



ANNUAL REPORT

2020

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ABBREVIATIONS AND ACRONYMS

4IR	4 th Industrial Revolution
AFS	Annual Financial Statements
ALLU	Academic Language Literacy Unit
APC	Academic Planning Committee
APP	Annual Performance Plan
ARCC	Audit, Risk and Compliance Committee
BBBEE	Broad-Based Black Economic Empowerment
CE	Community Engagement
CFO	Chief Financial Officer
CHE	Council on Higher Education
COGTA	Cooperative Governance and Traditional Affairs
COVID-19	Coronavirus disease of 2019
DHET	Department of Higher Education & Training
DVC	Deputy Vice Chancellor
ECSA	Engineering Council of South Africa
EE	Employment Equity
EMC	Executive Management Committee
EPIC	End Poverty Innovation Challenge
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
Exco	Executive Committee of Council
FIC	Finance and Investment Committee
FTE	Full Time Equivalent
HEMIS	Higher Education Management Information System
HEQSF	Higher Education Qualifications Sub Framework
HR&D	Human Resources and Development
HRC	Human Resources Committee
IA	Internal Audit
IF	Institutional Forum
IFAWUE	Irregular, Fraudulent and Wasteful, Unauthorised Expenditure
IoT	Internet of Things
IP	Intellectual Property
IRDCE	Institute for Rural Development and Community Engagement
IT	Information Technology
IT&N	Information Technology and Networks
ITG	Information Technology Governance
ITS	Integrated Tertiary Software
KPI	Key Performance Indicator
LMS	Learning Management System
MSEU	Mathematics and Science Education Unit
MUT	Mangosuthu University of Technology
NGAP	New Generation Academics Programme
NGO	Non-Governmental Organisation

NQF	National Qualifications Framework
NRF	National Research Foundation
NSFAS	National Student Financial Aid Scheme
PPE	Personal Protective Equipment
PQM	Programme Qualification Mix
PRC	Planning and Resources Committee
RMC	Risk Management Committee
RMTLA	Remote Multimodal Teaching, Learning and Assessment
RMTLSSp	Remote Teaching and Learning Student Support Platform
SA	South Africa
SAC	Student Affairs Committee
SCM	Supply Chain Management
SET	Science, Engineering and Technology
SRC	Student Representative Council
TLDC	Teaching and Learning Development Centre
TPDU	Teaching Professional Development Unit
TVET	Technical Vocational Education and Training
USAf	Universities South Africa
VC	Vice-Chancellor
WC	Writing Centre
WIL	Work Integrated Learning

EXECUTIVE SUMMARY

The early recess, subsequent national lockdown and phased return to campus in response to the COVID-19 pandemic have interrupted conventional academic calendars at all South African universities; and at MUT these events resulted in the extension of the 2020 academic year into 2021. While the University has made concerted efforts to maintain continuity of teaching and learning during the lockdown period, many students struggled with remote learning. Students did not have access to internet, data and devices required for online learning. Academics too have had to adapt to different modes of instructional delivery and new pedagogical concepts, for which they required training. The pandemic has exposed the many inadequacies and inequities in the higher system – from access to broadband and computers, levels of digital literacy needed for online education, the types of living environments needed to support learning, funding, working from home for staff, etc.

Despite the challenges experienced and exacerbated by the pandemic in 2020, MUT continued in its endeavour to deliver on its mandate to advance quality teaching and learning, conduct cutting-edge research, and engage with the community at large. Preparations for remote work included the development of business continuity plans, scenario-planning, and reprioritisation of budgets, considerations regarding the usage of unspent interest on earmarked grants, and scaling up of capacity development initiatives particularly with regard to leveraging the affordances of technology to deliver on the University's academic mission.

This Annual Report comprises three parts and provides information on the core business of the Mangosuthu University of Technology in 2020. The first part highlights MUT's performance in 2020 against its predetermined objectives and targets. The second part emphasises reports on governance and operations, and the third part presents the University's annual financial review.

Part A: MUT Performance assessment report

This part of the report comprises two sections: Performance against the DHET approved enrolment plan (2020-2025) and progress toward achieving the pre-determined objectives and targets set out in the annual performance plan (APP 2020).

Part B: Reports on governance and operations

This part of the Annual Report details several subsidiary reports from the key governance and leadership stakeholders as outlined in the DHET reporting regulations (Gazette 37726). These are the Chairperson of Council, The Vice-chancellor, Council and sub-committees, Senate, and the Institutional Forum. The section also includes a report on transformation at the University.

Part C: Annual financial review

The third and final part presents an overview of MUTs finances in 2020. It addresses the salient features presented in the annual financial statements, for the period 1 January to 31 December 2020, and provides commentary on the financial highlights. This part comprises a report from the CFO and Finance and Investment Committee, a report on risk assessment and a report from the Audit, Risk and Compliance Committee.

PART A: PERFORMANCE ASSESSMENT REPORT

1. PERFORMANCE AGAINST THE DHET APPROVED ENROLMENT TARGETS IN 2020

Table 1: Performance against Ministerial-approved targets



INDICATORS	2019 Actuals (audited - 3 rd HEMIS submission)	2020 Approved Targets 2020	2020 Actuals (audited – 3 rd HEMIS submission)	2020 Percentage Achievement
HEADCOUNT TOTALS (excludes occasional)				
First-time entering undergraduates	3 658	3 375	3 493	103%
Foundation provisioning (1 st year intake)	590	483	413	86%
Total headcount enrolment	14 326	12 980	14 652	113%
Total undergraduate headcount enrolment	14 265	12 915	14 575	113%
Total postgraduate headcount enrolment	61	65	77	118%
ENROLMENTS BY MAJOR FIELD OF STUDY				
Science, Engineering, Technology	60%	59%	57.4%	97%
Business/management	33%	35%	34.4%	98%
Education	0%	0%	0%	-
Other Humanities	7%	6%	8.2%	137%
GRADUATES IN CURRENT YEAR				
Graduates - undergraduate	2 493	2 870	2 750	96%
Graduates – postgraduate	43	37	59	159%
Graduation rate	17.7%	22%	19.2%	87%
Success rate	81%	80%	85.8%	107%
UNDERGRADUATE OUTPUT BY SCARCE SKILLS				
Engineering	682	802	676	84%
Life and physical sciences	88	80	56	70%
Animal and human health	142	189	93	49%
STAFF PROFILES				
Instructional/research professional staff	221	224	224	100%
% staff with doctoral degrees	13%	17%	21%	123%
Number of NGAP staff	10	16	14	88%
Ratio of FTE students to FTE instructional/research staff	41.1	31.9	46.1	182%
RESEARCH OUTPUT				
Total Research Output units	40.3	42	107.9	257%



2. PROGRESS TOWARDS ACHIEVEMENT OF THE STRATEGIC GOALS AND OBJECTIVES (2020-2025)

Performance rating key:	1 Not done in 2020	2 Started but below target by more than 10%	3 Within 10% range of target	4 Exceeded expectations. More than 10% greater than target
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Table 2: Achievement against strategic goals and objectives

Goal 1: Excellence in teaching and learning						
Objectives	KPI	2018 (Baseline)	2020 (Target)	2020 (Actual)	Performance Rating in 2020	Reason for underperformance
SO 1.1 To increase student success	1. Student success rate	81%	80%	85.8%	3	
	2. Student graduation rate	19%	21%	19%	3	Many of our programmes are dependent on WIL placements in the final year of study. In 2020 employers were reluctant or could not offer student placements because of the negative economic effects of the pandemic on their businesses. This has influenced the number of students who can complete the qualification requirements in order to graduate.
	3. Throughput rate (in min+2) for the 3-year diploma (2016 cohort reported in 2020)	49%	50%	61.7%	4	

Goal 1: Excellence in teaching and learning						
Objectives	KPI	2018 (Baseline)	2020 (Target)	2020 (Actual)	Performance Rating in 2020	Reason for underperformance
SO 1.2 To improve graduate satisfaction with the quality of teaching and learning	4. Graduate satisfaction with the quality of teaching and learning	90%	91%	89%		The rapid changes to teaching and learning methodologies and lack of access to devices and data to enable remote learning had an impact on students' impressions of quality learning. In 2020, opportunities for on-campus social engagements were limited and lecturers have reported difficulties in navigating technology for teaching. These factors may have also negatively impacted student perceptions of their experience.
	5. Approved E-learning Strategy	No Strategy	Approved Strategy	Strategy not developed		The advent of the global pandemic and the national lockdown necessitated the development of plans to Save the Academic Year 2020. This shifted the focus away from developing an E-Learning Strategy to the urgent implementation of a Remote Multimodal Teaching, Learning and Assessment (RMTLA) plan. Despite the challenges of reprioritising academic activities, it was found during the formative stages of developing an eLearning Strategy,

Goal 1: Excellence in teaching and learning						
Objectives	KPI	2018 (Baseline)	2020 (Target)	2020 (Actual)	Performance Rating in 2020	Reason for underperformance
						that a more comprehensive Teaching and Learning Strategy needed to be developed first.
SO 1.3 To increase the quality of graduates	6. Percentage of graduating students with WIL experience	54%	54%	45%		Business closures, lockdown restrictions on mobility and social distancing have limited the number of workers allowed on employers' premises. This means that fewer employers engaged MUT students in 2020. To mitigate against the decrease in WIL opportunities for students Senate has approved alternate types of WIL assessments, e.g. project-based learning.
	7. Employability of graduates (<i>at graduation</i>)	32.3%	33%	19%		SA was not spared from the widespread negative effects of lockdowns on the global economy. Many companies either closed, downsized, or went into business rescue. These trends have negatively impacted employment opportunities for MUT graduates in 2020, as evidenced in the 2020 Graduate Survey report where graduates reported that there were "no opportunities" (p.8).

Goal 1: Excellence in teaching and learning						
Objectives	KPI	2018 (Baseline)	2020 (Target)	2020 (Actual)	Performance Rating in 2020	Reason for underperformance
SO 1.4 To increase the number of programme offerings endorsed by professional bodies/associations	8. Number of approved academic programmes endorsed by professional bodies/associations	7	10	10	<u>3</u>	
SO 1.5 To increase the ratio of post-diploma programme offerings	9. The ratio of HEQSF aligned qualifications at NQF levels 5-6 to NQF levels 7-10, listed on MUT's PQM.	66:34	65:35	55:45	<u>3</u>	

Goal 2: Excellence in research, innovation and engagement

Objectives	Key Performance Indicator	2018 Baseline	2020 Target	2020 Actual	Performance rating	Reason for underperformance
SO 2.1 To increase research productivity	10. Number of accredited research output units	40.3	42	107.9	4	
SO 2.2 To increase the commercialisation of Intellectual Property (IP), both protectable and unprotected	11. Number of protected IP (including trademarks)	5	6	6	3	

Goal 3: Excellence in community engagement

Objectives	Key Performance Indicator	2018 Baseline	2020 Target	2020 Actual	Performance rating	Reason for underperformance
SO 3.1 To increase MUT's contribution to the socio-cultural and economic development of the local community	12. Number of university projects registered with IRDCE	8	10	5	2	Student protests, early recess and the implementation of the national lockdown meant that all Community Engagement (CE) projects were put on hold in Q1 & Q2 2020. The reduction in national restrictions on movement as well as the phased return of staff and students to campus allowed for the

Goal 3: Excellence in community engagement						
Objectives	Key Performance Indicator	2018 Baseline	2020 Target	2020 Actual	Performance rating	Reason for underperformance
						implementation of a few CE projects towards the middle of Q3.
	13. Number of public lectures offered annually	1	4	2	2	It was initially envisaged that MUT would host one public lecture per term. However, the implementation of the national lockdown and the prioritisation of activities in the business continuity plans meant that this activity was postponed until urgent priorities were addressed and there was a better understanding of the higher education context. Notwithstanding, two public lectures were conducted online. However, participation was limited to those with access to internet connectivity and devices.
SO 3.1 To increase MUT's contribution to the socio-cultural and economic development of	14. Number of student entrepreneurship projects	0	3	1	2	Due to lockdown restrictions, students were not allowed onto campus for most of the year in 2020. Interest in entrepreneurship projects was low as students grappled with new modes of teaching and learning and adapted to a new normal.

Goal 3: Excellence in community engagement						
Objectives	Key Performance Indicator	2018 Baseline	2020 Target	2020 Actual	Performance rating	Reason for underperformance
the local community	15. Number of capacity-building initiatives for internal and external stakeholders	1	4	4	<u>3</u>	
SO 3.2 To increase the number of partnerships with local government and communities	16. Number of partnerships with local government and communities	1	3	5	4	
SO 3.3 To increase MUT's contribution to the development of academic and professional communities	17. Number of community-engagement presentations by academic staff at relevant symposia and conferences	No baseline	5	3	2	Low participation in this activity was expected as academics working from home focussed on adapting to new modes of teaching and conducting research in 2020. Furthermore, many conference opportunities were cancelled because of travel restrictions. It is expected that participation will increase in future as more conferences are offered online.
	18. Number of MUT staff who represent the University in professional	No baseline	2	5	4	

Goal 3: Excellence in community engagement						
Objectives	Key Performance Indicator	2018 Baseline	2020 Target	2020 Actual	Performance rating	Reason for underperformance
	communities, bodies or associations					

Goal 4: Targeted national engagement and internationalisation						
Objectives	Key Performance Indicator	2018 Baseline	2020 Target	2020 Actual	Performance rating	Reason for underperformance
SO 4.1 To increase national visibility	19. Number of nation-building projects	1	2	6	4	
SO 4.2 To increase international visibility	20. Number of international staff and student exchange programmes	0	1	3	4	
	21. Percentage of international student enrolment as a proportion of total student enrolment	1%	1.2%	0.3%	2	International student mobility was severely impacted by border closures and lockdowns around the world. Consequently, there were low enrolments in this category at MUT.

Goal 5: To create an enabling support environment						
Objectives	Key Performance Indicator	2018 Baseline	2020 Target	2020 Actual	Performance rating	Reason for underperformance
SO 5.1 To increase the popularity of the MUT brand	22. Nett promoter score among stakeholders (staff, students and alumni)	Baseline not available	50%	55.70%	<u>3</u>	
SO 5.2 To improve student life and wellness	23. Student satisfaction with the quality of supporting infrastructure	Baseline not available	50%	56.40%	<u>3</u>	
SO 5.3 To improve the well-being and engagement of staff	24. Staff engagement index	Baseline not available	40%	Not done	1	Focussing on activities in terms of saving the academic year, procuring PPEs and securing the campus for the safe return of staff and students during 2020 has meant that this activity was given a low priority in 2020. Hosting an online survey was not considered feasible given the costs of developing the survey in relation to the limited number of staff with internet connectivity and access to enabled devices.
SO 5.4 To improve operational efficiency and effectiveness	25. Reduction in the number of external audit findings	14	Not more than 10	6	<u>3</u>	

Goal 5: To create an enabling support environment						
Objectives	Key Performance Indicator	2018 Baseline	2020 Target	2020 Actual	Performance rating	Reason for underperformance
5.5 To sustain and improve financial sustainability	26. Third stream income as a percentage of total income	1.6%	2%	3%	<u>3</u>	
	27. Efficiency ratio: Total expenditure as a percentage of total revenue	91%	88%	91%	<u>3</u>	
	28. Quick ratio: {Cash & Cash equivalents less Restricted Grants funds + Student debtors} to {Current Liabilities less Current portion of Restricted Grant funds}	1.38	1.5	1.7	<u>3</u>	
	29. Debt ratio: Total Liabilities less Deferred Income (to be amortised) as a % of Total Assets (Debt ratio)	66.7%	65%	55%	<u>3</u>	

Goal 5: To create an enabling support environment						
Objectives	Key Performance Indicator	2018 Baseline	2020 Target	2020 Actual	Performance rating	Reason for underperformance
SO 5.6 To maintain and improve infrastructure.	30. % of Capex projects awarded within approved procurement plan	No base	80%	0	1	The shutdown of sites due to the imposition of lockdown regulations, and COGTA limitations on sectoral activities (construction sector and higher education), has resulted in delays to bid evaluations and tender awards for new projects. The implication is that budgets will have to be revised to cater for increasing costs.
	31. % expenditure of Capex projects awarded within the approved plan	Baseline not available	50%	13.47%	2	The shutdown of sites due to the imposition of lockdown regulations, and COGTA limitations on sectoral activities (construction sector and higher education), has resulted in project-initiation delays and requires new project timelines. Consequently, these existing projects show underspending in 2020.
	32. Maintain a ratio of Capex infrastructure maintenance allocation to the overall infrastructure budget	33%	34%	9.45%	2	The ripple effect of restrictions on essential workers, the shutdown of many sites and subsequent limits to the number of staff on some sites due to the imposition of lockdown regulations, has resulted in delays to implementing the maintenance plan in 2020.

