 264	253 462
Members' contributions	91 774	2 455	1 802	96 031	91 510
Council contributions	163 643	4 376	3 214	171 233	161 952
Senior management remuneration	33 728	0	0	33 728	27 723
For managerial services	33 728	0	0	33 728	27 723

Payments for attendance at meetings of the Council and its Committees

Name	Number of members	2020 R'000	2019 R'000
Chair of Council: Honorarium, travel and accommodation expenses	1	164	212
Chairs of committees: Honorarium, travel and accommodation expenses	10	359	596
Members of Council: Honorarium, travel and accommodation expenses	33	285	376
Total		808	1 184

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(continued)

25. PERSONNEL REMUNERATION (continued)

Exceptional payments - each exceeding an annual aggregate of R249 999(excludes annualised gross remuneration to University Management where applicable)

Purpose/nature of payment	Name	Office held	2020 R'000	2019 R'000
Arbitration award and leave	Phaswana-Mafuya, MN	Deputy Vice-Chancellor: NW Research and Innovation	1 634	0
Leave gratuity	Joubert, PJ	Chief Director: NW Facilities	874	0
Leave gratuity	Grobler, AF	Professor: PC Preclinical Drug Development Platform (PCDDP)	792	0
Leave gratuity	Kettles, RL	Chief Strategy Officer: NW Vice-Chancellor	744	0
Leave gratuity	Burger, RA	Professor: PC Physics	743	0
Leave encashment and bonus	Kgwadi, ND	Vice-Chancellor and Principal: NW	717	0
Leave gratuity	Schutte, PJW	Associate Professor: PC School of Law Undergraduate Studies	706	0
Leave gratuity	Jordaan, DB	Professor: VC School of Computer Sciences and Information Systems	660	0
Leave gratuity	Du Pisani, JA	Professor: PC History and Ancient Culture	656	0
Leave gratuity	Van Zyl, JM	Director: NW Unit for Open Distance Learning	656	0
Leave gratuity	Saayman, M	Professor: PC Tourism Research In Economic Environs and Society	639	0
Leave gratuity	Khalique, CM	Professor: MC Mathematics and Applied Mathematics	627	0
Leave gratuity	Malan, L	Professor: PC Physiology	610	0
Leave gratuity	Van Rooy, AJ	Professor: VC Understanding and Processing Language in Complex Settings	603	0
Leave gratuity	Van Dijk, AA	Professor: PC Biochemistry	598	0
Leave gratuity	Oliver, DW	Professor: PC Pharmacology	596	0
Leave gratuity	Lucouw, P	Professor: VC School of Accounting Sciences	589	0
Leave gratuity	Loate, IM	Senior Lecturer: MC Life Orientation	567	0
Leave gratuity	Manyedi, ME	Associate Professor: MC Nursing Postgraduate	558	0
Leave gratuity	Van Lill, JB	Extraordinary Professor: MC School of Industrial Psychology and Human Resource Management	519	0
Leave gratuity	Van Der Merwe, EK	Senior Lecturer: VC Psychology	500	0
Leave gratuity	Kibet, MK	Associate Professor: MC Population Studies and Demography	492	0
Leave gratuity	Schutte, AE	Professor: PC Hypertension In Africa Research Team (HART)	474	0
Leave gratuity	Pooe, EE	Senior Lecturer: MC Setswana	459	0
Leave gratuity	Mokoena, MA	Director: NW CTL Faculty Teaching and Learning Support	448	0
Leave gratuity	Gilliland, S	Senior Lecturer: VC School of Computer Sciences and Information Systems	441	0
Leave gratuity	Uys, AHC	Senior Lecturer: PC English for Education	424	0
Leave gratuity	Ellis, SM	Associate Professor: PC Statistics	417	0
Leave gratuity	Rakhudu, MA	Associate Professor: MC Nursing Undergraduate	412	0
Leave gratuity	Eloff, FC	Associate Professor: PC Physiology	401	0
Leave gratuity	Moller, HM	Lecturer: VC Natural Sciences Education	398	0
Leave gratuity	Modisane, KS	Lecturer: MC Geography and Environmental Education	386	0
Leave encashment	Verhoef, MM	Registrar: NW	380	0
Leave gratuity	Modisakeng, PS	Lecturer: PC History for Education	373	0
Leave gratuity	Wichers, JH	Associate Professor: PC School of Mechanical Engineering	365	0
Leave encashment	De Beer, E	Executive Director: NW Finance and Facilities	358	0
Leave gratuity	Coletto, R	Temporary Research Fellow: PC School of Philosophy	355	0
Leave gratuity	Pretorius, JB	Head Nurse: PC Occupational Health and Safety; Health Care Centre	353	0
Leave gratuity	Vos, SL	Senior Psychologist: VC Student Counseling and Development	346	0
Leave gratuity	Sithole, PM	Senior Lecturer: MC Nursing Undergraduate	346	0
Leave gratuity	Stavast, HA	Temporary Researcher: PC Student Counseling and Development	329	0
Leave gratuity	Schouwstra, AW	Manager: NW Unit for Open Distance Learning	323	0
Leave gratuity	Jordaan, GJC	Temporary Computational Linguist: PC School of Christian Ministry	311	0
Leave gratuity	Tshenye, MM	Senior Manager: NW Library and Information Services (LIS)	308	0
Leave gratuity	Cilliers, EJ	Professor: PC Town and Regional Planning	297	0
Leave gratuity	Maroja, NE	Lecturer: MC Setswana and African Languages for Education	288	0
Leave gratuity	Nkomo, VD	Artisan Electrical: MC Engineering Compliance	285	0
Leave encashment	De La Harpe, SPLR	Executive Dean: NW Faculty of Law	282	0
Leave encashment	Setlaletoa, BMP	Deputy Vice-Chancellor: Campus Operations: Mafikeng	280	0
Leave gratuity	Beukes Liebenberg, AC	Section Head: NW Interpreting Services	277	0
Leave gratuity	Mefane, M	Senior Lecturer: MC Centre for Animal Health Studies	273	0
Incentive bonus	Barnard, RJJ	Senior Lecturer: PC School of Accounting Sciences	273	0
Leave encashment	Janse Van Rensburg, JJ	Extraordinary Researcher: PC Ancient Texts: Text, Context and Reception	268	0
Incentive bonus	Schutte, DP	Professor: PC School of Accounting Sciences	265	0
Leave gratuity	Gertenbach, JD	Senior Lecturer: PC Mathematics and Applied Mathematics	265	0
Leave gratuity	Malan, MM	Senior Lecturer: PC Pharmaceuticals	265	0
Leave gratuity	Mhlongo, GJ	Lecturer: VC Academic Literacy (AGLE)	264	0
Incentive bonus	De Villiers, RR	Associate Professor: PC School of Accounting Sciences	259	0
Leave gratuity	Fick, SP	Senior Artisan Plumber: PC Maintenance and Facilities Services	252	0
Incentive bonus	Fourie, NP	Senior Lecturer: PC School of Accounting Sciences	251	0
Total			27 832	0

