

NELSON MANDELA
UNIVERSITY



INTEGRATED ANNUAL REPORT

to the Minister of Higher Education and Training
for the year ending 31 December 2018

VISION:

To be a dynamic African university, recognised for its leadership in generating cutting-edge knowledge for a sustainable future.

MISSION:

To offer a diverse range of life-changing educational experiences for a better world.

VALUES:

Diversity; Excellence; Ubuntu; Social Justice and Equality; Integrity and Environmental Stewardship

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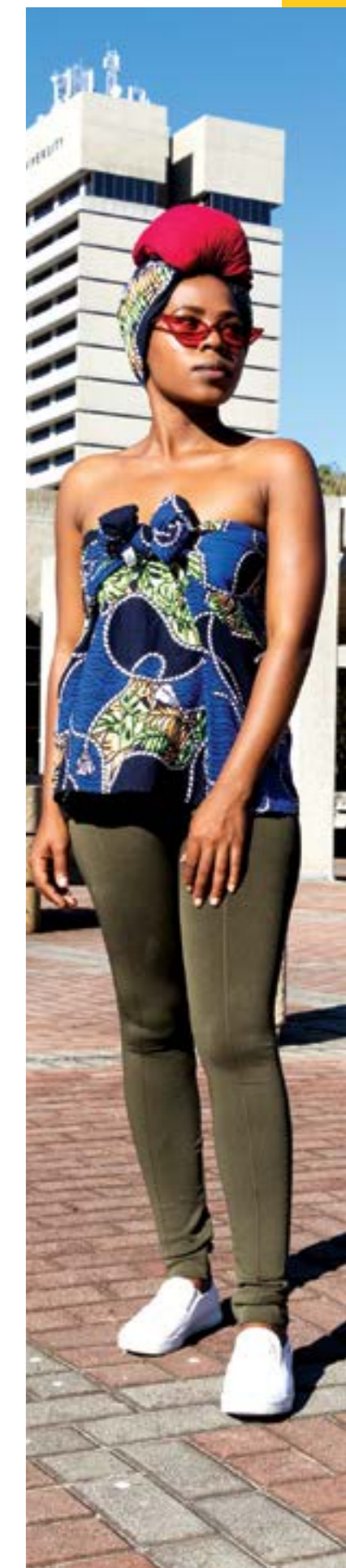
APPROVED BY COUNCIL
21 June 2019

Ambassador Nozipho January-Bardill
Chairperson of Council

Professor Sibongile Muthwa
Vice-Chancellor

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LIST OF ACRONYMS

AGA	Anglo Gold Ashanti
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ARM	Audit and Risk Management
BBBEE	Broad-Based Black Economic Empowerment
CoS	Conditions of Service
CCT	Centre for Community Technologies
CriSHET	Centre for Critical Studies in Higher Education Transformation
CRM	Customer Relationship Management
DHET	Department of Higher Education and Training
DST	Department of Science and Technology
DVC	Deputy Vice-Chancellor
EAP	Economically Active Population
EBEIT	Engineering, Built Environment & Information Technology
EDHE	Entrepreneurship Development in Higher Education
eNtisa	Engineering Services Technology Station
EXCO	Executive Committee of Council
FFC	Finance and Facilities Committee
FTE	Full-time equivalent
GBV	Gender-Based Violence
GPS	Global Positioning System
HR	Human Resources
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IF	Institutional Forum
IS	Institutional Support
LGBTQI	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex
MANCO	Executive Management Committee
MBSA	Mercedes Benz South Africa
nGAP	New Generation of Academics Programme
NGI	New Generation Initiative
NIHSS	National Institute of Humanities and Social Sciences
NRF	National Research Foundation
NSFAS	National Student Financial Aid Scheme
PASS	Professional, Administrative, Support Services
PBRs	Photobioreactors
PG	Postgraduate
RADAR	Risk Analysis and Detection to Assist and Retain Students
R&E	Research and Engagement
SET	Science, Engineering and Technology
SETAs	Skills Education Training Authorities
SMMEs	Small, Medium and Micro-Enterprises
SRC	Student Representative Council
T&L	Teaching and Learning
TB	Tuberculosis
UCDG	University Capacity Development Grant
UG	Undergraduate
UN	United Nations



EXECUTIVE SUMMARY

Nelson Mandela University – The Legacy Continues



In 2018, Nelson Mandela University celebrated the centenary year of the birth of our iconic namesake, Nelson Rolihlahla Mandela. This provided us with a significant opportunity to foreground how the University is interpreting what it means to carry Mandela's name, especially as it relates our institutional identity and mandate, our curriculum and scholarly endeavours, our engagement and partnerships, as well as our institutional culture and transformation agenda.

The University's positioning strategy is a critical precondition to thrive within the context of the prevailing volatile, complex challenges confronting the higher education sector nationally and globally. Such challenges include policy uncertainty, slow economic growth, increased enrolments and growing student expectations for expanded support, rigorous accountability and regulatory requirements, and intensifying global competition for talent and funding.

Against this background, it is of paramount importance that the University continuously reflects on whether institutional strategy is fit-for-purpose. This was the focus of considerable reflection during 2018 as part of a comprehensive review of the University's Vision 2020 strategic plan, from which six strategic priorities emerged to guide planning and resource allocation from 2018 to 2020, namely to:

- Embrace a distinctive educational purpose and philosophy that contributes to student access and success.

- Develop and cultivate an engaged, innovative scholarship culture that generates knowledge recognised for its contribution to sustainability.
- Foster an affirming, transformative institutional culture that promotes diversity and social cohesion.
- Enhance long-term financial sustainability through responsible resource stewardship.
- Position the University as an employer of first choice by investing in talented, high-performing staff.
- Provide and sustain enabling systems and infrastructure that promote an exceptional experience for students, staff and key stakeholders.
- Concurrently, Council mandated four game-changing development trajectories for the University to ensure that it differentiates itself strategically going forward, namely:
 - Building the new brand and identity of Nelson Mandela University, nationally and internationally;
 - Positioning the University as the leading Ocean Sciences university in the country, and in the longer term, the African continent;
 - Transforming health sciences education towards the establishment of the 10th medical school in the country; and
 - Developing capacity for strategic resource mobilisation through the restructuring of the University Trust and the establishment of appropriate internal institutional capacity for fundraising.

Nelson Mandela University, like many universities across the country, is dealing with significant growth in its enrolment mainly due to the bursary scheme introduced by the Department of Higher Education and Training (DHET) in 2017 to widen access for students from poor and working class backgrounds. Coupled with national Government's commitment to increase expenditure on higher education to one percent (1%) of the gross domestic product over the next five years, this augurs well for expanding access to affordable, quality post-school education for all. While this is most welcome, we are acutely aware that this will progressively widen access to more students who experience difficult material conditions.

Opening the doors of learning to all requires that universities address broader systemic issues such as student nutrition and food security, access to study materials, transport, accommodation, and access to computing devices and Wi-Fi connectivity. The provision of holistic student support and development services within and beyond the classroom remains a key priority for the University and some examples of strategies designed to promote student success will be outlined later in this report.

In 2018, the University had a total student headcount enrolment of 28 588 compared to 27 621 in 2017. We continue to attract the majority (69%) of our students from the Eastern Cape, with 74% coming from quintile 3-5 schools. Five percent (5%) of our student population are international students from more than fifty countries. In 2018, 7 402 students graduated with qualifications ranging from higher certificates to Doctorates compared to 6 939 in 2017, which represents a 6.7% increase.

Nelson Mandela University has a staff complement of 2 529 permanent employees, comprising of 626 academic and 1 903 professional, administrative and support services (PASS) staff. As from 2018, 874 previously outsourced catering, protection services, cleaning and gardening employees were reintegrated as part of the University's PASS structures. The University has invested in the development of innovative business models for these reintegrated support services with the aim of simultaneously driving down costs and optimising service delivery across these service platforms.

The lived experience of our staff, students and other stakeholders is the mainstay of fostering an affirming, inclusive institutional culture. The Vice-Chancellor and executive management engaged in an intensive, University-wide listening campaign during the first half of 2018 to solicit the views of staff and students with respect to the current state of the University as well as our desired institutional strategic aspirations beyond 2020. The broad thematic areas that emerged from this listening campaign were carefully documented to inform forward-looking strategy as well as immediate, pragmatic interventions to address operational challenges raised by staff and students. Among these, employees expressed concerns relating to low staff morale, the moratorium on filling vacant posts, over-reliance on part-time and contract staff, high workloads, limited promotion and career advancement opportunities for high-performing employees, and cumbersome institutional systems and processes.

Added to the above, it has become imperative to improve efficiencies and streamline institutional systems and processes in a manner that enables the University to become more agile and responsive to the demands of the Fourth Industrial Revolution. Furthermore, the future-focused human resource capacity requirements of new academic directions, such as the medical school and ocean sciences, have been analysed to embed these in the University's long-term talent attraction and continuity plans. These imperatives have informed the conceptualisation and implementation of a transversal organisational redesign process to assess whether organisational structures, systems and processes are aligned to the strategic intention of the University to offer life-changing educational experiences for a better world.

The University achieved a surplus budget of R364 million from operations in 2018. This can largely be attributed to the roll out of the DHET bursary scheme for poor and working class students, along with the commitment by national Government to increase per capita operational subsidy allocated to higher education. The 2019 budget was approved by Council and aims to appropriately resource the academic project while driving strategic initiatives and growth areas in a sustainable manner. Furthermore, the 2019 budget made provision for the transfer to earmarked five-year replacement reserves to fund five-year capital maintenance, replacement of teaching and research equipment and IT infrastructure.

A strategic framework for resource mobilisation has been developed in consultation with various stakeholders to mobilise the resources needed to implement the strategic priorities that are central to Nelson Mandela University's development trajectory over the next half decade. The resource mobilisation strategy examines existing resource mobilisation initiatives to provide baseline information for the setting of goals and targets that are aligned with the projected enrolment growth path of the University from 2019 to 2025. The four strategic pillars, which form the heart of the resource mobilisation strategy, include innovative resource generation; optimising Government subsidy funding and fees; responsible resource stewardship; and ramping up commercialisation ventures.

An extensive number of infrastructural (information and communication technology (ICT) and building) projects, supported by earmarked funds from the DHET, are in various stages of implementation and contribute to promoting an exceptional campus life experience for students, staff and key stakeholders. Key capital projects initiated in 2018 include the construction of 1 800 and 200-bed on-campus student residences to be built on the Port Elizabeth and George campuses respectively, as well as the infrastructural developments required to support the establishment of the tenth medical school and the only dedicated ocean sciences campus in South Africa.

This report will provide an overview of the key highlights, successes, innovations and challenges navigated by the University during the year under review, in pursuance of realising our Vision 2020 strategic aspirations.

1 ORGANISATIONAL OVERVIEW



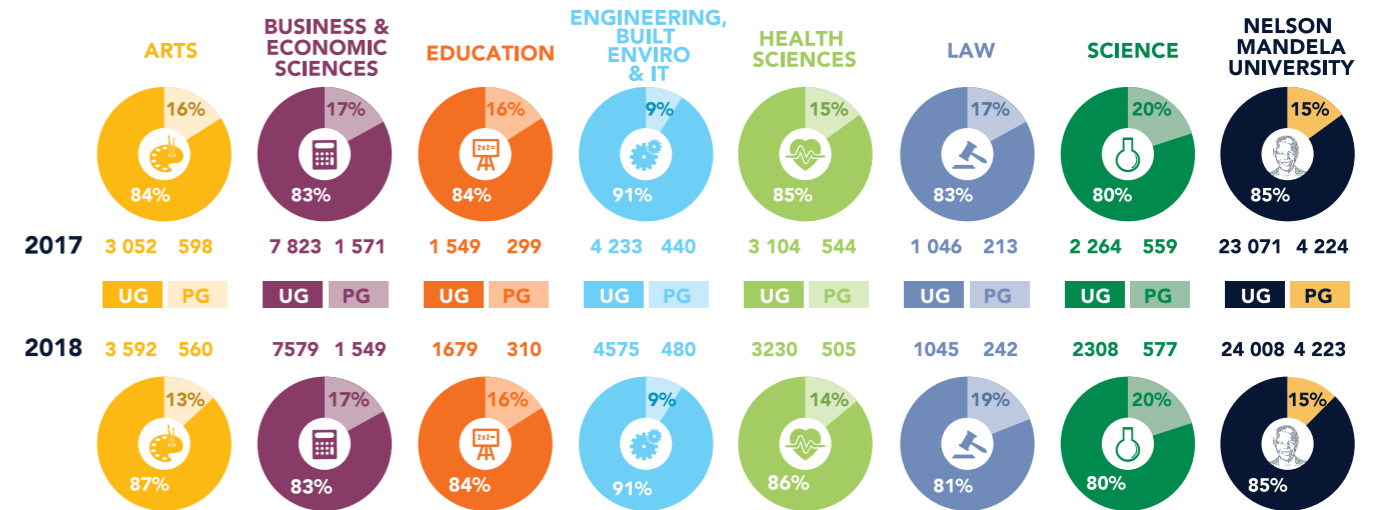
1.1 STUDENT AND STAFF PROFILE

Nelson Mandela University spans seven campuses located in Nelson Mandela Bay and George (in the Western Cape) where a total 28 588 students were enrolled in 2018 across seven faculties, namely Arts, Business and Economic Sciences, Education, Engineering, Built Environment and Information Technology, Health Sciences, Law and Science. The total student headcount translates into a 3.5% increase, relative to 27 621 students in 2017, exceeding the annual performance plan (APP) target of 28 180. Undergraduate enrolments made up 85% (24 008) of the student profile, relative to the APP target of 23 563, translating into a year on year increase 4.1% from the 23 071 undergraduate enrolments in 2017. Postgraduate enrolments remained relatively stable at 4 223, compared to 4 224 in 2017.

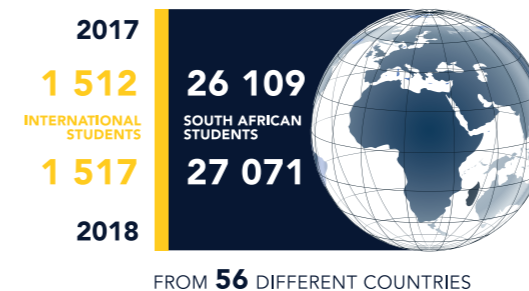
The University's geographical reach extends mainly into the Eastern Cape (69%), with 26% of our students coming from the other provinces and 5% from beyond the borders South Africa. The proportion of female and male students remained constant in 2018 at 53% and 47%, respectively. More than 80% (23 712) of our students are Black (African, Coloured and Indian) while the number of White students has declined from 5 374 (19%) in 2017 to 4 876 (17%) in 2018.

Our students are supported by a permanent staff complement of 2 529 (increased by 19.8% relative to 2 111 in 2017), comprising of 626 academic and 1 903 PASS staff, translating to a 3.1% and 26.5% increase, respectively. The gender composition reflects that females constitute 58% of the total staff profile, while for academic staff the gender ratio is 50:50. Of our academic staff, 45% hold doctoral qualifications.

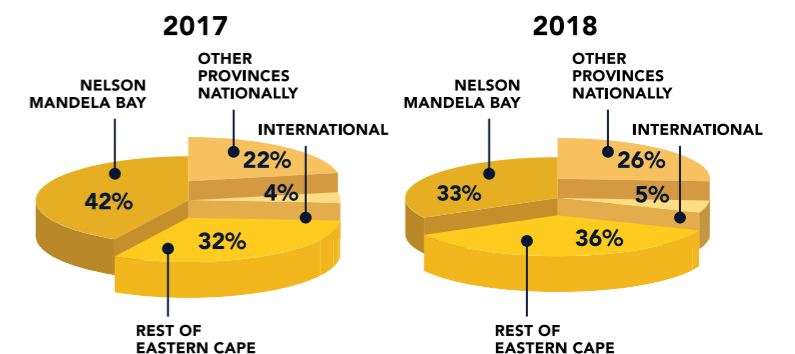
UNDER- & POSTGRADUATE STUDENT ENROLMENTS



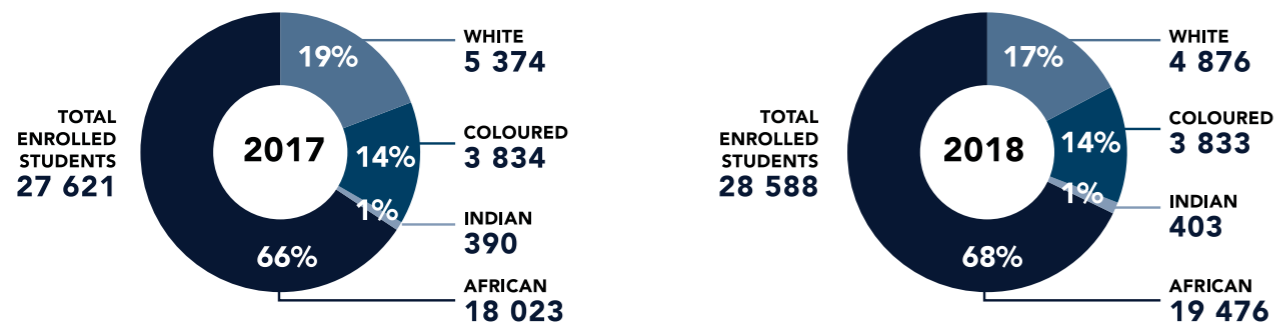
SA AND INTERNATIONAL ENROLMENTS



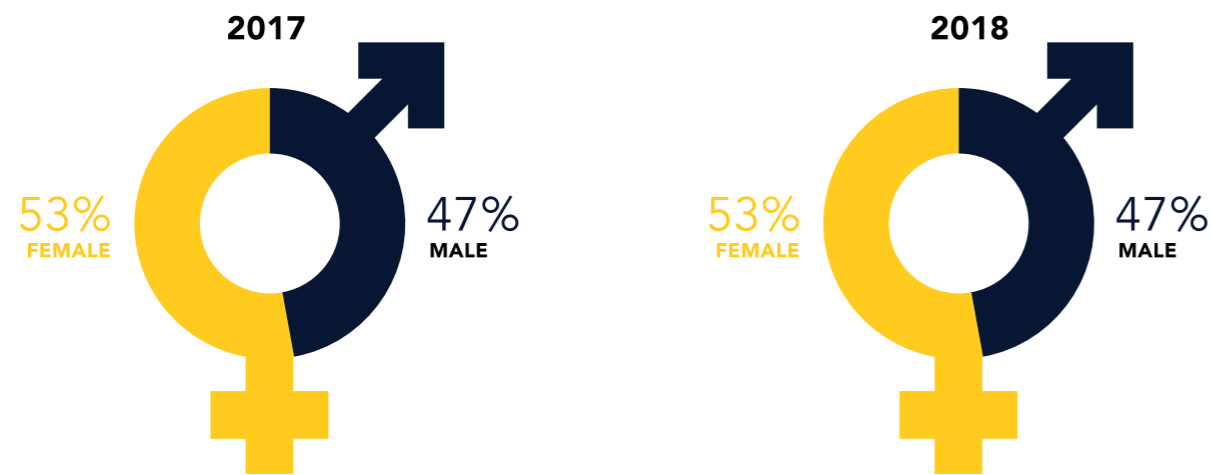
STUDENTS BY GEOGRAPHICAL ORIGIN



STUDENT HEADCOUNT

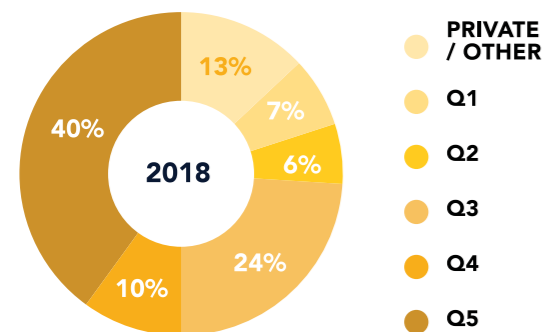
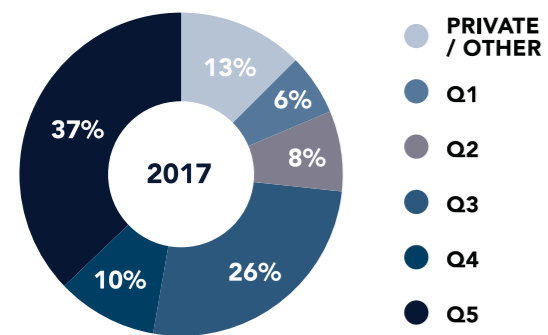


GENDER DISTRIBUTION

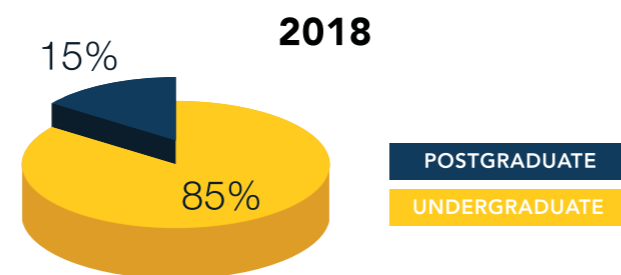
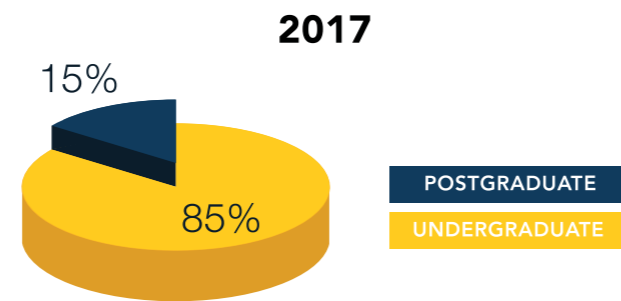


HIGH SCHOOL QUINTILE PROFILE

(EXCLUDING INTERNATIONAL STUDENTS)



UNDERGRADUATE / POSTGRADUATE

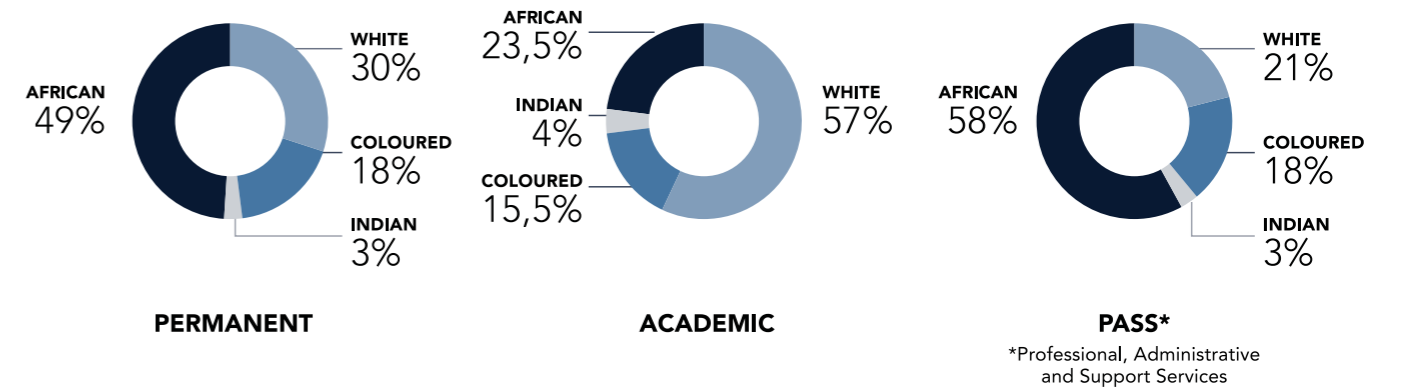


The overall demographic profile of our permanent staff shows that 70% of our staff are African, Coloured and Indian, which contrasts starkly with the academic staff profile where 57% are White.

