

WRITING-OFF OF ASSETS

Council considered and approved the proposal to write-off assets with a cost of R7 326 089.99, an accumulated depreciation of R7 173 344.07 and a net book value of R162 742.92. The assets were no longer in use as reflected in the presented schedule. They would be disposed of by inviting three companies to view the items and make offers on them. The disposal of assets written off would be by sealed bids. The highest offer would be accepted.

WRITING-OFF OF MR MABASO'S DEBT

Council considered and approved the writing-off of the debt of Mr Mabaso from the financial records as it was unlikely that it would be recovered. After it is written-off, the debt would be handed over to a debt collector to try and recover it at an agreed commission percentage of the funds recovered.

STUDENT DEBT

Council noted that the student debt was increasing every year as a result of non-payment of fees. As at 31 December 2014, the student debt amounted to R125 million. About 60% of MUT students are funded by NSFAS. Inadequate NSFAS funding contributes to the increase in the student debt.

Council deliberated on the means to reduce the escalating student debt and noted that in addition to handing over the student debt for collection there are mechanisms put in place by the University to compel students to settle outstanding amounts, for example, holding back certificates after students have completed their qualifications. Council noted with concern that the collection rate by Debt Tracker was low. Council requested that a strategy on the student debt should be submitted at the Council meeting in September 2015. Other options besides Debt Tracker should be explored.

2015 SRC BUDGET

Council considered the recommendation for approval of the 2015 SRC budget. In previous years the SRC budget had not been submitted to Council for approval, but was approved by the Finance Department. Council agreed that a quarterly SRC budget should be presented to Council. Council approved the 2015 SRC Budget amounting to R3 441 482.10.

2014 ANNUAL FINANCIAL STATEMENTS

Council considered and approved the unqualified audit opinion on the 2014 Annual Financial Statements as recommended at the joint meeting of the Finance & Remuneration Committee and the Audit & Risk Committee.

Council noted the Management Letter for the year ended 31 December 2014 as well as the Action Plan to address issues raised in the 2014 External Auditors' Management Letter. The Action Plan indicated actions taken to resolve issues raised.

APPOINTMENT OF PUBLIC OFFICER

Council considered and approved the appointment of the CFO as the University official to correspond with SARS regarding obtaining a tax clearance.

#FEES MUST FALL

Council received information regarding the fees must fall Campaign: that the DHET had committed to pay R39.540 million to MUT to cover the shortfall arising out of the by government's 'No Fee Increase in 2016' announcement, that Universities South Africa was working on plans to manage some of the potential fallout from the #FeesMustFall campaign at the beginning of 2016. As part of this plan, Universities South Africa, together with University Chairs of Council Forum, met with officials from the DHET to discuss matters of common interest.

EXTENSION OF THE TERM OF THE INTERNAL AUDITORS

Council considered and approved the extension of the existing internal auditors' contract upon expiry, for a period of not more than three months, pending the finalisation of the appointment of new internal auditors in terms of the procurement process.

Edu-Loan Bank Account

Council was informed of how the Edu-Loan bank account operates in providing loans to parents of students for study purposes. The account would be opened with the University's bankers, ABSA. This is one of the strategies to minimize the student debt. Council approved the opening of a separate bank account for Edu-Loan transactions.

EXECUTIVE COMMITTEE OF COUNCIL

The Chairperson highlighted the following crucial issues that members needed to think of strategies to deal with. He proposed that these items be discussed at a special Council meeting:

- Annual Financial Statements;
- Management Letter and issues raised by External Auditors;
- The Student debt – A detailed report on the student debt to date and to provide an indication of the extent to which the debt could be recovered;
- The DBSA loan – Management should prepare a business plan for the loan;
- Financial stability and viability of the Institution;