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(continued)

25. PERSONNEL REMUNERATION (continued)

Exceptional payments - each exceeding an annual aggregate of R249 999(excludes annualised gross remuneration to University Management where applicable)

Purpose/nature of payment	Name	Office held	2020 R'000	2019 R'000
Leave gratuity	Spamer, EJ	Chief Director: NW Unit for Open Distance Learning	0	1 296
Leave gratuity	Mbao, ML	Researcher: PC Law - Justice and Sustainability	0	934
Leave gratuity	Fick, PH	Director: PC Student Life	0	714
Leave gratuity	Winde, F	Professor: VC School of Geo-Spatial Sciences	0	686
Arbitration award	Khamfula, YA	Professor: MC Economics	0	674
Ad hoc - Advised	Saayman, A	Professor: PC School for Economic Sciences	0	639
Leave gratuity	Terblanche, JE	Professor: PC English	0	619
Leave gratuity	Oosthuizen, GJJ	Associate Professor: PC History and Ancient Culture	0	598
Leave gratuity	Nel, ME	Director: NW UCE Operations	0	593
Leave gratuity	Stander, AL	Professor: PC School of Law Undergraduate Studies	0	590
Leave gratuity	Garside, DJ	Senior Lecturer: MC Communication Studies	0	565
Leave gratuity	Selepe, TJ	Associate Professor: VC Sesotho	0	561
Leave gratuity	Mokgele, KRF	Senior Lecturer: MC School of Industrial Psychology and Human Resource	0	552
Leave gratuity	Morake, MN	Senior Lecturer: MC Curriculum Studies	0	506
Leave gratuity	Buscop, J	Associate Professor: MC School for Tourism	0	500
Ad hoc - Functional allowance	Kruger, P	Associate Professor: PC Institute of Psychology and Wellbeing	0	500
Leave gratuity	Weyers, ML	Lecturer: PC Social Work	0	491
Leave gratuity	Greeff, M	Professor: PC Health Sciences Ethics Office	0	475
Leave gratuity	Redelinghuys, J	Manager: NW Unit for Open Distance Learning	0	468
Leave gratuity	Cloete, TT	Director: Marketing and Student Recruitment	0	460
Leave gratuity	Hanna, JL	Senior Lecturer: MC School of Accounting Sciences	0	460
Leave gratuity	Petersen, AB	Senior Lecturer: PC School of Music	0	437
Leave gratuity	Sithebe, PN	Associate Professor: MC Microbiology	0	396
Arbitration award	Ngoma, L	Senior Lecturer: MC Center for Animal Health Studies	0	390
Leave gratuity	Ruhiiga, TM	Professor: MC Geography and Environmental Studies	0	380
Leave gratuity	Meihuizen, NCT	Professor: PC School of Languages	0	375
Leave gratuity	Barkhuizen, EN	Extraordinary Professor: MC Global Initiative Forefront Talent (GIFT)	0	374
Incentive bonus	Fouché, JP	Professor: PC School of Accounting Sciences	372	365
Ad hoc - Functional allowance	Van Dyk, TJ	Professor: PC Academic Literacy (AGLE)	0	360
Leave gratuity	Lembede, PF	Senior Lecturer: MC Economics	0	353
Leave gratuity	Ryke, PAJ	Section Head: PC Campus Arts	0	348
Severance Benefit	Naidoo, N	Carpenter: MC Maintenance and Facilities Services	0	348
Leave gratuity	Bantwini, BD	Professor: PC School of Natural Sciences in Education	0	348
Leave gratuity	Blaauw, JWH	Director: NW Language Directorate	0	342
Incentive bonus	Janse Van Vuuren, HH	Associate Professor: VC School of Accounting Sciences	346	340
Leave gratuity	Tsambo, TL	Lecturer: MC Communication Studies	0	338
Leave gratuity	Heyns, MF	Associate Professor: PC School of Philosophy	0	322
Leave gratuity	Monaheng, T	Associate Professor: MC Development Studies	0	321
Incentive bonus	Van Der Merwe, N	Associate Professor: PC School of Accounting Sciences	311	304
Incentive bonus	Nel, JG	Director: PC Centre for Environmental Management	0	303
Leave gratuity	Kabanda, TA	Associate Professor: MC Geography and Environmental Studies	0	297
Leave gratuity	Mienie, LJ	Associate Professor: PC Biochemistry	0	291
Leave gratuity	Schutte, NE	Extraordinary Professor: MC Global Initiative Forefront Talent (GIFT)	0	289
Leave gratuity	Muatjetjeja, B	Associate Professor: MC Mathematics and Applied Mathematics	0	286
Leave gratuity	Fourie, AA	Human Resources Practitioner : NW People and Culture Client Services	0	285
Leave gratuity	Mwanawina, I	Associate Professor: VC School of Law Undergraduate Studies	0	281
Leave gratuity	Riekert, M	Lecturer: PC Life Orientation	0	272
Incentive bonus	Mostert, A	Senior Lecturer: VC School of Accounting Sciences	267	262
Leave gratuity	Nel, I	Associate Professor: PC School of Business and Governance	0	261
Incentive bonus	Meyer, TC	Chief Subject Specialist: PC Centre for Environmental Management	0	260
Incentive bonus	Coetzee, K	Professor: PC School of Accounting Sciences	261	255
Incentive bonus	Viviers, HA	Associate Professor: PC School of Accounting Sciences	258	253
Incentive bonus	Mcintyre, J	Senior Lecturer: PC School of Accounting Sciences	274	251
Incentive bonus	Delpont, M	Associate Professor: VC School of Accounting Sciences	0	250
Total			2 088	23 419