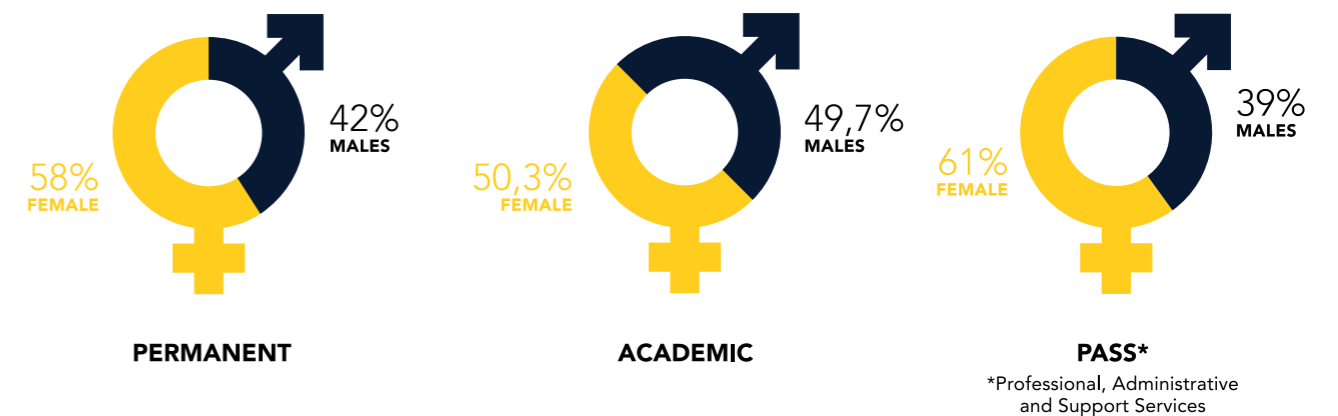
The diversification of our academic staff profile is being advanced via several programmes, including support by DHET for the New

Generation of Academics Programme (nGAP), where 8 posts have been filled by equity candidates since 2016 in the following faculties: Arts - 1; Business and Economic Sciences - 1; Education - 3; Engineering, Built Environment and Information Technology - 1; Science - 2. Further initiatives to enhance diversity among academics and senior management will be addressed in this report.

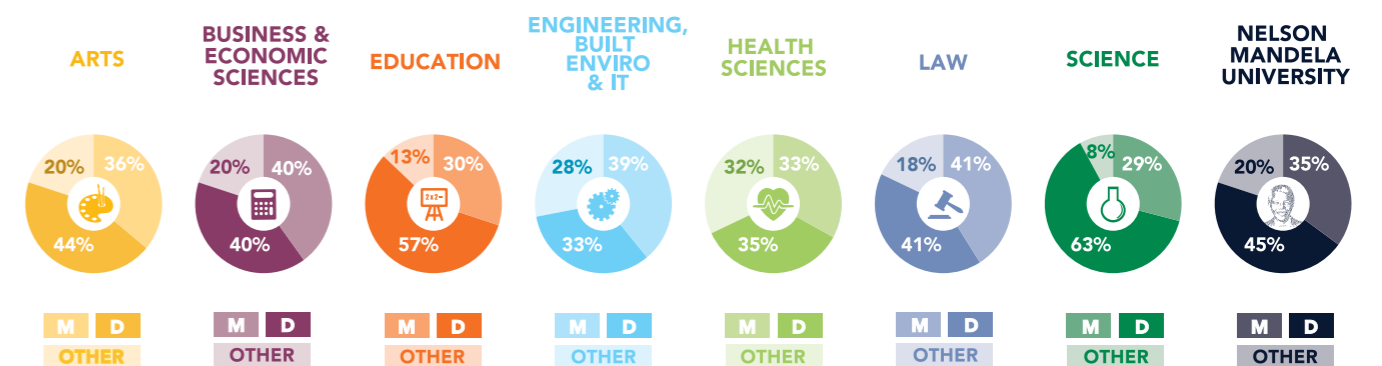
PROFILE OF STAFF POPULATION GROUPS



GENDER PROFILE OF STAFF



% STAFF WITH M&D QUALIFICATIONS BY FACULTY





1.2 REVIEW OF STRATEGIC PRIORITIES

The dynamic, fluid environment, within which all universities operate, requires a continuous assessment of our strategic priorities against current realities. To this end, over the past 18 months, the University has been engaged in implementing various interventions to promote social justice and equality while ensuring our long-term sustainability.

The following six strategic priorities will be guiding our planning and resource allocation from 2018 to 2020:

- Embrace a distinctive educational purpose and philosophy that contributes to student access and success.
- Develop and cultivate an engaged, innovative scholarship

culture that generates knowledge recognised for its contribution to sustainability.

- Foster an affirming, transformative institutional culture that promotes diversity and social cohesion.
- Enhance long-term financial sustainability through responsible resource stewardship.
- Position the University as an employer of first choice by investing in talented, high-performing staff.
- Provide and sustain enabling systems and infrastructure that promote an exceptional experience for students, staff and key stakeholders.

In addition, attention was directed to the implementation of mitigation plans associated with the top three risk areas, namely:

- Human capital management and labour relations: Lack of trust in the HR systems and negative labour relations climate impacting on the institutional culture and achievement of institutional objectives, including attraction and retention of high calibre employees as an employer of choice.
- Financial sustainability: Unpredictable funding impacting the sector and financial sustainability of the institution, including uncertainty regarding the quantum of state funding and administrative challenges at National Student Financial Aid Scheme (NSFAS).
- Reintegration and business models: Complexities related to the effective implementation of the reintegration business models within the current HR and operational systems.

1.3 ORGANISATIONAL REDESIGN – CASE FOR CHANGE

The pilot phase of the University-wide organisational redesign process, mandated by Council, was initiated during 2018 to assess the fitness-for-purpose and strategic alignment of current organisational structures, systems and processes. The planning phase was concluded and approved by Council in September 2018 and provided the foundation and macro-framework for the University-wide process whereby the organisational design of all faculties and support divisions will be reviewed in 2019 under the leadership of the Vice-Chancellor and senior management.

It is envisaged that an organisational redesign blueprint proposal will be submitted to Council in June 2019 for approval.

2 LEADERSHIP AND GOVERNANCE



Chancellor

Dr Geraldine Fraser-Moleketi

On 1 April 2018, Dr Geraldine Fraser-Moleketi was appointed as the Chancellor of Nelson Mandela University. Dr Fraser-Moleketi holds a Master's Degree in Administration, University of Pretoria, and was conferred a Doctor of Philosophy (Honoris Causa) by our University. She is a fellow of the Institute of Politics, Kennedy School of Government, Harvard University and has completed a leadership course at Wharton Business School at the University of Pennsylvania.

She is the recipient of several awards including the OP Dwivedi Public Service Award from the International Association of Schools and Institutes of Public Administration. Dr Fraser-Moleketi has held several strategic leadership positions, including Special Envoy on Gender/Vice-President at the African Development Bank; Director of the United Nations Development Programme's Democratic Governance Group.

She was a member of the South African Parliament for three consecutive terms (1994 through September 2008 when she resigned). Her career is characterised by a commitment to development and economic growth that are more inclusive and sustainable. She is a firm supporter of intergenerational dialogue and mentors young women and men across the continent on leadership and resilience.



Chairperson of Council

Ambassador Nozipho January-Bardill

She is the University's first black African female to take up the position of Chairperson of Council.

She has extensive experience in the public, private, educational and non-governmental sectors, and currently serves as a Senior Advisor to the Executive Director of the United Nations (UN) Women's Organisation and UN Global Compact Local Network. She serves as a non-executive director on the boards of a number of blue chip companies that include Anglo Gold Ashanti (AGA), Credit Suisse Securities, Mercedes Benz South Africa (MBSA) and the MTN Foundation.

She is the Chair of the AGA Social, Ethics and Sustainability Sub-Committee, a member of the Remunerations Committee and the MBSA Social and Ethics Committee.

MEET THE EXECUTIVE MANAGEMENT

The University Executive Management Committee (MANCO), in cooperation with Council and Senate, is responsible for the strategic management and administration of the Nelson Mandela University. MANCO members include:



Vice-Chancellor (VC)

Professor Sibongile Muthwa

She is the Vice-Chancellor of Nelson Mandela University. She holds a PhD from the School of Oriental and African Studies, University of London, an MSc in Development Policy and Planning from London School of Economics and Political Science, a BA (SW) Honours (Wits), and BA in Social Work (Fort Hare). She has a distinguished career in South Africa and the United Kingdom where she has worked in both development and public sector institutions, as well as in academia. Between 2010 and 2017, she was the Deputy Vice-Chancellor for Institutional Support, at Nelson Mandela University, before being appointed to the Vice-Chancellor position on 1 January 2018. Between 2004 and 2010, she served as Director General of the Eastern Cape Provincial Government. Before joining Government, she was Director of the Fort Hare Institute of Government at the University of Fort Hare for five years. In 2014, she was appointed as a Commissioner of the Financial and Fiscal Commission and, in July 2017, she was appointed as its Deputy Chairperson.



Deputy Vice-Chancellor: TEACHING AND LEARNING (DVC: T&L)

Professor Denise Zinn

She holds a Doctoral degree in Teaching, Curriculum and Learning Environments from Harvard University Graduate School of Education.

She was appointed in December 2014 as the DVC: Teaching and Learning at Nelson Mandela Metropolitan University and was Executive Dean of the Faculty of Education at the University prior to her appointment. Professor Zinn also served as the Executive Dean of the Faculty of Education at Fort Hare University before her move to Nelson Mandela University.



Deputy Vice-Chancellor: RESEARCH AND ENGAGEMENT (DVC: R&E)

Professor Andrew Leitch

He holds a PhD in Physics from the former University of Port Elizabeth (1984) and undertook post-doctoral research at the Hirst Research Centre, Wembley, United Kingdom (1985).

He has been in the employ of Nelson Mandela University since 1982 and has risen through the ranks as Lecturer, Senior Lecturer, Associate Professor, Professor of Physics, Executive Dean of Science and since December 2014, Deputy Vice-Chancellor (Research and Engagement).



Deputy Vice-Chancellor: INSTITUTIONAL SUPPORT (DVC: IS)

Mr Lebogang Hashatse

He holds a Master's in Media Studies from Edith Cowan University in Perth, Australia; a BA Honours in Media Studies, Politics and Industrial Sociology, and a Bachelor of Journalism and Media Studies from Rhodes University. Mr Hashatse joined Nelson Mandela University in February 2015 as the Senior Director: Communication and Stakeholder Liaison. From 2009 to January 2015, he was the Director of Communications and Marketing at Rhodes University. Prior to his tenure at Rhodes University, he held senior management positions in the corporate and parastatal environment. Mr Hashatse served as DVC: IS in an acting capacity, prior to his appointment into the position.



Executive Director: HUMAN RESOURCES (ED: HR)

Ms Ntoza Bam

She holds a Master's degree in Business Leadership from UNISA. She has 24 years of experience in the Human Resources field.

She has held positions at Old Mutual, Media 24, The City of Cape Town and most recently, as HR Director at the University of the Western Cape.



Executive Director: FINANCE (ED: F)

Mr Michael Monaghan

He is a registered member of the South African Institute of Professional Accounts and holds a B Com Honours degree in Accounting from UNISA, while he completed his undergraduate B Com degree at the former University of Port Elizabeth.

Advisory members

The following members served in an advisory capacity on the Management Committee:

- Mr Thomas Kungune, Acting Registrar
- Ms Odette van Zyl, Acting Senior Director Audit and Risk Management
- Prof Heather Nel, Senior Director Institutional Planning
- Dr Laura Best, Special Assistant to the Vice-Chancellor
- Mr Luthando Jack, Dean of Students

3 STRATEGIC TRAJECTORIES

3.1 MEDICAL SCHOOL

There is a dire need to increase the provision of adequately trained health care professionals, particularly medical doctors, to improve access to health care services in South Africa. It is widely known that there are not enough doctors in the South African public health system. For every 1 000 people, the country has less than one doctor available. With a similar gross national product per capita to South Africa, Brazil has nearly two physicians for every 1 000 people.

The current output of medical schools across South Africa is between 1 200 and 1 300 doctors a year, while the rollout of improved national healthcare and National Health Insurance requires more than double this number. In addition, approximately 75% of the country's doctors are in the private sector, with the remainder servicing public hospitals and thus presenting a ratio of about 3.7 doctors per 10 000 people.

This context underscores the need to advance the planning for the tenth medical school in the country, which aims to offer a full undergraduate medical degree (MBChB) by 2021 and to evolve further to offer medical specialist training. To this end, the Ministers of Health and Higher Education and Training have officially given permission for Nelson Mandela University to proceed with plans to establish South Africa's much-needed tenth medical school. During 2018, the MBChB curriculum was developed and submitted to the DHET and Council on Higher Education (CHE) for accreditation.

The University has crafted a Master Implementation Plan for engagement with national and provincial Government regarding the terms of support required for the establishment of a full-scale medical school. As in the case of other medical school start-ups, the University will need to secure significant watertight funding to ensure full-cost recovery until the medical school achieves maturity of income relative to cost. Ongoing progress with the implementation of the Master Implementation Plan includes:

- The appointment of Dr Bridgette Gasa as a project manager who is taking responsibility for the oversight of the overarching project plan to integrate all cross-cutting elements across work streams, including risk management.
- A detailed human resources acquisition plan has been developed to address the timing of appointing key staff



- and is currently being consulted with various stakeholders, especially as it relates to a cost-sharing model for joint appointments between the Eastern Cape Department of Health and the University.
- The Infrastructure Work Stream team, under the leadership of the DVC IS, has been implementing infrastructure developments required for the medical school on the Missionvale Campus. The procurement of specialised medical equipment is underway and ICT Services are

collaborating with the faculty to provide for the technology solutions and connectivity requirements of the medical school.

- The establishment of the Academic Work Stream team, under the leadership of the DVC T&L, will be considering the academic implications of introducing the MBChB within the framework of existing institutional arrangements.
- The Resource and Viability Work Stream, convened by the ED: Finance, is conducting the necessary resource planning

and modelling to ensure that the resource requirements linked to the first three years of the medical programme are secured, until subsidy revenue becomes available.

A Steering Committee led by the Vice-Chancellor provides strategic oversight and leadership in relation to all matters involving the successful establishment of the medical school. This Committee serves as the primary interface between the University and critical external stakeholders.

3.2 OCEAN SCIENCES

The official launch of the first dedicated Ocean Sciences Campus at Nelson Mandela University marked a watershed moment in the strategic commitment by Council to invest in ocean sciences as a major area of competitive strength. The upgrading of the Ocean Sciences Campus has provided the University with a unique opportunity to develop a new array of academic capabilities at under- and postgraduate levels, as well as in both basic and applied sciences.

The ocean sciences strategy seeks to achieve the following over the next five years, namely:

- Increasing the size and scale of our academic growth strategy for ocean sciences across a number of parameters, including under- and postgraduate programme offerings, cutting-edge scholarship and innovation, as well as mutually beneficial partnerships with local, regional, national, continental and international partners;
- Diversifying the scope and spectrum of academic programmes and modules to ensure that we offer distinctive inter- and transdisciplinary ocean sciences academic offerings and research niche areas that set us apart from other universities; and
- Enhancing our scientific, economic, social and policy impact in service to society, most notably the national and provincial development imperatives of ensuring that the potential of the oceans economy is unlocked in a sustainable manner to reduce poverty, inequality and unemployment.

As a critical part of the University's academic growth trajectory, it has become necessary to develop a regulatory framework for the coherent and systematic development of ocean sciences across the abovementioned domains. This framework should enable the establishment of appropriate leadership, management and governance structures, support systems and processes necessary for achieving the aspirations outlined in the University's ocean sciences strategy.

Until such time that a formal governance and management model is in place for the Ocean Sciences Campus, executive management has approved the establishment of an overarching planning architecture to provide oversight in implementing the ocean sciences strategy, including:

- Ocean sciences stakeholder reference group, chaired by the Vice-Chancellor and comprising a cross section of internal stakeholders to monitor progress in expanding and deepening our ocean sciences under- and postgraduate qualification mix, research and innovation endeavours, and engagement;
- Ocean sciences steering committee to oversee strategy implementation and future developments on the Ocean Sciences Campus in alignment with institutional strategy; and
- Ocean sciences technical team to advise the steering committee in respect of the specialised aspects, such as viability modelling and scenario development to assess the resource implications, opportunities and risks of implementing different dimensions of the ocean sciences strategy.



Infrastructure developments and refurbishments on the Ocean Sciences Campus are being undertaken in phases largely aligned with the release of tranches of DHET Infrastructure and Efficiency Funding. The DHET allocated the University a further R85.5m for infrastructural developments and refurbishments on the Ocean Sciences Campus over a three-year cycle from 2018/19 to 2020/21. This welcome investment will fund the implementation of the University's Phase 2 campus infrastructural developments, including refurbishing existing facilities to house postgraduate ocean sciences programmes, research projects and engagement initiatives from various faculties. As part of this phase, the University will also be designing and building an ocean sciences exploration centre, digital dome and multi-purpose conferencing facility. The aim is to cultivate a national maritime consciousness through educational, scientific and advocacy programmes that are offered in close collaboration with relevant industry, Government, educational and civil society partners.

3.3 REVITALISATION OF THE HUMANITIES AND FOSTERING TRANSDISCIPLINARITY

In her inaugural address in April 2018, the Vice-Chancellor articulated her vision for revitalising the humanities at Nelson Mandela University. She asserted that this is particularly important as the University bears a special responsibility to align its intellectual assets with the historic task of creating a non-racial, non-sexist, equal and democratic society.

Cultivating humanity, as a core dimension of the identity and ethos of Nelson Mandela University, requires the frontiers between "science" and the "humanities" to be reconceptualised and redrawn. To this end, the Vice-Chancellor called for the re-imagining and renewal of the humanities to revitalise the transformative potential of its disciplines. The humanities are well placed to awaken African scholarship, epistemologies and systems of thought in directing scholarly efforts to write an inclusive narrative of progress as part of decolonisation and embodying African-rootedness in knowledge generation.

Across all knowledge fields, the University should be known worldwide for its scholarly formulation of the Mandela legacy, including how to build bridges between the natural sciences and the humanities, with pragmatic import and real-life programmes that make a difference in the lives of ordinary people. In keeping with this, the University must...

"...produce independent scientific thinkers to help solve pernicious social injustices; to alleviate local poverty through transdisciplinary collaborations with the humanities; and by cutting across academic silos to solve global challenges such as climate change, water, food, and health securities; and to ensure that our planet and other species survive. Social and natural scientists, engineers, medical and agriculture researchers will be encouraged to take on collaborative roles in projects that aim to better understand public concerns and engage with issues to solve their challenges."

4 INSTITUTIONAL PERFORMANCE REVIEW - 2018



Nelson Mandela University experienced an increase in the total student headcount, with admissions and registrations at under- and postgraduate levels exceeding the targets for the year under review. In 2018, headcount enrolments increased to 28 588 compared to 27 621 in 2017, which represents an increase of 3.5%.

Compared to 2017, enrolments in humanities increased to 23% in 2018 compared to 22% in 2017, whilst enrolments in business/management decreased from 33% to 32%, enrolments in SET and Education remained stable at 38% and 7% respectively. In total, undergraduate enrolments increased by 4.1% year on year, while postgraduate enrolments remained constant. The UG: PG enrolment profile of all other faculties remained similar to 2017.