Overall, the following contextual variables influenced underperformance against the pre-determined goals and objectives derived from MUT's Strategy 2025 and outlined in the Annual Performance Plan (APP 2020):

- The onset of the student protests regarding NSFAS payments and fees delayed the start of the academic programme in the first semester. This delay was further compounded by the implementation of an early recess and subsequently by the national lockdown. The context thus necessitated the enactment of business continuity plans which required identification of essential services, reprioritization in the sequencing of activities to accommodate remote work for staff and students, rescheduling of key infrastructure and maintenance projects, and adjustments to the implementation of the academic calendar.
- The re-allocation of budget spending towards the procurement of personal protective equipment (PPE), devices for staff and students, and preparing the physical environment for the implementation of platoon teaching (to accommodate social distancing in the classroom) has meant that strategic choices were made, and some activities were not prioritised in 2020.

While underperformance in certain areas was unavoidable, MUT is proud to note that 21 of the 32 objectives were within a 10% range of achievement or better in 2020. In particular, every effort was made to ensure financial sustainability as evidenced by the healthy financial indicators (debt, quick, and efficiency ratios), 86% student success rate, and significant improvements in the number of accredited research outputs produced.



Prof MM Ramogale
Acting Vice-Chancellor & Principal

26/8/2021

Date



Mr M Morailane
Chairperson of Council

28/08/2021

Date

PART B: REPORTS ON GOVERNANCE AND OPERATIONS

3. REPORT OF THE CHAIRPERSON OF COUNCIL

3.1. Outbreak of the novel coronavirus

From late March 2020, the silence on campuses in South Africa was resounding as Universities closed to contain the spread of the novel coronavirus (COVID-19) pandemic. Students were directed to vacate university spaces and staff were mandated to work from home. The usual sounds of movement between classes and offices, the laughter and chatter went quiet. Soon after, the Government enacted regulations under the Disaster Management Act and set the country on adjusted level 5 lockdown with restrictions to mobility, which allowed for minimal activities deemed as essential services. This was a departure from business as usual and Universities were compelled to adjust to a 'new normal'. Despite the varying lockdown levels that followed as a consequence of the pandemic, and the associated challenges faced by the University as a complex organisation, overall, in 2020 Council successfully delivered on its strategic and oversight functions.

3.2. Challenges to our governance system

The first emergency meeting of Council set a tone of urgency for the year, where the VC laid bare his concerns in a report regarding the running of the University and the role of Council. Council engaged with the report and debated the veracity of the reported allegations. Council was quick to respond and called for a forensic investigation into matters raised. The VC was placed on precautionary suspension, the Chairperson of Council and the Chairperson of the Audit, Risk and Compliance Committee (ARCC) voluntarily relinquished their roles in Council to mitigate against any interference in the pending investigation. To maintain continuity of leadership, the Deputy Chairperson of Council was subsequently appointed as Acting Chairperson and the DVC: Teaching and Learning was appointed as the Acting VC. At the time of writing this report, the investigation is complete and disciplinary action is underway. The Chairperson of Council returned to Council after the investigation and the Chairperson of ARCC resigned.

In July 2020, Council met with the Minister of Higher Education, Science and Innovation to discuss governance issues at the University. The Minister advised that the associated challenges should be dealt with as a matter of priority by Council.

3.3. Oversight of the academic enterprise and the operational environment

Notwithstanding this upset to the management and governance of the University early in 2020, efforts were made to stabilise MUT and to address the uncertain context COVID-19 has imposed on us as a University, as a country and the world at large. To this end, staff worked tirelessly to ensure that core University operations continued under lockdown. Business continuity plans were developed to prioritise the smooth running of the university. The following contingencies were implemented:

- a. Budgets were adjusted to prioritise and include procurement of PPE and electronic devices for staff and students.
- b. Campus readiness plans were put in place.
- c. A COVID-19 task team was established.
- d. The academic year was adjusted to accommodate time lost when teaching and learning could not happen or happened under restrictions.
- e. Multi-modal teaching and learning was introduced, and
- f. Assessments were reviewed for their goodness of fit.

These co-ordinated efforts across all University departments were directed towards saving the academic year. The phased return of students began in June and required measures such as sanitiser-dispensing units being installed at the entrances of all buildings, daily temperature screening at University entry points, providing students with masks, and equipping the clinic to deal with the identification and isolation COVID-19 positive cases. It became obligatory for all staff and students returning to campus to register with the Higher Health “HealthCheck” risk assessment tool.

Despite Council’s efforts towards better governance, it should be acknowledged that aging infrastructure, skills shortages in critical areas and socio-economic vulnerabilities experienced by most of our students continue to plague the running of the University and the onset of the pandemic exacerbated these challenges in 2020. Cognisant of this reality, it is encouraging to note that MUT completed its academic programme in the first quarter of 2021 and that the University finances were in the black for the year ended December 2020.

3.4. Important decisions taken in 2020

Important resolutions taken at the meetings (ordinary, special or emergency) of Council in 2020 are listed in Table 3:

Table 3: Council resolutions in 2020

Strategic Council resolutions and major activities in 2020	
1.	Major stakeholder engagements
1.1.	The Portfolio Committee on Higher Education, Science & Technology inviting MUT Council and Management to present on governance and management issues of the University and,
1.2.	The Minister of Higher Education, Science & Innovation on the directive to MUT about the 2018 Independent Assessor's Report.
1.3.	Governance Scorecard Indicators for MUT in 2020
2.	Major approvals
2.1.	The Annual Report including the audited Annual Financial Statements for the year ended 31 December 2019
2.2.	Revised Schedule of Policies to be reviewed or developed in 2021-2023
2.3.	Re-assignment of the responsibilities in the office of the Registrar in pursuance of recommendations of the Independent Assessor.
2.4.	2020 Mid-year report
2.5.	2021 Budget
2.6.	2021 Governance calendar
2.7.	Enterprise Risk Management (ERM) Plan for 2021
2.8.	Annual Internal Audit Plan 2021-2023
2.9.	The Irregular, Fraudulent, and Wasteful, Unauthorised Expenditure (IFAWUE) Framework & Reporting Template.
2.10.	2021 Infrastructure Plan
2.11.	2021 Infrastructure Maintenance Plan
2.12.	2021 Campus security plan and budget
2.13.	2021 Annual Occupational Health and Safety Plan
2.14.	2021 IT&N Annual Infrastructure Plan
2.15.	The plan for the filling of the DVC positions
2.16.	Formula to determine allowances for Council commissioned projects
3.	Major Council housekeeping decisions
3.1.	Mr M Morailane was re-elected as Chairperson and Mr O.M Galane as the Deputy Chairperson for the period to end December 2022.
3.2.	The establishment of the ERM Committee and its Terms of Reference.
3.3.	Protocol on probity checks for Council members
3.4.	Protocol on Communication for Council
3.5.	Process to deal with Council Members making themselves available at the end of their first term
3.6.	Amendments to the guidelines on the emoluments of Council members

Source: Council resolutions register 2020 [accessed on 17 May 2021]

3.5. Performance against the principles of good governance

3.5.1. Ethical leadership and corporate citizenship

In line with the implementation of Strategy 2020-25, MUT emphasizes the development of an environment that encourages dialogue and discovery and fosters a culture of

integrity, accountability, respect, excellence, inclusiveness, collaboration and innovation.

In 2020 Council continued in its commitment to behave ethically and with integrity in its oversight responsibilities. In ensuring that decisions are independent, made in the best interests of the University and that there is no conflict of interest in decision-making, all Councillors are committed to abiding by the Council code of conduct. Councillors are required to make annual declarations of interests, to declare any potential conflict of interest ahead of discussions at meetings, and to recuse themselves from the meeting should a conflict of interest arise. In addition, a whistle-blower hotline is in operation and managed by an external service provider such that allegations of unethical conduct may be reported confidentially and anonymously. Corporate governance was further enhanced by the approval in 2020 of the Irregular, Fruitless, Wasteful and Unauthorised Expenditure (IFAWUE) Framework to define deviations from the approved Supply Chain Management (SCM) Policy. We continued to insist that no member of Council serves in any management or operational decision-making structure.

3.5.2. Governance of risk

Council recognises the complexity of risks facing the University and through its Audit, Risk and Compliance Committee (ARCC) oversees the uncertainty, likelihood and effects of those risks. Council manages risks within the approved enterprise risk management (ERM) framework 2019-2021. Processes are in place to identify, assess and manage significant risks as indicated in the risk register.

The Vice-Chancellor and executive management are responsible for identifying, assessing and mitigating against institutional risks. The University's Risk Management Committee (RMC) continues to use a combined assurance model to enhance the management of risks within the institution. Progress on the monitoring of risks and risk mitigation action items are reported to ARCC every quarter.

In 2020, the onset of the pandemic and subsequent national lockdown necessitated the invocation of business continuity plans to facilitate remote work. Activities were prioritised in terms of essential services and urgency of need. These services and functions were identified, and budgets and human resources allocations were revised to ensure delivery of core and support functions, such as student registration, delivery of lectures, adjustments to the academic calendar, operations of the COVID task team, and continuity of IT and payroll services.

The phased-in return of staff and students to campus required reprioritisation of budgets to procure PPE and to secure the campus. Access to devices and data for students to ensure continuity of learning continues to be a risk that is being managed by the University.

3.5.3. Governing stakeholder relationships

MUT is located in the broader context of multiple stakeholder networks which include students, staff, government and its agencies, private sector partnerships, civil society

groups, parents, alumni, media and funders. These relationships are nurtured at several levels through reports, meetings, and publications via the Convocation (alumni and donors), Institute for Rural Development and Community Engagement (Umlazi community and NGOs), Marketing and Communications (media and funders), Student Financial Aid (funders) and Students Affairs (parents). The nature of the pandemic has exposed the critical importance of forming and sustaining effective partnerships in positively shaping our shared context.

3.5.4. Financial reporting and sustainability

While financial sustainability in 2020 was influenced by an increasingly volatile and uncertain external economic environment, Council has ensured that the University is a going concern and that it will remain a going concern in the near future. However, fee collections remain a concern as the historical debt of MUT students continues to rise and is exacerbated by the impact of the ongoing Covid-19 pandemic. The events and uncertainties associated with the management of the pandemic at national and local levels have emphasised the importance of managing our cash reserves and monitoring the economic outlook in South Africa and its implications for the University.

3.5.5. Compliance with laws, codes, rules, and standards

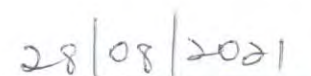
MUT strives to be fully compliant with all laws applicable to higher education. In particular, care was taken to ensure that the University complied with the Institutional Statute and relevant prescriptions of the Higher Education Act. The University complies with regulatory codes of good practice including BBBEE, DHET reporting regulations, and changes to labour regulations. In 2020, there were no judgements against the University to the effect that it contravened any of the Country's laws.

3.6. Housekeeping and measures to improve good governance

To better position itself in terms of good governance and accountable leadership, Council established its own Charter and mandated Exco to re-evaluate its function to play a role in ethics, governance, and compliance. All sub-committees were mandated to review their Charters in light of virtual meetings and the 'new normal', to nominate deputy Chairpersons, to review the mechanics of providing oversight on strategic matters, and to conduct self-assessments of performance. Full records of all Council, Senate and IF meetings and attendance registers are kept by the Registrar's division. Although good governance is not a magic wand that makes challenges disappear, it is an indispensable ingredient in the sustainability of the University and results in better outcomes for all its stakeholders.



Mr M Morailane
Chairperson of Council



Date

4. COUNCIL'S STATEMENT ON GOVERNANCE

Council is committed to the highest levels of sound corporate governance and endorses the ethical leadership principles outlined in the King IV Report and governs the University in terms of the Higher Education Act and the Institutional Statute of MUT published under the Act. Council also ensures that all stakeholders act in the best interests of the University and conduct its affairs with integrity and within generally accepted business and legal practices. In 2020, Council acted in accordance with the MUT Code of Conduct for Council members, applied the Code of Ethical behaviour and practices as set out in King IV, and approved a Charter for Council.

5. COUNCIL AND COUNCIL SUB-COMMITTEES

The Council of Mangosuthu University of Technology (MUT) is established in terms of, and exercises its functions in accordance with, Section 27 of the Higher Education Act, Act 101 of 1997 (as amended), supplemented by Sections 8-20 of the MUT Statute (as gazetted on 23 October 2015, No. 39315).

During the year under review Council comprised 26 members as at 3 December 2020. The role of the Chairperson of Council is separate and delineated from the role of the Vice-Chancellor and Principal as set out in the MUT Statute. Very broadly, Council is responsible for steering the strategic direction of MUT and for the approval of policies and major developments at the University and is guided by the Comprehensive Code of Conduct for Council (revised 2017). Council's functions are directed by relevant legislation, the University Strategic Plan (2020-2025) as well as the Annual Performance Plan in its oversight. The Chairperson of Council helps Council to focus on its mission and strategic objectives through quarterly ordinary Council meetings, supplemented by special or emergency meetings as and when required. The MUT Executive Management Committee (EMC), led by the VC, is responsible for the day-to-day management of the University's functions and accounts to Council on the University's operations.

In 2020, Council conducted three ordinary meetings, seven special meetings and one emergency meeting. At the emergency meeting on 29 April 2020, Council resolved to initiate a forensic investigation into allegations of corruption at the University and to place the substantive Vice-chancellor on precautionary suspension. In addition, the Chairperson of Council and the Chairperson of the Audit, Risk and Compliance Committee (ARCC) agreed to step aside for the duration of the investigation. To ensure continuity of governance and executive management of the University, the DVC: Teaching and Learning was appointed as Acting Vice-Chancellor and the Deputy Chairperson of Council was nominated as the Chair of Council. Subsequent special meetings of Council dealt with revising the governance calendar, reviewing business continuity, responding to DHET directives, and monitoring progress on the forensic investigation.

Importantly, a Council task team was established to draft a response to the letter from the Minister of Higher Education, Science & Innovation on the directive to MUT regarding the 2018 Independent Assessor's (IA) Report. The Council-approved response was submitted to the Minister in June 2020 and included a detailed progress report in terms

of the undertakings to address the IA recommendations since 2018, and an action plan to address matters arising and outstanding work, with time commitments.

Table 4 provides details regarding the composition of Council, the number of members and statistics regarding their attendance.

Table 4: Council composition and attendance

2020 Council Attendance													
Name	29 Apr (Emergency meeting)	06 May (Special meeting)	27 May (Special meeting)	03 Jun (Special meeting)	24 Jun (Ordinary meeting)	14 Jul (Special meeting)	15 Jul (meeting with the Minister)	27 Aug (Ordinary meeting)	23 Oct (Special meeting)	06 Nov (Special meeting)	02 Dec (Ordinary meeting)	03 Dec (continued)	%
External Members													
Mr M. Morailane (stepped aside in April and re-elected in Oct)	P									P	P	P	100%
Dr F. Randerera (term of office ended May 2020)	P	P	P										100%
Mr M.A. Mondli	P	P	P	P	P	P	P	P	P	P	P	AP	92%
Mr S. Keswa (resigned May 2020)	P												100%
Mr S. Mithethwa	P	P	P	P	P	P	P	P	P	P	P	P	100%
Mr O.M. Galane	P	P	P	P	P	P	P	P	P	P	P	P	100%
Mr T. Toni	P	P	P	P	P	P	P	P	P	AP	P	P	92%
Ms H.T. Zwane	P	P	P	P	P	P	P	P	P	P	P	P	100%
Dr Z. Qunta	P	P	P	P	P	P	P	P	P	P	P	P	100%
Ms N.S. Mlaba	P	P	P	P	P	P	P	P	P	P	P	P	100%
Ms L. Noge-Tungamirai	P	P	P	P	AP	P	P	P	P	P	P	P	92%
Prof N. Grove	P	P	P	AP	P	P	P	P	P	AP	P	P	83%
Dr V. Reddy	P	P	P	P	AP	P	P	P	P	AP	P	AP	75%
Ms L.L. Mbatha	P	P	P	P	P	P	P	P	P	P	P	P	100%
Ms C. Nyama	P	P	P	P	P	P	P	P	P	P	P	P	100%
Dr B. Makhathini (appointed October 2020)										AP	AP	AP	0%
Mr S. Dlamini	P	P	P	P	P	P	P	P	P	P	P	P	100%
Ms S. Mnyandu	P	P	P	P	P	P	P	P	P	P	P	P	100%
Internal Members													
Dr E.D. Malaza (on precautionary suspension w.e.f May 2020)	P												100%
Prof M.M. Ramogale (Acting VC w.e.f May 2020)	P	P	P	P	P	P	P	P	P	P	P	P	100%
Dr J. van Koller (Acting DVC: R&P w.e.f July 2020)						P	P	P	P	P	P	P	100%
Mr B.K Zwane	P	P	P	P	P	P	P	P	P	P	P	P	100%
Prof L.D Naidoo	P	P	P	P	P	P	P	P	P	P	P	P	100%
Mrs J. Baah (term of office ended October 2020)	P	P	P	P	P	P	P	P	P	P			100%
Mr G. Govender (appointed November 2020)											P	P	100%
Dr J.M. Makua (Acting DVC: T&L w.e.f July 2020)						P	P	P	P	P	P	P	100%
Dr J.M. Makua (Senate Representative)	P	P	P	P	P								100%
Mr B.S.D. Ntuli	P	P	P	P	P	P	P	P	A	P	P	P	92%
Ms S. Hlongwane	P	P	AP	P	P	P	P	P	P	P	P	P	92%
Mr T. Moalosi	P	P	P	P	P	P	P	P	A	P	P	A	83%
Ms L. Luthuli	A	A	P	A	P	P	P	P	A	P	P	A	58%

P: Present
A: Absent
AP: Apologies
Term of office ended/ Resigned / Not a member

In discharging their fiduciary duties, obligations, and oversight functions in 2020, Council sub-committees comprised six standing committees. All these committees are formally constituted with specific Charters and comprise a majority of external members of Council. All the committees of Council are chaired by independent members of Council with relevant skills and expertise. It is in these sub-committees that Council's governance oversight is enacted.

