

2. REPORT OF THE CHAIRPERSON OF COUNCIL

2.1 Introduction

This report is the means whereby MUT's Council, through its Chairperson, has discharged part of its statutory duty to account for its actions and achievements in the governance of MUT during January to December 2017. The report reflects the effect of decisions and actions taken during the above period and the influence of those decisions and actions. Furthermore, the report reflects on the effect that those decisions would have on MUT in future and the relationship between those decisions and actions. The articulated mission, strategies, objectives, and plans of MUT have been indicated in the report.

The most important governance-related decisions that were taken by MUT's Council in 2017 were the following:

- The decision to request DHET to appoint an Independent Assessor to examine governance issues at MUT and especially the role of Council in governance;
- The establishment of an additional Council Committee (the Student Affairs Committee);
- The reconstitution of Council Committees and the changing of some of the names of those committees in order to improve effectiveness and efficiency;
- The adoption of a revised Code of Conduct for Council members;
- The decision to subject all executive managers to performance evaluation by Council;
- A resolution that the Executive Committee of Council (EXCO) cannot take major decisions, and that all major decisions should be taken to Council before implementation;
- The selection and approval of new Council members based on particular fields of expertise relevant to the University;
- Resolution that the Chairperson and Deputy Chairperson of Council should no longer be chairpersons of any of Council's sub-committees nor members of the sub-committees;
- Approval of the reinstatement of MUT's Delegation of Authority Policy and Schedules;
- Approval of the revision of the charters of all Council committees in order to ensure the effectiveness of those committees;
- Approval of the procedure for the election of the Chairperson and Deputy Chairperson of Council.

The above decisions and approvals by Council and their impact on the governance of MUT are in accordance with the King III principles of ethical governance and with MUT's Vision, Mission and Values such as integrity and accountability. Furthermore, goal 7 in MUT's Strategic Plan 2015 - 2019, reads as follows: "Promote good governance and management principles at MUT".

In addition to the above Council decisions and their outflows, Council has executed its normal fiduciary duties as prescribed in MUT's Statute. Below is a summary of the governance duties which Council has executed in the course of 2017. Some of these duties will be elaborated on in the Council reports that follow:

- Effective ethical leadership;
- Governance of risk;
- Governance of Information Technology;
- Compliance with laws, codes, rules and standards;
- Governing stakeholder relationships (workers, students and other stakeholders);
- Remuneration of Councillors, dealing with the policies, appraisals and amounts;
- Operational matters;
- Sustainability;
- Financial reporting; and
- Performance reviews.

2.2 Effective Ethical Leadership and Corporate Citizenship

The Code of Ethics commits a public higher education institution to the highest standards of integrity, behaviour, and ethics in dealing with all its stakeholders, including its Council members, managers, employees, students, customers, suppliers, competitors, donors and society at large. Council members and staff are expected to observe the institution's ethical obligations in order to conduct its business through the use of fair commercial competitive practices.

In the course of 2017 Council has acted in accordance with those ethical standards related to leadership and corporate governance.

2.3 Governance of Risk

Enhancing knowledge and innovation as well as implementing strategic development and goals will always have risks. Effective risk management increases the probability of successful outcomes, whilst protecting the reputation and sustainability of the University. At Mangosuthu University of Technology (MUT) Council is responsible for overseeing the total process of risk management.

The 2017 Risk Register was presented to Council for approval as recommended by the Audit, Risk and Compliance Committee. The risks identified in the Risk Register as well as the format used were noted and discussed and the required controls were put in place to mitigate those risks. Council has ensured the effective management and control of those risks throughout 2017.

2.4 Governance of Information Technology

In 2017 the Information and Technology strategy for MUT comprised the following main aims:

- To support education, teaching and learning to enhance the student experience;
- To support research and academic projects;
- To support the business by providing efficient and effective processes, enabled by well-designed, integrated information systems;
- People at the centre of IT provision: ITN will ensure that all members of the University are well supported, trained and equipped to fulfil their roles;
- To provide access to IT facilities for members of the University, wherever they are and whenever they need them;
- To provide excellent, responsive and resilient IT services for all members of the University;
- To establish clear funding and budgeting principles.

MUT has taken special care to ensure the effective and efficient governance of IT processes and activities in 2017.

2.5 Compliance with laws, codes, rules and standards

Throughout 2017 MUT Council has ensured that there were adequate and appropriate policies, processes and procedures to ensure that all MUT operations are conducted within the jurisdiction of South African laws, codes of conduct, rules and standards. Furthermore, Council has ensured, by means of MUT's established quarterly reporting system, that any transgressions of these laws, codes, rules and standards have been reported and appropriately addressed.

2.6 Governing Stakeholder Relationships (workers, students and other stakeholders)

In 2017 the University continued with various academic, social and health programmes to support students. These include the Pre-Tech programme for Engineering students, the four-year Extended Curriculum Programme for most of its diploma offerings, the Study Skills programme, the Students-at-Risk Programme, a one-on-one Counselling Service, the Peer Support Programme, the Sisterhood Programme for female students, the Pregnancy Resource Programme, the HIV Support Programme, and the Disability Programme.

As a University of Technology, MUT has established firm relationships with a number of industries in the Durban area and beyond. These relationships assist in providing Work Integrated Learning (WIL) opportunities for students and to find employment. In spite of the location of the University and the mainly disadvantaged backgrounds of its students, many of the students achieve success in the fields of Engineering, Natural Sciences, and Management Sciences and perform well at their places of employment.

Furthermore, MUT has continued to promote and maintain good relations with the Department of Higher Education and Training, the Council for Higher Education and various other government departments as well as various professional bodies such as ECSA and the HPSCA.

2.7 Sustainability

It is crucial for MUT's Council to ensure that MUT remains financially sustainable. It is for that reason, and in view of the huge financial demands placed on DHET as a result of the fees-must-fall demands from students, that Council has introduced strict austerity measures at MUT since 2016. Those austerity measures have been continued in 2017 and have helped to ensure a substantial reduction in wasteful expenditure at MUT in 2017. Furthermore, the austerity measures have ensured that MUT's financial matters were conducted with care and prudence. Council has ensured that there was a zero deficit budget approved for 2017 and that the university's expenditure remained within budget.

2.8 Financial Reporting

Council hereby confirms that it has established formal policies and frameworks for the design and implementation of the system of internal financial controls and that a review of internal financial controls has taken place. Furthermore, all annual financial reports from MUT were submitted for external audits before submission to DHET. Based on all these considerations, Council states that it found MUT's internal financial controls to be effective and reliable.