However, relative to the APP target, the headcount for postgraduate enrolments was 1.65% below the target. Thirty-six percent (36%) of our graduates at undergraduate level received NSFAS funding for their first qualification. However, since NSFAS only supports students for their first qualification, many students qualifying to continue with postgraduate studies could not secure sufficient funding to continue with their studies. In addition, the supervisory capacity for Master's and Doctoral candidates was negatively impacted by many senior academics with PhDs retiring in recent years. In SET fields, this is further constrained in some cases due to limitations in respect of laboratories and insufficient funding for successful grant applications submitted to national funding agencies, thus negatively affecting the implementation of these research projects as well as recruitment of postgraduate students by the grant holders.

STRATEGIC POSITIONING AS NELSON MANDELA UNIVERSITY

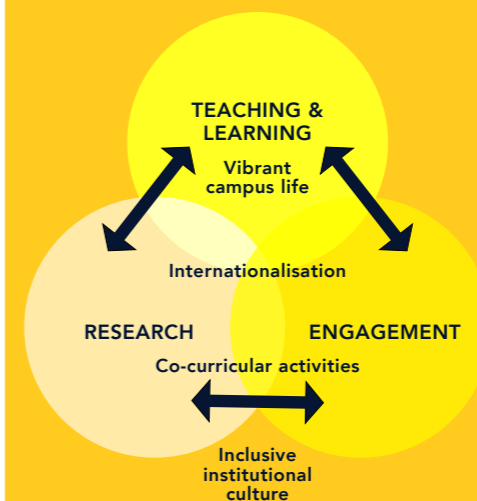
- An innovative, African University embracing the values and legacy of Nelson Mandela
- Comprehensive programme mix with diverse range of quality educational opportunities and articulation pathways
- New strategic academic directions
- University of choice for talented staff and students with the potential to succeed

HOLISTIC DEVELOPMENT OF STAFF & STUDENTS

ORGANISATIONAL SUSTAINABILITY

- Transformative institutional culture
- Engaged, high-performing staff
- Financial sustainability and revenue mobilisation
- Responsible environmental & resource stewardship
- Integrated sustainability planning, budgeting & reporting
- Modernised infrastructure
- Re-engineered, streamlines & digitised systems & processes

STUDENT ACCESS AND SUCCESS THROUGH EXCELLENCE IN:



TEACHING & LEARNING EXCELLENCE

- Widening access for success
- Academic development & support
- Humanising pedagogies
- Curriculum renewal & transformation
- Technology-enabled T&L
- Language policy and practices
- Diversify academic staff profile
- Internationalisation
- Graduate attributes - employability & entrepreneurship

RECOGNITION AND REWARD SYSTEMS

INNOVATIVE & ENGAGED SCHOLARSHIP

- Research outputs - Improve quantity and quality
- Staff workload and career path - Balance between T&L, research & engagement
- Staff qualifications profile
- Develop next generation of academics
- Strategic partnerships - local, national, continental and global
- Public good and societal impact

4.1 2018 ANNUAL PERFORMANCE - ACTUAL VS TARGET

KEY PERFORMANCE AREA	HEMIS 2016 Audited	HEMIS 2017 Audited	HEMIS 2018 2nd Submission	Year on Year change	Target vs actual variance
A. Access					
Headcount totals					
First-time entering undergraduates	5 268	6 166	6 312	19.80%	2.37%
Headcount enrolments	27 621	28 180	28 588	3.50%	1.45%
Headcount enrolments (Foundation Provisioning)	1 667	1 713	1 751	5.00%	2.22%
Headcount enrolments total UG	23 071	23 563	24 008	4.10%	1.89%
Headcount enrolments total PG	4 224	4 294	4 223	0.00%	-1.65%
Occasional Students	326	323	357	9.50%	10.53%
Enrolments by major field of study					
Science, Engineering, Technology	10 441	10 633	10 997	5.30%	3.42%
Business/management	9 243	9 453	9 175	-0.70%	-2.94%
Education	1 809	1 822	1 949	7.80%	6.97%
Other humanities	6 128	6 272	6 467	5.50%	3.11%
Distance education enrolments	9	0	13	44.40%	130.00%
B. Success					
Graduates UG	5 395	5 592	5 797	7.50%	3.67%
Graduates PG	1 544	1 685	1 605	4.00%	-4.75%
Success rate	78%	83%	78%	0.00%	-6.02%
Undergraduate output by scarce skills					
Engineering	384	428	405	5.50%	-5.37%
Life and physical sciences	280	270	235	-16.10%	-12.96%
Animal and human health	544	600	619	13.80%	3.17%
Teacher education *	397	400	442	11.30%	10.50%
Scarce skills success rate	85%	89%	85%	0.00%	-4.49%
* Includes PGCE as indicated in Nelson Mandela University Enrolment Planning Tables (2014-2019) See below for breakdown of teacher education outputs.					
Teacher Education					
B Ed	304	320	327	7.60%	2.19%
PGCE	93	80	115	23.70%	43.75%
Total	397	400	442	11.30%	10.50%
C. Staff profile					
% staff with doctoral degrees	43%	44%	45%	4.70%	2.27%
Number of NGAP staff	5	5	8	60.00%	60.00%
Ratio of FTE students to FTE instructional/ research staff	29:01:00	29:01:00	29:01:00	0.00%	0.00%

D. Research output

Publication units per FTE academic staff	0.6	0.6	0.6	0.00%	0.00%
Research masters graduates	304	316	296	-9.50%	-6.33%
Doctoral graduates	92	99	102	10.90%	3.03%
Publication units	416	401	444	6.71%	10.70%

In 2018, the majority of our students were enrolled in business, economic and management sciences (32%), followed by humanities and social sciences (23%) and natural sciences (18%). In 2018, 7% of students enrolled in the field of education. Enrolments in the business, economic and management sciences were 2.94% lower than the APP targets.

Increased admissions requirements, especially in respect of Mathematics performance, resulted in many students not qualifying for admission to Business/Management qualifications and thus enrolled for qualifications in the Arts faculty. This led to a decline in enrolments for Business/Management and a surge in enrolments in Humanities.

2018 ENROLMENTS BY MAJOR FIELD OF STUDY

	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	FEMALE	MALE
Natural sciences	17%	13%	18%	24%	18%	13%	22%
Engineering and technology	13%	8%	17%	15%	12%	7%	19%
Health sciences	8%	9%	13%	9%	9%	11%	5%
Business, economic and management sciences	34%	33%	31%	24%	32%	32%	32%
Education	4%	16%	5%	9%	7%	9%	5%
Humanities and Social Sciences	24%	21%	16%	19%	23%	28%	17%
TOTAL	100%	100%	100%	100%	100%	100%	100%

4.2 STUDENT ACCESS

During 2018, the University made remarkable strides in addressing the challenges that often come with the start of an academic year. Through multi-stakeholder engagements in various working groups and task teams, which included student representatives, the University implemented various measures to address issues related to admissions, student accommodation, financial aid, transport, as well as meal and book allowances.

Various business process improvements were undertaken to enhance the efficiency and responsiveness of the student access and enrolment value chain including the following:

- The Centre for Access Assessment and Research test booking system was changed to allow updating the admission status directly into ITS.
- A mechanism for students to confirm their offer of acceptance online was developed, which allowed students to inform the University timeously whether they would be taking up their offer of acceptance or not. This enabled Admissions to re-allocate vacant spaces to other applicants, where possible.
- A facility was developed and implemented via which students could indicate changes to their application choice online, which automatically updated the admission data. The bulk of these changes happened in January before registration when the programmes became full.
- Enhancement of the auto-admissions programme

enabled a wider scope of qualification admission criteria to be assessed. This enabled the automatic admission of students once the final matric marks were released in January.

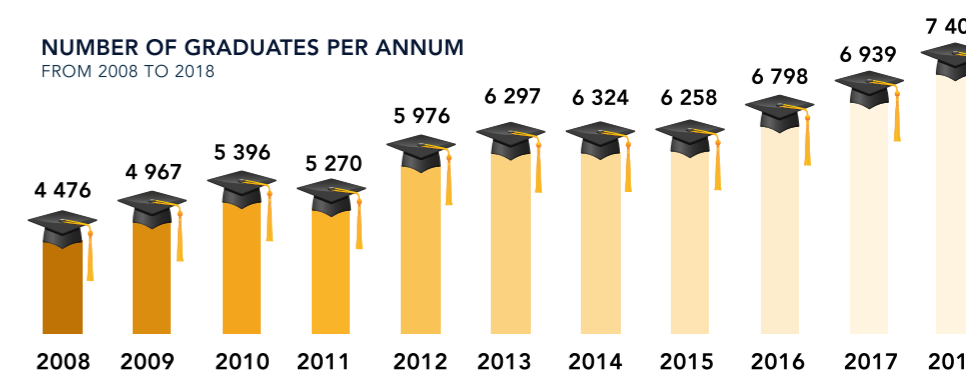
While progress has been made, further re-engineering is required to ensure that systems are integrated and responsive to provide a positive pre-arrival experience for applicants.

4.3 STUDENT SUCCESS

The University produced 7 402 graduates in 2018 compared to 6 939 in 2017, which represents a 6.7% increase. At Masters and Doctoral levels, 89% and 62%, respectively were South Africans, while 11% and 38%, respectively, were international students (inclusive of students from the African continent). However, relative to the APP targets, the University graduated 4.75% less postgraduates. This may in part be due to students selecting to complete their Masters studies at other South African and/or international Universities.

STUDENT SUCCESS

NUMBER OF GRADUATES PER ANNUM FROM 2008 TO 2018





The distribution of the graduates according to the major fields of study shows that the majority of graduates were enrolled for business, economic and management sciences (34%), humanities and social sciences (21%), followed by natural sciences (18%), respectively.

2018 GRADUATES BY MAJOR FIELD OF STUDY	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL	FEMALE	MALE
Natural sciences	18%	12%	24%	23%	18%	13%	24%
Engineering and technology	10%	8%	16%	15%	11%	6%	17%
Health sciences	9%	12%	11%	8%	9%	12%	6%
Business, economic and management sciences	37%	33%	34%	24%	34%	35%	33%
Education	4%	15%	5%	12%	7%	9%	5%
Humanities and Social Sciences	22%	21%	9%	18%	21%	25%	15%

An additional factor that impacted on student success in 2018 was the later registration of students due to NSFAS challenges that delayed progress with being placed in accommodation, purchasing text books, and receiving allowances for food and transport. This results in academically and/or economically vulnerable students being further disadvantaged by delays in registering for their studies resulting in them not attending lectures for the first few weeks of the year.

Given these and other challenges our students, many of whom are the first generation in their families to pursue higher education studies, the University has developed an early warning tracking system, called RADAR (Risk Analysis and Detection to Assist and Retain Students), which aims to identify students who are 'at risk' to ensure that appropriate support can be proactively provided. Furthermore, during the course of 2018, various faculties piloted the use of academic advisors in an effort to improve student success through individual and group academic advising sessions. Lessons learnt from this pilot will inform how the University approaches academic advising as part of its student academic support services going forward.



4.3 SCARCE SKILLS

For 2018, the enrolments in engineering, animal and human health, as well as teacher education increased by 5.5%, 13.8% and 11.3% respectively, relative to 2017. Enrolments in life and physical sciences declined by 16.1% relative to 2017.

4.4 RESEARCH OUTPUTS

Doctoral graduates for 2018 increased by 11% to 102 up from 92 in 2017. However the number of research Masters graduates declined by 2.6% to 296, relative to 304 in 2017. As indicated above, the retirement of several senior academics with PhD qualifications negatively impacted the postgraduate supervisory capacity across all faculties. In addition, SET Master's students have been negatively affected by declines in financial support from national research funding agencies for "fundable grant applications".

Globally, student migration and mobility have significantly increased. Nelson Mandela University is not immune to this international trend, where students have exercised their choice to conduct their postgraduate studies at another South African University, or even an international higher education institution, to enhance their experience, competitiveness and overall capacity to work in diverse environments.

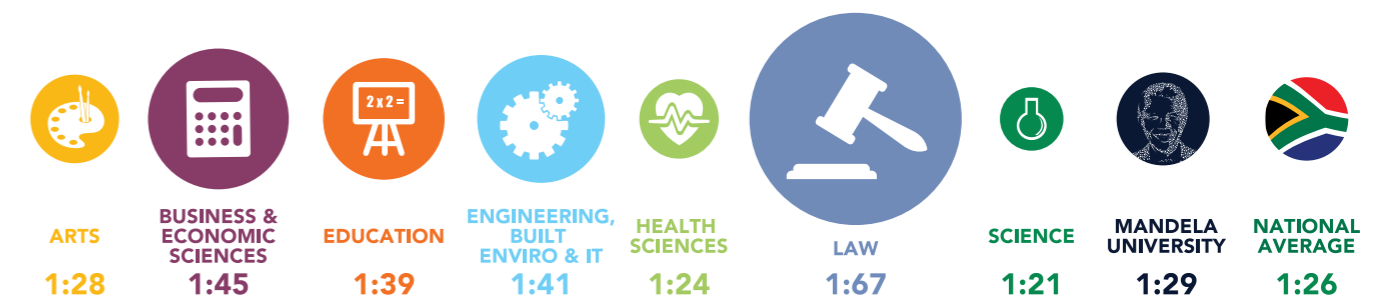
The publication units per full-time equivalent (FTE) staff remained constant at 0.6 for 2017 and 2018. A 6.7% increase occurred in 2018 to 444, up from 416 in 2017.

The weighted research output units associated with masters and doctoral qualifications generated 296 and 306 units across the University, respectively. Faculty of Science generated the highest number of units across both categories (165) followed by the Faculty of Business and Economic Sciences (164).

M&D WEIGHTED RESEARCH OUTPUT UNITS (WROU)

	ARTS	BUSINESS & ECONOMIC SCIENCES	EDUCATION	ENGINEERING, BUILT ENVIRO & IT	HEALTH SCIENCES	LAW	SCIENCE	MANDELA UNIVERSITY
MASTERS WROU	69	74	6	26	35	10	75	296
DOCTORAL WROU	36	90	27	30	33	0	90	306

ACADEMIC FTE STAFF: STUDENT RATIO BY FACULTY



5 REPORT OF THE CHAIRPERSON OF COUNCIL



The composition of Council, as contemplated in paragraph 5 of the Statute, provides for membership of external members as well as employees and students of the University. The diverse composition of Council allowed for positive, constructive interactions at its meetings in 2018. The external members of the Council constitute more than 60% of its membership, and are appointed for a four-year term. The majority of the external members are appointed on account of their competencies in fields such as governance, finance, law, information technology, business and higher education and training. Unless appointed ex officio, internal members are appointed to Council for a three-year term and students are appointed for one year.

5.1 PERFORMANCE OF COUNCIL

During the period under review, Council attended to matters of policy and strategic importance while ensuring that the relevant measures were introduced to monitor and evaluate their implementation. Council fulfilled its oversight role by considering reports in the above regard from, among others, the Management Committee (MANCO) via the respective Council committees.

In fulfilling its governance role, Council complied with the relevant laws and regulations, acted in an entrepreneurial way, and was committed to principles of integrity, accountability, transparency and fairness. Council formally assessed its performance for 2018 in order to determine how effectively it met its responsibilities as the governing body of the University. The performance of the

Nelson Mandela University Council is reviewed on the basis of the following objectives:

- Transformative Strategic Plan: Vision 2020 - Oversight of management's progress in achievement of Vision 2020 APEX Priorities for 2018;
- Academic Excellence - Ensuring Improvement of average student throughput rates and research output in line with national benchmarks;
- Improving Quality of Student and Staff Life - Ensuring the development of a vibrant culture of living and learning on all campuses;
- Operations and Infrastructure - Ensuring efficient operational systems and provision of adequate infrastructure to support the Nelson Mandela University operations;
- Financial Viability - Ensuring the Nelson Mandela University generates a budget for 2019 that provides for a reserve accumulation of between 5-10% of revenue from Council funded activities;

The outcome of Council's performance assessment was positive and is available as supplementary information.

The roles of the Chairperson of Council and the Vice-Chancellor are, in accordance with generally accepted governance principles, separated.

The Chairperson of Council is elected from amongst the external members of Council, and is eligible for re-election.

The Registrar is the Secretary to the Council and Council committees.

The Vice-Chancellor provides quarterly reports to Council, in which she outlines the progress made regarding these performance areas. These narrative reports are accompanied by data-rich infographic information aligned with the following themes:

- Quarter 1: Access and Enrolments
- Quarter 2: Graduation and Student Success
- Quarter 3: Transformation
- Quarter 4: Sustainable resource stewardship

Council robustly evaluates the progress, or lack thereof, by engaging with these quarterly reports and infographics, in exercising its oversight role.

Organisational redesign

It is more than 14 years since the University's predecessor institutions were restructured after the merger in 2005, and the world has moved on rapidly, especially in terms of technological advances and the demands for widening access to higher education. Council has mandated MANCO to assess whether the University is in the best possible shape in living the legacy of its namesake in being of service to society through its teaching, learning, research and engagement. The organisational redesign project will be assessing whether the University is strategically aligned, fit-for-purpose, and positioned for innovative resource mobilisation and responsible stewardship. A proposal will be considered by Council by mid-2019.

Future growth trajectories

Very good progress was made on both the infrastructural and academic fronts in preparation for the establishment of our Medical School. Construction is well underway and the majority of modules previously delivered on the Missionvale campus were relocated to the Summerstrand campuses. Curriculum development in respect of the MBChB is well underway with feedback expected from the CHE, following which SAQA accreditation will proceed.

Significant progress has made with Ocean Sciences, with an integrated governance, management and academic model being developed to take into account financial, infrastructural, human resources, information technology and support services to support the expansion of this strategic growth area. Under- and postgraduate academic programmes are under development to address this national need and provide a distinctive range of qualifications that will distinguish the University from other higher education institutions in the sector.

Naming and renaming process

The official name change to the Nelson Mandela University in 2017 presented an ideal opportunity for revisiting the names of existing buildings, streets, campuses and other named features and components of the University. The Naming and Renaming Policy has therefore been revised and provides a progressive guide for both revisiting existing names and naming future buildings, identified spaces and roads more in keeping with the vision of the University, the ethos and values of Nelson Mandela, and the principles underpinning the South African Constitution.

The guidelines underpinning naming and renaming include utilising names of those who contributed significantly to advance the cause of the people of South Africa and the continent. In considering the names of people, they should have an identifiable national and international significance in the fields of culture, politics, sport, education and scholarship. Individuals under consideration should embody the values and principles

of the University and must reflect race and gender equity. Furthermore, names chosen should as far as possible serve to build social cohesion at the University and inspire present and future generations.

Transformation of graduation ceremonies

An exciting project undertaken during the course of 2018 was to reimagine our graduation ceremonies as part of the University's transformation journey to cultivate an inclusive institutional culture. A broad stakeholder consultation process was undertaken regarding the design of the office-bearer academic attire where focus group sessions were conducted with all stakeholder groupings across all campuses to obtain the inputs, comments and suggestions from staff and students regarding the graduation ceremonies. The new office-bearer academic attire will be utilised during the April 2019 graduation ceremonies.

5.2 STATEMENT OF GOVERNANCE

The Council, established in terms of Section 27(4) of the Higher Education Act, 1997 (Act 101 of 1997) as amended, is the highest decision-making body of the University and is responsible for the good order and governance of the Nelson Mandela University.

In practical terms, the above implies that Council is responsible for, inter alia:

- Governing the University in accordance with the relevant statutory requirements and with due regard to generally accepted governance principles and practices;
- Determining the overall strategic direction of the University;
- Overseeing the proper management of the financial resources and assets of the University;
- Adopting the vision, mission and value statements of the University;
- Approving and monitoring the implementation of institutional policies and structures;
- Identifying and monitoring the risks relevant to the business of the University;
- Monitoring the transformation process at the University; and
- Adopting its own rules, including the Code of Conduct for members of Council, in terms of which it conducts its activities.

The Audit and Risk Committee assisted Council in carrying out its risk responsibilities by, inter alia, reviewing the key risks to the University, as well as considering and monitoring the risk management process and plan.



Meetings of Council

Council held four ordinary meetings during 2018 with attendance at these meetings averaging 80%. External Councillors received honoraria for their participation in the meetings, in accordance with the relevant University policies. Council minutes of the four meetings are available as supplementary information.

Committees of Council

Council has six committees to assist it in the execution of its functions, over and above the Executive Committee of Council (EXCO). These include:

- Governance and Ethics Committee;
- Human Resources and Remuneration Committee;
- Finance and Facilities Committee (FFC);
- Audit and Risk Committee (ARC);
- Higher Education Committee; and
- Nomination Committee.

All committees are formally constituted, with terms of reference and the majority of their membership comprising of external members of Council. In terms of the Rules of Council, external members of Council with the appropriate skills and experience chaired all committees.

During the period under review, all matters that served at these committees were effected in accordance with the University's delegation of decision-making authority document. Attendance at the various committee meetings was good and average attendance was 80%. Summaries of the membership of Council and the committees of Council as well as their meeting attendance are available as supplementary information.

Substantive decisions taken by Council during the year under review

Indicated below is an extensive (but not exhaustive) list of substantive matters that were considered by Council during 2018:

- New appointments and re-appointment of members to Council and Committees of Council;
- Approval of amendments to the Rules of Council;
- Approval of revised Vision 2020 strategic plan;
- Approval of various statutory reports, including the following:
 - Integrated Annual Report to the Minister of Higher Education and Training for the year ended 31 December 2017 (DHET);
 - 2018 Mid-Year Performance Review Report (DHET);
 - Two Biannual Social Inclusion Reports (DHET);
 - Employment Equity Report for 1 July 2017 to 30 June 2018 (Department of Labour); and
 - 2019 Annual Performance Plan.
- Institutional budget for 2019 as well as the 2019-2021 three-year rolling budget were approved.

Senior management appointments

Council approved the appointment of incumbents for the following senior management positions during the year under review:

- Vice-Chancellor, as from 1 January 2018;
- Senior Director: Human Resources, as from 2 July 2018;
- Deputy Vice-Chancellor: Institutional Support, as from 1 August 2018; and
- Executive Dean: Business and Economic Sciences, as from 1 January 2019 (approved in November 2018).