5.1. Executive Committee of Council (Exco)

The Executive Committee of Council (Exco) attends to the governance affairs of Mangosuthu University of Technology between ordinary meetings of Council and exercises all powers granted by Council within the ambit of the Higher Education Act. It serves as the nominating committee of Council for additions to its membership and appointments to its committees. It also deals with urgent matters, as well as those

referred to it by Council or its standing committees. Table 5 below shows an analysis of attendance per meeting in 2020.

Table 5: Exco composition and attendance

2020 Executive Committee of Council Attendance												
Name	02 May (Special meeting)	09 May (Special meeting)	25 May (special meeting)	12 Jun (Special meeting)	09 Jul (Special meeting)	23 Jul (Special meeting)	12 Aug (Special meeting)	18 Aug (Special meeting)	06 Oct (Special meeting)	20 Oct (Special meeting)	12 Nov (Ordinary meeting)	%
Mr M. Morailane (stepped aside April 2020, re-elected in Nov 2020)											P	100%
Dr Z.Qunta (Deputy Chairperson of Council)	P	P	P	P	P	P	P	P	P	P	P	100%
Dr F. Randerera (SAC Chairperson)	P	P	P									100%
Prof N. Grove (SAC Chairperson)				P	P	P	AP	AP	P	P	P	75%
Mr T. Toni (PRC Chairperson)	P	P	P	P	P	P	P	P	P	AP	AP	82%
Mrs N. Maba (ARCC Chairperson)			P	P	P	P	P	P	P	P	P	100%
Ms T.H. Zwane (HRC Chairperson)			P	P	P	P	P	P	A	P	P	89%
Mr O.M. Galane (FIC Chairperson)	P	P	P	P	P	P	P	P	P	P	P	100%
Prof M.M. Ramogale (Acting VC)	P	P	P	P	P	P	P	P	P	P	P	100%
Dr J. van Koller (Acting DVC: R&P)					P	P	P	P	P	P	P	100%
Dr J.M. Makua (Acting DVC: T&L)					P	P	P	P	P	P	P	100%

P: Present
A: Absent
AP: Apologies
Term of office ended/ Resigned / Not a member

In 2020, there were several discussions about strengthening the efficacy of Exco in addressing governance and ethical issues. The Exco charter was revised to reflect how this committee can contribute to good governance and compliance. Other key issues addressed by Exco (as mandated by Council) in 2020 were:

- Monitoring the progress of the forensic investigation initiated in May 2020 and proposing a way forward based on the findings.
- Supporting Council in drafting comprehensive responses to directives received from the Minister during the year.
- Providing Council with assurance regarding its endorsement of the final DHET approved Enrolment Plan (2020-2025).
- Reviewing the MUT Protocol on the Assessment of Council Members, probity checks for Council appointees, guidelines on data and laptop usage for Council members, and the Council Charter.
- Drafting a Council leadership succession plan.
- Reassigning governance duties to the Deputy Registrar (Policy Development & Secretariat) and discussions regarding the allowance for Council commissioned projects.
- Monitoring progress on the development of the MUT staff structure.
- Considering the implications of extending the term of the current SRC given the delays to the start of the academic year in the context of COVID-19.
- Deliberating on salary increases for 2021.
- Developing short-term performance contracts with the Acting VC and Registrar and plans for filling the DVC positions.
- Deliberating on how Senate is accountable to Council in light of the Statute and Higher Education Act.
- Preparing for a meeting with the Portfolio Committee on Higher Education.

5.2. Audit Risk and Compliance Committee (ARCC)

The Audit, Risk and Compliance Committee (ARCC) is responsible for assisting Council in fulfilling its role of providing assurance on corporate governance, as well as considering all issues of risk, financial and otherwise, which may result in some form of exposure for MUT. The ARCC operates in order to facilitate an effective working relationship between Council, management, and the external and internal auditors. It reviews financial statements and considers all factors and risks that affect the integrity of the financial statements. ARCC has a responsibility to review its own Code of Business Conduct; systems of internal control; management of all financial risks, information systems and accounting practices; MUT's processes for monitoring compliance with laws and regulations; and MUT's auditing processes. The committee also ensures that each committee member understands the responsibilities of members as well as the institution's business, operations, and risks. Table 6 below shows an analysis of attendance per meeting.

Table 6: ARCC composition and attendance

2020 Audit, Risk and Compliance Committee Attendance						
Name	28 February (Ordinary meeting)	17 July (Ordinary meeting)	14 August (Special meeting)	09 November (Ordinary meeting)	20 November (Special meeting)	%
Mr S. Keswa (Chairperson from Jan - Apr. Resigned April 2020)	P					100%
Mrs N. Mlaba (Chairperson from May -Dec)	P	P	P	P	P	100%
Mr M.J. Sikhosana (resigned March 2020)	P					100%
Mr S. Dlamini		P	P	P	P	100%
Mr S. Mthethwa	P	P	P	P	P	100%
Mrs C. Nyama		P	AP	P	P	75%
Dr E.D. Malaza	P					
Prof M. Ramogale		AP	P	P	P	75%

P: Present
A: Absent
AP: Apologies
Term of office ended/ Resigned / Not a member

In 2020 Council recommended that the ARCC Charter be revised to consider the role of the Exco in providing oversight on compliance matters. This process of effecting the separation of functions will continue in 2021. The following key matters were deliberated by ARCC in this reporting year:

- Monitored incidence reports on labour matters (grievances, disputes, and disciplinary action), whistleblowing, fraud cases and other investigative or legal matters.
- Monitored quarterly progress against the internal audit plan, the enterprise risk management (ERM) plan, the implementation of the compliance plan, and the policy development schedule.
- Provided oversight on reporting of finances, IT governance and cyber-security, audit log, risk register and contracts management.
- Recommended to Council the approval of a 3-year internal audit plan for the subsequent year (n+1) as per the schedule of mandated reports for ARCC.
- In order to enhance the implementation of the ERM framework, ARCC recommended that Management consider:


- Identifying risk champions within the University to assist with the assessing and monitoring of risks and to provide training for identified staff in this regard.
- Setting up a VC's risk committee and dedicating one EMC meeting per quarter to address risks via this committee.
- Expressed concerns about the limited reporting of performance information on a quarterly basis and noted the impact of the unapproved performance information plan and suggested mechanisms to rectify the situation.

5.3. Finance and Investment Committee (FIC)

The Finance and Investment Committee (FIC) provides recommendations to Council regarding finance and investment matters. The committee provides effective and coordinated oversight of the development and implementation of the Financial and Investment Strategy, with a view to creating conditions that promote the long-term financial sustainability of MUT as a “going concern”. The committee aims to ensure that the finance and investment policies, through Council approval, incorporate aspects of the financial value chain, are compliant with laws and regulations, and are aligned with local and international best practices. The FIC also assesses whether reasonable measures are in place to ensure MUT assets are safeguarded to promote financial sustainability and to effectively control all revenues.

Table 7: FIC composition and attendance

2020 Finance and Investment Committee Attendance						
Name	02 March (Ordinary meeting)	17 June (Special meeting)	21 July (Ordinary meeting)	21 October (Special meeting)	16 November (Ordinary meeting)	%
Mr O.M. Galane (Chairperson)	P	P	P	P	P	100%
Mr M. Sikhosana	P					100%
Mr S. Dlamini		P	P	P	P	100%
Ms N.S. Maba	P	P	P	P	P	100%
Mrs C. Nyama		P	P	P	P	100%
Ms L. Noge-Tungamirai	P	P	P	P	P	100%
Mr B.K. Zwane	P	P	P	P	P	100%
Dr E.D. Malaza	P					100%
Prof M. Ramogale		P	AP	P	P	75%

P: Present
A: Absent
AP: Apologies
 *Term of office ended/Resigned / Not a member*

In 2020 FIC held three ordinary meetings and two special meetings (Table 7) and /deliberated on the following:

- Revisions to the FIC Charter and amendments to the schedule of mandated reports on the frequency of submissions of the annual financial statements (AFS) and the MUT Scorecard.
- Better alignment of the procurement plan and progress reporting thereof in relation to the University budget.
- Delays in policy development and mitigating actions.


- Developing a framework to reduce and monitor irregular, fruitless and wasteful, unauthorised expenditure (IFAWUE).
- Considered MUT’s financial sustainability, particularly in terms of student debt, NSFAS funding, procurement, and contracts management.
- Recommended that Management implement processes to improve the monitoring of fees associated with internal audit, external audit, and legal services.
- Considered the costing of the proposed MUT organogram (organisational structure).
- Expressed concerns that the University did not have sufficient accumulated cash resources to fully cover expenditure in those areas not funded by the DHET block grants or via payments from NSFAS.
- Recommended to Council for approval: Plans for the subsequent year (n+1) as per the schedule of mandated reports for the FIC.

5.4. Human Resource Committee (HRC)

The Human Resource Committee’s (HRC) main function is to make recommendations to Council regarding human resource matters. Their mandate includes oversight, development and implementation of the Human Resource Strategy, and supporting the creation of a conducive environment for the attraction, development, and retention of high performing individuals. The HRC ensures that MUT has compliant policies and standard operating procedures. The HRC assesses recommendations on organisational structure and the conditions of service, remuneration, benefits, and privileges of staff. To deliver on its vision and mission, the HRC takes reasonable measures to ensure that MUT employs the right people and retains talent. The HRC ensures MUT has mechanisms in place to reduce workplace conflict, labour instability, and avoidable litigation.

Table 8: HRC composition and attendance

2020 Human Resources Committee Attendance							
Name	26 February (Ordinary meeting)	13 March (Special meeting)	13 July (Ordinary meeting)	13 August (Special meeting)	16 October (Special meeting)	13 November (Ordinary meeting)	%
Ms H.T. Zwane	P	P	P	P	P	P	100%
Mr M. Mondl	P	P	P	P	P	P	100%
Ms L. Noge-Tungamirai	P	P	P	P	P	P	100%
Ms S. Mnyandu			P	P	P	P	100%
Dr E.D. Malaza	P	P					100%
Professor L.D. Naidoo	P	P	P	P	P	P	100%
Prof M. Ramogale			P	P	P	P	100%

P: Present
A: Absent
AP: Apologies
 Term of office ended/ Resigned / Not a member

In 2020 HRC conducted three ordinary and three special meetings (Table 8). The following matters were deliberated:

- Calculations regarding the capping of medical aid for staff.
- Insourcing vs outsourcing of non-core administrative functions.

- MUT organisational structure and the implications thereof. In particular, HRC considered the implications of the existing staff establishment, the appropriateness of the Peromenes grading, conversion of posts, new posts, cost implications, and implications for the DHET ratio (60:40).
- Creation and filling of critical positions and reconfiguring executive positions.
- Reviewing the Human Resource & Development (HR&D) and Registrar's divisions in terms of their structure, strategic deliverables, and operational efficiencies.
- Considered reports on labour matters and consequently recommended to management that key staff be trained on conducting disciplinary hearings.
- Reviewed the framework for acting appointments of executive management, the total cost of hiring consultants, and progress against the employment equity plan.
- Monitored status reports on labour relations, employment equity, and quarterly reports on HR&D.
- Recommended to Council for approval: Plans for the subsequent year (n+1) and HR policies as per the Schedule of mandated reports for the HRC.

5.5. Planning and Resources Committee (PRC)

The role of the Planning and Resources Committee (PRC) is to provide expert, technical advice and oversight of recommendations concerned with planning and resource matters, including all movable and immovable infrastructure as well as communications and technology. The PRC is responsible for planning and developing appropriate infrastructure, compliance via appropriate policy covering the infrastructure and operations value chain, and resource allocation through capital expenditure plans and an annual maintenance plan. The PRC manages health and safety, ensures business continuity plans are in place regarding emergencies and ensures implementation of the Information Technology Governance Framework. The committee held three ordinary meetings and one special meeting during 2020. Table 9 below shows the attendance of meetings.

Table 9: PRC composition and attendance

2020 Planning and Resources Committee Attendance					
Name	25 February (Ordinary meeting)	23 July (Ordinary meeting)	17 August (Special meeting)	24 November (Ordinary meeting)	%
Mr T. Toni (Chairperson)	P	P	P	P	100%
Mrs N. Mlaba	P	P	P	P	100%
Professor N. Grove	P	P	P	P	100%
Ms S. Mnyandu		P	P	P	100%
Dr E.D. Malaza	P				100%
Mr B.S.D. Ntuli	P	P	AP	AP	50%
Prof M. Ramogale		P	P	P	100%

P: Present

A: Absent

AP: Apologies

 Term of office ended/ Resigned / Not a member

In 2020, the PRC deliberated on the following matters:

- Risks associated with campus security, external residences and infrastructure projects and mitigating actions.
- Marketing and communications initiatives in 2020.
- Improvements to the monitoring of occupational health and safety to incorporate reporting on laboratories and residences.
- Challenges regarding IT infrastructure, governance, cyber-security, and readiness for remote work by students and staff.
- Delays in implementing infrastructure projects and the associated cost implications.
- Recommended that management should strengthen capacity in the operations environment, monitor budget variations more closely to avoid over expenditure, and consider ring-fencing interest from funds for infrastructure projects to finance project over-runs.
- Recommended to Council for approval: Plans for the subsequent year (n+1), and planning and resources related policies as per the Schedule of mandated reports for the PRC.

5.6. Student Affairs Committee (SAC)

The Student Affairs Committee (SAC) functions to provide expert, technical and oversight recommendations to Council, specifically dealing with student matters. This extends to coordinated oversight of the development and implementation of a student services strategy to create a conducive learning and living environment for students. The SAC aims to ensure that student-related policies are of an appropriate standard, and that the allocation of financial resources is in line with the Strategic Plan and is relevant to the Student Affairs operational plan. The SAC also assesses whether systems and processes are adequate to ensure a safe and healthy learning environment for students. In terms of oversight, the SAC monitors and evaluates the implementation of short, medium, and long-term planning outcomes to student services and well-being. The SAC also ensures that the University regularly reviews and assesses the quality and effectiveness of services to students, as well as policy implementation and objectives.

Table 10: SAC composition and attendance

2020 Student Affairs Committee Attendance				
Name	February (Ordinary meeting)	16 July (Ordinary meeting)	05 November (Ordinary meeting)	%
Professor N. Grove	P	AP	P	67%
Dr F. Randerá	P			100%
Ms H.T. Zwane	P	P	P	100%
Ms L.L. Mbatha	P	P	P	100%
Ms S. Mnyandu		P	P	100%
Mr T. Moalosi	P	P	AP	67%
Prof M. Ramogale		P	P	100%
Dr E.D. Malaza	P			100%

P: Present

A: Absent

AP: Apologies

 Term of office ended/ Resigned / Not a member

In 2020, the SAC held three ordinary meetings (Table 10) and deliberated the following matters:

- Nomination for the deputy chairperson of the SAC.
- Planning for setting up an office of the MUT ombudsman once the MUT structure was approved.
- Developing a sports strategy that is aligned with the institutional strategy. In 2020, the sports budget was reduced by 60%.
- Concerns regarding the plight of students who had exceeded the NSFAS N+2 rule, resulting in them not having access to residence facilities.
- Cost implications of leasing versus university-owned residences (particularly during lockdown when students had to vacate residences).
- Academic and campus readiness in terms of providing a safe environment for students given the context of COVID-19.
- Concerns regarding the costs of meal allowances and speakers for brotherhood and sisterhood programmes being conducted online.
- Implications for the extension of the term of office of the current SRC given the delays to the academic programme in the context of COVID-19.
- Recommended to Council for approval: Plans for the subsequent year (n+1) and related policies as per the Schedule of mandated reports for the SAC.