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(continued)

	COUNCIL- CONTROLLED: UNRESTRICTED OR DESIGNATED R'000	SPECIFICALLY FUNDED ACTIVITIES: RESTRICTED R'000	STUDENT & STAFF ACCOMMO- DATION: RESTRICTED R'000	2020 TOTAL R'000	2019 TOTAL R'000
26. OTHER CURRENT OPERATING EXPENSES BY NATURE					
Allowance for credit losses: Accounts receivable (note 14)	85 422	117	4 338	89 878	58 168
Inventory written off (note 13)	266	0	342	608	3 695
Foodstuffs (Residence and Catering Services)	14	0	342	356	262
Publications and study materials	363	0	0	363	2 277
Other consumables	(111)	0	0	(111)	1 156
Auditor's remuneration	3 656	244	15	3 916	5 671
Audit fees	2 532	244	15	2 792	4 445
Other costs	1 124	0	0	1 124	1 226
Services outsourced	79 124	204	23 659	102 987	103 065
Rent: Buildings	6 342	603	3 000	9 945	13 895
Rent: Equipment	14 094	284	105	14 483	18 912
Maintenance	112 154	7 351	25 711	145 216	232 346
Bursaries *	21 748	33 423	0	55 171	56 168
Goods and services - other	667 869	81 211	89 085	838 164	1 052 095
	<u>990 675</u>	<u>123 436</u>	<u>146 257</u>	<u>1 260 368</u>	<u>1 544 015</u>
* Bursaries					
Bursaries paid from NWU funds - set off against tuition fees	170 296	0	0	170 296	168 524
Bursaries paid from external and other funds	21 748	33 423	0	55 171	56 168
Total bursaries paid	<u>192 045</u>	<u>33 423</u>	<u>0</u>	<u>225 468</u>	<u>224 692</u>
27. INVESTMENT INCOME					
27.1 Operating income (short-term investment income)	293 001	10 311	0	303 312	264 392
Interest	282 337	10 311	0	292 648	253 525
Rental received (investment properties - note 7)	10 664	0	0	10 664	10 867
Long-term investment income	13 238	0	0	13 238	17 660
Interest	7 573	0	0	7 573	8 017
Dividends (listed investments)	5 665	0	0	5 665	9 643
	<u>306 239</u>	<u>10 311</u>	<u>0</u>	<u>316 550</u>	<u>282 052</u>
27.2 Realised (loss)/profit on disposal of investments	(10 821)	0	0	(10 821)	164 606
Available-for-sale investments	0	0	0	0	0
Financial instruments at fair value through profit or loss	(10 821)	0	0	(10 821)	164 606
	<u>(10 821)</u>	<u>0</u>	<u>0</u>	<u>(10 821)</u>	<u>164 606</u>
27.3 Total per statement of cash flows					
Total interest received	289 753	10 311	0	300 064	437 015
Total dividends received	5 665	0	0	5 665	9 643
	<u>295 418</u>	<u>10 311</u>	<u>0</u>	<u>305 729</u>	<u>446 658</u>
28. FINANCE CHARGES					
Long-term loans (note 17)	813	0	0	813	1 848
Bank account	0	0	0	0	2
Exchange differences	4	0	0	4	8
Other	(1 033)	(101)	2 948	1 814	1 274
Interest paid for lease liabilities	0	0	4 756	4 756	7 171
	<u>(216)</u>	<u>(101)</u>	<u>7 704</u>	<u>7 387</u>	<u>10 303</u>