New policies approved

- Policy and Procedures for the Student Representative Council (SRC) and Student Societies Project Management and Events

Revisions to substantive policies approved by Council

- Constitution of the Institutional Forum
- Constitution of the Students' Representative Council
- Rules and Procedures for Conferring of Honorary Doctoral Degrees
- Policy for the Appointment of Deputy Deans, Directors of Schools and Heads of Departments
- Naming and Renaming Policy
- Prestige Awards Policy
- Occupational Health and Safety Policy
- Conferring of Honorary, Emeritus, Ad Personam, Visiting and Adjunct Professorial Titles Policy
- Establishment, Operation and Review of Research and Engagement Entities
- Admissions Policy
- General Rules

Presentations and workshops

- Workshops:
 - Corporate Governance
 - Council Capacity Enhancement
- Presentations:
 - Enrolment trends and student academic performance
 - Faculty of Science
 - Organisational redesign
 - Strategic Projects – Medical School, Ocean Sciences and Strategic Resource Mobilisation
 - Revised Vision 2020 Strategic Plan
 - Integrated business model for the reintegration of services

External consultants attended meetings of Council committees during 2018 to address specific items:

Council: Ms W McCallum Item:	27 March 2018 (ordinary meeting) Strategic Edge Solutions Integrated business model for the reintegration of services.
Council: Dr A Anderson Items:	28 September 2018 (ordinary meeting) Cristal Capital (Pty) Ltd Organisational Redesign Process
Council: Dr A Anderson Item:	11 December 2018 (ordinary meeting) Cristal Capital (Pty) Ltd Organisational Redesign Process
EXCO: Dr A Anderson Item:	27 September 2018 (special meeting) Cristal Capital (Pty) Ltd Organisational Redesign Process
ARC: Mr S van der Merwe Item:	6 June 2018 (ordinary meeting) Deloitte Quality Assurance Review Report of the internal audit function
ARC: Ms S Ismail Items:	6 June 2018 (ordinary meeting) Nexia SAB&T Final Report to Management 2017 AGSA findings for 2017
ARC: Ms S Ismail Items:	7 November 2018 (ordinary meeting) Nexia SAB&T Higher Education Management Information Systems audit for 2017 External Audit Plan for the year ended on 31 December 2018 External Auditor Engagement Letter
FFC: Ms W McCallum Item:	15 March 2018 (ordinary meeting) Strategic Edge Solutions Deviation from the Supply Chain Management Policy: Reintegration of Services - Recommendations in respect of Servest's proposal (hybrid model)

HRREM:
Ms W McCallum
Item:

19 March 2018 (special meeting)
Strategic Edge Solutions
Enterprise Development Strategy for the Reintegrated Services functions employees

HRREM:
Mr D Munton
Item:
Item:

15 November 2018 (ordinary meeting)
Alexander Forbes
Distribution of Category C Reserves
Actuarial Valuation Report for the Nelson Mandela University Retirement Fund

The set of comprehensive Council minutes are available as supplementary information.

5.3 STATEMENT OF EFFECTIVE ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP, GOVERNANCE OF RISK, GOVERNANCE OF INFORMATION TECHNOLOGY, COMPLIANCE WITH LAWS, CODES, RULES AND STANDARDS

The University is committed to ensuring effective ethical leadership and corporate citizenship; governance of risk; governance of information technology; compliance with laws, codes, rules and standards. As such, the Council has established an Audit and Risk Committee and a Governance and Ethics Committee to deliver on these mandates.

The Audit and Risk Committee assists the Council in discharging its mandated oversight responsibilities in respect of financial reporting; risk management; internal controls; ICT governance; compliance; assurance; fraud management and the annual report. The ARC reports to the Council and engages with the FFC and other committees, as necessary. A comprehensive ARC Charter, outlining the Committee's role and responsibilities forms an Annexure to the University's Rules of Council. The Audit and Risk Committee Charter is reviewed annually and any required amendments are recommended to the Council via the Governance and Ethics Committee.

The Governance and Ethics Committee, inter alia, makes recommendations to the Council on the Rules of the Council, including the Code of Conduct for members of the Council; the establishment and dissolution of the committees of the Council; the training of members of the Council, if required; the annual setting and assessment of the achievement of the performance objectives of the Council; the annual self-assessment of the Council and the annual assessment of the achievement of the set performance objectives of the Council. In addition, the following new functions pertaining to ethical and social matters were approved by Council in December 2018, for inclusion in the remit of the Committee:

- The Governance and Ethics Committee makes recommendations to Council on matters of an ethical and social nature, in general, inclusive of: any corporate governance and ethics policies, practices, processes and guidelines; ongoing developments and best practices in corporate governance and ethical issues affecting the University; oversight and reporting on:
 - Organisational ethics;
 - Responsible corporate citizenship;
 - Sustainable development; and
 - Stakeholder relationships.

5.4 STATEMENT OF WORKER AND STUDENT PARTICIPATION

Nelson Mandela University has declared itself to be a people-centred institution that supports the establishment of sound relationships with both internal and external stakeholders. The Council and management of the University are committed

to cooperative governance. In this regard, staff and students serve on the official structures of the University e.g. Council, Senate, Institutional Forum as well as management and Senate committees.

In accordance with the Recruitment and Selection Policy of the University, appointment committees were inclusive of representatives of organised labour and students during 2018.

5.5 STATEMENT OF CODE OF CONDUCT

The Rules of Council, including a Code of Conduct for Council members, are primarily based on the Higher Education Act of 1997, the Institutional Statute and the principles enunciated in the King IV Report on Corporate Governance for South Africa, where applicable. The purpose of the Code of Conduct for Council members is to establish agreement on standards of morally acceptable behaviour within Council; to guide ethical decision-making; to strengthen commitment to the University; and to enhance the reputation of Council among stakeholders of the University. The Code regulates, inter alia, conflicts of interest, prohibited activities, and transgressions of the Code. In addition, the University's core values commit all staff and students to act with integrity; requiring ethical, professional behaviour and acting in an accountable and transparent manner.

5.6 STATEMENT OF CONFLICT OF RESOLUTION

The employees and students of the University are guided by various policies to address and resolve any grievances relating to their working and/or learning experiences. These policies include:

- Employee disciplinary procedure and code;
- Grievance procedure;
- Picketing rules;
- Student disciplinary code;
- Conditions for holding student demonstrations or protest action within the university; and
- Student's academic grievance policy and procedure.

In addition to the above, labour disputes between management and organised labour are guided by the respective Collective Agreements between the University and the two recognised unions as well as the relevant legislation, including the Labour Relations Act (1995).

5.7 STATEMENT OF SUSTAINABILITY

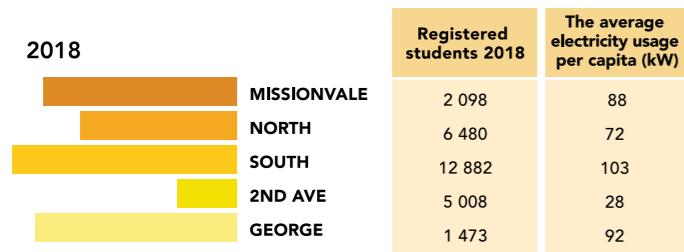
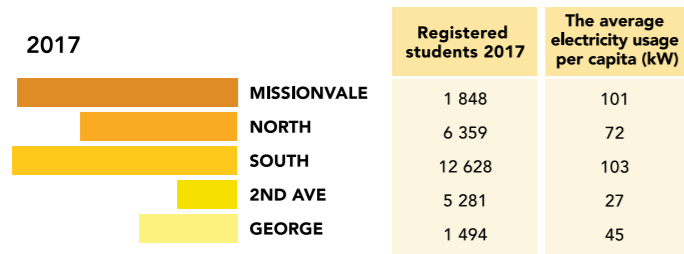
The King IV Report on Corporate Governance defines sustainability as follows:

“Sustainability means conducting operations in a manner that meets existing needs without compromising the ability of future generations to meet their needs. Sustainability also refers to the ability of an organisation to consistently, continually and efficiently raise, manage and deploy funds with which to implement programmes and to achieve set goals that ultimately benefit the communities in which they operate.”

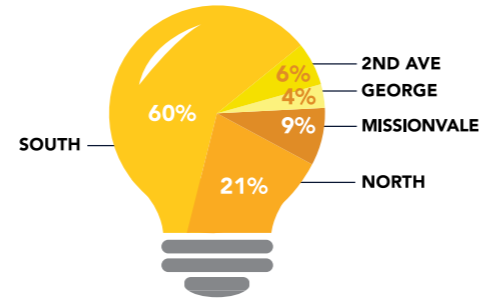
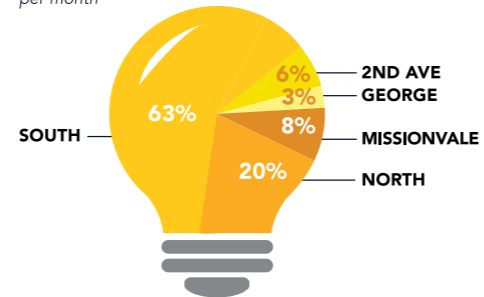
The overarching focus of any sustainability imperative is to ensure that the University's decisions underpinning its academic offerings, research agenda, partnerships, resource deployment and operations across all campuses are focused on ensuring a fair, liveable and viable world.

ELECTRICITY USAGE 2017-2018

The average electricity usage per capita

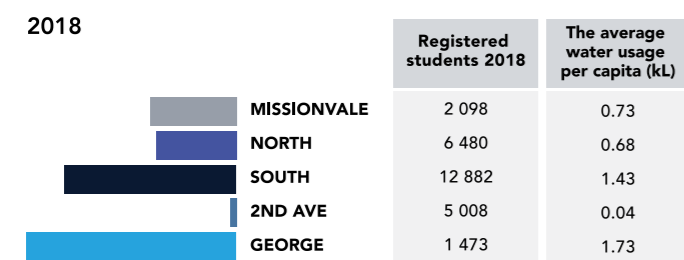
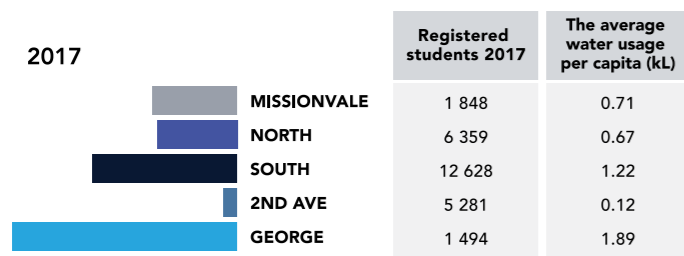


Overall % electricity consumption per campus per month

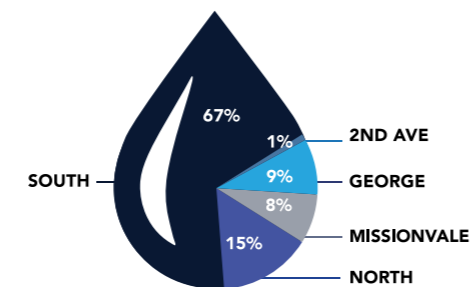
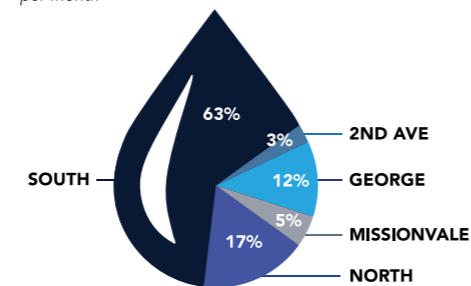


WATER USAGE 2017-2018

The average water usage per capita

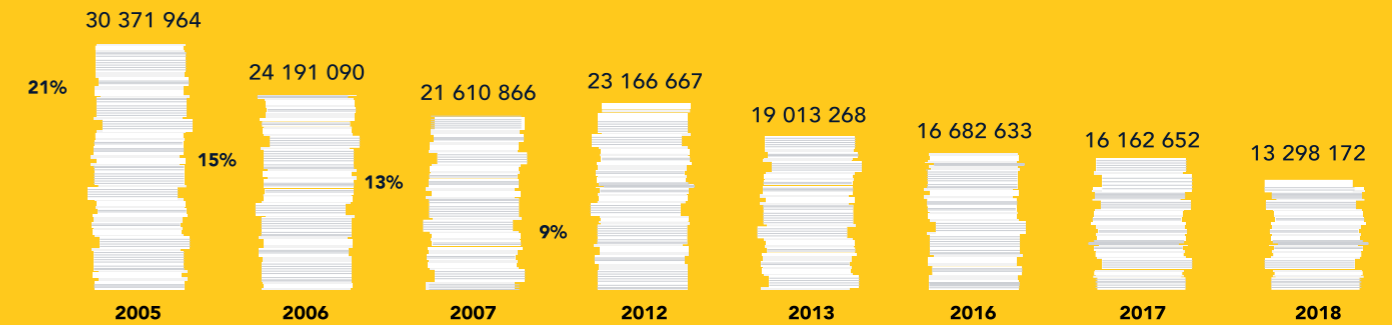


Overall % water consumption per campus per month



NOTE: George Campus possibly uses higher levels of water compared to other campuses due to the fact that nearly a third (30%) of the students enrolled on the Campus live in on-campus residences compared to 12% in Port Elizabeth.

REPROGRAPHICS FROM 2005 - 2018
PAGES PRINTED PER YEAR

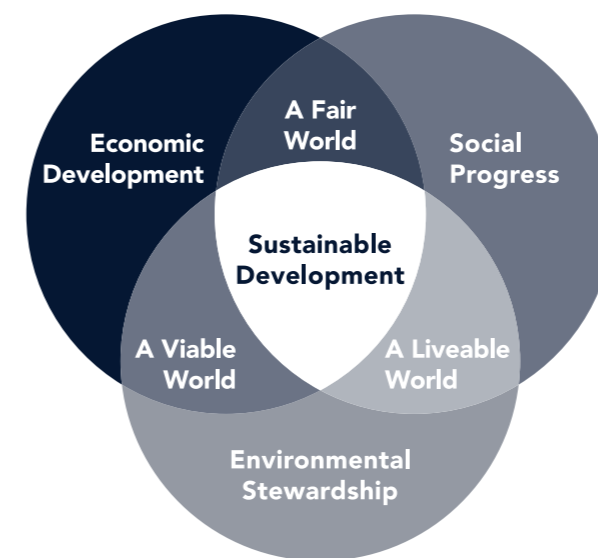


RECYCLING INTERVENTIONS 2017-2018
TOTAL AVERAGE WASTE GENERATED PER MONTH



6 192m³ AVERAGE AMOUNT BEING RECYCLED PER MONTH PER CAMPUS 5 480m³

Given the ever-changing higher education landscape in South Africa, the long-term sustainability of the University is a critical condition for success.



- Deploying and utilising financial and other resources more efficiently, effectively and economically;
- Re-imagining and implementing innovative ways to mobilise third-stream income; and
- Leveraging, as far as possible, the maximum amount of funding from Government for operational and capital costs.

The following special projects are linked to the abovementioned pillars to ensure the medium- and long-term sustainability of the University, namely:

- Academic optimisation and strategic differentiation;
- Review of organisational structures, including implementing the business models for reintegrated services;
- Improving cost efficiencies;
- Re-imagining revenue mobilisation, commercialisation and overhead recovery; and
- Assessing the existing institutional operating model to explore opportunities for improved efficiencies, including scaling up blended learning and other innovative modes of delivery;

Several initiatives are being implemented to promote ecological and human resource sustainability, which will be detailed later in the report.

Despite the positive developments in terms of increased investment by Government in higher education, it is clear that South African universities will need to be both innovative and resourceful in securing their financial sustainability in the medium- and long-term. The three key pillars identified to enhance financial sustainability include the following:

Ambassador Nozipho January-Bardill
Chairperson of Council

6 REPORT OF THE VICE-CHANCELLOR



6.1 VICE-CHANCELLOR'S LISTENING CAMPAIGN

As part of a comprehensive stakeholder engagement and communication strategy, I embarked on an institution-wide listening campaign with staff and students throughout the first half of 2018.

The overarching objective of this campaign was to contribute, over time, to successfully addressing contextual issues facing the University, whilst enabling active stakeholder engagement in shaping our institutional strategic aspirations beyond 2020. Throughout the listening campaign, the importance of fostering a culture of engagement at all levels of the University was emphasised in an effort to liberate the agency of all key stakeholders towards co-creating a sustainable future for the University. The broad thematic areas that emerged from these engagements include:

- Positioning our institutional identity in line with Nelson Mandela's lifelong commitment to social justice and equality through embracing a distinctive African ethos;
- Fostering a transformative institutional culture that is unifying, inclusive and enhances social solidarity;
- Rethinking the content and approach of our teaching and learning, our research agenda, and our engagement to unleash the full potential of our staff and graduates to "change the world" through their scholarly and societal contributions;
- Ensuring that our human resource policies and systems are agile, people-friendly, responsive and efficient;
- Promoting the financial sustainability of the University; and
- Redesigning and modernising institutional support systems and processes to promote agility, flexibility and responsiveness in an increasingly digitised and competitive higher education landscape nationally and globally.

To achieve this, we refined the institutional monitoring, evaluation and reporting mechanisms to ensure that our quarterly reports to Council provide an overview of progress in response to the issues and challenges that emerged.

Addressing these issues will require decisive responses by senior management and the responsible portfolios have been tasked with integrating the respective listening campaign themes and issues into their immediate, short-to medium- and long-term plans to inform strategy-aligned budgeting and resource allocation.

6.2 STRATEGIC PLANNING

The DHET is currently engaged in sector-wide consultations as it relates to the draft National Plan for Post-School Education and Training. The main implication of the National Plan is that it will steer the post-school education and training system towards greater diversity and differentiation to ensure that school-leavers and adult learners have access to significantly broadened post-school education and training opportunities, beyond pursuing a university qualification.

It is envisaged that the community and technical vocational education and training college sub-sectors will be strengthened and expanded while maintaining moderate growth in higher education enrolments. Added to the efforts to widen access to post-school education, the National Plan also points to the importance of bolstering the capacity of universities to offer high-quality education conducive to improving student success and throughput.

All universities will be expected to enter into institutional agreements with the DHET as it pertains to their contribution to a differentiated higher education sector. As part of this process, the University developed an institutional enrolment plan for 2020-2025 in close collaboration with all the faculties during the course of 2018. This presented the University with an ideal opportunity to position its distinctive academic identity and ethos in terms of the following:

- Engaging in efforts to broaden student access to a comprehensive range of life-changing educational experiences with multiple access and articulation possibilities;
- Inculcating humanising pedagogies and holistic student support within and beyond the classroom to leverage the full potential of our students to give them the best chance of success;
- Developing the next generation of socially-diverse academics and scholars; and
- Ramping up innovative scholarly outputs, which contribute to promoting the public good and planetary sustainability.

As we move towards developing Vision 2030 in the course of 2019/20, senior management has been engaging robustly with laying the foundation for key academic strategic redirections, such as:

- Fostering critical transdisciplinary scholarship that redraws the frontiers of the boundaries between the sciences and humanities to solve complex societal challenges that extend beyond disciplinary silos;
- Establishing "hubs of convergence" to give practical and concrete expression to our commitment to be an engaged university in service to society; and
- Revitalising the humanities to take up their rightful place in cultivating graduates who are responsible, socially conscious citizens.

6.3 QUALITY OF STUDENT LIFE

Student-centric access, development and support

Student-centric support is understood as an ecosystem of integrated excellent services purposefully designed with and for students to enable, expose, engage and empower them as human beings to realise their life aspirations through their pathway at the University.

During 2018, the University developed a new model for establishing admission requirements for undergraduate programmes. This model will make our admissions process more efficient as applicants will not be routinely referred for access testing and it is more applicant-friendly in terms of directing applicants towards programmes they qualify for.

In addition, through the funding received from the Kresge Foundation as part of the Siyaphumelela project, we have appointed academic advisors in the faculties of EBEIT and Law to complement existing wrap-around student support initiatives and to assist with tracking student progress. We have identified predictive learning analytics that can be used by these academic advisors to identify and implement appropriate academic support interventions for students.

In view of the ever-increasing unemployment rates in our country, we recognise the importance of enhancing employability and entrepreneurship among our graduates. The Student Affairs division conceptualised and launched the inaugural Annual Mandela Youth Development Convention as an intergenerational dialogue to champion youth development and to discuss contemporary challenges facing young people. The inaugural session successfully laid the foundation for the emergence and fashioning of partnerships with business, Government, civil society and young people to advance youth development.

Student entrepreneurship programme

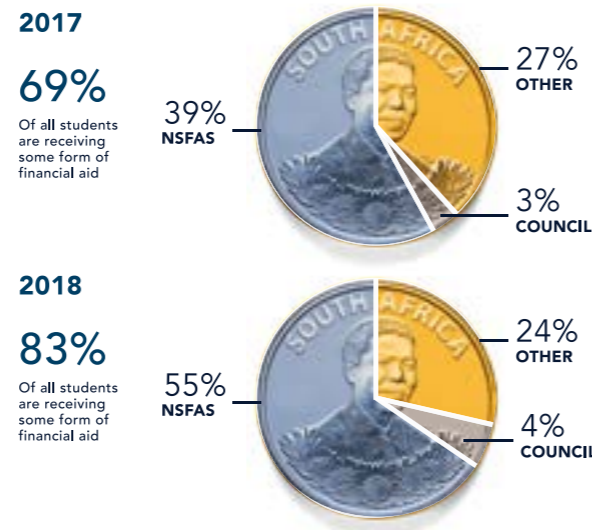
In order to encourage and nurture an entrepreneurial mindset among students, the University has established a student entrepreneurship programme aligned with the Entrepreneurship Development in Higher Education (EDHE) programme established by the DHET. This programme seeks to assist students in mobilising resources to establish successful enterprises as a means to participate in the economy of South Africa as well as to ultimately create employment.