6. DECLARATION OF INTEREST BY COUNCIL MEMBERS

In terms of the Comprehensive Code of Conduct for Council members (Section 12), all members who exercise the functions of Council in terms of delegated authority must declare any conflict of interest. In 2020 Council members were required to sign an annual declaration of interest form and at each meeting (including sub-committee meetings) Council members were required to declare any conflict of interest ahead of

discussion of items on the meeting agenda and to recuse them themselves from the discussion if the need arises.

7. STATEMENT ON CONFLICT MANAGEMENT

Section 10 of the Comprehensive Code of Conduct for Council stipulates the dispute resolution mechanisms available to Council.

8. STATEMENT ON COUNCIL CODE OF CONDUCT

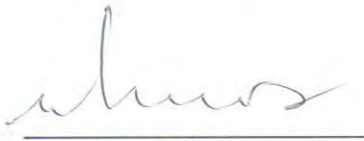
Council abides by the Comprehensive Code of Conduct for Council. The purpose of the Code is to uphold the principles of good and corruption-free governance and to ensure that members of Council are aware of and comply with applicable laws, regulations, and MUT policies and procedures. This Code obligates Council members to enact their duties in line with the principles of ethical conduct and to guide their decision-making based on trust, honesty, and integrity. The Code is not intended to inhibit the actions of Council members, but to ensure that the best interests of the University will always take precedence over personal or other interests. The Code was upheld throughout 2020.

9. COUNCIL'S STATEMENT ON SUSTAINABILITY

MUT continues to develop mechanisms to elevate sustainability as a strategic imperative. In 2020, several opportunities to develop partnerships with the eThekweni municipality, funders from industry and other universities were underway. Importantly a new position in the revised executive management structure (Executive Director: Institutional Advancement) was approved in 2020, to spearhead fundraising and investment initiatives. In addition, the FIC deliberated on MUT's financial sustainability particularly in terms of student debt, NSFAS funding, procurement, and contracts management, taking into account that even before the advent of the COVID-19 pandemic MUT did not hold sufficient cash reserves to deal with existing requirements. In 2020, the University like all other higher education institutions had to introduce emergency remote learning and a system of blended learning. The view in the sector is that blended learning will become the 'new normal' for Universities. Hence blended learning brings with it new financial risks that may impact the financial sustainability of the University. These new risks relate mainly to additional funding requirements to make digital devices available for all students, provisioning of data to students and academics, additional training costs to equip academics to convert learning material and lesson content to online platforms and to deliver lectures online. These changes require additional investment in related IT infrastructure especially cyber-security and information access. These risks if not properly managed could have negative consequences for the long-term financial sustainability of the University.

10. APPROVAL OF GOVERNANCE STATEMENT BY COUNCIL

Council approved the Council Statement on Governance at a special meeting on 13 August 2021. The meeting was quorate and the documentation for approval was circulated with the meeting agenda, in advance and with due notice.



Mr M Morailane
Chairperson of Council

28/08/2021

Date

11. SENATE'S REPORT TO COUNCIL

According to Section 42 of the Higher Education Act (No 101 of 1997), the Senate's main role is to provide sound academic governance and the maintenance of quality in respect of MUT's teaching, research, and community engagement activities. As a body that is accountable to Council, the Senate also executes all other functions assigned to it by the Council.

11.1. Composition of Senate

In terms of the statute of the University, which is aligned to the Act, the membership of the University Senate is as follows:

- Vice-Chancellor and Principal
- Deputy Vice-Chancellors
- The Registrar
- All Deans of Faculties
- All Heads of academic departments
- All professors
- Head of research
- Head of the library
- Head of quality management
- Head of student affairs
- Head of operations
- Head of human resources and development
- Head of finance
- Head of institutional planning and research
- Two representatives of the student representative Council nominated by the SRC
- A non-academic employee from each faculty elected by non-academic employees of each faculty
- An academic employee from each faculty elected by academic employees of each faculty
- Two members of Council designated by Council
- Any additional members approved by Senate

11.2. Senate meetings in 2020

During the course of 2020, Senate convened two ordinary meetings and four special meetings as outlined in Table 11:

Table 11: Senate meetings in 2020

Meeting type	Date	Number of Senators in attendance
Ordinary	12 March 2020	66
Special	18 March 2020	70
Special	26 June 2020	51
Special	15 July 2020	55
Special	18 October 2020	50
Ordinary	19 November 2020	55

In the two ordinary meetings, Senate considered the following:

- Presentation on the novel coronavirus.
- Rationalisation of Senate committees.
- Vice-Chancellor's reports.
- Reports from the Deans of the three Faculties.
- The Registrar's report.
- The report of the DVC: Teaching and Learning.
- Academic Planning Committee report.
- Higher Degrees Committee report.
- Research and Innovation Committee report.
- Quality Management Directorate report.
- Institute for Rural Development and Community Engagement report.
- Marketing and Communications report.
- Directorate of Institutional Planning and Research report.
- Reports from Senate sub-committees.
- Student Representative Committee report.

In 2020 four Special Senate meetings were convened. Considering the then imminent closure of universities, the special first meeting of 18 March 2020 discussed the press statement by the Minister of Higher Education, Science and Innovation on COVID-19. Specifically, the meeting looked at the EMC's proposed list of resolutions, the response by the MUT COVID-19 task team as well as a proposed communication plan. A plan to hasten the uptake of Blackboard was also considered.

In the subsequent three meetings Senate approved a platoon system for the implementation of the Remote Multimodal Teaching, Learning and Assessment (RMTLA) plan, revised the draft 2020 academic plan, provided continuous assessment guidelines, and contemplated the health risk of staff members with comorbidities and those over the age of 60 in the context of COVID-19. The discussions also included the amended MUT staff structure, revised Academic Planning Committee charter, motivations for standalone library and IT&N committees, and approval of credits from Electrical Engineering.

It is the job of the Senate to pay ongoing attention to the development of academic-related policies. This serves to respond to changes in the academic environment, and to regulate and guide the veracity of the overall academic project. During 2020, the following policies, frameworks and charters were approved:

1. Quality Assurance policy
2. Intellectual Property Rights policy
3. The Charter and the membership of the Higher Degrees Committee
4. The Academic Planning Committee charter
5. The Delegation of Authority for the governance of Higher Degrees Committee
6. A conceptual framework for student volunteerism at MUT

11.3. Changes to the academic structure

The following changes in academic structure were approved in 2020:

- a. The commencement of the entrepreneurial skills course within the Department of Accounting should be transferred to semester 2 in 2020 due to infrastructure challenges.
- b. Students from TVET Colleges may register for the Diploma in Public Administration and Economics department; and
- c. Subject recognition was granted to students who had completed their National Diploma in Public Administration/Management (TVET) with 60% average or more, and these would be credited with Level 1 modules except Economics 1 and English Communication Skills 1. The exemption from modules must not exceed 50% of the curriculum. Exemptions would apply in the following subjects (see Table 12):

Table 12: Exemption from modules

NATIONAL DIPLOMA IN PUBLIC ADMINISTRATION/ MANAGEMENT	DIPLOMA IN PUBLIC MANAGEMENT (PUBLAS)
Public Law N5, N6	Public Law 1 (PULA 010)
Public Administration N5, N6	Public Management 1 (PUMA 010) Governance and Politics 1 (GOPO 010)
Municipal Administration N5, N6	Public Management 1 (PUMA 010)
Public Finance N5, N6	Public Resource Management 1 (PURM 010)

11.4. Teaching and learning

By the end of 2020, due to the commitment and hard work of MUT staff, it appeared that the University was in a stable state. It had successfully saved the first semester and commenced with the second semester. With the implementation of the platoon system coupled with blended learning, MUT was able to save the academic year. According to the Acting DVC: Teaching and Learning MUT has since been removed from the DHET list of high-risk institutions. Despite the challenges in 2020, the advent of the pandemic presented the University with an opportunity to explore alternative pedagogies in teaching, learning and assessment. Consequently, systems were put in place to support students and staff to ensure that the teaching and learning enterprise is not negatively impacted. Considering the shift from face-to-face teaching to RMTLA, the TLDC launched a rigorous Blackboard support intervention for both students and academic staff. The support consists of Blackboard Support Corner for academics; alternative pedagogies; and technical support for students. This was aimed at providing support for a seamless transition from face to face to RMTLA modalities.

11.4.1. Capacity building on the use of technology for teaching and learning

An online self-training for students was developed to help students familiarize themselves with Blackboard, which is the institutional Learning Management System (LMS). The training course was made available to students in March 2020. By July 2020, 7228 students had accessed the training. Also, students had access to support staff to

address individual online learning needs. digital literacy, using MS teams, and navigating online platforms.

A dedicated eLearning team from the Teaching & Learning Development Centre (TLDC) facilitated training sessions to assist academics to navigate online teaching and learning using Blackboard and alternative pedagogies. The training was offered in two modes, i.e., face-to-face and online. Two face-to-face training sessions were offered before the hard lockdown and eight more sessions were offered online through Zoom and Teams. A total of 103 academic staff members were supported through these workshops in 2020.

A virtual workshop held in August 2020, attended by 103 staff, aimed to introduce the concept of e-Assessments. The workshop provided guidelines on how to implement e-Assessment by outlining key pedagogical considerations. Academics were exposed to a variety of interactive assessment tools that could be used to engage learners during online lectures.

11.4.2. Creating resources to support technology-enhanced teaching and learning

A collection of useful resources was prepared and posted on the university website for staff members to access other online learning pedagogies worldwide. These resources are accessible on: <https://www.mut.ac.za/tldc/resources/> and covered the following themes:

- The overview of teaching and learning online
- Planning to teach online
- Developing engaging online learning activities
- Assessing strategies of online courses and Alternative Assessments
- Study Skills for Self-Isolating Students

11.4.3. Providing support for online teaching and learning

A Remote Multimodal Teaching Learning Student Support platform (RMTLSSp) was created. This interface contained quick links with various study content to help students experiencing challenges related to Mathematics, Physics, Chemistry, and academic literacies. These services were offered by both the Mathematics and Science Education Unit (MSEU) and Academic Language Literacy Unit (ALLU) at the TLDC. Resources on the platform included: disciplinary study resources, tutorial materials, study tips, and videos and contact information for lecturers, academic advisors, tutors and technical support staff. Students were able to make contact synchronously or asynchronously.

In addition, a weekly Blackboard Support Corner was developed to address problems with Blackboard usage. This was hosted on Microsoft Teams every Wednesday from 10:00 to 12:00. This support is still being offered by the eLearning Team as an ongoing activity.

As the lockdown regulations were eased, allowing for the phased return to campus, the University adjusted its mode of teaching delivery to accommodate face to face

interactions taking into account social distancing. Using the platoon system, lecturers continued to offer support to students using different platforms, as well as face-to-face consultations. Remedial teaching continued for different programmes with online academic support.

11.4.4. Tutor coordination and training

The Teaching Professional Development Unit (TPDU) facilitated the re-appointment of tutors whose contracts had expired during the lockdown. The tutor manual was revised to include the online training. In addition, tutors were trained to support students remotely. It is envisaged that online tutoring will be mainstreamed moving forward.

11.4.5. Enhancing students' academic writing skills

The Writing Centre (WC) recruited two practitioners and two assistants to offer direct academic writing support to MUT students and facilitate writing workshops. The WC purchased a Writing Centre Online (WCO) platform, that allows writing centres to keep track of statistics on usage and gather other vital data. This software enables MUT students to create online accounts and book appointments to meet with a member of the WC team in both face-to-face and online contexts. Following a session, it also allowed the WC staff member to record notes on what took place during the session and to send this record to both the student and lecturer (if required). WC staff were trained on how to use the platform. Subsequently, more than 100 have registered to use the platform. Staff facilitated nine one-on-one writing support sessions with MUT students. They also conducted 34 online sessions with advanced diploma students in the Faculty of Management Sciences.

Furthermore, WC staff collaborated with academics from the departments of Marketing and Chemistry to design embedded writing support initiatives that will help students in both disciplines learn how to write for their specific fields of study. This pilot initiative is informed by research from the field of Writing Studies, and this collaborative team hopes to continue to engage in this type of support as well as engage in research to evaluate its effectiveness in the following quarters and beyond.

11.4.6. Research writing support for staff

The TLDC facilitated two writing pedagogy workshops entitled "Designing an Effective Writing Assignment" for MUT teaching staff during June and July 2020. These sessions were intended to introduce academic staff to research-informed reasons for why students struggle to write in their disciplines of study; and evidence-informed strategies they can implement in their modules to proactively, rather than reactively, address these issues. Participants in these sessions were encouraged to liaise with the Writing Centre Coordinator in one-on-one sessions to develop effective writing tasks for their modules as well as in-class or online workshops for their students to develop the necessary academic writing conventions in their disciplines to effectively engage in their assigned writing tasks.

Moreover, the TLDC and the Research Directorate initiated a writing support programme for MUT staff in late July 2020. This support programme is three-pronged:

1. It began with a series of four two-hour workshops introducing the 25 participants to various aspects of writing for research purposes. These sessions were held from 20 - 23 July 2020 on MS Teams.
2. Following this series of introductory workshops, participants were invited to join regularly scheduled, bi-weekly writing sessions that run for two hours; and
3. Participants were also invited to submit drafts of their various research writing tasks (e.g. PhD proposals, journal articles, conference abstracts) to obtain feedback from the WC Coordinator to move their tasks forward.

11.4.7. COVID-19 Responsiveness Grant

On 4 August 2020, the Department of Higher Education and Training (DHET) approved MUT's Multimodal Teaching and Learning Plan, as well as the budget for the COVID-19 Responsiveness Grant (CRG) to support the implementation of the multimodal plan. The following projects were funded and are completed:

- Procurement of USB Drives to load student learning materials.
- Procurement of Laptops for students who are not funded by NSFAS.
- Procurement of video recorders.
- Printing and distribution of student materials.
- Blackboard Upgrade - The Institutional Learning Management System (Blackboard) was migrated to a cloud-hosted environment. This helped eliminate some of the technical challenges experienced in the past.

In 2020 the Minister of Higher Education, Science and Innovation promised that NSFAS would provide all NSFAS-funded students with laptops to assist them with online learning. This promise has not materialised yet and the date of delivery was projected to be in April 2021.

Other CRG projects that have been initiated in 2020 and are underway in 2021:

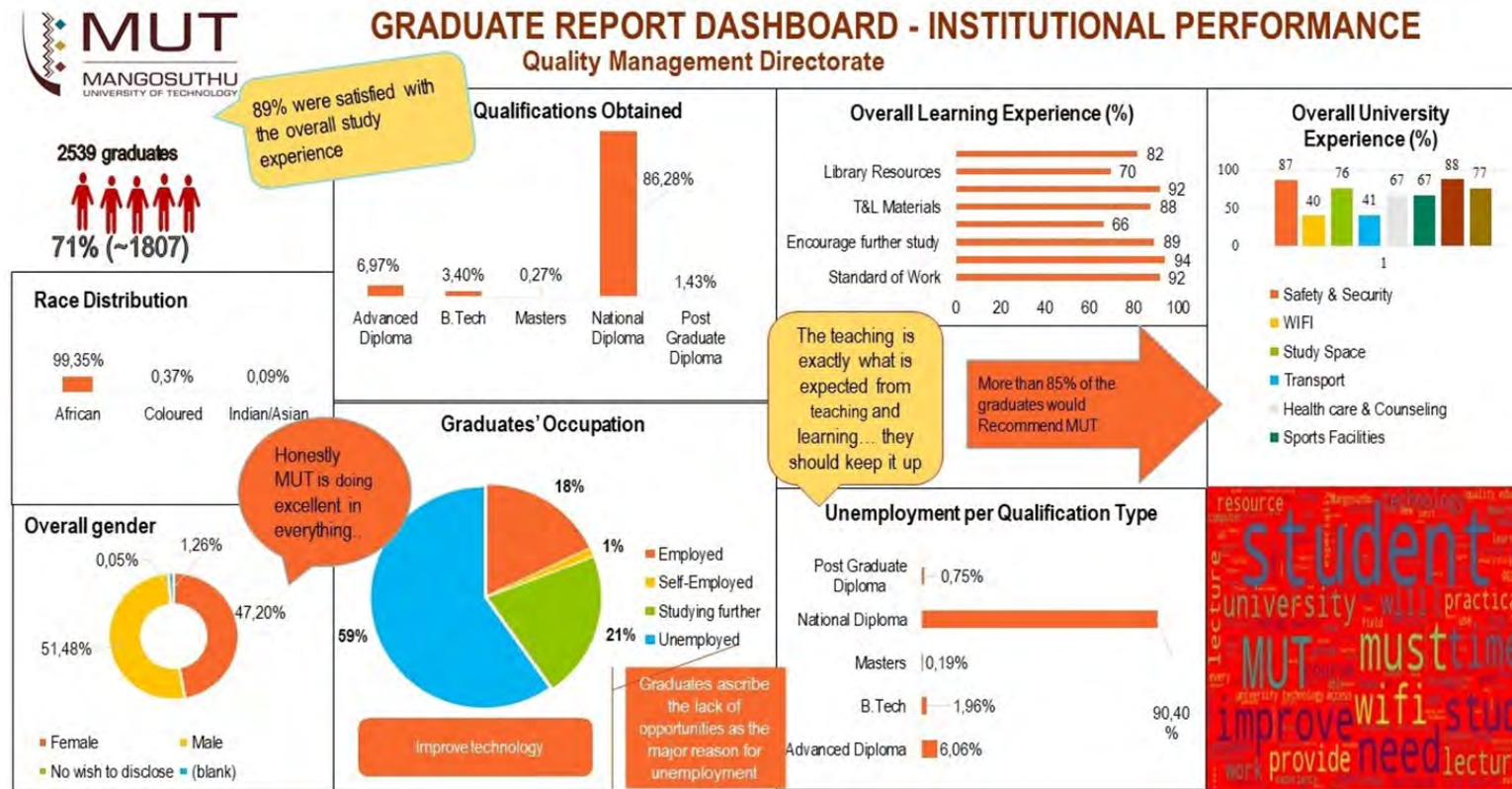
- Provision of data to students and staff.
- Upgrading IT infrastructure (Servers, Firewall, Bandwidth).

