

**MUT**

**MANGOSUTHU**  
UNIVERSITY OF TECHNOLOGY

**ANNUAL REPORT**

**2023**

# TABLE OF CONTENTS

<b>LIST OF TABLES</b> .....	<b>4</b>
<b>LIST OF FIGURES</b> .....	<b>4</b>
<b>ABBREVIATION AND ACRONYMS</b> .....	<b>5</b>
<b>INTRODUCTION</b> .....	<b>8</b>
<b>PART A:</b>	
<b>PERFORMANCE ASSESSMENT REPORT</b> .....	<b>10</b>
1.Performance against the DHET approved enrolment targets .....	10
2. Progress towards achievement of the strategic goals and objectives (2020-2025) .....	11
<b>PART B:</b>	
<b>REPORTS ON GOVERNANCE AND OPERATIONS</b> .....	<b>16</b>
3. REPORT OF THE ADMINISTRATOR .....	17
3.1. Memorable Events .....	17
3.2.Oversight of the Academic Enterprise and the Operational Environment .....	17
3.3.Performance against the Principles of Good Governance .....	21
3.3.1. Ethical Leadership and Corporate Citizenship .....	21
3.3.2. Governance of Risk.....	21
3.3.3. Financial Reporting and Sustainability .....	21
3.3.4. Compliance with Laws, Codes, Rules, and Standards .....	22
3.4. Housekeeping and Measures to improve Good Governance .....	22
4. STATEMENT ON GOVERNANCE .....	23
5. ADMINISTRATOR AND WORKING GROUPS .....	24
5.1. Introduction .....	24
5.2. Academic and Student Affairs Working Group (ACSAWG) .....	25
5.3. Audit, Risk and Compliance Working Group (ARCWG) .....	26
5.4.Finance and Investment Working Group (FIWG) .....	27
5.5. Governance, Social Cohesion and Ethics Working Group (GSCEWG) .....	29
5.6.Human Resources Working Group (HRWG) .....	31
5.7.Information Technology and Network Governance Working Group (ITNGWG).....	32
5.8.Planning, Resources and Infrastructure Working Group (PRIWG) .....	33
6. DECLARATION OF INTEREST .....	36
7.STATEMENT ON CONFLICT MANAGEMENT .....	36
8.STATEMENT ON COUNCIL CODE OF CONDUCT.....	36
9.ADMINISTRATOR'S STATEMENT ON SUSTAINABILITY .....	36
10.APPROVAL OF GOVERNANCE STATEMENT .....	36
11.SENATE REPORT TO THE ADMINISTRATOR .....	37
11.1.Senate's Function and Composition .....	37
11.2.Senate Meetings in 2023 .....	37
11.2.1. First Ordinary Meeting, 2 March 2023 .....	38
11.2.2. Special Meeting, 15 May 2023 .....	38

# TABLE OF CONTENTS

11.2.3. Second Ordinary Meeting, 23 May 2023 .....	38
11.2.4. Special Meeting, 20 July 2023.....	39
11.2.5. Third Ordinary Meeting, 29 August 2023 .....	39
11.2.6. Emergency Meeting, 11 September 2023 .....	39
11.2.7. Special Meeting, 23 October 2023 .....	39
11.2.8. Fourth Ordinary Meeting, 16 November 2023 .....	39
11.3.Changes to the Academic Structure .....	40
11.3.1.Discontinuation of National Diploma qualifications .....	40
11.3.2.New Qualifications .....	40
11.4.Teaching and Learning .....	40
11.4.1. The MUT Institutional Audit .....	40
11.4.2. Student Academic Support .....	40
11.4.3. Programme Development .....	40
11.4.4. Work Integrated Learning (WIL) .....	41
11.4.6. Implementation of the E-Learning Strategy .....	41
11.4.7. Professional Development and Support of Academic staff .....	41
11.4.8. Teaching Awards.....	43
11.5.Research .....	44
11.5.1. Research Productivity .....	44
11.5.2. Capacity Development.....	44
11.5.3. NRF Rated Researchers .....	46
11.5.4. External Research Income .....	46
11.5.5. Research Awards .....	48
11.6. Innovation .....	48
11.6.1. Intellectual Property Portfolio .....	48
11.6.2. Intellectual Property Capacity Development.....	50
11.7.Community Engagement .....	50
11.7.1. Strategy and Governance .....	50
11.7.2. Registered Community Engagement and Development Projects .....	50
11.7.3. Talloires Network of Engaged Universities .....	52
11.7.4. Partnerships .....	52
11.7.5. Capacity-building Initiatives .....	52
11.7.6. Events .....	53
11.7.7. Risks Identified .....	55
11.8.Staff and Student Awards and Achievements in 2023 .....	55
11.8.1. Staff and Student awards and achievements .....	55
11.8.2. Sporting achievements and awards .....	57
11.8.3. Student Governance activities and achievements.....	57
11.9.Composition and Size of the Student Body .....	57
12.REPORT OF THE INSTITUTIONAL FORUM .....	61
13.REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION .....	64
14.REPORT ON INTERNAL ADMINISTRATIVE AND OPERATIONAL STRUCTURES AND CONTROLS .....	66