During the month of August 2018, the University hosted its inaugural Annual Student Entrepreneurship Symposium. This event themed, "Building student entrepreneurship towards a broader entrepreneurial ecosystem", provided opportunities for student entrepreneurs to exhibit their goods and services. The EDHE Project Director, Dr Norah Clarke, presented a keynote address on contextualising entrepreneurship development in higher education.

Student financial support

The University has been working tirelessly with students, NSFAS and the DHET to implement the extended bursary scheme for poor and working-class students. As the fee-free education only applies to first-time entering students with a family income not exceeding R350 000, there were returning students who did not qualify for national concessions that required institutional concessions.

STUDENTS RECEIVING FINANCIAL AID IN 2017 AND 2018



Management approved concessions for which financially needy and academically deserving students could apply on-line for financial assistance. Depending on their financial circumstances, students were grouped into various categories, i.e. DHET bursary applicants, Zero EFC (expected family contribution), and "missing middle" students.

Given the challenges experienced with SBUX disbursements in 2018, a multi-stakeholder technical task team and steering committee were established in 2018 to develop a high-level risk mitigation plan to assist with the NSFAS process in 2019, including the timeous allocation of allowances to ensure that qualifying students could register timeously.

Student accommodation

The process of developing a student housing delivery model and strategy was finalised and involves three complementary strategies, namely: building own accommodation through DHET funds; working with the City to improve the quantity and quality of off-campus accommodation; and exploring innovative partnerships with credible providers to augment the existing housing stock.

STUDENT ACCOMMODATION

	GEORGE CAMPUS	PORT ELIZABETH CAMPUS	TOTAL:	GEORGE OFF-CAMPUS	PORT ELIZABETH OFF-CAMPUS	TOTAL:
ON-CAMPUS BEDS:						
2018	430	2 849	3 279	309	6 337	6 646
2019	430	2 869	3 299	240	8 681	8 921

Consultations with various role players are at an advanced stage to increase student accommodation over the next three to five years. The University has engaged the Nelson Mandela Bay Municipality and the Housing Development Agency to provide an integrated solution by offering suitable and affordable accommodation for students, along with the accompanying social amenities and facilities (e.g., transport, Wi-Fi, security).

The monitoring of off-campus student housing providers has been strengthened to minimise exploitation of students and the deterioration of quality. Part of this monitoring includes unannounced visits to ascertain ongoing compliance with the accreditation criteria by off-campus housing providers.

Student transport

An assessment of the current student mobility options has been completed and a strategy has been developed with an indication of costing implications. To spread the impact of the increased demand for transport, the University may have to adapt its residence accreditation policy to provide for different levels of transport service provision associated with the location and capacity of student residences.

The student and staff transportation strategy will be available to all students and staff of the University and envisaged routes will be named and colour coded. In support of its academic and other activities, the University will provide transport between accredited student residences, the University campuses and training facilities to satisfy minimum needs. Such transport will be provided through a contract with an external service provider with the intent that, wherever possible, an effort will be made to transfer the responsibility for transport provision to the local municipality. The ideal is that every student pays a transport availability levy whilst students requiring special transport for academic activities will have an additional course-related transport levy applied. Residence accreditation is to include categorisation in terms of the transport accessibility of the facility, which must be undertaken by the transport management team.

STUDENT TRANSPORT



Student nutrition

The demand for food is increasing substantially on all University campuses. Delays in the release of Funza Lushaka and NSFAS meal allowances during 2018 resulted in a huge demand for food parcels provided by Campus Health Services through the student nutrition programme.

Our partnership with Tiger Brands continues and this enabled us to provide on average about 1 100 food parcels to students per month. However, due to the significantly increased demand, Campus Health Services issued about 4 500 food parcels to indigent students this year, made possible by sub-dividing the sponsored food parcels and complementing these with fresh vegetables from our expanded food garden project. To address this in a more sustainable and humane manner going forward, management is working with the SRC to implement their 2018 #MyMandela campaign, which includes a proposal for establishing a food bank.



Safety and security

Various initiatives were implemented to improve safety and security on all University campuses, resulting in the overall improvement in access monitoring at the University entrances and visible patrols by Protection Services staff around campuses, among others. The University continues to implement a comprehensive safety and security strategy characterised by the following key features:

- Increasing the use of digital platforms and biometrics to identify security threats on our campuses;
- Establishing a central control room with miniature replicas on all campuses to ensure that response teams are rapidly deployed to deal with incidents; and
- Equipping security personnel with handheld devices and training them in how to respond at the scene of an incident.

Differently abled students

In 2018, 515 differently abled students (declared) enrolled, with the majority having specific learning disabilities followed by psychosocial disorders. More than 50% of all differently abled students were enrolled in the Faculties of Business and Economic Sciences and Engineering, Built Environment and Information Technology. The Universal Accessibility and Disability Services Unit continued to provide support to these students and played a key role in co-ordinating and facilitating reasonable accommodation requests.

RETIREMENTS FOR ACADEMIC AND PASS STAFF (2018-2023)

ACADEMIC STAFF

2018	13	(2.2%)
2019	19	(3.1%)
2020	20	(3.1%)
2021	21	(3.2%)
2022	16	(2.4%)
2023	19	(2.7%)



NOTE:

Of the 108 Academics retiring, 53% will retire at age 60 and 43% at age 65.

5 staff members will retire at the age of 63 years.

PASS STAFF

2018	18	(1%)
2019	35	(1.9%)
2020	26	(1.4%)
2021	35	(1.8%)
2022	53	(2.7%)
2023	53	(2.6%)



NOTE:

Of the 220 PASS Staff retiring, 55% will retire at the age of 60 and 41% at the age of 65.

4 Staff members will retire at the age of 63 years.

6.4 QUALITY OF STAFF LIFE

Human resource development

The University, through its Employee Study Benefits policy, assisted 212 employees during the year under review, towards obtaining a formal qualification. Seven employees are studying towards attaining a National Senior Certificate, 182 employees are studying at the Nelson Mandela University, and 23 are studying at other South African universities.

Training opportunities were provided to support the development of women. For example, the University nominated five female employees to attend the HERS-SA Academy in September 2018. Since its inception, the University has annually sent between three to five female delegates to this prestigious academy.

The training and development of the reintegrated employees is ongoing. A skills assessment audit was completed for all reintegrated employees and personal development plans have been developed. A skills and competency matrix was established for each job family and employee job-related training needs were identified accordingly. An individual training and development plan was developed for each employee to address the skills gaps identified during the comprehensive skills assessments that were undertaken. Training and development opportunities that are available to service employees include the following:

- Completion of National Senior Certificate (NSC): The University is committed to ensuring that all employees are supported to complete their NSC to be able them to access post-school educational opportunities.
- Vocational training and development: Vocational training and development is provided to employees that seek to develop such skills and competencies. This supports the University's commitment to multi-skill employees to allow for mobility between various support service functions as and when required.
- Generic professional skills development: In addition to vocational training, generic or soft skills training are provided to employees for the purposes of personal and professional development.

Employee relations

During 2018, employee relations training workshops were offered to all service level employees as part of the on-boarding programme. More than 260 employees were inducted in respect of our ER policies. All the groups that were trained indicated that they were not aware of the employee disciplinary code of conduct nor the grievance procedure. It is therefore a matter of urgency that all employees are made aware of these important policies and procedures to prevent non-compliance.

Other key projects undertaken by the Employee Relations office include:

- The disciplinary policy was reviewed to ensure alignment with schedule 8 of the LRA Code of Good Practice and case law. There is greater emphasis on the application of corrective action as a means to rehabilitate employee behaviour while ensuring awareness in terms of standard of conduct and performance expected of employees across the university.
- Termination of the Collective Agreement regulating the Conditions of Service (CoS) on 31 March 2018. During the reporting period, management and unions held several roundtable negotiations to craft the new CoS and to review the Recognition Agreement. Both these documents served at MANCO during November 2018 for final approval.
- Senior management and organised labour reached a mutual agreement to enlist the services of the Commission for Conciliation, Mediation and Arbitration to facilitate workshops in respect of Building Workplace Relations. The Building Workplace Relations workshop was placed on hold until the conclusion of negotiations of the CoS collective agreement and the review of the Recognition Agreement. Given that both the CoS and Recognition Agreement negotiations have been concluded, it is envisaged that the Building Workplace Relations workshop will resume early next year.
- The Agency Shop Agreement signed in 2013 between National Tertiary Education Union and the University expired during 2018. The cancellation of the agreement follows a membership verification process which revealed that the National Tertiary Education Union was no longer the majority trade union and therefore did not meet the threshold for an Agency Fee Agreement.

Disciplinary- and grievance-related trends observed during the year under review are reflected below:

- Fourteen disciplinary cases ranging from theft, assault, offensive behaviour, absence without leave, unreported absences from the work place, and corruption were dealt with;
- Thirteen grievances relating to unfair treatment experienced by employees in their respective departments were reported;
- Seventeen cases of Section 198(b) disputes relating to the rollover of short-term contracts were heard at the Commission for Conciliation, Mediation and Arbitration and Labour Court resulting in some employees being deemed permanent.
- Seven cases relating to incapacity due to mental health, ill health or injury were concluded.

Staff wellness

The wellness and morale of staff in the higher education sector is a matter of concern and our University is no exception. The strategic imperative in this regard is to create and sustain a visible, needs-driven staff wellness programme that includes the intentional creation of a culture that educates, motivates and empowers employees to adopt and maintain healthy lifestyle behaviours.

The issue of absenteeism in catering, cleaning, technical and protection services continued to be addressed through ongoing absenteeism management training for the managers of these services.

6.5 TRANSFORMATION

Institutional Transformation Plan

The University's wide-ranging institutional transformation plan sets clear goals across various dimensions. Council approved an integrated transformation monitoring, evaluation and reporting framework in 2018, which will inform our annual reporting processes to promote accountability in respect of progress, or lack thereof, in advancing transformation within all domains of the University.

South African Research Chairs Initiative: Chair in Identities and Social Cohesion in Africa (ISCIA)

The ISCIA research programme places a focus on the interrelations between art forms, identities, knowledge production and social cohesion. The aim of the research is to fuse philosophical inquiry with practice-based knowing in the arts in order to investigate whether and how intellectual experimentation and aesthetic practices may work to undo bounded, adversarial identities, re-imagine emancipatory social spaces and dynamics, and promote the kind of dialogue and healing that restores dignity. The relevance of such research collaboration between philosophy and the arts is at once pedagogical and ethical. Making a paradigmatic shift beyond self-confident conceptual models

and self-assertive anti-conceptual strategies, such as aesthetic exploration calls upon researchers and students to modify ingrained habits of thought.

The incumbent of the Chair, Professor Andrea Hurst, aims to help develop the intellectual confidence, among diverse students and associates, to draw on philosophy's capacity for critical, creative thinking as well as art's unique power to engage people emotionally.

The pedagogical hope is to build capacity for questioning, raising doubts, creating dialogue, and opening educational spaces in which to imagine novel solutions to social issues. The ethical hope is that reflective spaces of dialogical interaction between diverse voices will create better ways to see and be in the world. ISCIA hosted several events and produced a number of publications, which are available as supplementary information.

CriSHET, Hubs of Convergence and the Transdisciplinary Institute for Mandela Studies (TIMS)

The establishment of the Chair for Critical Studies in Higher Education Transformation (CriSHET) by Council created an important strategic resource for transformation. CriSHET has provided a sense of how the University views itself and its strategic directions and redirections, against the backdrop of existing institutional practices; and what possibilities and openings for transformative movements are emerging through management, administrative, operational and academic reflections and renewals.

CriSHET is also leading a number of the initiatives articulated as part of the University's strategic development trajectory. In particular, it has spearheaded the development of concept documents on the establishment of the first Hub of Convergence and on the establishment of the Transdisciplinary Institute for Mandela Studies (TIMS). Working groups have been established to refine and develop these concepts further for implementation in 2019.

BBBEE and preferential procurement

The annual Broad-Based Black Economic Empowerment (BBBEE) verification process was completed and the University improved its overall score from 58.1 to 71.2 for the year under review. This score translates to a level 7 contributor.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)

ELEMENTS	ELEMENT WEIGHT	2017	2018
Management Control	20	12.58	13.21
Skills Development	30	17.06	17.10
Enterprise Supplier Development	54	23.46	35.88
Socio Economic Development	5	5.00	5.00
TOTAL	109	58.1	71.2

Executive management established a BBBEE working group to reimagine the University's BBBEE strategy going forward.

This will include steps to ensure that the University significantly enhances its performance in terms of the national BBBEE Amended Codes of Good Practice. MANCO mandated that R4.8 million be ring fenced annually for 2018 and 2019 to implement targeted interventions in respect of diversifying suppliers and enterprise development, respectively, in a concerted effort to improve the University's BBBEE rating.



Review of anti-discrimination/harassment policies

A process was initiated in 2018 to review all policies relating to discrimination, including gender, religion/belief, and racism. The purpose of the review is to ensure that the effectiveness and responsiveness of the discrimination complaints mechanisms are improved. In addition, all grounds of discrimination, as reflected in the Bill of Rights, will be integrated into an integrated policy including protocols to promote equality and social inclusion. It is expected that a proposal be tabled for Council's consideration by mid-2019.

Executive management approved an interim protocol to deal with discrimination and harassment complaints while the policy review is underway. This protocol makes provision for an independent investigator, with relevant experience in human rights law, to be appointed to investigate the merits of the case. The interim protocol clearly specifies timeframes as well as the roles and responsibilities of specific portfolios in resolving discrimination complaints.

Responses to gender-based violence (GBV)

The University has reviewed its Sexual Harassment Policy to include the elements of sexual offences. Key amendments to the policy include the establishment of an alternative formal disciplinary process using an inquisitorial approach involving a hearing panel. The hearing panel comprises of a legal professional or a legal academic with expertise in human rights law and/or gender quality, an appropriate professional who works in the gender-based violence sector, and a member of the institutional sexual harassment and offences committee.

In addition, the revised policy makes provision for psychosocial support for both the complainant and the alleged perpetrator and includes other protection measures that the University may implement depending on the contextual factors of each reported case. The principles of restorative justice and advocacy are embedded in the policy to ensure that perpetrators take responsibility for their conduct. The aim is to work towards preventing a recurrence of the incident – whether they remain at the University or go elsewhere as a consequence of disciplinary outcomes. The University also reviewed the existing Staff and Student Disciplinary Codes, to emphasise the gravity of such transgressions by having a dedicated section that deals specifically with matters of sexual harassment and sexual offences.

During 2018, Council approved the establishment of the Centre for Women and Gender Studies, which will focus on the scholarship of gender research, engagement and advocacy.

First responder training

In response to the negative feedback received from students



who had experienced traumatic incidents such as sexual assault, or sexual harassment, plans were developed to provide 'First Responder' training to frontline staff and students who are most likely to encounter these situations. Residence managers, campus health services, student counselling, security personnel and house committee members, both on and off campus, were provided with this training to enable them to deal more effectively with persons who had experienced a traumatic incident.

Sexual orientation and gender identity advocacy

The Transformation Monitoring and Evaluation Unit hosted two Safe Space training sessions conducted in March 2018. Various stakeholders participated in the training, including representatives from the SRC, the LGBTQI+ student society, student governance and development department, student counselling, academics and residence managers. Dr Kendall Peterson, from the WITS Sexual Orientation and Gender Identity Advocacy Unit, conducted the Safe Zone training.

GBV awareness interventions

More vigorous awareness campaigns, aimed at the wider University community, have been held to address the persistent scourge of GBV incidents occurring on- and off-campus. This includes the creation of an enabling space for various student leadership structures to hold critical engagements, while awareness campaigns – in keeping with the Memeza Yellow Whistle initiative launched in November 2017 – were conducted with first year students during orientation and throughout the course of 2018.

Other initiatives included the provision of a 'rape escape' self-defense programme. The SRC also conducted 'Madiba Dialogues' through the campus radio station, to facilitate conversations relating to gender issues, including identity, roles and gender; cultural myths; alcohol and GBV; peer, family and societal responses to GBV; LGBTQI+ and GBV; and manifestations of patriarchy.

In addition to the above, a Facebook page was created of a fictitious female from a rural town in the Eastern Cape. Her name is Amanda_MEMEZA and she shares her experiences as a first year student at Nelson Mandela University. She shares journal entries on her page as well as articles, video clips and any other resources that enhance the readers' understanding of GBV.

In addition, any related talks, interviews, seminars, and guest lectures are livestreamed to the Facebook page.

Language policy development and multilingualism

The home language profile of our students has changed from

2005 to 2018 with nearly half (49%) of our students speaking isiXhosa. In light of this, the development of a new language policy for the University is urgent, especially in light of the draft language policy, which the DHET has advised should be the basis for revision of all language policies in the sector, that will be effective from 2019 onwards.

The Language Policy Working Group has met regularly over the past two years, and has embarked on 'Courageous Language Conversations', which were concluded in September 2018. The revised language policy will be informed by these inputs and will serve before Council in during the course of 2019 for approval.

Social Consciousness and Sustainable Futures (SCSF) course

The Social Consciousness and Sustainable Futures (SCSF) course is a foundational module available to all first years in 2018. The manner in which this course was conceptualised and developed is unique in the higher education landscape, with a cohort of interested students taking responsibility for co-creating this programme with an interdisciplinary team of academic staff. The pilot of the SCSF course was launched on 7 August 2018 and weekly reflection sessions were organised to glean lessons from this pilot to inform revisions to the course in 2019. More details relating to the themes and content of the course is available in the supplementary information.

6.6 IMPROVING QUALITY OF OPERATIONS, INFRASTRUCTURE AND SUPPORT SERVICES

The University's core ICT infrastructure continue to expand to address the digital requirements and demands as we align our core and operational processes with the fourth industrial revolution.

An amount of R4.7 million was ring fenced to maintain and enhance ICT infrastructure, of which R1.25 million was earmarked for Wi-Fi densification in lecture venues with more than 50 seats. A new 63-seater general computer laboratory at our Second Avenue Campus has been completed. The laboratory is part of initiatives to reduce the digital "access" divide of university students. Second Avenue has traditionally had the highest student to PC ratio.

DHET funding to the value of R13.5 million was approved for key ICT Projects including the following:

- ICT networking and connectivity infrastructure
- Improving e-readiness of teaching and learning venues
- ICT projects in support of improved safety on campus
- Improved data centre redundancy for disaster recovery and business continuity

Other projects include the HR Customer Relationship Management (CRM) system, which went live in 2018 with the aim of improving the responsiveness of our HR systems and processes. Further development involves the catalogue of HR services being made available to users through the CRM portal, which automatically routes requests/enquiries to the pre-determined relevant work teams.

HR have also enhanced the HR dashboards to enable real-time, smart reporting of salient HR management information system metrics metrics by all relevant internal stakeholders. Migration of content to the new-look HR portal was completed.

Various infrastructure projects were at different levels of implementation:

- **Transportation hub**
Additional budget was approved by FFC for enhanced Safety and Security measures.
- **Retirement Village (Life Rights Complex)**
Council approved funding and Nelson Mandela University Investment Company will provide directive on the way forward.
- **Ocean Science Campus – Ocean Science Building**
Initial planning underway.
- **Ocean Science Campus – Student Commons**
Initial planning underway.
- **Ocean Science Campus – Housing of Strategic Resource Mobilization Office**
Project has been completed
- **Ocean Science Campus – Transdisciplinary Cluster and Research Chairs**
Initial planning underway.
- **Furtech Building – George**
Convert existing underutilized space into lecturing space. Received approval from DHET for the use of interest funding. Planning underway.
- **Law Faculty addition to Embizweni Building**
Received approval from DHET for the use of interest funding. Planning underway.
- **Repurposing of Felsted Building Bird Street Campus**
Received approval from DHET for the use of interest funding. Planning underway.
- **New Student Residences (1800 beds in PE, 200 beds in George)**
Tender processes are underway.

6.7 ENHANCING SUSTAINABILITY AND RESPONSIBLE RESOURCE STEWARDSHIP

Financial sustainability

The Strategic Resource Mobilisation Office developed a Resource Mobilisation Strategy during 2018. This strategy aims to set out a series of integrated, multi-pronged and coordinated strategic interventions over five years to raise the resources needed to implement the strategic priorities that are central to Nelson Mandela University's development trajectory over the next half decade, and to enhance the financial sustainability of the University in the medium- to long-term.

Our 2018 Annual Financial Statements show that we have achieved a surplus budget from operations. This is largely due to the roll out of the DHET bursary scheme for poor and working-class students, along with the commitment by national Government to increase per capita operational subsidy allocated to higher education to one percent of gross domestic product over the next five years.

The 2019 budget aims to appropriately resource the academic project while driving strategic initiatives and growth areas in a sustainable manner. A balanced operational budget for 2019 reflects R34.1 million surplus after investment income and R3.3 million surplus from operations before investment income). The 2019 budget also made provision for transfers to the five-year replacement reserves to cater for ICT infrastructure, capital maintenance and the replacement of teaching and research equipment.