The use of the CRG continues to support the University by mitigating the impact of COVID-19 on the delivery of MUT's academic programme.

11.4.8. Virtual Graduation 2020

In 2020 MUT held its first-ever virtual graduation ceremony. In the weeks running up to the online ceremony, graduates were requested to share their perspectives on their overall experiences at MUT, Figure 1 below highlights some key findings.

Figure 1: Graduate opinion survey (Dashboard 2020)



*Blank denotes missing information

11.5. Research

A strong research mission is an integral part of being recognised as a university. At MUT research informs teaching and learning and plays an essential part in the development of community engagement programmes to alleviate poverty, reduce inequality and create wealth. Mangosuthu University of Technology's strategic plan, as well as the national priorities defined by the Government, serve as the basis of future directives in research and development.

In line with MUT's strategic goal to advance knowledge for the benefit of society, MUT researchers were quick to steer their research efforts towards contributing to the global effort to develop insights about the novel coronavirus and to understand the impact of the pandemic on lives and livelihoods. Below is a list of COVID-19 related research projects and papers developed in 2020 (Table 13):

Table 13: COVID-19 research projects at MUT

Researchers	COVID-19 Project description / Publication title
Dr Jordaan (Research directorate), Dr Ebenezer (Chemistry), Dr Damoyi (Chemistry) and Dr Shapi (Chemistry)	Conducting virtual screening, molecular docking and meta-analysis of FDA approved compounds against Severe Acute Respiratory Syndrome coronavirus 2 (SARS-CoV-2).
Prof Agbola	The impact of the COVID-19 Pandemic in Townships and Lessons for Urban Spatial Restructuring in South Africa
Prof Anandraj and Dr Mutunda	Cyanobacterial metabolites as promising drug leads against the Mpro and P1pro of SARS-CoV-2: An in-silico analysis
Prof Beesham	Mathematical modelling of COVID-19 in South Africa
Dr Mutanga	Tweeting on COVID-19 pandemic in South Africa: LDA-based topic modelling approach
Dr Naidoo	Anisotine and amarogentin as promising inhibitory candidates against SARS-CoV-2 proteins: a computational investigation
Dr Naidoo	Where to from here? Contemplating the impact of COVID-19 on South African Students and Student Counselling services in higher education
Prof Mantzaris	COVID-19, health systems corruption, economic priorities and poverty: The case of South Africa
Prof Mantzaris	Dissecting disaster responses during COVID-19: eThekweni Municipality experience
Dr Kehdinga	Engineering for Survival in Rural Africa in the Era of COVID-19

Table 14 provides a high-level summary of research output units for the year 2020 published in DHET accredited journals. Research productivity at the university has more than doubled in 2020 compared to 2019. Consequently, the University generated a cumulative income of R11 608, 275.63 from research grants and contracts (excluding VAT).

Table 14: Research productivity in 2020 (unaudited)

Period	Admin	Engineering	Management Sciences	Natural Sciences	Total
Baseline: 2019	16.23	16.01	10.9	4.37	47.51
Q1 2020: Jan - Mar	1.33	1.91	1.00	2.07	6.31
Q2 2020: Apr - Jun	10.50	4.06	4.00	7.54	26.10
Q3 2020: Jul - Sep	9.00	4.74	5.33	7.33	26.40
Q4 2020: Oct - Dec	33.00	3.91	7.92	1.04	45.87
TOTAL: 2020	53.83	14.62	18.25	17.98	104.68

Enhancing research skills is an important objective in the MUT strategy. To this end, several capacity building workshops and seminars were hosted by the Faculties in 2020 as outlined in Table 15 below:

Table 15: Research capacity building workshops and seminars

Type	Name of workshop/seminar	Presenter/s
Research capacity-building workshops	Understanding, research design, research methodology and research method	Dr Ntshangase, Dr Mvuyana and Dr Mgijima
	Writing a problem statement	Prof Lubbe and Prof Klopper
	Introduction to traditional research – interdisciplinary and trans-discipline	Prof Mantzaris and Prof Naidoo
	Conducting a Literature review	Prof Lubbe and Prof Klopper
	Crafting a theoretical Framework	Prof Mantzaris
	Research methods	Prof Lubbe and Prof Klopper
	Juridical and monetary parts	Dr Cookson and Dr Mienie
	Statistical handling	Dr Henry
	Developing Data instruments	Prof Lubbe and Prof Klopper
	Data handling	Prof Ngcobo and Dr Sikwela
Research seminars	Sir Roger Penrose and the Nobel Prize in Physics 2020	Prof Beesham
	COVID-19 for the health professionals in academia	Mrs Jaya
	Application of Plasma Technology for Environmental Issues	Dr Iwarere (University of Pretoria)

The National Research Foundation (NRF) rating system is a useful tool to benchmark the quality of our researchers against the best in the world. The ratings are based on a researcher's recent research outputs and impact as perceived by international peer reviewers. MUT's researchers with NRF ratings are (Table 16):

Table 16: NRF-rated researchers at MUT

Name	Rating category	Period of Rating
Prof. TC Haupt	C1	2016-2021
Dr K Tumba	C2	2021-2026
Dr H Ndebele	C3	2020-2025
Dr R Subbaye	C3	2020-2025
Prof. B.F Bakare	Y2	2019-2024
Dr M Lasich	Y2	2019-2024
Dr BP Numbi	Y2	2019-2024

11.6. Community engagement

As one of the three pillars of higher education besides teaching/learning and research, the importance of community engagement (CE) has gained considerable momentum at MUT. The following are CE highlights from 2020.

11.6.1. Ministerial special project

MUT engaged in the Ministerial Special Project to assist three schools in the Umgungundlovu district and one in Umlazi, in technology-related subjects. The project was a build-up towards the National Science Week. The focus of the project was oriented towards building capacity in coding, robotics and the Internet of Things (IOT), and learners were taught to solve problems using technology.

11.6.2. Review of community engagement model

Senate reviewed and approved revisions to the existing model of community engagement being implemented at the University. The reviewed model seeks to conceptually integrate community engagement into teaching and learning, and research, and is referred to as the Intersection model. The intersectionality implies that community engagement projects from faculties will be used to enrich classroom teaching, strengthen learning opportunities and encourage the development of research projects emanating from CE exercises.

11.6.3. Student-entrepreneurship projects

Students' participation in entrepreneurship projects was enhanced by the Community Development directorate through active collaboration with the Faculty of Management Sciences. Students entered an international competition "End Poverty Innovation Challenge" (EPIC) hosted by the Social Ventures Foundation based in the USA. The main purpose of the competition was to encourage the development of the next generation of entrepreneurs from University programmes. Participants had access to virtual learning labs and networking opportunities.

11.6.4. Outreach activities

Due to national lockdown and unemployment that impacted our communities negatively, the university through the community engagement office was able to reach out to the local community of Ezakheleni informal settlement by providing them with seedlings for their gardens. This was meant to address the hunger that the communities were experiencing.

11.7. Staff and students' awards and achievements in 2020

The following staff and students were recognised outside MUT:

- Dr BP Numbi was appointed to serve on the NRF's Engineering standing panel
- Mr Anil Lonappan was appointed as an accreditation assessor for University programmes by the Engineering Council of South Africa (ECSA)
- Mr Phumlani Ngobese, a server administrator in IT&N, studied and completed 40 modules on cybersecurity (particularly, firewalls)
- Mr Sandile Dlamini, MUT e-Sport and aerobics hip-hop coach was appointed as the Chairperson of the University Sports South Africa aerobics committee
- Dr Maryam Jordaan was invited to join experts from around the world to discuss the COVID-19 pandemic on BBC world news
- Prof T Haupt and Ms M Akinlou, from the Department of Construction Management & Quantity Surveying, were awarded the 'Best Paper' at the 13th Built Environment Conference in Durban hosted by the Association of Schools of Construction Southern Africa
- Mrs Pinky Khoza, a senior Committee Officer in the Registrar's Division, released her single "Izizwe"
- Prof Logan Naidoo from the Department of Human Resources and Management became a member of the KwaZulu Natal Sport Confederation
- Mr Anesipho Malgas, an Accounting student, was selected to play rugby for the Sharks under-19 team
- Community Extension students participated in an international food summit on food safety during the COVID-19 pandemic.

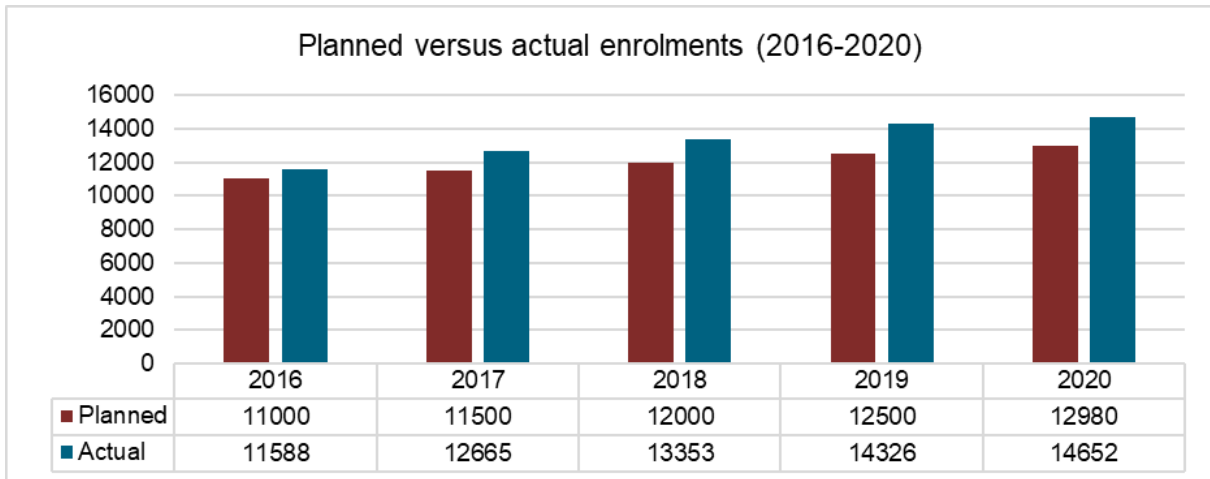
11.7.1. Recent graduates' achievements

- Mr Njabulo Mabaso, (graduate 2019) has established a business selling wood and coal collected from local farms and coal mines around Ermelo.
- Mr Bright Hlongwane (graduate 2018), was nominated to the Presidential Working Group on youth development and empowerment in 2020. Later in the year, he was nominated for an award by Prestige Awards, an international organization that recognizes individuals who supply excellent products and services to their communities.
- Miss Kadija Makhanya (graduate 2019) was selected among the top 35 of Miss SA contestants.

11.8. Composition and size of the student body

Figure 2 show the five-year trend in planned versus actual headcount enrolments at MUT. The number of students increased by 3064 from 2016 to 2020, representing an average annual growth rate of 6% in headcount enrolments over five years.

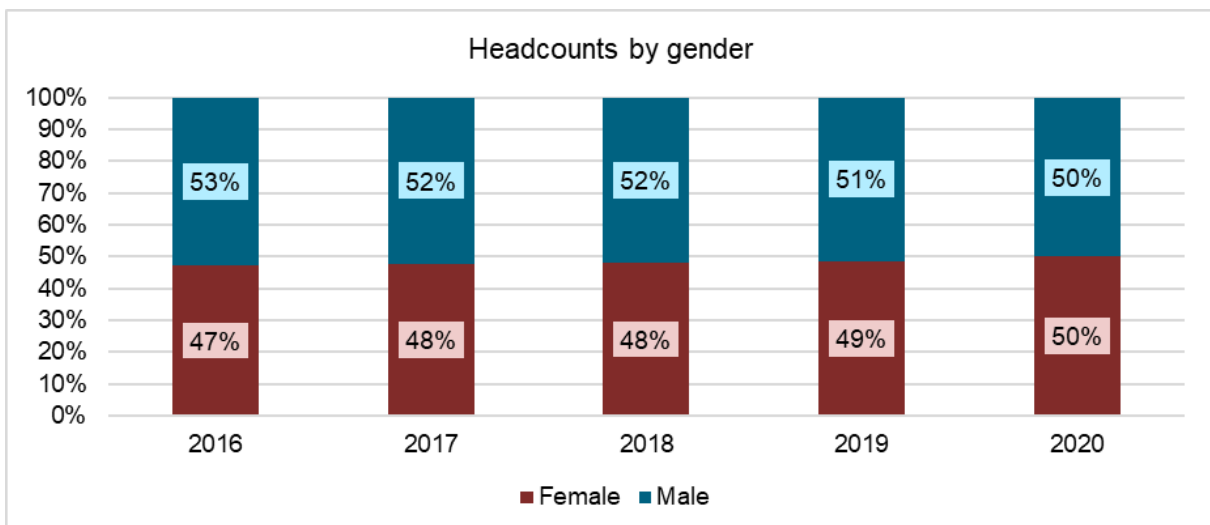
Figure 2: Headcount enrolments planned vs actual (2016-2020)



Most students enrolled at MUT in 2020 are African (99.6%), with Indian (0.2%), Coloured (0.2%) and White (0.01%) students representing less than 1% of the student body. This demographic trend has remained consistent over the last five years.

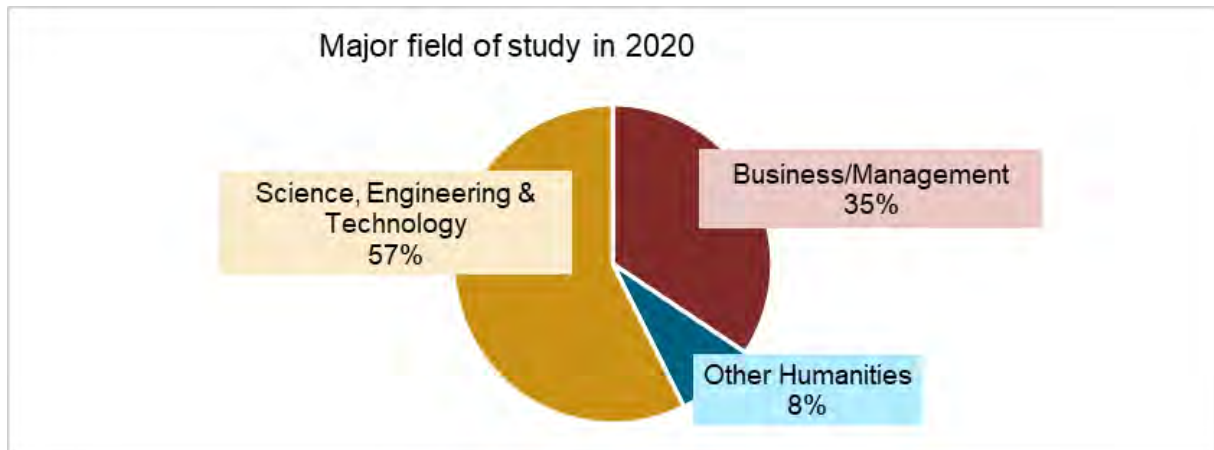
Figure 3 below shows that in terms of gender, there has been a gradual increase in the proportion of female enrolments over the last five years. In 2020 MUT achieved gender parity in terms of access for females at the University.