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(continued)

	2020 R'000	2019 R'000
29. CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	1 151 856	968 404
Adjusted for:		
Fair value (profit)/loss on financial assets at fair value through profit or loss	(56 800)	130 226
Loss allowance: Trade and other receivables (note 14)	89 878	58 168
Other impairments	300	0
Depreciation (note 6a and 7)	191 981	177 008
Amortisation charges (note 8)	14	0
Loss/(profit) on disposal/write-off of assets - property, plant and equipment	1 504	(28 295)
Increase in retirement benefit obligations (note 18)	(41 174)	18 360
Increase in deferred income tax assets (note 33)	(58)	(19)
Investment income (note 27)	(305 729)	(446 658)
Finance charges (note 28)	7 387	10 303
Loss/(profit) from equity-accounted investees (note 9)	267	(269)
Adjustments i.t.o. IAS 39 - Capital market	0	(1 631)
Operating surplus before changes in working capital	1 039 425	885 598
Changes in working capital	51 007	160 051
Decrease in inventories	6 353	21 846
(Increase)/decrease in trade and other receivables, excluding allowance for credit losses	(146 643)	13 715
Decrease/(increase) in straight line lease accrual	3 049	(3 049)
Decrease in income tax receivable	12	11
Increase in trade and other payables	70 572	86 222
(Decrease)/increase in contract liabilities	(34 200)	6 589
Decrease in income tax payable	(61)	(281)
Increase in income received in advance	151 925	34 997
Cash flows from operating activities	1 090 432	1 045 649

30. COMMITMENTS

CAPITAL COMMITMENTS

The following commitments not recognised in the statement of financial position existed at year-end with regard to capital expenditure approved but not yet incurred:

Buildings	741 694	95 845
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This expenditure will be financed with internal and external funds (note 6).

31. CAPITAL EXPENDITURE EXPENSED

Capital expenditure expensed consists of library books	3 058	6 126
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32. INCOME TAX AND DEFERRED TAX ASSET

The University is exempt from Normal SA Income Tax in terms of Section 10(1)(cA) of the Income Tax Act, and consequently also from the provision for any deferred taxation.

Other comprehensive income (OCI) relating to the University is therefore also exempt from taxation.

NORTH-WEST UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. INCOME TAX AND DEFERRED TAX ASSET (continued)

As a result of the consolidation of OpenCollab Proprietary Limited, Innovation Highway Proprietary Limited, Innovation Highway Enterprises Proprietary Limited, North West Fibre Proprietary Limited, Medehive Proprietary Limited, Hydrogen Core Technologies Proprietary Limited and NWU Open Learning Operations Proprietary Limited, which are not exempted from tax, a tax liability is shown with regard to tax currently payable, based on taxable income for the year.

Tax is calculated at 28% (2019: 28%). Deferred tax is applicable to OpenCollab Proprietary Limited.

	2020	2019
	R'000	R'000
Income tax expense		
Current tax	0	207
Deferred tax	(58)	(20)
Total income tax expense	<u>(58)</u>	<u>187</u>
Tax reconciliation		
Surplus before tax	1 151 798	968 591
Unrecognised losses	8 812	(1 026)
Exempt income	(1 160 840)	(966 926)
Non-deductible expenses (SARS interest and penalties)	23	28
Taxable income	<u>(207)</u>	<u>667</u>
Total unrecognised tax losses of R3 916 000 are carried forward for 2020 (2019: R887 000).		
Deferred tax asset (accrual for leave pay)		
Opening balance	149	130
Movement	58	19
Closing balance	<u>207</u>	<u>149</u>
Income tax payable		
Opening balance	61	342
Movement	(61)	(281)
Closing balance	<u>0</u>	<u>61</u>
Income tax receivable		
Opening balance	26	37
Movement	(12)	(11)
Closing balance	<u>14</u>	<u>26</u>

33. CONTINGENT LIABILITIES

Management considered all pending legal matters and is of the opinion that the possibility of any significant outflow in settlement is remote. No further disclosure regarding the details of each case is considered necessary.

34. RELATED-PARTY TRANSACTIONS

Included in unlisted investments are entities that do not qualify as an investment in equity-accounted investees which are related parties (refer to note 9.1).

Refer to note 9.2 for disclosure of subsidiaries.

Refer to note 10 for disclosure of equity-accounted investees.

The national Department of Higher Education and Training has a significant influence on the University and is therefore also considered a related party (refer to note 23).

Compensation of the University Management is considered related-party transactions. Refer to note 25 for disclosure of remuneration.

All transactions with related parties are transactions at arm's length and all transactions with related parties, with the exception of compensation of the University Management, have been eliminated on consolidation.

NORTH-WEST UNIVERSITY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)**35. EVENTS AFTER THE REPORTING PERIOD**

Events after the reporting period are those events that occur between the reporting date and the date on which the financial statements are authorised to be issued. Adjusting events are those events that provide evidence of conditions that existed at the end of the reporting period and non-adjusting events are those events that are indicative of conditions that arose after the reporting period.