# TABLE OF CONTENTS

15.REPORT ON TRANSFORMATION .....	68
15.1. Background and Initiatives .....	68
15.2. Employment Equity .....	70
15.3.Staff Development and Capacity Building .....	71
<b>PART C:</b>	
<b>ANNUAL FINANCIAL REVIEW.....</b>	<b>72</b>
16.REPORT OF THE CFO AND THE FINANCE AND INVESTMENT WORKING GROUP .....	73
16.1Budgeting Process .....	75
16.2Financial Aid .....	76
16.2.1NSFAS .....	76
16.2.2 Bursaries and Scholarships .....	77
16.3.Financial Highlights: Income and Expenditure .....	77
16.3.1.Income .....	77
16.3.2.Expenditure .....	77
16.4.Other Operating Expenses.....	78
16.5.Surplus/Deficit .....	78
16.6.Statement of Financial Position .....	78
16.6.1.Non-current Assets.....	78
16.6.2.Current Assets .....	78
16.6.3.Non-current Liabilities .....	78
16.6.4.Current Liabilities.....	78
16.6.5.Solvency and Liquidity .....	78
17.REPORT ON ENTERPRISE RISK MANAGEMENT.....	80
17.1Governance of Risk.....	80
17.3.Fraud Risk Management.....	82
18.REPORT ON AUDIT, RISK AND COMPLIANCE .....	83
18.3.Internal Audit .....	83
18.3.1.Internal Control Systems .....	83
18.4.Risk Management .....	84
18.5.Compliance .....	84
18.5.1.Monitoring Health and Safety .....	84
18.5.2.Monitoring IT Governance .....	85



# LIST OF TABLES AND FIGURES

## LIST OF TABLES

Table 1: Performance against Ministerial Approved Targets in 2023 .....	10
Table 2: Achievement against Strategic Goals and Objectives .....	11
Table 3: Administrator Resolutions in 2023 .....	17
Table 4: Composition of Administrator Meetings and Attendance .....	23
Table 5: ACSAWG Composition and Attendance .....	24
Table 6: ARCWG Composition and Attendance .....	26
Table 7: FIWG Composition and Attendance .....	28
Table 8: GSCEWG Composition and Attendance .....	30
Table 9: HRWG Composition and Attendance.....	32
Table 10: ITNGWG Composition and Attendance .....	34
Table 11: PRIWG Composition and Attendance .....	35
Table 12: Senate Meetings in 2023 .....	41
Table 13: New Programmes approved by Senate in 2023 .....	46
Table 14: TLDC Research Publications in 2023 .....	48
Table 15: Research Journal Articles published in 2023 .....	50
Table 16: Research Capacity-building Workshops .....	51
Table 17: NRF Rated Researchers at MUT .....	52
Table 18: External Research Income received in 2023 .....	53
Table 19: Summary of MUT Patents Granted and their Status .....	56
Table 20: CE Projects according to Strategic Implementation Focus Areas .....	59
Table 21: CE Risks Identified and Mitigation Measures .....	65
Table 22: IF Composition and Attendance.....	74
Table 23: University Employment Equity Targets .....	84
Table 24: Workforce Profile by Occupational Level .....	85
Table 25: Irregular Expenditure .....	88
Table 26: Financial Indicators and Ratios (2019-2023) .....	95
Table 27: Top 10 Risks in 2023 .....	97
Table 28: Status of Internal Audit Findings, 2023 .....	100

## LIST OF FIGURES

Figure 1: Headcount enrolments, planned vs actual (2019-2023) .....	69
Figure 2: Headcount by gender (2019-2023) .....	70
Figure 3: Headcounts by major field of study in 2023 .....	70
Figure 4: Success rate, planned vs actual (2019-2023).....	71
Figure 5: Graduation rate, planned vs actual (2019-2023) .....	71
Figure 6: Student access to NSFAS funding (2019-2023) .....	72
Figure 7: 2023 Student Funding by Category .....	90

# ABBREVIATIONS

# AND ACRONYMS

ACSAWG	Academic and Student Affairs Working Group
AFS	Annual Financial Statements
AI	Artificial Intelligence
ALLU	Academic Literacy and Language Unit
APC	Academic Planning Committee
APP	Annual Performance Plan
ARCWG	Audit, Risk and Compliance Working Group
BBBEE	Broad-Based Black Economic Empowerment
Capex	Capital expenditure
CE	Community Engagement
CEAD	Community Engagement and Development Directorate
CFO	Chief Financial Officer
CHE	Council on Higher Education
COEC	Community Engagement Committee
Covid-19	Coronavirus disease of 2019
CRM	Customer Relationship Management
DHET	Department of Higher Education & Training
DVC	Deputy Vice-Chancellor
EAO	Economic Activation Office
EAP	Economically Active Population
ECSA	Engineering Council of South Africa
EDHE	Entrepreneurship Development in Higher Education
EE	Employment Equity
EEP	Employment Equity Plan
EMC	Executive Management Committee
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
Exco	Executive Committee of Council
FCEDC	Faculty Community Engagement and Development Committee
FIWG	Finance and Investment Working Group
FMS	Faculty of Management Sciences
FNS	Faculty of Natural Sciences
FQAC	Faculty Quality Assurance Committee
FTE	Full Time Equivalent
GBV	Gender-based violence
GSCEWG	Governance, Social Cohesion and Ethics Working Group
HEMIS	Higher Education Management Information System
HEQC	Higher Education Quality Committee
HEQSF	Higher Education Qualifications Sub Framework
HR&D	Human Resource and Development
HRWG	Human Resources Working Group