Figure 3: Headcounts by gender (2016-2020)



In 2020, headcount by major fields of study showed that the proportion of enrolments in Science, Engineering and Technology (SET) declined from 60% in 2019 to 57%, while there was an increase in enrolments from 6% in 2019 to 8.2% in other Humanities (see Figure 4).

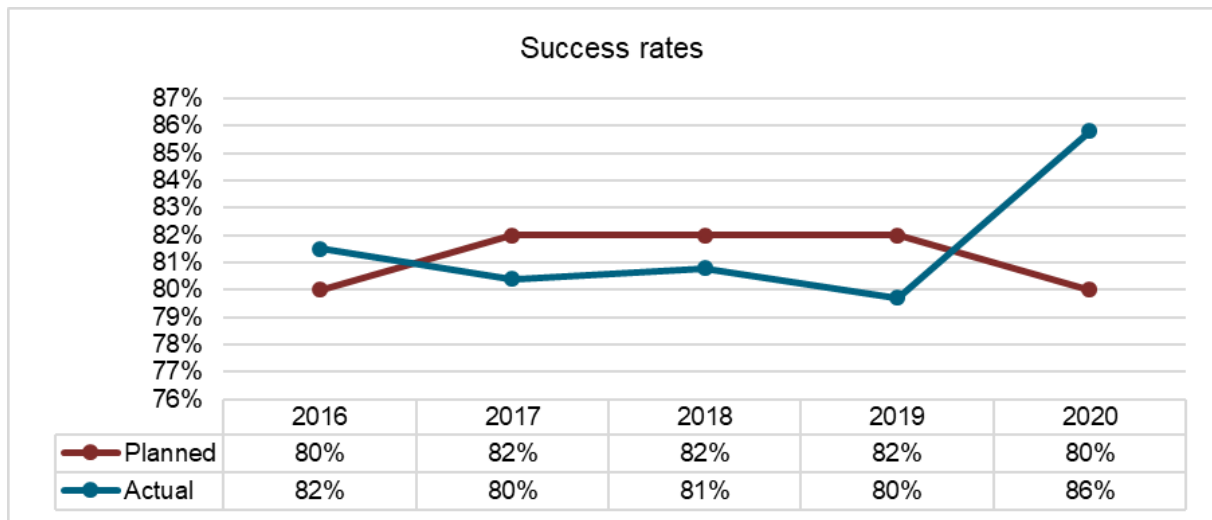
Figure 4: Headcounts by major field of study in 2020



Enrolments in the Business/Management fields remained consistent and were on target at 35% in 2020. The decline in SET enrolments may be attributed to the shrinking pool of learners who take Mathematics (as opposed to Maths literacy) in matric. Passing Mathematics in matric is a minimum admission criterion for most SET courses.

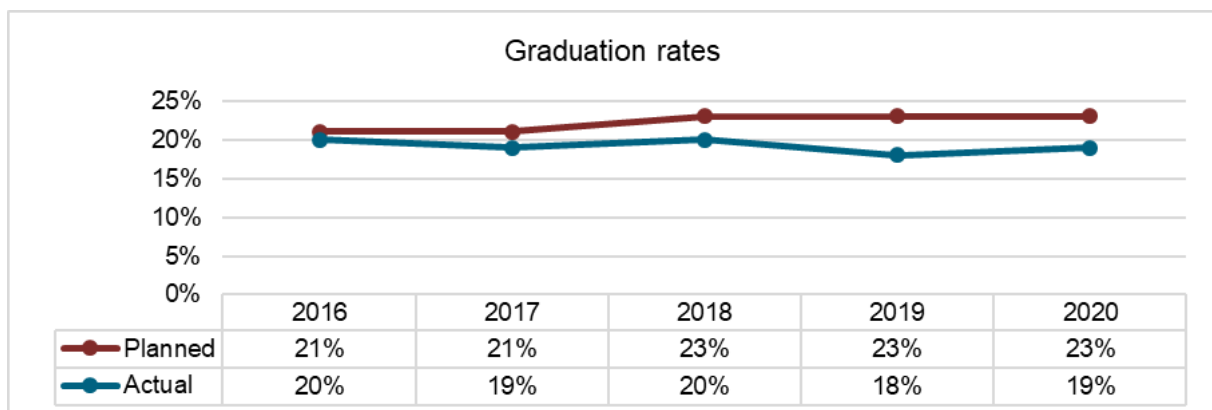
The success rate expresses the proportion of the undergraduate credit values that students complete in 2020 as a proportion of those credits for which they were enrolled. Figure 5 shows the planned versus actual success rates at the University for the period 2016 to 2020. The success rate has increased from 81.5% in 2016 to 85.8% in 2020. The increase may be attributed to the Senate decision to adopt the continuous assessment framework (2015) to determine course marks for progression.

Figure 5: Success rates - planned vs actual (2016-2020)



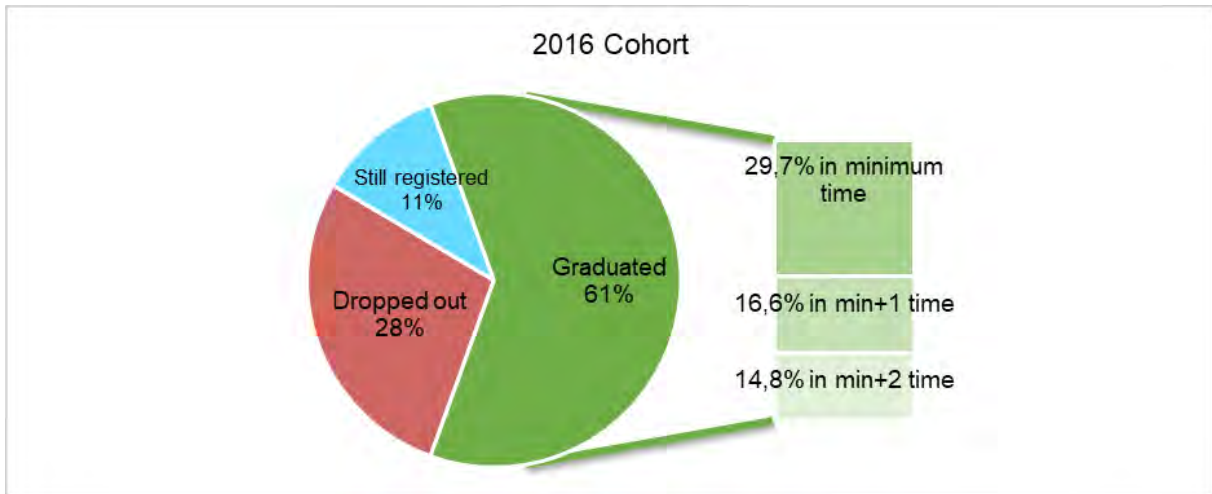
The graduation rate (number of students who graduated divided by the total number of students enrolled in that year) stood at 19% in 2020 (Figure 6). While this is below the target of 23%, it does represent an increase of 1% from 2019.

Figure 6: Graduation rates: planned vs actual (2016-2020)



Throughput rates provide an indication of university efficiency and are defined as the number of first-time entry undergraduate students of a specific cohort of a specific year who have graduated either within the minimum time, or up to two years beyond the minimum time, compared to the number of students in the baseline enrolments of that cohort. (DHET – Dictionary of terms). Figure 7 provides a descriptive analysis of first-entrant enrolments (n=3212) in 2016 and shows that 29,7% of students in the 3-year national diploma programmes graduated in the minimum time (in 2018), and a further 16,6% graduated in minimum +1 year (in 2019) and 14.8% completed in min+2 years (in 2020). Overall, 61% of students who enrolled in 2016 graduated within five years of registration (min+2).

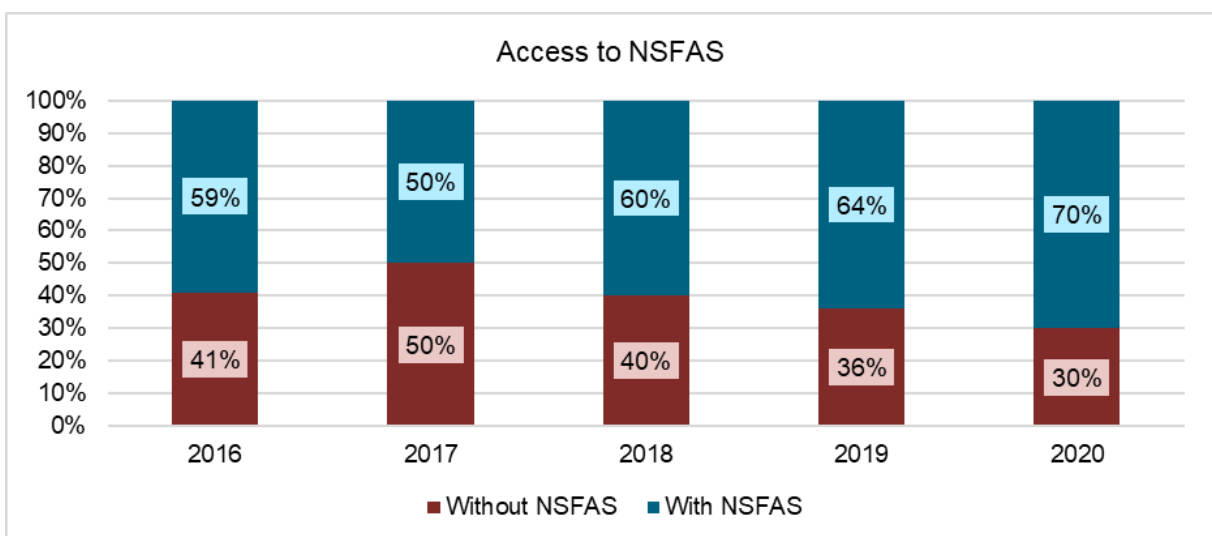
Figure 7: A cohort analysis (2016) of 3-year national diploma programmes



Dropout rates complement our understanding of student throughput rates. For the 2016 cohort enrolled in national diplomas, 28% of the first entrants who enrolled in 2016 had dropped out by 2020 (Figure 7). A further 11% of students who registered for the first time in 2016 for a national diploma were still registered at the university in 2020. Figure 7 provides a summary of the status of the 2016 cohort in 2020.


The National Student Financial Aid Scheme (NSFAS) is the major source of student funding at MUT. Figure 8 shows the five-year trend in the proportion of students who are funded by NSFAS. In 2020 the NSFAS grant was allocated to 10 464 students, representing 70.4% of MUT’s student body (Figure 8).

Figure 8: Student access to NSFAS (2016-2020)



Although NSFAS funding allocations have increased year on year, the increase in student fees and limited funding from the private sector make the task of equitable

distribution of funds among students very difficult. MUT draws a large number of students from historically disadvantaged communities where many parents are either unemployed or dependent on government social grants. Additional financial aid from the private sector is insufficient to meet current needs. In 2020, 513 additional students received bursaries and scholarships from sources other than NSFAS.



Prof MM Ramogale
Acting-Vice-Chancellor & Principal
Chairperson of Senate

26/8/2021

Date

12. REPORT OF THE INSTITUTIONAL FORUM TO COUNCIL


The MUT Statute (2015) outlines the role of the Institutional Forum (IF) as an advisory body to Council on issues affecting the University, including but not limited to, the following:

- The implementation of the Higher Education Act and the national policy on higher education.
- Transformation, which includes race and gender equity policies.
- The selection of candidates for senior management positions.
- Codes of conduct, mediation and dispute resolution procedures.
- The fostering of an institutional culture which promotes tolerance and respect for fundamental human rights, and creates an appropriate environment for teaching, research, learning and community outreach.
- The language policy of the University.

The IF performs such other functions as may be determined by the Council. Subject to the provisions of the Higher Education Act and the MUT Statute, the Institutional Forum consists of representatives from Management, Council, Senate, academic employees, employees other than academic employees, students, and any other category determined by the institutional statute. Table 17 below reflects the attendance at the three ordinary meetings of the IF in 2020.

Table 17: IF composition and attendance

2020 Institutional Forum Attendance				
Name	21 February (Ordinary meeting)	10 July (Ordinary meeting)	30 October (Ordinary meeting)	%
Mr S. Mthethwa (interim Chairperson - Feb & Jul)	P	P	P	100%
Mr L. Mthimkhulu (Chairperson - October)	P	A	P	67%
Mr T. Hadebe	P	P	P	100%
Mr S. Mbonambi	P	P	P	100%
Mr M. Mondli	A	A	AP	0%
Mr L.P. Nzama	P	P	P	100%
Dr B.Y.C Mvuyana	P	P	P	100%
Mrs J. Baah	P	P	P	100%
Prof AM Msomi	A	P	P	100%
Ms L.T. Kweyama	P	P	P	100%
Ms T.E. Kotelana	P	AP	AP	33%
Mr T. Zwane	AP	P	A	33%
Mr N. Fuyane	P	P	P	100%
Mr A.Z.M. Kubone	P	P	P	100%
Dr M. Makua	A	P	P	100%
Mr B. Shezi	A	P	P	67%
Mr T. Maolosi		P	A	50%
Mr T. Ndlovu	P			100%
Ms L. Luthuli	P	A	A	33%
Prof MM Ramogale	P			100%

P: Present
A: Absent
AP: Apology
 *Term of office ended/ Resigned / Not a member*

During the 2020 reporting cycle, the Institutional Forum (IF) reviewed proposals and advised Council on the following matters:

- Recommendation regarding the appointment of a transformation champion in the Office of the Vice-chancellor.
- Council's proposed revisions to the MUT Statute.
- Appointments of Acting Deans in 2020.

- Employment equity and the implementation of Broad-Based Black Economic Empowerment (BBBEE) at the University in 2020.
- Campus security.

Furthermore, in 2020 the IF:

- Elected a Deputy Chairperson.
- Conducted a workshop on Transformation for members.
- Deliberated on the process of developing a Transformation concept document and an Institutional Transformation plan.
- Formulated a task team to interrogate the efficacy of the current composition of the IF and to make recommendations.



Mr L Mthimkulu
Chairperson of the Institutional Forum

27/08/2021

Date

13. REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION

Following the declaration of COVID-19 as a national disaster by the SA Government on 15 March 2020 and the directive to higher education institutions by DHET issued on 17 March 2020, Senate resolved that MUT be placed on early recess from 18 March 2020. Subsequently, a national lockdown was declared, and the University was closed. Announcements regarding the lockdown regulations and movement between levels meant that the University had to be agile and responsive to ensure the safety of staff and students and to adjust the academic calendar so that students were able to successfully navigate the curriculum, without compromising the quality of their studies.

The transition of universities to remote teaching and learning was not without challenges, with students reporting a lack of data and internet-enabled devices, and limited access to adequate learning spaces. Academic staff needed training on instructional design, teaching, and assessment using technology. Support from USAf and DHET in terms of helping universities re-orient their practices and adapt to the new normal was greatly welcome. A major concern has been the DHET's delay in procuring and delivering laptops to NSFAS students.

A platoon system for contact learning was implemented in Quarter 4 of 2020 and as a result there was a significant improvement in the delivery of the academic programme. The Faculties reported on the successful completion of the 2020 academic year, despite the constraints encountered. Both the Faculties of Management Sciences and Natural Sciences completed their 2020 academic programmes at the end of February 2021. The Faculty of Engineering concluded theirs on 15 March 2021. All assessments were completed in Quarter 1 of 2021.

Several academics acquired doctoral qualifications in 2020 and MUT is proud to report 51 research collaborations across the University, 28 of which are international. Across the Faculties, the production of high-quality research publications has increased from a total of 42 productivity units in 2019 to more than 100 in 2020. Despite the challenges in the context of COVID-19, MUT continued to grow its community engagement agenda by collaborating on activities with NGOs and government departments.

An Anchor Strategy has been developed and approved by the Executive Management Committee (EMC). A primary aim of the Anchor Strategy is to enable MUT to become a socio-economic catalyst to mitigate against Umlazi Township's growing inequalities. Through the Anchor Strategy, the University also aims to systematically leverage its resources with multiple stakeholders to impact meaningfully on the Umlazi Township community. Furthermore, MUT has committed that it will preserve the history of Umlazi Township and curate its local art. A framework has been approved by EMC and representatives appointed to a Task Team for this purpose.

For obvious reasons, raising awareness on adherence to non-pharmaceutical interventions to prevent COVID-19 was given top priority at the University. To this end, several campaigns (via social media, radio, storytelling) were conducted. The approval of the amended Campus Readiness Plan allocated resources to ensure that MUT complied with all the COVID-19 government regulations to safeguard staff and students.