INFRASTRUCTURE FUNDING RECEIVED FOR ENVIRONMENTAL SUSTAINABILITY PROJECTS 2018/19-2020/21

FROM THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING

ENVIRONMENTAL & SOCIAL SUSTAINABILITY

R55 142 420

TOTAL FUNDING ALLOCATED

Photovoltaic renewable energy

- North, 2nd Ave & George Campuses

R3 000 000

TOTAL FUNDING ALLOCATED

Interventions in support of a closed campus

for the Summerstrand University complex

R27 192 420

TOTAL FUNDING ALLOCATED

New water pipeline & distribution network

- North/South Campus

R700 000

TOTAL FUNDING ALLOCATED

Electronic Water Meters

- North/South/ 2nd Ave Campuses

R250 000

TOTAL FUNDING ALLOCATED

Return effluent irrigation scheme

- North/South Campus Phase 2 & 3

R15 000 000

TOTAL FUNDING ALLOCATED

Establishment of a transportation hub

for students utilising public transportation to Campus

R9 000 000

TOTAL FUNDING ALLOCATED

ENVIRONMENTAL & SOCIAL SUSTAINABILITY FUNDING

Environmental sustainability

Environmental stewardship is one of our values and various environmental sustainability interventions were implemented during the course of 2018. In light of the University's overall drive towards a sustainable future, DHET allocated more than R55 million over a three year period for environmental and social sustainability projects. The projects for which this funding was allocated are reflected in the infographic on your left.

The current overall utility bill of the University across all campuses is nearly R44 million. As part of the overarching sustainability plan of the University, various efforts have been underway to reduce year on year overhead costs with respect to water and electricity.

Energy

Strategically, the University would like to increase the usage of self-generated renewable energy on its campuses. In terms of energy, the objective is to decrease the current energy usage, ultimately resulting in savings, through demand management, the usage of renewable energy sources, greening of new buildings and "green procurement." The University is adopting photovoltaic (PV) systems, due to the ease of operation and maintenance, as well as in-house knowledge through entities such as the Centre for Energy Research. The construction of our first PV farm on North Campus is well underway.

Specific goals include the following:

- Renewable energy: To increase the utilisation of renewable energy to 30% of the University's energy requirements over the next six years.
- New buildings: To monitor the inclusion and consideration of maintainable, high performing "green" equipment and fittings in all new buildings, with a focus on the achievement of greatest gain on each project.
- Green procurement: To increase the procurement of environmentally friendly equipment and fittings over the next three years.

Water

Water usage across the University is uneven, with North/South Campus accounting for 80% of the University's water usage, while sport and its various activities utilise approximately 20%. Our residences are currently using water sparingly. The strategic objective in terms of water usage and management is to increase the usage of cheaper secondary sources of water (new water, borehole water, rainwater, greywater, etc.), over the next five years, to 30% of our current water usage. This objective will result in naturally diversifying water sources with a lower reliance on a potable municipal supply and, ultimately, in cost savings.

Strategically, it is imperative that each new building design and renovation take cognisance of the need for and ability to use a diverse source of water for its needs. As part of the design process and brief, the University will engage with relevant feasible options. For example, the current rate paid for Return Effluent is R2.20, which is in stark contrast to the R17.00 paid for potable municipal water.

Waste

The strategic objectives in terms of waste management on campuses is to generate and implement a sustainable waste management programme across all campuses and decrease our waste to landfill by 20% over the next five years, whilst increasing our recycled waste by 20%. We are currently exploring with local waste entrepreneurs a strategy around the waste management practices on our campuses. This will allow for a phased strategic implementation of waste management initiatives over the next 3-5 years, which could be linked to the creation of self-funding social enterprises.

Green buildings

The only Green Star Rated building, according to the standards and process of registration related to the GBCSA (Green Building Council of South Africa), is the Business School on the 2nd Avenue Campus. All new buildings being constructed comply with the minimum South African National Standards requirements, although they do not comply with the GBCSA criteria. As new buildings are built, the need arises to learn from design decisions to increase the probability of designing future buildings, which will fully accommodate users in the most environmentally friendly manner. A standard post-occupancy analysis template is currently being developed to assist in the collection of data to assess whether the initial design principles implemented are aligned with the required outcomes for the users/occupants of the building.

Transport

The Student Staff Transport System requires the expansion of the University's internal fleet of vehicles. As part of our environmental sustainability strategy, it is suggested that annually the University purchase vehicles which use renewable sources of fuel to transform our current fleet over the next ten years to a model that uses less than 10% fossil fuel types.

Agricultural cooperatives and food production

The catering business model includes a long-term strategy related to the development of agricultural co-operatives to supply agricultural produce to the University for catering operations. Investigations are underway to explore the feasibility of food production, i.e. aquaponics, coupled with renewable energy generation through PV and/or greenhouse style facilities. This would enhance environmental and social sustainability in that PV systems would be the major contributor to energy security on campuses and could be a lucrative source of third-stream income generation.

In addition, sustainable food production could alleviate student hunger by providing students with an opportunity to generate income by working in food production facilities or by providing food not procured by the University to combat student hunger and bolster nutrition by providing healthy vegetable and protein (fish) options.

Nature reserve commercialisation

The University is still awaiting final feedback on the feasibility and costs involved in the implementation of a mountain bike track in the Nature Reserve on South Campus. It is foreseen that once the final report is received that full investigations and interaction with University stakeholders will ensue. The possibility also exists to form part of a 42 km trail from Schoenmakerskop all the way to the Tramways Building.

Conclusion

We have laid a solid foundation for taking the University forward in the service of society, however much work still needs to be done. We will be focusing on the following issues going forward:

- Development, approval and implementation of an integrated Vision 2030 institutional plan including academic and enrolment planning accompanied by infrastructural, ICT, HR, and financial resource requirements;
- Strategic enrolment planning for 2020-2025 aligned to revenue generation/mobilisation strategy;
- Implementation of institutional sustainability plan and indicator framework, including targets and ownership by senior management; and
- Approval and implementation of the University-wide organisational redesign process.

Professor Sibongile Muthwa
Vice-Chancellor

7 REPORT BY CHAIRPERSON OF SENATE



In my inaugural address, I reflected on the purpose of Nelson Mandela University as follows:

"...what the University should do and what the University should stand for, are closely tied into the stature of our namesake: the expansion of human understanding; pushing forward the frontiers of knowledge in all sciences to cultivate humanity; and contributing to the well-being of our city, our province, our nation, our continent and our world. In short, the quest of a Mandela University is for a more equal and socially-just world."

Student success is a national imperative and a key strategic priority for our University. Our ongoing reviewing of the relevance of our programme qualification mix (PQM), curriculum content, assessment practices as well as the language of teaching, learning and assessment towards improving student success as well as responding to the intractable challenges confronting South Africa, which also impinge student success.

7.1 TEACHING AND LEARNING EXCELLENCE

Revitalising the humanities

In the context of revitalising the humanities, Nelson Mandela University is positioning itself and supporting researchers to apply for and receive a bigger share of funding from the National Institute of Humanities and Social Sciences (NIHSS). A small proportion of academics hold grants from the NIHSS and we are aiming to grow this number significantly.

Another area of potential growth is the sourcing of externally funded research chairs (Government departments/SETAs/industry) to support production of graduates with high-end skills and research productivity, which will in turn increase the University's share of state subsidy.

We are excited about the establishment the research-based Centre for Philosophies in Africa in our Faculty of Arts. This will serve as a vital instrument by which we repositioning and revitalising the Humanities.

Teaching and learning innovations

The University Capacity Development Grant (UCDG) provides resources to the Teaching Development Innovation Fund, which funds several innovative teaching and learning projects including those listed below:

- The Faculty of Arts was granted support for eight (8) projects that will significantly advance multilingualism, curriculum renewal for transformative linguistics, and the advancement of knowledge in cross-cultural perspectives on healing and African musical creativities. Linked to these projects are eight concerts, which were hosted by the School of Music Art and Design (SOMAD), as well as many exhibitions focused

on the theme of transformation in a complex society. These projects sought to explore Africanisation through curriculum renewal and discussions on decolonisation.

- Several projects involve the use of technology-enhanced learning and teaching, where the Department of Applied Language Studies has launched an online virtual classroom, Advance@Mandela, which is available for staff to present Short Learning Programmes in real time to delegates anywhere in the world.
- The Department of Mechanical Engineering has established a Teaching Working Group to deliberate on Africanised Teaching and Learning. This process will be undertaken in collaboration with role players at the Walter Sisulu and Plymouth Universities.
- The Business School is in the process of reviewing the African leadership component in its leadership module to reflect a transformed and Africanised curriculum.
- In the Faculty of Education, the Amabali Ethu Aphilisayo (Our Healing Stories) Festival – academic staff worked with 91 second-year Intermediate Phase language students to create stories around nine themes. A week-long story festival was held in April where every student chose one of their nine stories to share in an open audience with the University community. The stories were written and narrated in any language preferred by the student to foster an acceptance of multilingualism.

Technology-enhanced teaching and learning

The use of technology-enhanced teaching and learning continues to grow and expand. In October last year, our Higher Education Access and Development Services (HEADS) and the Office for International Education jointly hosted a colloquium to grapple with the implications of Industry 4.0 for higher education and the world of work. In addition, HEADS has piloted the creation of multi-disciplinary learning design and innovation teams to support projects in faculties that will result in more engaging, interactive Moodle module sites. This will be expanded in 2019 and academics will have further opportunities to develop competencies to better understand digital pedagogy and how to effectively facilitate online learning. In addition, further awareness raising around Open Educational Resources as an alternative to textbooks will be embarked upon.

Language for teaching, learning and assessment

The Department of Applied Language Studies, together with the Department of Language and Literature was awarded R3.05 million for three years by the Department of Arts and Culture to support the development of indigenous languages. The grant will achieve greater inclusion of isiXhosa as a language of instruction and it will advance the teaching of isiXhosa by producing more graduates that are engaging with the intellectualisation of

isiXhosa. About 80 students have been supported by this grant in 2018.

Linking to the national call for multilingualism, the University hosted the sixth meeting of the USAF-initiated Community of Practice for the Teaching and Learning of African Languages last year. The main objective of this Community of Practice is to promote and strengthen the teaching and learning of African Languages in public universities in South Africa.

Reviewing assessment

The University's Assessment Policy served as a basis for faculties

to reflect on their assessment practices on an ongoing manner. Some innovations include the following:

- Education: held an Assessment Indaba to develop a common understanding of how assessment can be used to enhance students' learning and to develop an assessment strategy and guidelines for the faculty.
- Law: continued exploring and expanding upon e-assessment and will finalise their assessment guidelines in 2019.
- Science: Analysed the number of assessments appropriate for a term module.

Developing the next generation of academics

Over the next five years (2019 – 2023) a total of 108 academics will be retiring (according to their employment contracts). Of this total, 38% will be full professors and associate professors, with principal lecturers comprising an additional 5.6%.

Academic Retirements from 2019 to 2023

PROJECT NAME / CATEGORY	2018	2019	2020	2021	2022	2023	TOTAL	%
PROFESSOR	1	8	6	2	1	4	22	20.4%
ASSOCIATE PROFESSOR	4	5	1	3	3	3	19	17.6%
PRINCIPAL LECTURER	1		2	2		1	6	5.6%
SENIOR LECTURER	2	5	5	8	5	5	30	27.8%
LECTURER	6	1	7	4	6	6	30	27.8%
ASSOCIATE LECTURER				1			1	0.9%
Total	14	19	21	20	15	19	108	100.0%

Various interventions are being implemented and significant financial resources are being invested to diversify the academic profile across all faculties as well as to address the staff turnover resulting from looming retirements in the system.

Currently, the R10million equity budget that resides within my Office is supporting eight academics positions: four Professors and four Senior Lecturers. The University's "grow your own timber" programmes for academics are aimed at increasing the number of young academics from historically marginalised groups. These programmes include the nGAP and the Next Generation Initiative (NGI) programmes.

In the nGAP programme, the University currently has eight employees on the programme with another employee to be added shortly. Much effort last year went into preparing the UCDG proposal, which was submitted to the DHET. The R26million grant funding approved by the DHET has enabled

the T&L and the R&E portfolios to begin focused interventions to prepare the next generation of academic scholars. To this end, many workshops have been held, including "writing for publication", research ethics preparation, orientation workshops for postgraduate students, etc.

The NGI programme is centrally financed by the University rather than via faculties. Employees on this programme are appointed on long-term contracts according to identified academic priorities. Currently there are six employees on the programme, two of whom have been appointed into permanent positions.

Three of our young academics have been awarded grants under the National Research Foundation (NRF)/First Rand Foundation Black Academics Advancement Programme, which aims to promote the development of Black South African academics by granting fully paid sabbaticals to enable them to complete their doctoral degrees.

7.2 RESEARCH EXCELLENCE

We have finalised the institutional research themes of our existing and emerging research capabilities, which will assist us in articulating our strategic differentiators within a diverse higher education landscape. We previously had 13 such themes and these have been consolidated to the following six:

- Ocean and coastal sciences;
- Social justice and democracy;
- Environmental stewardship and sustainable livelihoods;
- Innovation and the digital economy;
- Origins, culture, heritage and memory; and
- Humanising pedagogies.

Strategic priorities for research and engagement (R&E) for the next three years include the following:

- Position the University as a leading institution, recognised for its (R&E) excellence across the continent and globally;
- Increase the diversity of the academic and research staff;
- Increase the qualifications and supervisory capacity of our staff;
- Increase the throughput rates of our postgraduate students;
- Attract more postgraduate students (including post-docs) and Research Fellows to the University;
- Ensure that our identified focus areas remain relevant for the needs of society;
- Ensure inter-, cross- and trans-disciplinary (R&E) are encouraged and nurtured;
- Ensure the foundational principles of (R&E) are embedded in the formal curriculum of the academic project, alongside teaching and learning;
- Ensure the policies, processes and support mechanisms in the R&E portfolio are optimised;
- Ensure the R&E portfolio can respond quickly and efficiently to new opportunities that open up to the University; and
- Ensure our (R&E) activities and successes are widely publicised.

In pursuit of the above strategic goals, we were delighted to hear that we have been awarded a new SARCHI Chair in Identities and Social Cohesion in Africa, which was awarded by the NRF to Prof Andrea Hurst in our Faculty of Arts who was appointed into this position on 1 April 2018. One of our existing SARCHI Chairs (Prof Paul Watts) underwent a successful five-year review and has been upgraded to a Tier 1 Chair, with increased funding from the NRF.

The appointment of Prof Andre Keet into the newly created Council-funded Chair in "Critical Studies in Higher Education Transformation" is already having great impact across the University, as he gives focused attention to transformation from an academic and research perspective.

In addition to the abovementioned, Council also approved the establishment of a Centre in Women and Gender Studies as well as a Centre for Philosophy in Africa.

The University is intensifying its efforts to improve its sustainability through diversifying its sources of research income. In this regard, we can highlight the following. Prof. Janine Adams has been appointed as the interim DST/NRF SARCHI for Shallow Water Ecosystems. This follows the resignation of the past Chair earlier this year after a five-year period.

Professors Lungile Pepeta (Dean of Health Sciences) and Sindiwe James (Health Sciences) were awarded a grant from the SA-Swedish Universities Forum, jointly funded by the Swedish Science Granting Council, the NRF and the DHET. Dr Berny Snow, Director of our Institute for Coastal and Marine Research

was also awarded a grant under this initiative. An international team led by Mr Howard Theunissen (School of Engineering) has been awarded an Erasmus+ Capacity Building in Higher Education grant (European Commission) in the field of maritime education. The value of the award is €1 million.

The University received sponsorship of a three-storey building for our George Campus, to be constructed from "Cross-Laminated Timber" – a revolutionary construction design. The building, the first of its type in South Africa, will be erected during the first semester of 2019 and will include a conference centre and a Research Commons space for postgraduate students.

A record number of Honorary, Adjunct and Visiting Professors have been appointed during 2018, along with a record number of Research Fellows, Research Associates, and, for the first time, Professional Associates. This provides the University with added capacity in terms of mentoring and research collaboration to increase subsidisable research outputs for the University.

The project "Marine Waste and Society" has been shortlisted from more than 300 proposals, and the final full proposal will be submitted in mid-April 2019. Our role in the project will be significant, as the Swartkops River Estuary has been identified as one of the case study sites for the project. If approved, the project will commence later in 2019.

We are also preparing a joint proposal to the Norwegian SANOCEAN for an international partnership in the broad field of Oceanography. The collaboration is based on our membership of the Nansen-Tutu Centre for Marine Environmental Research, hosted by the University of Bergen.

We have prepared a proposal with the University of Basel, Switzerland to jointly host a United Nations Educational, Scientific and Cultural Organization Chair "Physical Activity and Health in Educational Settings". The Chair will bring together the growing collaboration led from our side by Prof Cheryl Walter (Faculty of Health Sciences) that focus on addressing health and development of pre-adolescent learners from disadvantaged schools around Port Elizabeth. The project, called "KaziBantu: Healthy Schools for Healthy Communities", has entered its next phase with R6.4 million support from the Novartis Foundation (Switzerland).

The generous financial support from the Trust has enabled our African Centre for Coastal Palaeoscience to commence with growing their exciting transdisciplinary research activities, which focus on the emergence of early modern humans from our southern coastal regions of South Africa.

Our University was instrumental in arranging an Eastern Cape Research Conference, held at the Mpekweni Beach Resort (26-28 July 2018). This groundbreaking conference brought together for the first time the four universities in the Eastern Cape, as well as the Human Sciences Research Council, to focus on addressing research questions of relevance in our Province. Each University had ten delegates who participated and dialogue teams were convened, each focusing on one of the identified themes:

- Climate Change, Natural Resources and Sustainability
- Transforming Higher Education Curricula: The Nexus between Academia and Society
- Health and Wellbeing
- Urbanisation and Migration
- Digital Technologies
- Rural Development and Land Issues

It is expected that these themes will be worked into joint research proposals that can be submitted for funding.



7.3 EXCELLENCE IN INNOVATION

To support and drive innovation and technology transfer at the University, we have appointed Dr Nqobile Gumede as Director: Innovation Office and she commenced employment on 1 July 2018. Coming from the NRF, Dr Gumede brings with her much experience in the important area of innovation support, technology transfer, enterprise development and commercialisation, collaboration with industry, etc. The Innovation Office focuses on facilitating the identification, protection and management of intellectual property created through research and practice and assisting researchers with innovation support (proposal and business plan development; prototype and proof of concept funding) and technology transfer (intellectual property management and commercialisation).

Our intention is to ensure that the enquiring minds of our enterprising under- and postgraduate students will be harnessed to massively increase the number of start-up SMME companies established by our students and graduates.

To support the Innovation Office, the University has established two subsidiary companies:

- **Innovolve** is a commercialisation company of the Nelson Mandela University focusing on commercialising intellectual property. It drives commercialisation of the University's innovations through the licensing of intellectual property and the establishment of spinout companies. Innovolve focuses on the utilisation of this intellectual property for social and/or economic benefit. Innovolve also forms part of the innovation ecosystem in the Nelson Mandela Bay by playing a role in Propella, the University's incubator. Governance is entrusted in a board of seven Directors.

- **Propella** is a partnership between Nelson Mandela University and the private sector (Engeli). Its main areas of focus are on the 'Smart City', which includes renewable energy generation, energy efficiency and related technologies, advanced manufacturing and supply chain optimisation. Propella incubates Innovolve start-up companies based on the University's intellectual property, as well as external innovative companies. Governance is in the hands of the board comprising of at least seven (7) Directors and chaired by the DVC:RE. The University has a 49% shareholding in Propella. The focus of Propella is specific towards Mandela Bay as "the smart City". There are currently 40 SMMEs in the incubator, many of them our former graduates who imagined their business propositions while studying at the University.

Some of the projects being supported are listed below:

- **TANKS™ and BOATS™ impact more than 2000 students**
In November 2018, Prof Jean Greyling introduced BOATS powered by Tangibl™ : a two player Android application, which educates students on plastics in the Ocean while introducing them to coding. Players make use of tokens and image recognition to move their boat on a grid to "remove" plastics from the ocean. While existing solutions on the market require the use of a computer; and in some cases, additional hardware, the TANKS and BOATS powered by Tangibl™ applications simply require paper tokens and a smart phone to introduce learners to coding concepts, making the experience accessible to more learners.
Notable sponsorships include: BKB, who sponsored workshops for 400 children during National Science Week in Mveso; the Govan Mbeki Maths Development Centre, who bought 120 games which are used and distributed at their hub schools all over the Eastern Cape during

STEAM (Science, Technology, Engineering, Arts and Math) workshops; and the State Information Technology Agency (SITA), who are sponsoring the roll-out of the games in 5 provinces. The SITA-sponsored workshops reached 700 learners and culminated in 100 learners participating in the national computer hackathon competition at the Sandton Convention Centre in December 2018. Two pupils from the Eastern Cape took the number one spots in their respective grade categories during the finals, sharing a R5 000 cash prize for their schools, as well as other individual prizes.

- **Cost-effective and reliable batteryless solar PV system**
Electrical Engineering Associate Professor, Peter Freere, and his postgraduate student, Edwin Ribisi, are developing a batteryless solar PV system. One of the primary expected benefits of the system is that it costs approximately half of the purchase amount compared to a battery-operated system. Further expected benefits include an increase in the system time between major maintenance from 2-5 years to 15-20 years; and the support of several large starting current loads (eg. several refrigerators) which is more than a standard solar PV system.
- **Hybrid microalgae cultivation system**
Microalgae are traditionally cultivated in open raceways or photobioreactors (PBRs). Both systems have advantages and disadvantages. The InnoVenton team is combining raceways and PBRs into a hybrid cultivation system which exploits the benefits of both systems simultaneously, while limiting the disadvantages. The incorporation of PBRs in a raceway provides a number of benefits over traditional systems, such as: improved gas-liquid transfer, improved pH control, and larger light-capturing surface area leading to greater areal productivity. The productivity of the hybrid

system approaches that of raceways, but at a substantially lower capital cost. InnoVenton are experimenting with the cultivation of the Spirulina (Arthrospira sp.) "superfood" in the hybrid system. Spirulina are multicellular and filamentous blue-green algae that have gained considerable popularity in the health food industry and increasingly as a protein and vitamin supplement to aquaculture diets.