# ABBREVIATIONS

# AND ACRONYMS

HSC	Health and Safety Committee
IA	Internal Audit
ICT	Information and Communications Technology
IF	Institutional Forum
IFAWUE	Irregular, Fraudulent and Wasteful Unauthorised Expenditure
IFRS	International Financial Reporting Standards
ITNGWG	Information Technology Network and Governance Working Group
IP	Intellectual Property
IQA	Institutional Quality Audit
IT	Information Technology
IT&N	Information Technology and Networks
ITP	Institutional Transformation Plan
ITS	Integrated Tertiary Software
KPI	Key Performance Indicator
KZN	KwaZulu-Natal
LMS	Learning Management System
MSEU	Mathematics and Science Education Unit
MUT	Mangosuthu University of Technology
NGAP	New Generation of Academics Programme
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NRF	National Research Foundation
NSFAS	National Student Financial Aid Scheme
NUTA	National University Teacher Awards
OHS	Occupational Health and Safety
Opex	Operating expenditure
PCT	Patent Cooperation Treaty
PDRE	Postdoctoral Research Fellow
PQM	Programme and Qualifications Mix
PRIWG	Planning, Resources and Infrastructure Working Group
QA	Quality Assurance
QAF	Quality Assurance Framework
QMD	Quality Management Directorate
RMC	Risk Management Committee
SA	South Africa
SAC	Student Affairs Committee
SAHECEF	South African Higher Education Community Engagement Forum
SAMP	Student Affairs Management Panel
SAMRC	South African Medical Research Council
SARS	South African Revenue Service

# ABBREVIATIONS

# AND ACRONYMS

SBDP	Sibusiso Bengu Development Programme
SCM	Supply Chain Management
SER	Self-Evaluation Report
SET	Science, Engineering and Technology
SL	Service Learning
SLF	Service Learning Forum
SMS	Short Message Service
SO	Strategic Objective
SOE	Scholarship of Engagement
SOTU	State of the University
SPSS	Statistical Package for the Social Sciences
SRC	Student Representative Council
STEM	Science, Technology, Engineering and Mathematics
SWEEP	Student Woman Economic Empowerment Programme
TLDC	Teaching and Learning Development Centre
TSC	Technology Station in Chemicals
TVET	Technical Vocational Education and Training
UCDG	University Capacity Development Grant
UKZN	University of KwaZulu-Natal
UNIVEN	University of Venda
UWC	University of the Western Cape
USAf	Universities South Africa
VC	Vice-Chancellor
WIL	Work Integrated Learning

# INTRODUCTION

This Annual Report provides information on the core business of Mangosuthu University of Technology (MUT) in 2023. The first part reflects MUT's performance in 2023 against its predetermined objectives and targets. The second part 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 University's Student Enrolment Plan 2020-2025, as approved by the Department of Higher Education and Training (DHET) and progress toward achieving the pre-determined objectives and targets set out in the Annual Performance Plan (APP) for 2023.

## Part B: Reports on Governance and Operations

This part of the Annual Report includes several subsidiary reports from the key governance and leadership stakeholders as outlined in the DHET reporting regulations (Gazette 37726 of 9 June 2014). These are the Administrator, the Acting

Vice-Chancellor and Principal, Senate, and the Institutional Forum (IF). 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 MUT's finances in 2023. It addresses the salient features presented in the annual financial statements (AFS) for the period 1 January to 31 December 2023, and provides commentary on the financial highlights. This part comprises a report from the Chief Financial Officer (CFO) and the Finance and Investment Working Group (FIWG) of the Administrator, a report on risk assessment, and a report from the Audit, Risk and Compliance Working Group (ARCWG).

The 2023 Annual Report was approved by the University Administrator on 30 August 2024.