The acquisition of PPEs was also a priority. The University campuses and the residences were deep-cleaned and are frequently sanitised for the safety of staff and students. Consequently, the number of COVID-19 cases on campus has been low compared to our counterpart universities. Furthermore, in line with our Anchor Strategy, MUT donated masks to schools in surrounding areas, targeting children who live in the nearby informal settlement, to limit the spread of COVID-19 in the community.

Like many universities in the country, MUT hosted its first ever online graduation in 2020. While a contact ceremony would have been preferred by many graduates, the virtual ceremony was a resounding success with students using social media platforms to share their academic achievements. A total of 2,809 qualifications were conferred (compared to 2,536 in 2019).

Recurring challenges with skills shortages in key areas such as Human Resources, Supply Chain Management, Information Technology (IT), and Operations have slowed the implementation of Council resolutions. The skills deficit means that the University struggles to meet the standard of output quality that is required in the higher education sector.

Key positions in the Human Resources and Development (HR&D) Department are functioning at operational levels, with insufficient (or mismatched) skills in the Department to perform at strategic levels. Consequently, the Department cannot serve as a nerve centre for change and transformation at the University. The high volume of work as a result of manual or labour-intensive processes limits the ability of staff to perform strategic tasks simply because they are inundated with operational concerns. While recent efforts have been made to align Human Resources' strategic priorities to MUT's 2025 Strategy, more direction is needed. This necessitates the appointment of an Executive Director who will develop, drive, and deliver on the Departmental strategy. The creation and filling of this position are underway.

Supply Chain Management has been severely understaffed for several years and has not been functioning effectively as a supply chain unit. It was previously known as "Stores" and performed only the most basic procurement activities. Although a Head of Procurement was appointed, it still did not help to improve the functions and effectiveness of the Unit. The Head was subsequently suspended due to allegations of mismanagement of the Unit, and during that time the procurement processes almost came to a halt. MUT responded by appointing an external procurement specialist to assist with the most urgent procurement projects. A review of the structure in the Unit is currently underway.

The IT enterprise has historically been the subject of numerous complaints regarding efficiency and output, from staff members as well as Council members. Given the necessity and challenges of remote work, this function at the University needs urgent attention. Capacity enhancement through the creation of new positions is necessary. To this end, a review of the structure of the IT&N Directorate is currently underway.

As a result of capacity constraints in the Operations environment, there are backlogs in MUT's infrastructure and maintenance projects. Many of the projects have been on the

list for a substantial period and are far from completion or making very slow progress. The University incurs substantial losses because of price escalations in incomplete infrastructure projects. In 2020, the Senior Director was placed on precautionary suspension and an Acting Senior Director manages the operations. This is another Directorate whose structure is under review as part of the development of a new University structure.

Both the Legal Services Directorate and the Occupational Health and Safety Unit are “one-person” units. Both departments play a critical role insofar as legal and occupational health and safety matters are concerned. Due to the lack of capacity in these units, they are unable to perform their functions optimally to the benefit of the University community. Capacity will improve once Council approves MUT’s organisational structure and additional positions are created.

The lack of capacity within administrative and support departments at MUT in 2020 constitutes an institutional risk and has a detrimental impact on the University’s ability to realise its strategic objectives and priorities. The lack of capacity also has a negative effect on the morale of high-performing staff in the employ of the University who are called upon to take more and more responsibilities, thus leading to stress and burn-out.

Another area of concern is that all three Faculties are headed by staff in acting positions, but the recruitment of substantive Faculty Deans is currently underway. MUT needs the right competencies to drive the core business of the University and to ensure that we remain competitive in attracting suitably qualified academics and delivering on our commitments to students. Continuing work is being done in terms of the Delegations of Authority to support the academic enterprise of the University.

In order to tackle MUT’s capacity constraints, Management is finalising a comprehensive organisational structure which will need to be approved by Council. The creation of new positions at MUT will have financial implications for the University. However, the costs related to such new positions will be offset by greater effectiveness and efficiency of affected departments, thus resulting in improved overall institutional performance.



Prof MM Ramogale
Acting Vice-Chancellor & Principal

26/8/2021

Date

14. REPORT ON INTERNAL ADMINISTRATIVE/OPERATIONAL STRUCTURES AND CONTROLS

In 2020 MUT continued to maintain a system of internal control over financial reporting and the safeguarding of assets against the unauthorised acquisition, use or disposal of such assets. Such systems are designed to provide reasonable assurance to MUT and the Council regarding an operational environment that promotes the safeguarding of MUT's assets and the preparation and communication of reliable financial and other information. In early 2020, MUT established an Internal Audit (IA) unit (a previously outsourced function) to assess controls and provide assurances to the Audit, Risk and Compliance Committee (ARCC) and Council.

The University relies on enterprise resource planning (ERP) software to manage its information resources, namely staff, student, space and financial data. Information management systems have been developed and implemented according to defined and documented standards (for example HEMIS protocols). In addition, accepted standards are applied to protect privacy and to ensure control over all data, including disaster recovery and backup procedures. Password controls are strictly maintained, with users required to change passwords regularly. There are monthly reviews to ensure that there are no clashes in user access rights and that the basic internal control concept of division of duties is maintained.

Internal Auditors assess the operation of internal control systems and report findings and recommendations to executive management and ARCC. Corrective actions were taken to address control deficiencies and other opportunities for improving systems are adopted when identified.

A three-year rolling audit plan together with an annual internal audit operational plan was developed, endorsed by Management, and approved by ARCC before implementation. Internal audits were performed on various divisions throughout the University according to this operational plan. On a quarterly basis, ARCC provided oversight on the implementation of the IA operational plan. Internal audit reports with management comments were presented to ARCC. The audit log was also maintained to assess progress on the implementation of management action plans in terms of addressing both internal and external audit findings raised previously. Status on the resolution of audit findings in the audit log was presented to ARCC on a quarterly basis in 2020.

While MUT does not have an Internal control manual, the University is guided by several finance policies and standard operating procedures. The University is also developing further finance policies and standard operating procedures in identified areas of need. This is an ongoing process.

The assessment of internal control is performed by the Internal Audit, Risk & Compliance directorate in accordance with the approved Internal Audit plan. Consequently, there is continuous assessment of internal controls throughout the year. With regard to annual financial reporting, the University prepares its annual financial statements internally using specialized software. The financial statements are prepared by the Budget &


Reporting Accountant, with the assistance of the Director: Finance and under the supervision of the CFO. The draft unaudited annual financial statements are then subject to an independent review by the Internal Audit, Risk & Compliance directorate; submitted to a joint sitting of the Finance & Investment Committee (FIC) and ARCC for approval, before being issued to the external auditors for audit purposes.



Ms Z Gwarube
Acting Director: Internal Audit,
Risk and Compliance

26/08/2021

Date



Mrs NS Mlaba
Chairperson of the Audit, Risk and
Compliance Committee

27/08/2021

Date

15. REPORT ON TRANSFORMATION

Mangosuthu University of Technology acknowledges the importance of ensuring fair and equitable treatment of all applicants for employment and all existing university employees by removing discriminatory barriers and introducing positive affirmative action policies and practices. The University has committed itself to promoting employment equity and affirmative action.

In 2020, the executive management committee (EMC) expressed a view on transformation in response to a request from the IF. The EMC indicated that transformation is not conceptualised as an issue, act or event. Transformation is construed as a process of change at MUT. In this regard, EMC has seen to it that transformation is reflected in many key governance instruments. For instance:

- Targets for staff demographic profiles (to address injustices of apartheid policy) are encapsulated in our employment equity plan and monitored by HR&D.
- Targets for student demographics are captured in our enrolment plan and monitored by the Academic Planning Committee (APC) and academic administration.
- Targets to create an enabling culture are explicated in Goal 5 of our Strategy 2025 and monitored by the Office of the VC.
- Policies to address people living with disabilities, gender-based violence etc. are drafted by various departmental stakeholders and approved by Council.
- Awareness programmes to address issues of gender-based violence and diversity are conducted by various departments such as Marketing and Communications and Student Affairs.

With this in mind, the Institutional forum IF set up a task team to initiate the process of developing a Transformation Concept Document and an Institutional Transformation Plan.

15.1. Employment equity

The Employment Equity Plan (2017- 2020) is being implemented in accordance with the Employment Equity Act Number 55 of 1998, as amended. The University continues to work towards achieving employment equity targets and to ensure that the designated groups are given first employment opportunities. However, there has been slow progress in terms of achieving the provincial and national targets, which is not a challenge unique to MUT but is evident elsewhere as indicated in the new EE Bill and associated regulations.

Despite the socio-economic disruptions as a result of COVID-19, MUT has maintained its commitment to stay focused on achieving employment equity (EE) goals and targets in 2020 (see Table 18 below). One of the difficulties in recruitment and selection of people from targeted groups has been in the area of scarce skills, especially Engineering. It is difficult to attract staff as we are competing with very high remuneration packages offered in industry. Deviations to hiring staff in the targeted groups in this area were expected and necessary, to ensure continuity of teaching at the University. In addition, there is slow progress towards meeting gender equity targets at senior

management levels (Grades 1-4). Females are under-represented in executive management (which has two vacant DVC positions) and in other senior management roles. Attention also needs to be paid to the recruitment, selection and retention of people living with disabilities.

Table 18: Number of filled positions in relation to EE targets as 31 December 2020

Population Group	Gender	Economically Active Population	Filled Posts	EE Target	Deviation from Target
African	Female	38,30%	264	251,25	12,75
	Male	42,30%	296	277,49	18,51
Coloured	Female	0,80%	4	5,24	-1,24
	Male	1,30%	4	8,53	-4,53
Indian	Female	4,40%	24	28,86	-4,86
	Male	7,30%	34	47,89	-13,89
White	Female	2,30%	12	15,09	-3,09
	Male	3,30%	10	21,65	-11,65
TOTAL			648	656	-8

15.2. Staff development and capacity building

Investing in the professional development of staff is important to maintain and enhance the knowledge and skills needed to deliver high levels of service to our stakeholders. Moreover, continuous professional development is among the key strategic objectives (2020-2025) to create an organisational culture that optimises productivity at MUT. In the first half of 2020, a strategic choice was made to focus on the continuity of core university operations. As a result, training for “teaching with technology” such as instructional design, navigating the learning management system (LMS), and conducting assessments was prioritised. In the third and fourth quarters of 2020, as staff and students became accustomed to the “new normal”, of online training, the uptake of other types of opportunities in areas such as dealing with COVID-19, artificial intelligence, community-based service learning, customer experience management, and fraud examination started to rise.



Prof MM Ramogale
Acting Vice-Chancellor & Principal

26/8/2021

Date



Mr M Morailane
Chairperson of Council

28/08/2021

Date

PART C: ANNUAL FINANCIAL REVIEW

16. REPORT OF THE CFO AND THE FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee (FIC) met as scheduled during the year to consider various financial and investment matters. The FIC focuses on various issues affecting the financial well-being of the institution including financial sustainability, finance policies, processes, and systems.

The 2020 year was severely disrupted by the onset of the COVID-19 pandemic resulting in the President announcing a National State of Disaster followed by the lockdown restrictions brought into effect at the end of March 2020. These restrictions had dire consequences for the Higher Education sector. The University had to navigate through the lockdown dealing with multiple new challenges. The key finance-related challenges experienced because of COVID-19 included the following:

1. The announcement by the Minister of Education that NSFAS funded students must continue to receive their allowances although the academic year was suspended; together with the amendments to the academic timetable, resulting in changes having to be made in terms of processes and systems to ensure NSFAS payments continued as announced.
2. Landlords demanding that rentals be settled as usual although residences remained unoccupied over certain periods of the lockdown. This necessitated constant negotiations with landlords in order to reach amicable solutions that would not prejudice MUT but also not disadvantage landlords. The matter was also dealt with at a national level culminating in the DHET gazetting regulations for the payment of student accommodation for the 2020 and 2021 years.
3. The disastrous impact on the South African economy resulting in numerous businesses either closing down or downsizing resulting in thousands of job losses in all sectors.
4. A significant reduction in cash collections negatively impacted cash flow.
5. The DHET announcing the reduction of the Block Grant and certain earmarked grants for current and future periods.
6. The introduction of multi-modular mode of teaching necessitating the reduction of the Block Grant and re-prioritisation of certain earmarked grants in order to make funds available for continued teaching and learning.
7. The introduction of COVID-19 safety protocols necessitating the review of the 2020 budget and re-prioritisation of funds to provide protective gear, including sanitising equipment, to comply with the relevant regulations and to ensure the safety of students and staff.
8. The extension of the 2020 academic year into the first quarter of 2021 meant that certain accounting adjustments had to be made in respect of revenue recognition.
9. The additional financial reporting requirements introduced by the DHET as a result of the Covid-19 Grants given to Universities (CRG1 & CRG2).
10. The impact on human capital within the finance department was also significant with certain members of staff contracting the virus and many staff having to deal with the death of family and friends as a result of COVID-19 related complications.

We continue to navigate through these difficult times by continuously addressing various challenges including capacitating the Finance department in all aspects, to achieve improved efficiency, effectiveness, governance, and compliance.

Various measures have been put in place to improve and ensure the financial sustainability of the institution. However, there is a significant amount of work to do in ensuring MUT becomes fully self-sustainable. This includes the improvement of existing policies, processes, procedures, and IT systems. As we move into the 4th Industrial Revolution (4 IR), the use of technology becomes even more critical to improve efficiency and enhance compliance.

The areas of Supply Chain Management (SCM) and Students Debtors are still particularly concerning. Some measures have been taken to address these areas. The outsourcing of debt collection to external parties assists in improving cash collections, however, the lack of internal capacity to directly oversee and manage this function remains a challenge. MUT's provision for doubtful debt is significant and represents 46% (2019: 50%) of the gross student receivables. The SCM unit requires a significant overhaul of its structure and improvement in capacity, including enhanced systems and processes. We are making improvements and need to increase the pace at which changes are implemented.

The institution recorded a surplus during the current year. The surplus before other comprehensive income is R31 million (compared to 2019: R83 million). The increase in total income was 7% and the increase in total expenses was 13%. The increase in income was mainly due to an increase of 7% in student accommodation income and government grants increased by 12% whilst tuition fee income declined by 10%.

The number of full-time equivalent (FTE) students increased from 10,164 in 2019 to 10,384 in 2020, representing an increase of 220 students (or 2%).

16.1. Budgeting process

The annual budget supports the implementation of plans aimed at achieving the objectives outlined in the Annual Performance Plan. The budget for 2020 was balanced in line with historical trends. The 2020 budget had to be revised because of the additional requirements brought about by the COVID-19 pandemic. The Budget Committee was responsible for overseeing the budget and recommending the budget to the FIC. As part of the Finance department's continuous improvement drive, the budget process, including policies and procedures, will be reviewed to support the financial sustainability of the University.

16.2. Financial aid

The majority of students at MUT rely on financial aid to fund their studies. This means that a large portion of tuition fees are generated from the National Student Financial Aid Scheme (NSFAS) and bursaries or scholarships from independent donors.

16.2.1. NSFAS

In 2020 there were 10,464 students who were allocated NSFAS funding, amounting to R606 million. In 2019, 9,721 students were funded for R554 million. There was an increase of R52 million (9%) in funds allocated to MUT for 2020 while there was an increase of 743 in the number of students funded. NSFAS funding processes have improved in 2020 with regular monthly payments received from NSFAS. NSFAS funding issues caused significant disruptions and inefficiencies during the registration process.

16.2.2. Bursaries and scholarships

Bursaries and scholarships amounted to R33 million (2019: R73 million) and funded 513 (2019: 1,423) students. The advent of the COVID-19 pandemic contributed to fewer bursaries and scholarships being granted by donors.

16.3. Financial highlights: Income and expenditure

Despite the global pandemic, MUT adapted to various challenges, while refocusing its resources to address pressing needs, without compromising financial sustainability in the foreseeable future.

16.3.1. Income

The statement of Profit & Loss and Other Comprehensive Income distinguishes between Council controlled funds, earmarked funds, and student and staff accommodation. Total income increased from R999 million in 2019 to R1 067 million in 2020, which is an increase of R68 million (7%). Council-controlled income amounted to R722 million compared to R678 million in 2019. This is an increase of R44 million (6%); (2019: R19m; 3%). In particular:

- Government subsidies and grants increased from R425 million in 2019 to R476 million in 2020, an increase of R51 million (12%).
- Tuition fee income decreased from R252 million in 2019 to R228 million in 2020, which is a decrease of R24 million (10%). The increment in tuition fees for the 2020 year was 6%.
- Income from student residence fees increased from R321 million in 2019 to R343 million in 2020, which is an increase of R22 million (7%). The increment in university residence fees and private leased residence fees was 8%. There was also an increase in the number of beds from 9,241 in 2019 to 10,592 in 2020, which equates to an increase of 15%.