The current Corona virus, with its rapidly changing impact on circumstances and the creation of uncertainties, is a definite challenge and will likely have a significant financial effect on the University in the foreseeable future most notably on tuition fees, recoverability of student debts, the sale of goods and services as well as contract revenue. The University expects government funding, in the form of block and earmarked grants, as well as funding of NSFAS students, to remain mainly unchanged.

The University has appointed a Covid-19 task team, and they are making use of a Financial Impact Model (FIM) to do financial planning and closely monitor the potential impact of Covid-19 going forward. This flexible model is based on different scenarios, assumptions and factors and these are constantly updated with new information and indicators as they become available. A Mitigation Plan was also implemented to address the medium term (2021 to 2024) financial needs of the NWU and to assist with cash flow.

Covid-19 level restrictions resulted in savings and/or expenditure being postponed e.g. travel cost. Cost saving measures put in place include re-evaluating of planned projects (IT, strategic, maintenance and capital).

However, the University has also incurred additional expenditure, inter alia the purchase and distribution of laptops and data to needy students in order to ensure access to online teaching and learning programmes, which will assist students in completing the academic year. Unforeseen health and safety expenditure was incurred to comply with compulsory Covid-19 protocols.

The University has adequate available reserve funds at its disposal to help sustain the NWU in and through this critical time.

The University does not intend to liquidate or cease trading, nor does Management think the current events will influence or cast significant doubt upon the University's ability to continue as a going concern. The NWU Management is absolutely committed and completed the 2020 academic year successfully on 15 January 2021 with the support of the DHET and the Minister of Higher Education, Science and Technology.

No adjustments affecting the financial position have been made between the reporting date and the date of approval of this report.

13.7 Annexure 7: Requirements as per the regulations

CHECK LIST – NWU ANNUAL REPORT AS COMPARED TO THE STIPULATIONS OF THE REPORTING REGULATIONS (REGULATION GAZETTE, NO 10209, 9 JUNE 2014)

Requirements of the RR in regard of the format and content of the Annual Report		Reference to relevant section in Reporting Regulations ("RR")	Substantiation in 2020 AR/notes
<i>Alignment should be apparent between the institution's strategic plan, APP, AR, budget and mid-term performance report</i>			Main sections 8, 9 and Annexure 1
The APP to be the basis of the AR			Section 8.5 and Annexure 1
Annual Report to reflect the following:			
1	1	Info on performance of institution for preceding year to be signed by council chair and VC	<i>RR Impl Manual 7(a) to be signed by council chair and VC</i> See main section 9 (signatures on p 81)
2	1	Must have a performance report in which the work of the univ as reflected in APP and the extent to which APP had been realised, are contained; as well as the extent to which the institution believes it has met objectives and goals contained in the strategic plan	<i>RR Impl Manual 7(a) to be signed by council chair and VC</i> See main section 9 and Annexure 1
3	2	Must include in the chairperson of council report the following:	<i>See chair of council report in section 10 (governance)</i> Section 10
4	2	Council Chair report Council chair report assessing the performance and degree of progress iro objectives that were pursued by strat plan for the year under review, done in a way that gives due account to economic, social and environmental aspects. Also not confining itself to past issues	<i>RR Impl Manual 7(b) Council chair</i> Section 10
5	2	Council Chair report Effective ethical leadership and corporate citizenship	<i>RR4</i> <i>RR Impl Manual 7(b) Council chair</i> Yes – para 10.12.2

6	2	Council Chair report	Statement of council on IT in the report of the IT Governance Committee	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 9.1.5</i>
7	2	Council Chair report	Compliance with laws, codes, standards	<i>RR Impl Manual 7(b) –Council chair</i>	<i>Yes - para 10.12.9</i>
8	2	Council Chair report	Remuneration of externally elected council members	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 10.7 and 11.5</i>
9	2	Council Chair report	Statement of council on sustainability	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 10.11</i>
10	2	Council Chair report	Statement on going concern	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 10.13.1</i>
11	2	Council Chair report	Statement on financial controls outside financial statements	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 10.13.2</i>
12	2	Council Chair report	Financial control inadequacies considered material (individually or in combination with others) that resulted in actual financial loss, incl fraud and material losses	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 10.12.7 and 10.12.8</i> <i>(Note: this paragraph does not strictly address inadequacies that led to material losses)</i>
13	2	Council Chair report	Statement of financial health and viability	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 10.13.3</i>
14	2	Council Chair report	Campus development; infrastructure development, facilities, major capital works events, student support, ODL, working with industry	<i>RR Impl Manual 7(b) Council chair</i>	<i>Student support – Yes in VC report (para 4.5)</i> <i>Infrastructure/campus development /development, major capital work – Yes paras 9.6.2, 9.6.6 and 9.6.7</i> <i>Facilities – Yes, para 9.6.11</i>
15	2	Council Chair report	Statement on risk management (how council has dealt with the matter, council taking responsibility for RM and making a statement on the effectiveness of the process; also how it came to making the statement in an objective and independent way. Disclosing that a reporting system is in place to monitor changes in the risk profile of the university and gaining assurance that RM is effective)	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 7.8</i>
16	2	Council Chair report	In respect of all council committees, that these are chaired by external independent members, with needed expertise and skills. Also reference to important matters dealt with by the relevant committees that affected the institution – also possible unresolved matters. Summaries of attendance of members to these committee meetings to be included.	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 10.5.2, para 10.9 and Annexure para 13.3.7</i>