## **PART A: PERFORMANCE ASSESSMENT REPORT**

# PERFORMANCE AGAINST THE DHET APPROVED ENROLMENT TARGETS

**Table 1: Performance against Ministerial Approved Targets in 2023**

INDICATORS	2022 Actuals (Audited 3 <sup>rd</sup> HEMIS submission)	2023 Approved Targets (Enrolment plan)	2023 Actuals ( Audited 3 <sup>rd</sup> HEMIS submission)	2023 Percentage Achievement
<b>HEADCOUNT TOTALS (Excludes Occasional)</b>				
First-time entering undergraduates	3 435	3 770	3 409	90,42 %
Foundation provisioning (1 <sup>st</sup> Time Entry)	500	405	488	120,49 %
Total headcount enrolment	14 437	14 500	14 312	98,70 %
Total undergraduate headcount enrolment	14 379	14 310	14 239	99,50 %
Total postgraduate headcount enrolment	58	190	73	38,42%
<b>ENROLMENTS BY MAJOR FIELD OF STUDY</b>				
Science, Engineering, Technology	58%	59%	59%	100,0%
Business/management	34%	34%	32%	94,12%
Other Humanities	9%	7%	9%	128,57%
<b>GRADUATES IN CURRENT YEAR</b>				
Graduates - undergraduate	3 044	3 021	3 009	99,60%
Graduates – postgraduate	44	126	47	37,30%
Graduation rate	21%	22%	21,33%	96,95%
Success rate	76%	81%	78,61%	97,05%
<b>UNDERGRADUATE OUTPUT BY SCARCE SKILLS</b>				
Engineering	778	808	1010	125%
Life and physical sciences	62	62	94	151,61%
Human health	62	148	59	39,86%
Animal Science	13	75	10	13,33%
<b>STAFF PROFILE</b>				
Instructional/research professional staff	230	237	238	100,42%
% staff with doctoral degrees	26%	19%	26,05%	137,10%
Number of NGAP staff	14	19	19	100%
Ratio of FTE students to FTE instructional/research staff	45:1	33,6:1	38,8:1	115,48%
<b>RESEARCH OUTPUT</b>				
Total Research Output units	106,33	66	115,673	174,24%

<b>Performance rating key:</b>	<b>1</b> Not achieved in 2023	<b>2</b> Started but below target by more than 3%	<b>3</b> Within 3% range of target	<b>4</b> Exceeded expectations. More than 3% above target
--------------------------------	-------------------------------	---	------------------------------------	---

**Table 2: Achievement against Strategic Goals and Objectives**

Goal 1: Excellence in teaching and learning						
Strategic Objectives	Key Performance Indicator (KPI)	2022 (Actual)	2023 (APP Target)	2023 (Actual)	Performance Rating in 2023	Reason for Underperformance (Provided for rating 2 and below)
SO 1.1 To increase student success	1. Student success rate	76%	81%	78,61%	3	
	2. Student graduation rate	21%	22%	21,33%	3	
	3. Throughput rate (in min+2) for the 3-year diploma programmes (NQF6) (2019 cohort reported in 2023)	55%	54%	55,88%	4	
SO 1.2 To improve graduate satisfaction with the quality of teaching and learning	4. Graduate satisfaction with the quality of teaching and learning	85%	85%	85%	3	
SO 1.3 To increase the quality of graduates	5. Implementation of Approved E-learning Strategy	Strategy was piloted	Implemented E-learning strategy	Strategy implemented	3	
	6. Percentage of undergraduate students graduating with work-integrated learning (WIL) experience	46%	50%	59%	4	
	7. Employment of graduates (reported at graduation)	28,6%	33%	24,7%	2	MUT is not in a position to directly influence the employment outcomes. Employment rates are dependent on various external factors beyond the University's control.
SO 1.4 To maintain the number of programme offerings endorsed by professional bodies or associations	8. Percentage of approved academic programmes endorsed/accredited by professional bodies/associations	4	100%	100% (Six programmes)	3	The measure was changed for 2023 to reflect the proportion of academic programmes endorsed or accredited by professional bodies or associations that maintained their accreditation. The wording of the KPI, "number of programmes offerings" is from the Strategic Plan.
SO 1.5 To increase the ratio of Postgraduate programme offerings	9. The ratio of HEQSF aligned qualifications at NQF levels 5-7 to NQF levels 8-10, listed on MUT's PQM.	51:49	95:5	84:16	2	Delays in DHET approvals for the Masters in Biomedical Sciences and PhD in Nature Conservation, as well as ongoing reviews for new postgraduate diplomas in ICT, Chemistry, Environmental Health, Agriculture, and Community Extension.

**Goal 2: Excellence in research, innovation and engagement**

Objectives	Key Performance Indicator	2022 (Actual)	2023 (APP Target)	2023 (Actual)	Performance Rating in 2023	Reason for Underperformance (Provided for rating 2 and below)
SO 2.1 To increase research productivity	10. Number of accredited research output units	106.33	66	115.673	4	
SO 2.2 To increase the commercialisation of Intellectual Property (IP), both protectable and unprotected	11. Number of protected IP (including trademarks)	7	7	7	3	

**Goal 3: Excellence in community engagement**

Objectives	Key Performance Indicator	2022 (Actual)	2023 (APP Target)	2023 (Actual)	Performance Rating in 2023	Reason for Underperformance (Provided for rating 2 and below)
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 the Directorate of Community Engagement and Development (CEAD)	11	13	19	4	
	13. Number of public lectures offered annually	8	6	6	3	
	14. Number of student entrepreneurship projects	4	4	4	3	
	15. Number of capacity-building initiatives for internal and external stakeholders	14	8	12	4	
SO 3.2 To increase the number of partnerships with local government and communities	16. Number of partnerships with local government and communities	7	4	5	4	