16.3.2. Expenditure

Council-controlled unrestricted expenditure amounted to R743 million compared to R761 million in 2019, which is a decrease of R18 million (2%). Personnel costs amounted to R464 million compared to R438 million in 2019, which is an increase of R26 million (6%). The salary increment for the year was 7%. The ratio of personnel costs to unrestricted income is 64% (2019: 65%).

16.4. Other operating expenses

Other operating expenses amounted to R443 million, which is an increase of R97m million (28%) on the 2019 expenses of R346 million. A significant portion of this increase is a result of an increase in credit losses (provision for bad debt). The credit loss provision increased by R57 million to R68 million (2019, R11 million) in the year under review.

Expenditure relating to student accommodation amounted to R180 million, an increase of R73 million (7%) over the 2019 expenses of R107 million. Total expenditure amounted to R1 036 million, which is an increase of R120 million (13%) on the 2019 total of R916 million. Management continues to review costs with a view to cost optimisation whilst ensuring that the quality of teaching and learning is not compromised.

16.5. Surplus/deficit

In 2020 there was a deficit in the Council-controlled funds of R21 million, which is a decrease of 75% from the 2019 deficit of R83 million. The surplus from student accommodation decreased from R155 million in 2019 to a surplus of R39 million in 2020. This is a decrease of R116 million (75%) compared to 2019.

In 2020 there was an overall surplus before other comprehensive income of R31 million, which is less than the 2019 surplus of R83 million. The major reason for this was the increase in the provision for doubtful debts of R57 million.

16.6. Statement of financial position

16.6.1. Non-current assets

Property, plant, and equipment increased by 13% from R848 million in 2019 to R957 million in 2020. The increase is a result of gains from a physical assets verification exercise conducted. The University continued to improve its systems and processes over Property, Plant & Equipment, especially moveable assets. It will conduct physical verification on an annual basis and is also considering introducing better technology in respect of monitoring and control of moveable assets.

16.6.2. Current assets

Current assets increased by 27% from R1 047 million in 2019 to R1 332 million in 2020. The increase is mainly due to an increase in cash and cash equivalents of R154 million and trade and other receivables of R131 million.

16.6.3. Non-current liabilities

Non-current liabilities increased by 4,1% from R1 020 million in 2019 to R1 062 million in 2020. The increase is due to the increase in Deferred Income of R64 million as a result of work-in-progress being raised on the infrastructure projects.

16.6.4. Current liabilities

Current liabilities increased by 54% from R309 million in 2019 to R478 million in 2020. This is mainly due to the increase in restricted grants of R61 million largely due to the receipt of two new COVID-19 related grants, namely CRG-1 and CRG-2; and an increase in trade and other payables of R193 million mainly as a result of an adjustment of R124 million in respect of deferred revenue due to the extension of the 2020 academic year into the first quarter of the 2021 financial year.

16.6.5. Solvency and liquidity

The balance sheet reflects a technically solvent position as the University's total assets exceed its total liabilities by R759 million (2019: R647 million). Liquidity is also positive with current assets exceeding current liabilities by R854 million (2019: R738 million). The University's cash balance after deducting earmarked grants is R175 639 million (2019: R69 092 million) as at 31 December 2020.

Table 19: Financial indicators and ratios (2015-2020)

	2015	2016	2017	2018	2019	2020
Personnel costs to unrestricted income	65%	65%	60%	58%	64%	64%
Personnel costs as a % of total exp	45%	52%	46%	45%	48%	45%
Subsidy as % of income	42%	42%	42%	45%	41%	43%
Tuition and residence fees as % of total income	49%	53%	54%	54%	56%	52%
Other income as % of total income	2%	1%	1%	1%	1%	1%
Current ratio	0.95	0.91	2.93	4.00	3.00	2.78
Cash ratio	0.79	0.90	2.02	2.69	2.66	2.04
Total debtors as % of fees	49%	38%	69%	98%	39%	63%
Provision for doubtful debts as % of total debtors	63%	72%	47%	50%	50%	46%
(Decrease)/Increase in debtors (R'000)	18 086	254	128 674	109 118	- 44 951	130 960

Council and management are working on strategies to ensure the financial sustainability of the institution. These strategies, some of which have already been implemented, include:

- Clear demarcation of bank accounts to ensure better management and control of Earmarked grant funds and MUT's own funds.
- The outsourcing of debt collection to a panel of debt collectors to improve cash flow and reduce bad debt.
- The introduction of a Student Fee Handbook that includes rules and guidelines regarding fees and concessions.
- The introduction of cash flow forecasting as well as the preparation of quarterly rolling cash flow forecasts.
- The preparation of critical policies, some of which have already been approved and implemented whilst others are currently being developed, with a view to approval and implementation within the 2021 financial year.
- The planned introduction of formal monthly budget reviews by Faculties, Executive Portfolios and Departments to better monitor and control costs.

The implementation of the above-mentioned strategies is critical to improving the financial systems, controls and administration of the University which will ensure long term sustainability. Table 19 (above) provides a snapshot of the key indicators being monitored in this regard.

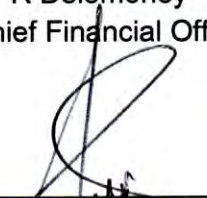
In its 41 years of existence, MUT has not made significant progress in many areas including Finance, particularly supply chain management and student debtors. There is a focused effort to make improvements in these areas. However, progress has been slow and hindered by various internal and external factors. We are however confident that the University will be successful in implementing improvements that will see enhanced efficiency, effectiveness and compliance that will contribute to the financial sustainability of the University.



Mr R Delomoney
Chief Financial Officer

26/08/2021

Date



Mr OM Galane
Chairperson of the Finance &
Investment Committee

28/08/2021

Date

17. REPORT ON RISK EXPOSURE ASSESSMENT AND THE MANAGEMENT THEREOF

The 2020 strategic risk identification and assessments were conducted by the University's Risk Management Committee (RMC) and monitored by the Audit, Risk and Compliance Committee (ARCC). As at December 2020 the members of ARCC were:

- Mrs N Mlaba (Chairperson),
- Mr S Dlamini
- Mrs C Nyama
- Mr S Mthethwa
- Prof MM Ramogale (Acting VC & Principal)

In 2020 the members of the Risk Management Committee (RMC), which comprised all members of the Executive Management Committee (EMC), met three times to review and monitor the identified risks. The top 15 institutional risks identified, rated and monitored in 2020 are listed below in Table 20.

Table 20: Top 15 risks in 2020

BRIEF DESCRIPTION OF RISK	RESIDUAL RISK ¹ RATING
1. Inability to form collaborations nationally and internationally.	15
2. Non-alignment of IT Strategy to organisational wide strategy and needs.	15
3. Weak financial sustainability on account of the lack of diversification of our income streams and declining levels of state funding	15
4. Lack of fit-for-purpose infrastructure.	15
5. A decline in international students and partnerships.	15
6. Inability to strengthen our position as a research-informed University.	10
7. Failure to maintain academic quality and standards.	10
8. Financial sustainability in relation to managing the impact of the pandemic	8
9. Non-compliance to law, regulations, and processes.	8
10. Disruptions to normal business events.	7.5
11. IT Security.	5
12. Non-compliance with Government-issued COVID-19 regulations.	4
13. Managing health and safety and disruptions to the academic calendar because of the pandemic	4
14. Infrastructure delivery.	3
15. Declining research output.	2.25

The Strategic Risk Register is used by Council, ARCC, the Acting Vice-Chancellor and the Executive Management team to identify, assess and monitor strategic risks of

¹ The amount of risk or danger associated with an action or event remaining after controls (or mitigating strategies) have been implemented.

significance to the University during the year. It is a key tool used by Council and EMC to effectively manage institutional risks. Feedback on the identified strategic risk and the mitigation controls are achieved through the MUT-approved combined assurance framework which aims to inform, in a simple manner, on the effectiveness of assurance providers and to create confidence in the assurance provided in relation to key organisational risks.

The ERM Policy and Combined Assurance Framework assist Council and Management to effectively cover the institution's significant risks by providing three lines of defence:

1. The institution's line functions that own and manage risks.
2. The institution's specialist functions that facilitate and oversee risk management and compliance, and quality management.
3. Internal auditors, safety and process assessors, independent external assurance service providers such as external auditors, forensic auditors, fraud examiners, and regulatory inspectors.

The Risk Management Committee and ARCC recognise that there is potential for adverse events which may affect the normal operations of the University. ARCC promotes the proactive identification of risks and control measures to mitigate overall risk exposure in line with the risk appetite statement.



Ms. Z. Gwarube

Acting Director: Internal Audit
Risk and Compliance

26/08/2021

Date

18. REPORT OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE

The composition of the Audit, Risk and Compliance Committee (ARCC) comprise a majority of external members of Council, elected by Council, who are knowledgeable and experienced in audit, risk, and compliance matters, one of whom is the Chairperson of the committee. In addition, the committee comprises the Vice-Chancellor and one additional internal member of Council, elected by Council.

The Committee's primary task relates to the responsibility to provide the Council with assurance on the application of principles and best practices associated with the Council's accountability regarding all elements of corporate governance. The Committee is responsible for performing the following tasks (among others):

- a. Assist the Council in fulfilling its role of providing assurance on corporate governance.
- b. Facilitate effective working relationships between the Council, management, and the external and internal auditors.
- c. Review the financial statements and consider all factors and risks that may affect the integrity of the financial statements.
- d. Consider the need for summarised information and engage with external auditors.
- e. Review its own Code of Business Conduct, the system of internal control, the management of all financial risks, information systems, accounting practices, the University's processes for monitoring compliance with laws and regulations (where applicable), and the University's auditing processes.
- f. Ensure that each Committee member understands the detailed responsibilities of Committee members as well as the institution's business, operations and risks in order to perform his or her duties effectively.

18.1. Internal audit

The Internal Audit (IA) function works in line with Internal Audit Charter as approved by the Audit Risk and Compliance Committee. The internal audit activity is co-sourced, with the appointed service providers reporting to the MUT Director Risk & Compliance. MUT appointed two internal auditors and an internal audit Manager to support this function.

In general, internal audit processes aim to provide oversight and reasonable assurance that controls are in place to ensure the effective and efficient delivery of operations, reliability of financial information, safeguarding of assets, information systems environment, and compliance with laws and regulations.

Specifically, at MUT the internal audit function provides an independent, objective assurance and consulting activity designed to add value and improve the University's operations. The University makes use of a co-sourced internal audit function that complies with the principles of King IV, and subscribes to the principles and standards of the Institute of Internal Auditors. A three-year rolling plan with an annual internal audit operational plan was developed, endorsed by Management, and approved by ARCC before implementation. Internal audits were performed on various divisions throughout the University according to this operational plan. On a quarterly basis, the ARCC provided oversight on the IA operational plan implementation progress. Internal audit

reports with appropriate management comments were presented to ARCC. The audit log was also maintained to monitor the progress on the implementation of the management action plans in relation to previous internal and external audit findings. Status on the resolution of audit findings in the audit log was presented to ARCC on a quarterly basis in 2020.

ARCC is of the opinion, based on the information provided by management, internal audit, and engagements with the independent external auditors on the results of their audits in 2020, that:

- The internal accounting controls are adequate to ensure that the financial records may be relied upon for preparing the financial statements, and accountability for assets and liabilities is maintained.
- The expertise, resources and experience of the finance function are adequate.
- The system and process of risk management and compliance processes are adequate.
- The effectiveness of the combined assurance function is adequate, and the internal audit charter was approved by the audit committee and,
- ARCC is satisfied with the independence and objectivity of the external auditors.

18.1.1. Internal control systems

MUT strives for continuous implementation and monitoring of the systems of internal controls. Internal control systems are in place and operating effectively. Nevertheless, due to the nature of our operating environment, there are inherent limitations to the effectiveness of our internal control systems, including the likelihood of human error and the bypassing or overriding of controls. Therefore, even an effective internal control system can provide only reasonable assurance with respect to the preparation of financial statements and the safeguarding of assets. The University's external auditors provided an audit opinion of the annual financial statements (AFS) in 2020. Control weaknesses have been brought to the attention of the Audit, Risk, and Compliance Committee (ARCC) and management, and are being attended to.

It is the role of Internal Audit to assess internal control systems and to assist line management in ensuring the adequacy of such controls. The University Council, through the ARCC, provides oversight of the preparation, integrity and fair presentation by management of the financial statements and the financial reporting process. Based on the audit work done in 2020, the Internal Audit Department's overall assessment of the university's system of internal control is considered partially effective. The system of internal control employed by the entity to financial and risk management is partially effective and efficient, as the Audit Committee noted with concern the progress on the implementation of audit recommendations on the audit log.

The committee commends management on the improvements in asset management and safeguarding evidenced by the outcome of the external auditors' report. Nothing significant has come to the attention of the audit committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review. The Audit Committee is satisfied that the financial

statements are based on appropriate accounting policies, supported by reasonable and prudent judgements and estimates.

18.2. Risk management

Risk is managed within an enterprise risk management framework (2019-2021) comprising governance, risk appetite, combined assurance processes and an underlying control environment. Risk management at MUT is refined on a regular basis. The Vice-Chancellor and the Executive Management Committee are ultimately responsible for assessing, mitigating and monitoring risks, while the Audit and Risk Committee provides oversight on risk management through a quarterly review of the status of mitigation plans as well as the top 15 risks on the institutional risk register.

18.3. Compliance

18.3.1. Mitigating against fraud and corruption

MUT is a publicly funded university. In 2020, and in line with the principles of good corporate governance, MUT continued to support and foster a culture of zero-tolerance towards fraud and corruption in all its activities and is committed to maintaining a culture of ethical compliance. MUT has provided an independent whistleblowing facility for staff, students, suppliers and other interested parties to report fraud, corruption, unethical conduct and misconduct, confidentially and anonymously. Cases, where the allegations are found to have merit, are dealt with via the University's internal disciplinary processes. On a quarterly basis, all reported cases are reported to the ARCC. Table 21 provides an overview of cases, reported via the whistleblowing platform that was addressed in 2020.

Table 21: Matters raised via the whistleblowing platform

No.	Description	Date reported	Status/ Date Closed	Resolution taken
1	Theft of vehicle due to alleged misconduct of employees	November 2019	March 2020	The implementation of recommendations has been handed over to Acting DVC: Resources and Planning.
2	Ghost Employees Investigation	January 2020	August 2020	The matter has been reported to SAPS. The ex-staff member's pension has been withheld.
3	Unauthorised activities and changes to cost centres	February 2020	November 2020	No action required as allegations were unfounded
4	Forensic report venue hire	March 2020	November 2020	Charges have been drafted. Chairperson and Initiator have been appointed. A date for the disciplinary enquiry is to be set.

5	Alleged procurement irregularities regarding the sourcing of service providers without following approved procurement processes and policy	August 2020	February 2021	Final Report presented to Acting VC and Director: Risk & Compliance for further action.
6	Alleged irregularities surrounding the second advertisement and the recruitment to the position of the Human Resource Executive Director	August 2020	February 2021	Final Report presented to Acting VC and Director: Risk & Compliance for further action.
7	Report on the forensic investigation in respect of a payment that was made into a fraudulent bank account in March 2020	November 2020	February 2021	Final Report presented to VC and Director Risk & Compliance for further action.

18.3.2. Monitoring health and safety

The University's Health and Safety Committee monitors actions taken by management to mitigate any risks on health and safety matters and areas of concern regularly. This committee has a Charter that guides its functionality. The focus has been on improving the behaviour of students in residences and always adhering to health and safety standards.

18.3.3. Monitoring IT governance

On a quarterly basis, the ICT function within the University submits to ARCC the IT Governance report for risk oversight purposes. ARCC continuously stresses the importance of adopting industry best practices on IT Governance. ICT has been identified as one of the priority risk areas and forms part of the University strategic risk register. To this end, progress towards developing a comprehensive IT strategy and IT governance policy that supports the academic enterprise as well as the support services of the University began in 2020 and are underway in 2021.

The Audit and Risk Committee is also responsible for Information Technology Governance (ITG), as stipulated in its charter. While the Audit Committee has concerns with the ITG environment within MUT due to capacity issues, we are confident that the implementation strategy adopted will address the concerns adequately. From a risk perspective, cybercrime, protection of personal information, stability of IT systems, the integrity of management information as well as student and labour unrests are all factors that have been identified as having a potential negative impact on the university's operations and these are receiving attention.



Mrs NS Mlaba
Chairperson of the Audit, Risk and
Compliance Committee

27/08/2021

Date



Mr M Morailane
Chairperson of Council

28/08/2021

Date