17	2	Council Chair report	Statement on borrowings	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 9.5.5</i>
18	2	Council Chair report	Statement on tenders	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 10.13.4</i>
19	2	Council Chair report	(Statement) Report of council on transformation	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 6.8 - statement</i> <i>Yes – main section 6 for report</i>
20	2	Council Chair report	Statement on contracts management, SLAs, monitoring of suppliers' performance	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 10.13.5</i>
21	2	Council Chair report	Statement of workplace ethics	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 10.12.1</i>
22	2	Council Chair report	Report of council on governance of risk ⁶	<i>RR Impl Manual 7(b) Council chair</i> <i>RR Impl Manual 7(i)</i> <i><u>Report to be signed by officer/committee with designated risk responsibility and the chair of that committee</u></i>	<i>Yes – Section 7</i> <i>7.9 Report on internal/administrative structures and controls</i>
23	2	Council Chair report	PAIA requests	<i>RR Impl Manual 7(b)</i>	<i>Yes – para 10.12.10</i>
24	2	Council Chair report	Statement on penalties, sanctions, fines	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – para 10.13.6</i>
25	2	Council Chair report	Events	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – main section 5</i>
26	2	Council Chair report	Significant changes that took place	<i>RR Impl Manual 7(b) Council chair</i>	<i>Yes – main sections 3, 4, 8 and 9</i>
27	3	Governance statement	Statement of council on governance	<i>RR Impl Manual 7(c) <u>to be approved by council</u></i>	<i>Yes – para 10.1</i>
28	3	Governance statement	Council and council committees (incl statement that role of chairperson is distinct from that of VC; length of tenure of council chairperson); appraisal Also council attendance register	<i>RR Impl Manual 7(c)(i) <u>to be approved by council</u></i> <i>RR Impl Manual 7(4)(c)(ii)</i>	<i>Yes – Annexure para 10.1, para 10.2 and para 10.5</i> <i>Yes - council percentage attendance (See Annexure 2, para 13.2)</i>

⁶ Check compliance to these requirements and make sure that all elements are included

				<i>Attendance figures are provided to DHET separately</i>	
29	3	Governance statement	Remuneration committee to explain remuneration philosophy and how implemented; reference to any ex gratia/ex lege payments / disclosure of performance evaluation, and bonuses paid; and a note to the finance report that reflects disclosure of executive remuneration	<i>RR Impl Manual 7(c)(i) to be approved by council</i>	<i>Yes – Annexure 3, para 13.3.7.3 and main section 11</i>
30	3	Governance statement	Finance committee	<i>RR Impl Manual 7(c)(i) to be approved by council</i>	<i>Yes – Annexure 3, para 13.3.7.2</i>
31	3	Governance statement	Planning and resources committee – NWU has an Assets Committee and People and Culture and Employment Equity Committee	<i>RR Impl Manual 7(C)(i) to be approved by council</i>	<i>Yes – para 10.2</i>
32	3	Governance statement	Council membership committee – Exco is the Council membership committee	<i>RR Impl Manual 7(c)(i) to be approved by council</i>	<i>Yes - Annexure 3, para 13.3.7.5</i>
33	3	Governance statement	Audit committee and Risk committee - NWU has Audit, Risk and Compliance Committee	<i>RR Impl Manual 7(c)(i) to be approved by council</i>	<i>Yes – Annexure 3, para 13.3.7.1</i>
34	3	Governance statement	IT Governance committee – NWU has a Technology and Information Governance Committee	<i>RR Impl Manual 7(c)(i)</i>	<i>Yes – Annexure 3, para 13.3.7.4</i>
35	3	Governance statement	Statement on conflict management	<i>RR Impl Manual 7(c)(ii) -to be approved by council</i>	<i>Yes – para 9.2.5</i>
36	3	Governance statement	Statement on worker and student participation	<i>RR Impl Manual 7(c)(iii) to be approved by council</i>	<i>Yes – para 9.2.6</i>
37	3	Governance statement	Statement on workplace ethics	<i>RR Impl Manual 7(d)(iv) to be approved by council</i>	<i>Yes – para 10.12.1</i>
38	4	Sustainability statement	Statement on sustainability	<i>RR Impl Manual 7(d) to be approved by council</i>	<i>Yes – para 10.11</i>
39	5	Senate report	Report of Senate to Council	<i>RR Impl Manual 7(e) – to be signed by VC</i>	<i>Yes - main section 3</i>
40	5.	Senate report	Changes in academic structures	<i>RR Impl Manual 7(e) – to be signed by VC</i>	<i>Yes – main section 3</i>