**Goal 3: Excellence in community engagement**

Objectives	Key Performance Indicator	2022 (Actual)	2023 (APP Target)	2023 (Actual)	Performance Rating in 2023	Reason for Underperformance (Provided for rating 2 and below)
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	1	5	5	3	
	18. Number of MUT staff who represent the University in professional communities, bodies or associations	13	12	12	3	

**Goal 4: Targeted national engagement and internationalisation**

Objectives	Key Performance Indicator	2022 (Actual)	2023 (APP Target)	2023 (Actual)	Performance Rating in 2023	Reason for Underperformance (Provided for rating 2 and below)
SO 4.1 To increase national visibility	19. Number of nation-building projects	16	6	6	3	
SO 4.2 To increase international visibility	20. Number of international staff and student engagements or exchange programmes	29	6	8	4	
	21. International student enrolments as a proportion of total student enrolment	0,19%	1%	0,18%	2	MUT's internationalisation efforts have not yet increased the proportion of international students, which is slightly down on the previous year. A lack of funding for international students may be a contributing factor.

**Goal 5: To create an enabling support environment**

Objectives	Key Performance Indicator	2022 (Actual)	2023 (APP Target)	2023 (Actual)	Performance Rating in 2023	Reason for Underperformance (Provided for rating 2 and below)
SO 5.1 To increase the popularity of the MUT brand	22. Proportion of stakeholders surveyed (staff, students and alumni) who recommend MUT as a place to work or study	90%	58%	98%	4	
SO 5.2 To improve student life and wellness	23. Student satisfaction with the quality of supporting infrastructure	Not achieved	58%	Survey response poor.	1	There were only 185 responses to the survey.
SO 5.3 To improve the well-being and engagement of staff	24. Staff engagement index (Participation rate)	Not achieved	50%	Staff survey not conducted.	1	The survey could not be conducted owing to capacity constraints. There was no budget for engaging a service provider.
SO 5.4 To improve operational efficiency and effectiveness	25. Reduction in the number of external audit findings	8	Not more than 6	16	1	There were 16 findings rated as follows: 6 High, 8 Medium and 2 low. Greater emphasis was placed on IFRS (accounting standards) compliance in the current, following a detailed technical review of the 2023 AFS. In addition, there were some SCM findings in the current year.

<b>SO 5.5 To sustain and improve financial sustainability</b>	26. Third stream income as a percentage of total income	2.5%	1.5%	3,8%	3	
	27. Efficiency ratio: Total expenditure as a percentage of total revenue	90%	95%	99%	3	
	28. Quick ratio: {Cash & Cash equivalents less Restricted Grants funds + Student debtors} to {Current Liabilities less Current portion of Restricted Grant funds}	2.94	1.4	2.7	3	
	29. Debt ratio: Total Liabilities less Deferred Income (to be amortised) as a % of Total Assets (Debt ratio)	40.8%	61%	41,6%	3	
<b>SO 5.6 To maintain and improve infrastructure.</b>	30. % of Capex projects awarded within approved procurement plan	22%	80%	56,25%	2	Non-responsive tenders from the market resulting in tenders being re-advertised. Capacity constraints within Supply Chain Management.
	31. % expenditure of Capex projects awarded within the approved plan	63.4% (R125 773 570/ R198 491 932)	75%	24,6% (R54.478m/ R221.283m)	2	Delayed approvals by Ethekweni Municipality and Department of Water and Sanitation. Demand by service providers for payment of a deposit before service can be rendered. Delays associated with resuscitating projects previously on hold and dealing with gaps identified. Non-performance of service providers; Change request approvals by DHET before project could proceed.
	32. Maintain a ratio of Capex infrastructure maintenance allocation to the overall infrastructure budget (Ratio of maintenance to the immovable asset value)	17.7% (R29 879 579/R168 612 354)	38.8%	75% of the annual budget was spent (R12.627m spent out of R16.936m).	4	Owing to deferred maintenance over long periods more work needs to be done in this area, despite achieving annual target. It should be noted that the initial budget was R13m which was adjusted by R4m to allow for student residences repairs and water provisioning during water outages from the municipality.

As reflected in Table 2 above, MUT achieved most of the 32 KPIs that it set for itself in the 2023 Annual Performance Plan, with performance against 15 of them being within 3% of the target or better (indicated by a rating of 3 in the table). The three percent margin for success is a more rigorous measure than the margin of 10 percent applied in previous annual reports. It is applied here upon the recommendation of the Administrator's Working Group on Planning, Resources and Infrastructure (PRIWG). Taking into account nine over-achieved outcomes (a rating of 4 in the table), The University succeeded in meeting or exceeding its targets in 24 of the 32 KPIs, a success rate of 75%.

Among the key performance indicators reflected in Table 1 above are the total student enrolment, the student pass rate (or degree credit success rate) and the number of research publications produced.

The total student enrolment in 2023 was 14,312. This is 98,7% of the approved enrolment target of 14,500, which is within the latitude of 2% for



---

**Prof Nokuthula Sibiya**  
Vice-Chancellor & Principal  
30 August 2024

under-enrolments permitted by the DHET before it imposed financial penalties on universities.