- **QSystems SA (Pty) Ltd yields promising outcomes**
The CEO of QSystems SA (Pty) Ltd CEO, Heinrich Williams, received special recognition in the "most promising start-up or newcomer" category of the 2018 Advanced Manufacturing and Innovation Awards. With a diverse technical background in Electrical and Mechanical Engineering, he set out to meet some of the needs of differently abled people and developed a simple press device that enables patients with motor and physical disabilities to get the attention of healthcare staff with ease. The Qbell™ is an alternative nurse-call button that can be operated using the patient's palm, chin, foot or other part of the body. The 3D-printed device uses the same power socket outlets as conventional devices so no electrical modifications are required. Another QSystems SA (Pty) Ltd project is a reserved parking system that is access-controlled through global positioning system (GPS) communication and intelligence that can determine a smart phone's position and automatically open a motorised barrier. The QPark system will protect the parking rights of people with differently abled people and assist visitors who are unfamiliar with a city to find a map of available disability parking spaces reserved for them. The QPark system completed full production at Propella Business Incubator and will be completing its pilot phase. The system was presented to the National Council for Physically Disabled People in November and an interview on the popular radio station, 5FM, generated international interest.





• uYilo wins Innovation Excellence Project Award

The uYilo e-Mobility Technology Innovation Programme was established in 2013 towards stimulating and intensifying eMobility technologies in South Africa. Initiated by the Technology Innovation Agency, a specialist agency of the Department of Science and Technology, the Programme aims to identify and maximise value in niche technologies that South Africa has the capacity and capability to develop, or to add value to adapt to local conditions. To meet the needs of the rapidly expanding electric mobility (eMobility) sector, the uYilo eMobility Technology Innovation Programme - hosted by the University's engineering innovation hub, eNtsa - aims to promote and develop the eMobility industry in South Africa. The uYilo team won the University's prestigious Innovation Excellence Project Award for 2018.

Prof Paul Watts received the Innovation Excellence Award at the 2018 Nelson Mandela University Research and Engagement Awards function. Prof Watts joined our University in 2013 to hold the distinguished position of 'Research Chair in Microfluidic Bio/Chemical Processing'. He is managing a group of approximately 30 researchers and has published over 120 highly cited papers.

7.4 EXCELLENCE IN ENGAGEMENT

This has been a successful year in terms of hosting national and regional conferences, colloquia and exhibitions. Many of these had a focus on discipline-specific teaching and learning. Some examples in this regard are:

- **Arts:** hosted Being Human(e) in the 21st Century in August and Leading the Humanities in a Connected World which was hosted with South African Humanities Deans Association/NIHSS in October. Other highlights included School of Media and Design's multi-modal Graduate Exhibition at Bird Street and the Human Origins Exhibition of the Architecture School. During the week of 8 – 11 October, the Faculty of Arts hosted a student activist and PhD candidate from Leeds University, who is also a leader of the 'Why is my curriculum white?' initiative at Leeds University. This formed part of an initiative that challenges the racist colonial education at British universities. Various events were hosted to engage with decolonisation of the academic project.
- **Business and Economic Sciences:** In partnership with the Ray Mhlaba Skills Training Centre (Eastern Province Child and Youth Care Centre) the faculty offers training to the public at no cost.

- **Education:** The Centre for Community Schools supports various schools in the Nelson Mandela Bay Metro and Cala District, providing interventions to promote wellness among principals and teachers, developing safety and security plans for schools, and engaging learners on issues related to bullying and intolerance. The Manyano Network has been extended to 14

schools across the Metro (11 primary and 3 high schools) to set up school-based support teams, establish reading and mathematics clubs, and provide support to school governing bodies. Dr Bruce Damons, Director of the Centre for the Community School a R1.8 million NRF Community Engagement grant to conduct a project on "School Improvement: A Collaboratively Constructed Framework of Schools as Beacons of Hope".

• Engineering, Built Environment and Information Technology:

The Centre for Community Technologies (CCT) has grown exponentially since its establishment in 2014. The CCT's agile, innovative solutions for a wide range of projects in the Eastern Cape, South Africa and several other African countries have attracted global partners, including Glasgow Caledonian University, and funding from global organisations, such as the European Union and UNICEF. Tuberculosis (TB) and GeoMapping is an application being developed by CCT to assist the Department of Health to better monitor and manage TB patients in the Nelson Mandela Bay Metro as well as curb the spread of TB. GeoMapping registers the GPS location of patients with drug-susceptible TB in the Nelson Mandela Bay Metro using the built-in GPS capability of their mobile phone, and heat maps are then generated to indicate where these patients are moving around in the community and beyond.

- **Health Sciences:** KaziBantu is the continuation of the Disease, Activity and Schoolchildren's Health (DASH) study, led by Prof Walter and Professor Uwe Pühse from the Department of Sport, Exercise and Health at the University of Basel, Switzerland, in collaboration in collaboration with the CCT to conduct research on children's health in poorly resourced schools and the effect of common infections and malnutrition on their growth and learning ability. Their research showed that children infected with worms and parasites as well as children who do not received treatment or proper nutrition, experience growth and learning problems, including stunting and lower attention levels. The project is now expanding to include ICT-enabled tools for the children that contains a range of easy to use programmes, including physical fitness games, moving-to-music, and health, hygiene and nutrition education lessons. The KaziKidz portal is an ICT-enabled educational and instructional tool for primary school teachers, aimed to encourage children to lead healthier lives through the fun content, games, activities and music on the tool. The CCT has also developed the KaziHealth application for the teachers at the participating schools, many of whom are

The University is endeavouring to expand its footprint in Africa through: partnerships linked to research; formal institutional partnerships; and postgraduate doctoral student enrolments, as reflected below.



suffering from stress-related issues and non-communicable diseases such as hypertension and diabetes. All the teachers participating in KaziBantu project are given a full physical examination by the biokineticists at our University and the results are captured electronically. The teachers use the application to manage their risks by following the tips given on the application as well as engaging with applications that guide them in nutritional habits and physical activity, and managing stress. They also have face-to-face coaching sessions with members of the KaziBantu team.

'Using Indigenous knowledge as a tool for curriculum transformation and Africanisation in deepening the science of democracy' where he highlighted the need for curriculum transformation and Africanisation. He provided examples of how rural communities are crafting ways of surviving climate change using science as is obtained through experiential learning.

A summary of other scholarly events (eg. seminars, public lectures, conferences) hosted by the University is available as supplementary information.

7.5 INTERNATIONALISATION

With the Internationalisation Policy of DHET about to be made official, there is the opportunity for our University to enter into strategic partnerships with international partner universities, in offering joint degrees. The Office for International Education has drafted an Internationalisation and Global Engagement Policy, which is currently under discussion in faculties.

The policy will have a major focus on expanding meaningful academic and research linkages with other Universities across the African continent and the global South. To this end, focus will be placed on postgraduate (Masters and Doctoral) research degrees to enhance our research collaboration with foreign institutions and our ability to attract research funding from foreign donors and foundations.

Professor Sibongile Muthwa
Chairperson: Senate

- **Law:** The faculty continues to provide free services to the socioeconomically disadvantaged communities within the Metro via our Law Clinic as well as our Refugee Rights Centre. The Centre was formally established in June 2010 and focus on Refugee Rights and Refugee protection in the Eastern Cape. It seeks to educate and inform refugee and local communities as well as public service providers about the rights and responsibilities of refugees and the obligations of Government departments in terms of the Refugee and Immigration Acts specifically, and the Constitution of South Africa and international legislation in general.
- **Science:** National Science Week Symposium, themed "Deepening our democracy through science" was hosted by us on the 18th of July 2018. The event formed part of the pre-National Science Week activities leading up to "The Road to Mvezo". The symposium was held at the start of our institutional centenary year celebrations, celebrating 100 years of Madiba. The keynote speaker, Prof Amos Saurombe from UNISA, presented a thought-provoking lecture titled:

8 INSTITUTIONAL FORUM REPORT



The Institutional Forum (IF) is a statutory body devised by official proclamation and promulgation of the Higher Education Act 1997. In 2018, the Institutional Forum undertook the following activities:

- IF supported the recommendation to Council to appoint Dr Fraser-Moleketi as Chancellor.
- IF supported the recommendation to appoint a candidate to the position of Deputy Vice-Chancellor: Institutional Support on a five-year fixed term contract.
- IF supported the motivation to appoint a candidate to the post of Senior Director: Human Resources on a five-year fixed term contract.
- IF evaluated the insourcing process of employees according to the Council directive and resolved to support the process as presented by the DVC: Institutional Support.
- IF considered Employment Equity (EE) Reports, noted the breakdown of statistics relating to differently abled staff, and reasons for not achieving the employment equity targets. IF noted with concern, the institution's inability to meet its equity targets, particularly the academic staff.
- IF considered the Gender/Sexual Violence Report and noted:
 - o That the current system responsible for reporting gender and sexual violence and harassment complaints was under review, and it had been identified as a risk.
 - o The feedback on the challenges relating to gender/sexual harassment and violence which included, among others: budget allocation, clarity regarding implementation of the Sexual Harassment Policy and awareness within the University.
 - o That consultation with the request for provision of guidance on an effective process for giving input to the Sexual Harassment Policy was in progress.
- IF considered the BBBEE policy and noted that:
 - o The feedback that the proposed amendments were an endeavour to bring the Policy in alignment with legislation.
 - o The challenges in improving the University BBBEE status.

IF resolved that the proposed amendments to the BBEEE policy be recommended to Council as part of the consultation process.

- IF considered the EE Five-Year Plan: 2017-2022 and noted the philosophy used in establishing the EE Plan which was highlighted as follows:
 - o Use of the national Economically Active Population (EAP) as the ultimate target, in consideration of the Eastern Cape EAP for the Port Elizabeth and George campuses.
 - o The University will use every appointment opportunity to improve the equity profile of the University. Promotions, natural attrition, recruitment and selection will be key factors in promoting and achieving EE at Nelson Mandela University.
 - o The targets established in terms of the EE Plan are ambitious and serve to inspire managers to improve the equity status of the University.
 - o The barriers and affirmative action measures envisioned in terms of the Plan were considered in line with a template provided by the Department of Labour. The identified measures required action from the Human Resources Department and any budgetary implications would be referred to MANCO for approval.
 - o The challenges in meeting targets in both academic and PASS employees were highlighted in specific occupational levels and possible measures to address these were noted.
 - o The comments relating to EE issues at the George Campus and alignment of the University targets to succession planning and growing our 'own timber'.
- The IF also considered a standing item concerning the implementation of the Higher Education Act 101 of 1997 at Nelson Mandela University. The forum resolved to request the SD: IP to facilitate a presentation on the issue, with a view to assisting IF to develop an informed opinion of how the Act was being implemented at Nelson Mandela University and provide a basis for discussion and possible advice to Council on the implementation thereof.

Professor Winston Shakantu
Chairperson: Institutional Forum

9 REPORT ON INTERNAL ADMINISTRATIVE/ OPERATIONAL STRUCTURES AND CONTROLS

Nelson Mandela University maintains a system of internal controls that govern business processes, using ICT where possible. Such systems are designed to support the responsible pursuit of the University's business objectives in an efficient, effective and compliant manner. Council, through the ARC, is responsible for the governance of systems of controls in respect of the University's financial and non-financial processes. Management is responsible for the implementation of effective, efficient, economical and compliant internal controls.

Internal audits are performed by an in-house Audit and Risk Management department (ARM) which reports functionally to the ARC and administratively to the Vice Chancellor. The Audit and Risk Management (ARM) department which performs governance, risk and control related audit activities in the form of primary audits, special purpose audits and consulting engagements, as approved in the Internal Audit Charter.

Risk-based audit plans are presented to the ARC for approval. The main factors considered in developing the internal audit plan are the key risk areas per the risk schedules, the requirements of management and the ARC, taking into account available resources. Audits can also be initiated due to fraud attempts,

misconduct or other breaches of laws or the University's policies and rules.

The ARC monitors the progress of planned audits and ensures that the reported controls deficiencies are appropriately and timeously addressed by management. Audit and assurance requirements are met through application of the combined assurance model.

Reports are produced summarising the results from each audit performed, which are distributed to the responsible managers for the activities concerned. These reports also provide evidence to support the annual evaluation by management of the overall operating effectiveness of the internal controls.

Based on reports presented by assurance providers on the assessment of financial and non-financial controls, the ARC is satisfied with management's remedial plans to address identified internal controls weaknesses.

The Senior Director: ARM resigned in February 2018 and the position was vacant as at 31 May 2018. Ms O van Zyl has been acting as Senior Director: ARM from 1 June 2018.

Ms Maureen Manyama
Chair: Audit and Risk Committee

Ms Odette van Zyl
Acting Senior Director: ARM



10 REPORT ON RISK EXPOSURE ASSESSMENT AND MANAGEMENT

Nelson Mandela University risk management processes are aligned to and support the responsible pursuit of the University's strategic objectives as outlined in Vision 2020. The ARC, on behalf of Council, is responsible for the governance of risk. MANCO, with the support of the Risk Management Committee, is responsible for the implementation of an effective and responsible system of risk identification, risk assessment and appropriate risk management.

The University's ARM department is responsible for administration of the risk management framework. The annual risk assessment process culminates in the preparation of departmental and faculty risk registers, which, once completed, inform the Institutional Top Risks Report. The ARC and Council review the progress of risk mitigation plans on a quarterly basis to ensure alignment with the University's strategic objectives.

During the year, the University's top ten risks included the services reintegration and business-modelling project and Medical School Programme. Given the significance of these projects to the operational environment and related financial implications, the risks were updated and mitigating plans were identified to address these risks. Issues related to financial sustainability, emerging risks in the sector, transformation and campus security continued to receive due focus.

Council identified human capital management and labour relations as a key risk facing the Institution. The Human Resources department developed and implemented risk mitigation procedures, which are being monitored by Council on a continuous basis.

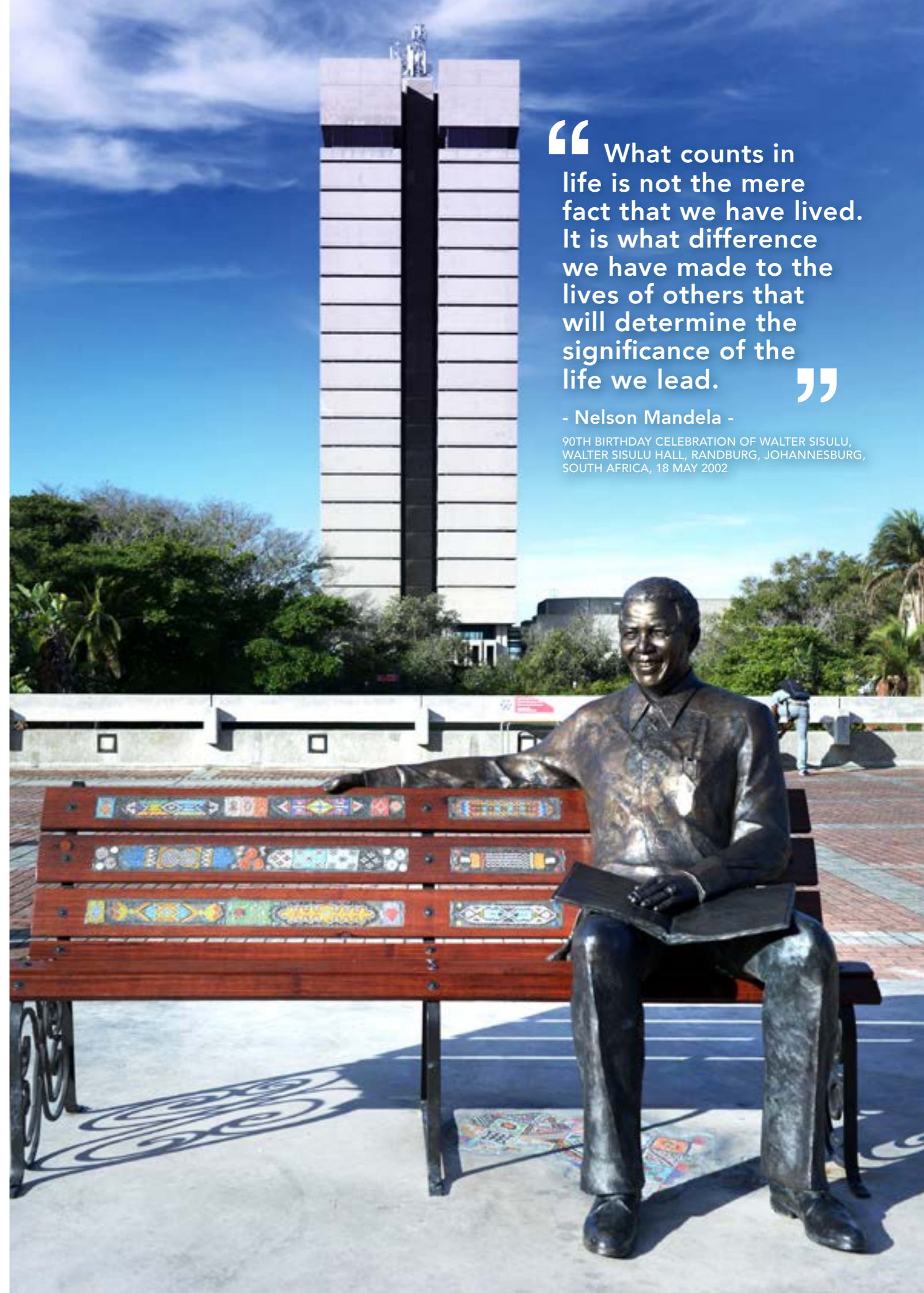
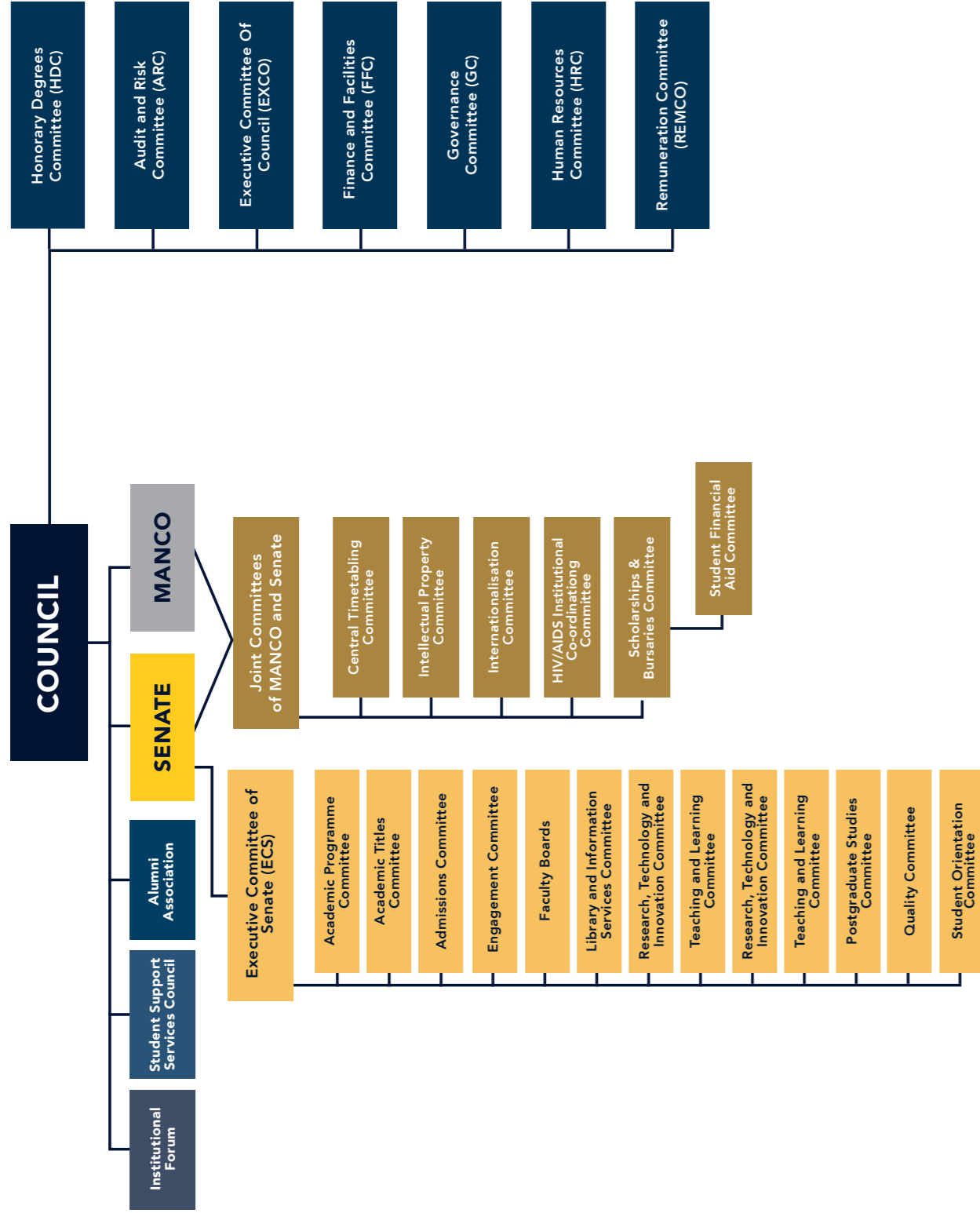
At year-end, the ARC was satisfied with the University's risk management processes applied to identify, evaluate and respond to material risks impacting the University's sustainability.