41	5.	Senate report	Composition of senate	<i>RR Impl Manual 7(e) <u>senate report to be signed by VC</u></i>	Yes – Annexure 3, para 13.3.1
42	5.	Senate report	Significant developments and achievements iro TL & R	<i>RR Impl Manual 7(e) <u>senate report to be signed by VC</u></i>	Yes – para 3.4.1 (TL), para 3.4.2 (Research)
43	5.	Senate report	Composition and size of student body	<i>RR Impl Manual 7(e) <u>senate report to be signed by VC</u></i>	Yes – para 3.3.1
44	5.	Senate report	TL - Outputs– limitations on access to certain courses; levels of academic progress in different disciplines and levels of study; awards and achievements; outputs produced	<i>RR Impl Manual 7(e) <u>senate report to be signed by VC</u></i>	Yes – para 3.5.1
45	5.	Senate report	Research outputs – summaries of various programmes; awards; funding; outputs produced	<i>RR Impl Manual 7(e) <u>senate report to be signed by VC</u></i>	Yes – para 3.5.2
46	5.	Senate report	Access to financial aid – (for students and researchers)	<i>RR Impl Manual 7(e) <u>senate report to be signed by VC</u></i>	Yes – para 3.3.1, bullet 3
47	6	IF report	Report of IF to council (activities as per statute; all instances of advice sought from IF; composition of IF; number of meetings)	<i>RR Impl Manual 7(f) – <u>IF report to be signed by IF chair</u></i>	Yes – para 10.15
48	7	VC report on M/A	Report of VC on management and administration	<i>RR Impl Manual 7(g)- <u>to be signed by VC</u></i>	Yes - main section 4
49	7	VC report on M/A	Principal <u>achievements</u> measured <u>in relation to plans, goals, objectives</u>	<i>RR Impl Manual 7(g)- <u>to be signed by VC</u></i>	Yes – para 4.1
50	7	VC report on M/A	<u>Managerial and administrative aspects of the operations</u> of the university, incl new appointments at senior level	<i>RR Impl Manual 7(g)- <u>to be signed by VC</u></i>	Yes – para 4.2
51	7	VC report on M/A	Achievement of admin structures and resources – re personnel and systems – to be assessed iro realistic expectations (Including diversity management; HR matters; adequacy of staffing, quality of information.	<i>RR Impl Manual 7(g)- <u>to be signed by VC</u></i>	Yes – para 4.4 and onwards
52	7	VC report on M/A	Extra-curricular activities; changing patterns iro the provision for academic courses	<i>RR7(g)- <u>to be signed by VC</u></i>	Yes - para 4.6
53	7	VC report on M/A	Statement on self-assessment of the achievement of the VC in attaining the objectives for the period under review, with detailed	<i>RR Impl Manual 7(g)- <u>to be signed by VC</u></i>	Yes – para 4.7

			summary of realised achievements (or self-evaluation) to be included.			
54	8	Report on internal admin/operat structures and controls	Internal audit report (Statement to be signed: <i>The ARCC reviewed the report on internal administrative/operational structures and controls in the year under review at its meeting held 8 October 2019, which meeting quorated, and the documentation for approval by the committee was circulated with the meeting agenda in advance with due notice</i>)	<i>RR Impl Manual 7(h) – <u>to be signed by ARCC chair and IA director</u></i>	<i>Yes – para 7.9</i>	
55	9	Report on risk exposure assessment and the management thereof	Report of council on risk (exposure) assessment and management of risk, incl statement of risk management, reporting system iro risks, that univ risk management measures are effective.	<i>RR Impl Manual 7(b) RR7(i) <u>Report to be signed by officer/committee with designated risk responsibility and the chair of that committee</u></i>	<i>Yes – main section 7 Also Annexure 4</i>	
56	10	Annual review	financial	Report by Chair of finance committee and CFO	<i>RR Impl Manual 7(j) – <u>report to be signed by chair of Fin Comm and CFO</u></i>	<i>Yes – Annexure 5, para 13.5</i>
57	10	Annual review	financial	To provide an overview of budget process and how resource allocation was done; how strat goals were supported and how operational sustainability is to be ensured	<i>RR Impl Manual 7(j) – <u>report to be signed by chair of Fin Comm and CFO</u></i>	<i>Yes – Annexure 5, para 13.5.1</i>
58	10	Annual review	financial	Indicate inclusivity of stakeholders – also attending to budgetary control mechanisms in maintaining financial discipline	<i>RR Impl Manual 7(j) – <u>report to be signed by chair of Fin Comm and CFO</u></i>	<i>Yes – Annexure 5, para 13.5.1</i>
59	10	Annual review	financial	Address salient features in statements re financial condition of institution and how primary strategic drivers were attended to. Intelligent comments needed. Statement needed distinguishing between financial consequences of the use of assets representing restricted and unrestricted funds.	<i>RR Impl Manual 7(j) – <u>report to be signed by chair of Fin Comm and CFO</u></i>	<i>Yes – Annexure 5, para 13.5 and para 9.5</i>
60	10	Annual review	financial	Report to focus on operational finance – thus excluding non-current items or dramatic movements in investments (although latter matters could be mentioned, the focus should be on operations)	<i>RR Impl Manual 7(j) – <u>report to be signed by chair of Fin Comm and CFO</u></i>	<i>Yes – Annexure 5, para 13.5 and para 9.5</i>