The overall student success rate of 78,6% in 2023 is two percentage points below the target of 81%, which fall within the three percent margin of achievement. As shown in Tables 1 and 2 above, the 2023 success rate is an improvement of three percentage points on the 2022 rate of 76%. In 2019, the latest year before the Covid-19 pandemic, the pass rate was 80%.

A decline in the number of research publication units was anticipated in 2023, but the total of 115,67 units was 9,34 units (or 8,8%) higher than the 106,33 units achieved in 2022. The 2023 total was substantially higher than the 68,87 units achieved in 2021 and the target for 2023 of 66 units. The total research units for 2023 included 108,547 units for journal articles, 4,092 for book chapters, and 3,035 for peer-reviewed conference proceedings.



---

**Professor Lourens van Staden**  
MUT Administrator  
30 August 2024





## **PART B**

# **REPORTS ON GOVERNANCE AND OPERATIONS**

### 3.1. Memorable Events

The year 2023 will be remembered as the year in which the founder of the MUT, Prince Mangosuthu Buthelezi, passed away. He passed away on 9 September 2023 at the age of 95. The University hosted a memorial service for Prince Buthelezi on 14 September in its Seme Hall. It was attended by various dignitaries, including Prince Buthelezi's son, Prince Nthuthukoyezwe Zuzifa Buthelezi, who delivered a keynote address.

Mr Sandile Zungu was installed as the Chancellor of MUT at a ceremony on 17 March 2023. Mr Zungu is a prominent businessman, born and bred in Umlazi, who is owner of the AmaZulu Football Club, The University engaged in negotiations with the KwaZulu-Natal Department of Social Development with a view to purchasing the property next to the MUT north campus, previously housing the Enduduzweni Centre for the Blind.

### 3.2. Oversight of the Academic Enterprise and the Operational Environment

The University Administrator, Professor Lourens van Staden, was appointed by the Minister of Higher Education, Science and Innovation, Dr BE Nzimande, to replace the University's Council with effect from 28 September 2022, in terms of Government Notice 2608 of 10 October 2022, published in Government Gazette 47280. The specified duties of the Administrator are:

- a) Take over the role, powers, functions and duties of the Mangosuthu University of Technology Council for a period of 24 months.
- b) Identify and initiate processes and initiatives that will restore proper governance and management at the University.

c) Initiate the independent external investigation (a forensic audit) into the range of financial control weaknesses and suspected financial irregularities as a matter of urgency. Further, where criminal activity is evident, full legal processes must follow so that there is visible consequence management for illicit practice.

d) Develop and begin the implementation of a 5-year development plan that will address the range of problems and challenges that have been identified in all the Independent Assessor reports and in the CHE's institutional audit reports.

e) Take responsibility for the appointment and for the filling of senior level posts including that of the Vice-Chancellor and Principal, within 12 -18 months of the term of office of the Administrator.

f) Review the senior appointments made in 2022 to ensure that the institutional statute and all applicable policies were strictly adhered to. Further to this, the Administrator must ensure that there are necessary employment probity assessments for new management recruits.

g) Ensure that a new council is constituted in accordance with the institutional statute as soon as is practicable; and that there is a proper induction of all members and an effective handover of the governance role to the new Council. The recommendation of a probity assessment for potential members of Council must be followed through.

The reporting year, 2023, was the first full year of the Administrator's two-year appointment. Important considerations and resolutions taken at meetings of the Administrator in 2023 (whether ordinary, special or emergency meetings) are listed in Table 3 below.



Administrator, Professor Lourens van Staden



**Table 3: Administrator Resolutions in 2023**

## **Major Resolutions and Considerations in 2023**

### **1. Major Administrator stakeholder engagements**

- The Administrator thanked management for the presentation to the Portfolio Committee on Higher Education, Science and Technology during its visit on 26 January 2023.
- He expressed his appreciation and that of his Technical Team for the well-organised inauguration of the Chancellor, which had been well covered in the media.
- The Administrator noted the initiative of management with regard to changing the institutional culture, pointing out that such change would assist in instilling a culture of accountability.
- He expressed his appreciation for the well-organised 10th Teaching and Learning Focus Conference, which was attended by international guests and representatives from 24 universities.
- The Acting Vice-chancellor, Professor MM Ramogale, reported on the memorial service held by the University for its founder, Prince Mangosuthu Buthelezi. A delegation was sent to his home and the University was represented at his funeral.
- The Administrator presented a report on the University Summit to management. The Summit was convened by the Administrator and Technical Team on 11 and 12 September 2023, including a wide range of stakeholders.

The Administrator resolved that the recruitment process for the position of Vice-Chancellor and Principal would commence in January 2024.