Ms Maureen Manyama
Chair: Audit and Risk Committee

Professor Sibongile Muthwa
Vice-Chancellor



COMMITTEES OF COUNCIL AND JOINT COMMITTEES OF COUNCIL AND SENATE



“ What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead. ”

- Nelson Mandela -

90TH BIRTHDAY CELEBRATION OF WALTER SISULU, WALTER SISULU HALL, RANDBURG, JOHANNESBURG, SOUTH AFRICA, 18 MAY 2002

11 REPORT OF THE NELSON MANDELA UNIVERSITY AUDIT AND RISK COMMITTEE



The ARC assists the Council in discharging its mandated oversight responsibilities in respect of financial reporting, risk management, internal controls, ICT governance, compliance, assurance, fraud management and the Annual Report. The ARC reports to the Council and engages with the FFC and other committees, as necessary.

The ARC comprises five independent, non-executive members, all representing historically disadvantaged persons, including three females. The Committee members contribute a relevant range of financial, commercial, legal and public sector experience and skills. At the Council meeting of 11 December 2018, Council resolved that the ARC's membership be increased to seven members as from 2019.

During the year, the ARC carried out its mandated responsibilities in alignment with its Council-approved charter and annual work plan. In the execution of its duties, the Committee had unrestricted access to required information and/or to relevant sources of information, including technical guidance from independent advisors and/or experts where required.

The Committee undertook the following activities during the year under review:

- Reviewed the audited financial statements that were

prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the DHET and, together with the FFC, recommended that the reports be adopted by Council;

- Considered the reported findings presented by the internal and external assurance providers in respect of the University's system of financial controls, ICT governance controls and internal controls as well as management's corrective action plans in response to material findings and, where necessary, made recommendations to Council;
- Addressed any arising concerns or complaints relating to the following:
 - Accounting policies;
 - Internal audit;
 - The auditing or content of annual financial statements;
 - Internal financial controls;
 - Fraud and irregularities.
- Evaluated and assessed the effectiveness of the internal audit function, which is undertaken by the the University's ARM department, and provided input to the annual performance assessment of the Senior Director: Audit & Risk Management;

- Confirmed the internal audit plan, monitored progress thereon and considered the sufficiency of internal audit resources;
- Reviewed the annual risk management reports and quarterly update reports and, where relevant, made recommendations to Council;
- Evaluated the effectiveness of risk management, controls and the governance processes;
- Verified the independence of the external auditors,
- Obtained Council and the Auditor General's approval for the appointment of SAB&T as the external statutory auditors and Ernst and Young as the certification auditors for the period December 2017 to December 2021;

- Approved the audit fees and engagement terms of the external auditors;
- Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditors;
- Fulfilled its ICT governance objectives through monitoring the ongoing relevance of the ICT strategy in relation to emerging operational requirements, technological developments and ICT risks;
- Considered information pertaining to incidents of potential reputational risk and/or legislative and regulatory compliance risk; and
- Collectively evaluated the performance of the ARC and its members against its mandated objectives.

ARC meeting attendance

Four meetings were held during the year and ARC member attendance is summarised in the table below:

ARC ATTENDANCE MEMBERS (term)	7 March 2018 (cancelled)*	6 June 2018	5 September 2018 (cancelled)*	7 November 2018 (inquire)
Ms M Manyama ¹ (Chairperson) (2017.07.01 – 2021.06.30)		✓		✓
Ms H Adams-Abader (2017.10.17 – 2020.10.16)		✓		Apology
Mr L Billings (2016.07.01 – 2019.06.30)		✓		✓
Mr M Mawasha ² (2014.07.01 – 2018.06.30)		✓		Term of office expired 6 June 2018
Adv L Ntsepe (2016.07.01 – 2019.06.30)		Apology		Apology

¹Ms M Manyama was elected ARC Chairperson on 13 October 2017

²The re-appointment of Mr M Mawasha was approved by Council on 11 December 2018

*In spite of these meetings being cancelled, the documents were considered and approved by electronic round robin by the members of the Audit and Risk Committee for onward submission to Council

In addition to the Committee members, the following representatives are standard invitees to the ARC meetings:

- The Auditor General of South Africa;
- The University's external auditors;
- MANCO members including the Vice-Chancellor, the DVC: Institutional Support, the ED: Finance and ED: Human Resources; and
- Advisory MANCO/EMANCO members including the Registrar, Chief Information Officer and SD: Audit & Risk Management

- Expertise and experience of the Executive Director: Finance

The ARC has satisfied itself that the Executive Director: Finance, Mr Michael Monaghan, has appropriate expertise and experience. Mr Monaghan was appointed as the Executive Director: Finance with effect from 1 January 2016.

Ms Maureen Manyama
Chairperson: Audit and Risk Committee

12 ANNUAL FINANCIAL REVIEW



COUNCIL'S STATEMENT OF RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Council is responsible for the preparation, integrity and fair presentation of the financial statements of the Nelson Mandela University. The financial statements, presented on pages 62 to 66, have been prepared in accordance with IFRS and as required by the Minister of Higher Education and Training in terms of section 41 of the Higher Education Act (No. 101 of 1997), as amended. The financial statements include amounts based on judgements and estimates made by Management.

The Council also prepared the other information included in the Annual Report and is responsible for both its accuracy and consistency with the financial statements.

Approval of the Consolidated Financial Statements

The consolidated financial statements on pages 62 - 66 were approved by the Council of the Nelson Mandela University on 21 June 2019 and signed on its behalf by:

The going concern basis has been adopted in preparing the financial statements. Council has no reason to believe that the the University will not be a going concern based on forecasts, reasonable assumptions and available cash resources. The current viability of the the University is supported by the financial statements.

The financial statements have been audited by the independent audit firm, Nexia SAB&T, who were given unrestricted access to all financial records and related information, including minutes of meetings of the Council and relevant sub-committees.

The Council believes that all representations made to the independent auditors during their audit were valid and appropriate.

Ms N January-Bardill
Chair of Council

Prof S Muthwa
Vice-Chancellor

FINANCIAL OVERVIEW OF THE 2018 FINANCIAL YEAR

GOVERNANCE AND CONTROLS

The financial statements have been prepared in accordance with the DHET reporting requirements for Higher Education, and the accounting policies comply in all material respects with IFRS. The Nelson Mandela University is committed to good corporate governance and sound financial management.

The consolidated annual financial statements for 2018 cover all activities of the university, which include audited results of the Nelson Mandela University Trust, companies and other partnerships where the university exercises control. The activities of the Trust are governed by the provisions of the Trust deed and an independent board of trustees. These consolidated financial statements provide a complete and comprehensive overview of the operations and financial position of the University.

BUDGETING PROCESS

Through the annual and three year rolling budget directives, the University strives to optimally resource the academic project, operations, infrastructure and support services at optimal levels while driving strategic initiatives and growth areas in a sustainable manner. A surplus from Council-controlled recurrent operations, before finance income, is budgeted. Finance income is utilised to grow reserves, seed new initiatives and strategy. The University's budget is based on an Institutional Resource Allocation Model that allocates high level block allocations of resources per funding category and activity i.e. Strategic Allocations, Academic Staffing Allocations, CAPEX, Bursaries and other expenses that are further distributed via budgetary processes and allocation models. These processes are performed by various committees

Mr A L Biggs
Chairperson: Finance & Facilities Committee

that are representative of directorates within the the University to ensure inclusivity of stakeholders.

These committees allocate funds based on models and processes informed by Vision 2020, strategic plans and Council's performance objectives. A three-year Annual Performance Plan, cash flow and reserves accumulation plan supports the budget as to monitor and evaluate future sustainability.

HIGHER EDUCATION AND TRAINING ENVIRONMENT

Higher Education and Training as a national priority receives a significant portion of the national annual budget. There has been a significant increase in funding to public universities since 2015, including the funding allocated for NSFAS-qualifying students and roll out of fee free higher education.

This has assisted universities in responding to the capping of fee increases, providing debt relief concessions to academically deserving students in financial need, and the re-integration of certain outsourced contracts, which has affected the financial sustainability of institutions.

Additional funding injected into the sector has occurred within a constrained national and global economy, with a national fiscus that is under pressure. As the University is still heavily reliant on fees and subsidy, a resource mobilisation strategy has been developed to contribute to the sustainability of the University.

The future of the higher education funding framework in South Africa has a significant impact on financial planning within the sector.

Mr M R Monaghan
Executive Director: Finance



OVERVIEW OF 2018 FINANCIAL POSITION

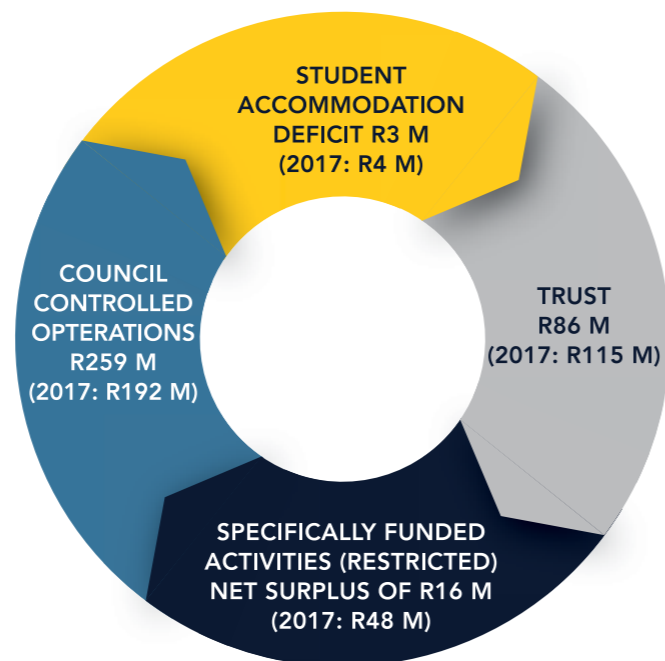
Financial sustainability remains a challenge for the Higher Education Sector, striving to contribute to national objectives in difficult economic trading conditions.

The University once again posted positive results during the year under review. Short-term austerity measures, additional operational subsidy, better than projected cash flow and resultant finance income, as well as the reduction in the cost of

debt relief concessions for academically deserving but financially needy students, now funded through the NSFAS programme, contributed to better than expected results.

A financial sustainability plan has been embarked on to ensure that in the medium to long term, the recurrent cost structures are financed from recurrent revenue streams excluding finance income, and that earmarked reserves for funding five-year capital maintenance, replacement of teaching and research equipment and IT infrastructure plans are maintained.

STATEMENT OF COMPREHENSIVE INCOME REFLECTS A CONSOLIDATED SURPLUS OF R358 M (2017: R341 M) AFTER OTHER COMPREHENSIVE INCOME



The statement of comprehensive income reflects a consolidated surplus of R358 million (2017: R341 million) after other comprehensive income, of which Council-controlled operations amounted to R259 million (2017: R192 million), Student accommodation deficit R3 million (2017: R4 million surplus) and the Trust R86 million (2017: R115 million). Specifically funded activities (restricted) realised a net surplus of R16 million (2017: R48 million).

The consolidated surplus before other comprehensive income and finance income amounts to R164 million (2017: R197 million), of which Council controlled operations amounted to R111 million (2017: R80 million).

The re-measurements of post retirement obligations and revaluation of investments to market value disclosed under other comprehensive income has reduced consolidated net surplus by R5 million (2017: R23 million).

FINANCIAL INDICATORS 2015 - 2018	2018	2017	2016	2015
Council-controlled :- State support income (State appropriations /total recurrent income)	48.15%	47.89%	47.57%	44.68%
Council-controlled :- Own funding as % income (Other income/total recurrent income)	51.84%	52.11%	52.43%	55.32%
Council-controlled :- Staff cost as % total recurrent expenses - Total Staff costs (Council-controlled - AFS) /Recurrent expenditure (Council-controlled)	60.87%	63.77%	59.00%	58.62%
Council-controlled :- Staff cost as % total recurrent income - Total Staff costs (Council-controlled - AFS) /Recurrent income (Council-controlled)	53.71%	56.69%	56.96%	54.56%
Council-controlled :- Net surplus as % including finance income	11.76%	11.12%	3.47%	6.92%
Council-controlled :- Net surplus as % excluding finance income	5.12%	4.25%	-3.37%	1.27%
Student debt ratio :- Student Debtors before provision for doubtful debt/Total Tuition & Other Fees	22.35%	17.64%	21.81%	12.17%
Short Term Liquidity ratio (current assets/current liabilities)	10.23	8.28	7.31	8.36
Sustainability ratio (Council-controlled reserves only) (Council-controlled reserves / annual recurrent expenditure on Council-controlled expenditure)	0.62	0.46	0.26	0.18
Sustainability ratio (Total NMU reserves) Total NMU reserves / annual recurrent expenditure	1.63	1.29	1.08	1.19
Post-retirement Liabilities (balance sheet)	R68 m	R61 m	R35 m	R23 m

The institutional financial indicators show that the University has maintained a relatively healthy financial position.

The statement of financial position reflects an increase in total assets of R706 million with equity funds increasing by R477

million and total liabilities by R229 million, mainly due to deferred income on Government grants for infrastructure. Retirement benefit obligations increased by R6 million and now amounts to R68 million. The liquidity position is sound as indicated by the liquidity ratio.

STATEMENT OF CHANGES IN FUNDS

TOTAL EQUITY	R2 648 208 m	R3 125 482 m
PROPERTY PLANT AND EQUIPMENT FUND	R1 235 057 m	R1 251 019 m
RESIDENCE FUNDS RESTRICTED	R22 329 m	R12 226 m
RESTRICTED USE FUNDS	R613 501 m	R667 718 m
COUNCIL UNRESTRICTED FUNDS	R777 321 m	R1 194 519 m

The consolidated statement of changes in funds indicates that Restricted use funds increased to R667 million (2017: R613 million), Residence funds decreased to R12 million (2017 R22 million), while Council unrestricted funds increased to R1 194 million (2017: R777

million) of which the General Reserve is R735 million. We would like to thank the Council, the FFC and the ARC, and Audit & Risk Committee for their guidance and commitment to the financial sustainability of the University.

Mr D MacLean
Chairperson: Finance & Facilities Committee

Mr M R Monaghan
Executive Director: Finance



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2018

	2018 R'000	2017 R'000
ASSETS		
Non-current assets	1 717 566	1 734 460
Property, plant and equipment	1 532 259	1 523 283
Investments	185 307	211 177
Current assets	3 036 913	2 313 085
Inventories	3 480	2 833
Trade, other receivables and contract assets	363 794	255 380
Short-term investments	2 560 504	1 939 000
Cash and cash equivalents	109 135	115 872
Total assets	4 754 479	4 047 545
EQUITY AND LIABILITIES		
Equity funds	3 125 482	2 648 209
Property plant and equipment	1 251 019	1 235 057
Restricted use funds	679 944	635 830
Student Residence Funds	12 226	22 329
Other	667 718	613 501
Unrestricted use funds – Education and General	1 194 519	777 321
Non-current liabilities	1 332 111	1 117 388
Interest-bearing borrowings	35 621	39 603
Retirement benefit obligations	68 261	61 321
Accumulated leave liability	84 992	81 538
Long service award accrual	4 393	4 379
Deferred income and contract liabilities	1 138 844	930 547
Current liabilities	296 886	281 949
Accounts payable, accrued liabilities and contract liabilities	280 356	265 881
Accumulated leave liability	2 057	2 692
Current portion of borrowings	14 473	13 376
Total equity and liabilities	4 754 479	4 047 545

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

at 31 December 2017

	2018					2017
	Council controlled unrestricted R'000	Specifically funded activities restricted R'000	NMU Trust restricted R'000	SUB-TOTAL R'000	Student & employees accommodation unrestricted R'000	TOTAL R'000
TOTAL INCOME	2 171 229	263 900	97 041	2 532 171	132 940	2 411 176
RECURRENT ITEMS	2 170 923	263 909	97 041	2 531 873	132 940	2 411 126
State appropriations	1 045 346	-	-	1 045 346	20	907 588
Tuition and other fee income	715 334	-	-	715 334	126 616	745 304
Income from contracts for research	-	111 793	-	111 793	-	99 848
Sales of goods and services	56 123	7 164	-	63 286	6 285	68 675
Private gifts and grants	210 065	94 733	91 634	396 432	19	421 631
Finance income	144 054	50 219	5 408	199 681	-	168 081
NON-RECURRENT ITEMS	306	(9)	-	297	-	50
Profit/(Loss) on disposal of PPE	306	(9)	-	297	-	50

TOTAL EXPENDITURE	1 915 951	247 809	691	2 164 450	136 591	2 301 041
Personnel	1 166 178	58 502	-	1 224 680	45 379	1 158 871
Academic professional	535 361	30 657	-	566 017	-	566 017
Other personnel	627 983	27 846	-	655 829	45 379	701 208
Accumulated leave accrual	2 820	-	-	2 820	-	2 820
Long service award accrual	14	-	-	14	-	14
Other current operating expenses	702 874	189 307	691	892 872	83 366	976 237
Depreciation	43 972	-	-	43 972	4 145	48 117
Finance costs	746 847	189 307	691	936 844	87 510	1 024 354
	2 926	-	-	2 926	3 701	6 627
NET SURPLUS / (DEFICIT)	255 278	16 091	96 351	367 721	(3 651)	364 069

OTHER COMPREHENSIVE INCOME						
Remeasurements - retirement healthcare obligation	6 547	-	-	6 547	6 547	
Remeasurements - pension fund obligation	(1 895)	-	-	(1 895)	(1 895)	
Revaluation of investments to market value at year end	-	-	(10 244)	(10 244)	(10 244)	
	4 652	-	(10 244)	(5 592)	(23 505)	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	259 930	16 091	86 107	362 128	(3 651)	358 477

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

at 31 December 2018

	General Reserve Fund R'000	Accumulated Fund R'000	Council Unrestricted Funds Sub-total R'000	Contract/Private Funds Restricted Use R'000	NMU Trust/Funds Restricted Use R'000	Other Funds Restricted Funds Restricted Use R'000	Restricted Use Funds Subtotal R'000	Residence Funds Restricted R'000	Property, Plant and Equipment Fund R'000	TOTAL R'000
Balance at 1 January 2018	458 636	318 685	777 321	55 591	186 275	371 636	613 501	22 329	1 235 057	2 648 210
Net surplus	224 218	31 060	255 278	16 091	96 351	-	112 443	(3 651)	-	364 069
Other comprehensive income	4 652	-	4 652	-	(10 244)	-	(10 244)	-	-	(5 592)
Other additions	103 761	114 870	218 631	-	4 673	-	4 673	168	47 915	271 387
Funds utilised	(33 449)	-	(33 449)	(300)	(112 222)	-	(112 522)	(6 619)	-	(152 591)
Transfers – credit	163 776	3 057	166 832	-	-	162 756	162 756	-	20 079	349 668
Transfers – debit	(185 892)	(8 854)	(194 746)	(37 074)	-	(65 815)	(102 889)	-	(52 032)	(349 668)
Balance at 31 December 2018	735 702	458 817	1 194 519	34 308	164 832	468 577	667 718	12 226	1 251 019	3 125 482
Balance at 1 January 2017	158 660	312 862	471 522	133 069	191 012	356 027	680 108	21 279	1 141 548	2 314 458
Net surplus	197 767	12 923	210 691	48 070	101 908	-	149 978	4 786	-	365 454
Other comprehensive income	(18 467)	-	(18 467)	-	(5 038)	-	(5 038)	-	-	(23 505)
Other additions*	68 224	-	68 224	-	18 221	-	18 221	-	176 291	262 736
Funds utilised	(230 061)	-	(230 061)	(32 440)	(4 698)	-	(37 138)	(3 736)	-	(270 935)
Transfers – credit	350 533	-	350 533	-	-	33 715	33 715	-	34 306	418 554
Transfers – debit	(68 021)	(7 101)	(75 121)	(93 108)	(115 130)	(18 106)	(226 344)	-	(117 088)	(418 554)
Balance at 31 December 2017	458 636	318 685	777 321	55 591	186 275	371 636	613 501	22 329	1 235 057	2 648 209

* Internal and external loan redemptions. Savings on funds received from DHET (2018 only). Surplus on NSFAS funds. NSFAS receivable and payable. Trust reserve fund adjustments.

CONSOLIDATED STATEMENT OF CASH FLOWS

at 31 December 2018

	2018 R'000	2017 R'000
Cash flow from operating activities		
Cash generated by operations	219 074	264 079
Interest received - short term	194 273	161 481
Net cash inflow from operating activities	413 347	425 560
Cash flow from investing activities		
Interest received	2 565	3 949
Dividends received	2 843	2 651
Purchase of property, plant and equipment (own funds)	(30 848)	(178 006)
Disposal of property, plant and equipment	351	3 168
Purchase of short-term investments	(621 504)	(538 000)
Proceeds from investment portfolio at cost	27 722	15 546
Increase/(decrease) in deferred income	208 300	251 779
Net cash outflow from investing activities	(410 571)	(438 914)
Cash flow from financing activities		
Finance costs	(6 627)	(5 911)
Repayment of interest-bearing borrowings	(2 885)	(8 746)
Net cash outflow from financing activities	(9 513)	(14 657)
Decrease in cash and cash equivalents	(6 736)	(28 012)
Cash and cash equivalents at beginning of year	115 871	143 882
Cash and cash equivalents at end of year	109 135	115 871



COUNCIL 2018



Mr D Argyrakis



Prof C Arnolds



Dr C Beck-Reinhardt



Mr A Biggs



Mr K Blose



Dr J Govender



Mr L Hashatse



Ms N January-Bardill



Ms HB Khan



Prof A Leitch



Mr D MacLean



Ms M Manyama



Dr N Maphazi



Mr B Matiwane



Ms M Mbaco



Mr S Mdani



Mr S Mhlaluka



Dr M Moeng



Mr L Mosana



Prof S Muthwa



Mr R Piyose



Ms L Roodt



Prof W Shakantu



Rev M Sibeko



Prof M Singh



Mr S Somdyala



Adv B Tlhakung



Ms Z Tshefu



Prof D van Greunen



Prof D Zinn