61	10	Annual review	financial	To be viewed as a thorough financial analysis of the institution, using all data in financial statements, and any other financial records	<i>RR Impl Manual 7(j) – report to be signed by chair of Fin Comm and CFO</i>	Yes – Annexure 5, para 13.5 and para 9.5
62	10	Annual review	financial	Indicate access to financial aid and the provision thereof; incl financial aid by external bodies	<i>RR Impl Manual 7(j) – report to be signed by chair of Fin Comm and CFO</i>	Yes – para 3.3.1
63	10	Annual review	financial	Indicate changes in tuition fees	<i>RR Impl Manual 7(j) – report to be signed by chair of Fin Comm and CFO</i>	Yes – Annexure 5, para 13.5.4
64	11	Audit Comm report		Report of the Audit Committee	<i>RR Impl Manual 7(k)- to be signed by chair of ARCC and council chair</i>	Yes – para 7.9
65	11	Audit Comm report		Report indicative that the ARCC has satisfied itself with the expertise, resources, experience of the inst. finance function. Results of the review to be disclosed	<i>RR Impl Manual 7(k)- to be signed by chair of ARCC and council chair</i>	Yes – Annexure 3, para 13.3.7.1
66	11	Audit Comm report		ARCC to report internally to Council re its statutory duties, and duties assigned to it by Council	<i>RR7(k)- to be signed by chair of ARCC and council chair</i>	Yes – Annexure 3, para 13.3.7.1
67	11	Audit Comm report		ARCC to report on its statutory duties: how it was carried out; whether ARCC is satisfied with independence of external auditor; committee's view on financial statements and the accounting practices; whether internal controls are effective; and on the internal audit function	<i>RR Impl Manual 7(k)- to be signed by chair of ARCC and council chair</i>	Yes – Annexure 3, para 13.3.7.1
68	11	Audit Comm report		ARCC to provide a summary of its role and details of its composition, number of meetings and activities	<i>RR Impl Manual 7(k)- to be signed by chair of ARCC and council chair</i>	Annexure 3, para 13.3.3 and para 13.2 Yes – Annexure 3, para 13.3.7.1
69	11	Audit Comm report		ARCC to recommend the integrated report to Council for approval	<i>RR Impl Manual 7(k)- to be signed by chair of ARCC and council chair</i>	Yes – ARCC approval on 3 June 2021
70	12	Transformation report		Policies that promote transformation in HE and their effectiveness and impact	<i>RR Impl Manual 7(l) – report to be signed by VC and council chair</i>	Yes – section 6 various paragraphs
71	12	Transformation report		Report to indicate initiatives that seek to assist people from historically disadvantaged backgrounds, women, people with disabilities.	<i>RR Impl Manual 7(l) – report to be signed by VC and council chair</i>	Yes – various sub-paragraphs in 6.

72	12	Transformation report Transformation iro TL and R activities	<i>RR Impl Manual 7(l) – report to be signed by VC and council chair</i>	Yes – 6.6 – academic transformation
73	13	Report of the independent auditor	<i>Annexure 6</i>	Yes – Annexure 6
74	14	Other info and supplementary financial data (verified by indep auditor); copies of approved minutes of each council meeting with agendas and attendance registers	<i>Provided separately electronically to DHET</i>	
75	15	Dept may arrange for a visit to institution to discuss AR, if necessary		
76	16	Three hard copies to be submitted by 30 June as well as electronic copy		

Summary of stipulations of RR in regard to core capabilities of structures/functionaries

Responsibilities of Council reflected as follows in the council report
To provide effective leadership based on ethics
To ensure that this HEI is a responsible corporate citizen
To ensure that this HEI's ethics are managed effectively
To act as the focal point for and custodian of governance
To understand that strategy, risk, performance and sustainability are inseparable
To ensure that the ARCC is effective and independent
To be responsible for risk governance and to ensure an effective risk-based internal audit function; to report on the institution's system of internal controls
To be responsible for IT governance
To comply and to ensure compliance with the laws
To appreciate that stakeholders' perceptions affect the reputation of the HEI
To ensure the integrity of the HEI's integrated report
To act in the best interest of the HEI

Responsibilities of the Vice-Chancellor, through the executive team reflected as follows in management report

To see to adequate measures that would ensure economy, efficiency, effectiveness and ethical behaviour in accordance with relevant legislation

Amongst others, for planning, budgeting, authorisation, controls, evaluation of procurement and utilisation of resources

Important to see to best practices for general and management purposes.

Financial planning needs to be flexible and reporting to be flexible so that budgeting, allocation and employment of financial resources are to the best advantage of the institution.

Simultaneously seeing to high quality iro primary activities of TL and R

Council to ensure that these primary operations and management & administration functions are fully functional

Council remains responsible for governance and the exec management for effective management and administration

The annual report needs to show how and the extent to which these functions were executed.

Financial reporting in the AR needs to comply with IFRS, though the form and presentation of the AR may be adapted to acknowledge the different purposes for which funds are held and used at the HEI.

ACKNOWLEDGEMENTS

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The 2020 integrated report was compiled by Corporate and Information Governance Services and produced by Corporate Relations and Marketing.

The integrated report will be made available on the NWU website <http://www.nwu.ac.za/content/nwu-annual-reports>

This publication will also be made available in Afrikaans.

Original details: (10935746) C:\Users\10935746\Desktop\IAR\2021.05.25_Integrated Annual Report 2020.docm
28 June 2021

File reference: 1.6_2020