### **2. Major Administrator approvals**

- The Administrator approved the budget for the first quarter of 2023, requesting a report on the revised organisational structure approved by Council in 2023 and its financial implications.
- The 2023 Annual Performance Plan was approved, subject to amendments, for submission to the DHET. Approval of the financial section would be dependent on the approval of the 2023 budget.
- A salary increase of 4,5% for the grade P1 position of Vice-Chancellor and Principal was approved, applied retrospectively from January 2022.
- A budget of R4,756,768 was approved for the filling of critical vacant academic positions in 2023.
- The Administrator approved the 2023 Internal Audit Plan, the 2023 Enterprise Risk Management Plan, the 2023-2025 Compliance Plan, the Annual Procurement Plan, and the Enrolment Plan.
- The 2023 university budget was approved, subject to an inquiry into the use of the surplus on leased student accommodation.
- The Administrator approved a salary increase of 4,25% for executive and senior management in grades P2-P4 for 2023, retrospective to 1 January 2023.
- He ratified the conclusion of the salary negotiation and collective bargaining processes between management and organised labour at MUT.

- The Administrator ratified a decision to issue a letter of intent to the KwaZulu-Natal Department of Public Works, indicating MUT's interest in considering the sale offer for the eNduduzweni Centre for the Blind.
- The University's 2022 Annual Report and Annual Financial Statements were approved.
- The 2023 Mid-Year Report and the 2024 Annual Performance Plan were approved for submission to the DHET.
- Management will submit a quarterly report to the Administrator on staff members doing business with the University, to ensure adherence to Section 34 of the Higher Education Act.
- The composition of the Executive Management Committee (EMC) was approved.
- The Administrator approved the Agreement of Sale and Purchase of Immovable Property in respect of the eNduduzweni Centre for the Blind.

### 3. Major Administrator housekeeping decisions

- The Administrator approved the procedure for decision making during his tenure at MUT.
- An 'expression of interest' process was to be followed for the position of Acting Vice-Chancellor and Principal, pending a substantive appointment.
- The appointment of Professor Ramogale as Acting Vice-Chancellor and Principal was approved on a month-to-month basis from 1 March 2023, for a period not exceeding 12 months.
- A schedule of policies for 2023 was considered.
- The Administrator recommended a reconsideration of the composition of the Executive Management Committee, which he considered too large for an institution of MUT's size.
- The Administrator received and noted a report on Staff members doing business with the University.
- He received quarterly and noted reports on sexual harassment and on fraud, ethics hotline, and investigation progress reports.
- The Administrator approved the University's revised Policy on Policies.
- He approved the MUT Institutional Rules.
- The Administrator noted a report from the Acting Vice-Chancellor that the University had received the preliminary report on the Institutional Audit conducted by the CHE.
- The Administrator approved the following University plans for 2024: Annual Infrastructure Plan, Security Management Plan, Security Assessment Plan, Energy Management Plan, Procurement Plan,
- The Annual Budget for 2024 was approved. The Administrator noted that the University was cognisant of the deficit and was working on a remedial plan to manage the situation.
- The MUT Sabbatical Leave Policy and the revised Research Policy for Financial Research Incentives were approved.

### 3.3. Performance against the Principles of Good Governance

#### 3.3.1. Ethical Leadership and Corporate Citizenship

MUT recognises that public institutions should have an informed sense of good corporate governance and should be embedded within their communities. In 2023 it was guided by a stance adopted at a governance and leadership Lekgotla in July 2022, stating: “Appropriate governance of the institution is critical for the successful delivery of the mandate of the University, being teaching and learning, research and community engagement and the supporting support services”. The University recognized that the values that should guide MUT and its relationships with stakeholders are:

- (i) Ethical leadership
- (ii) Respect for the law
- (iii) Accountability
- (iv) Mutual trust and respect
- (v) Healthy, effective relationships

#### 3.3.2. Governance of Risk

The University recognises the complexity of risks facing MUT and manages risks within the approved Enterprise Risk Management (ERM) framework 2020-2025. 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 institutional risks. The University’s Risk Management Committee (RMC) uses a combined assurance model to enhance the management of risks within the institution. Progress on the monitoring of risks and risk mitigation action items was reported quarterly to the Administrator’s Working Group on Audit, Risk and Compliance (ARCWG), which exercised oversight of the risk governance processes.

#### 3.3.3. Financial Reporting and Sustainability

The Administrator and his team ensured that the University was a going concern and that it would remain a going concern in the near future. The Working Group on Finance and Investments introduced a change to the accounting of the surplus on residence accommodation. The Finance Department, with the assistance of outside consultants, initiated projects on the costing of residence accommodation and the tuition fees for academic programmes.

A focus on the management of MUT’s cash reserves, an issue highlighted during the Covid-19 pandemic, was maintained, as well as a focus on fee collections and the historical debt of MUT students.



From left, Research, Innovation and Engagement (RIE) DVC, Professor Nokuthula Sibiya; MEC for Economic Development and Tourism, Siboniso Duma; and Acting DVC: Teaching and Learning, Dr Manyane Makua



### 3.3.4. 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 2023, there were no judgements against the University to the effect that it contravened any of the Country's laws.

### 3.4. Housekeeping and Measures to improve Good Governance

The maintenance of good governance is crucial to the continued existence of the University, and housekeeping plays an integral part in this. In addition, establishing a framework with standards is vital to attracting students and workers, ensuring legitimacy, and keeping up with the competition. However, good governance can be complex, regardless of a university's size or capabilities, due to the compliance requirements, regulatory commitments, and complexities surrounding educational institutions.

The University is establishing a single centralised information system for storing all of the University's documents and make them readily available. This will save time, reduce the likelihood of errors, and lessen the possibility reputational damage to the University.

**Professor Lourens van Staden**

MUT Administrator

30 August 2024



Professor Lourens van Staden

MUT is governed by a diverse set of strategic documents that include the Higher Education Act, the amended MUT statute and the recently adopted MUT institutional rules. The institutional rules impact on a number of issues, including the appointment of the Vice-Chancellor and other executive positions, and the powers and functions of the Senate, the Institutional Forum, the Executive Management Committee and the Council.

As a consequence of the dissolution of the Council, the Administrator has effected the operation of Working Groups to replace the erstwhile committees of Council. All Working Groups have had their terms of reference drafted, consulted upon, and approved.

MUT is committed to the highest levels of sound corporate governance and endorses the ethical leadership principles outlined in the King IV Report.

The University has developed a three-year compliance plan that is reviewed annually and this is complemented by an ethics strategy that also has an implementation plan. The measures are reported on every quarter to the Governance, Social Cohesion and Ethics Working Group and then to the Administrator. All of these measures are tied to the pursuance of a culture of good corporate governance and ethics.

Progress towards good governance is undertaken in conjunction with development of the primary function of the University – excellence in teaching, learning and research. This requires the strengthening of the organisational machinery, especially the filling of critical academic and non-academic positions, an effective and harmonised learning environment for students, and leveraging strategic partnerships with external actors.

### 5.1.Introduction

Under normal circumstances, the University Council is the highest decision-making body of the institution, exercising its functions in accordance with, Section 27 of the Higher Education Act, Act 101 of 1997 (as amended), supplemented by the provisions of the MUT Statute (as gazetted on 10 December 2021, No. 45616).

Since the appointment of the Administrator in September 2022 the functions of the University Council have been assumed by the Administrator. The Administrator is assisted by a Technical Team, consisting of Dr Dhaya Naidoo, Ms Moretlo Mokeuele, and Mr Paul Slack. The Technical Team was responsible for convening and chairing various Working Groups that fulfilled the functions of Council sub-committees. The Working Groups are:

- ACSAWG:** Academic and Student Affairs Working Group
- ARCWG:** Audit, Risk and Compliance Working Group
- FIWGW:** Finance and Investment Working Group
- GSCEWG:** Governance, Social Cohesion and Ethics Working Group
- HRWG:** Human Resources Working Group
- ITNGWG:** Information Technology & Network Governance Working Group
- PRIWG:** Planning, Resources and Infrastructure Working Group

The Working Groups were established in terms of a decision of the Administrator on 26 January 2023 that set out the procedures for decision-making during his term of office. The Working Groups usually only recommend matters to the Administrator, but may conclude matters delegated to them by specific resolutions of the Administrator.

The Vice-Chancellor and Principal is responsible for the day-to-day management and administration of the University. The VC is the chief executive and accounting officer of the University and its legal, administrative and academic head. In 2023, in the absence of Council, the Acting Vice-Chancellor was accountable to the Administrator for the performance and execution of his duties and reported to the Administrator.

During 2023, the Administrator held eight meetings, including four ordinary quarterly meetings and four special meetings. He also convened a summit meeting of University stakeholders on 11 and 12 September 2023. (The main deliberations of the Administrator are reported on in Section 3.2 above.)

Table 4 below provides details regarding the composition of Administrator's meetings, the names of the members, and their attendance.

**Table 4: Composition of Administrator Meetings and Attendance**

Administrator's Meetings and Attendance in 2023									
Name	27 January (Special meeting)	27 March (Ordinary meeting)	29 June (Ordinary meeting)	24 July (Special meeting)	28 August (Special meeting)	14 September (Special meeting)	28 September (Ordinary meeting)	28 November (Ordinary meeting)	%
<b>Administrator &amp; Technical Team</b>									
Professor L. van Staden (Administrator)	P	P	P	P	P	P	P	P	100%
Ms M. Mokeuele	P	P	AP	P	P	P	P	P	88%
Dr D. Naidoo	P	P	P	P	P	P	P	P	100%
Mr P. Slack	P	P	P	P	P	P	AP	P	88%
Professor M.M. Ramogale	P	P	P	AP	P	AP	P	P	75%
	P	Present		A	Absent		AP	Apology	

The Administrator did not convene an Executive Committee corresponding to the Executive Committee of Council.

Brief reports on the main deliberations of the Administrator's Working Groups are provided below, including a report on each committee's composition and the attendance of meetings.

## 5.2. Academic and Student Affairs Working Group (ACSAWG)

The functions of the Academic and Student Affairs Working Group are to provide oversight of the

development and implementation of the University's teaching and learning, research, innovation, and engagement strategies; and oversight of its student services strategy with a view to creating a conducive learning and living environment for students.

The Working Group held four quarterly meetings and one special meeting in 2023. The second ordinary meeting convened on 1 June 2023 but adjourned for further input from management and reconvened on 14 June.

Table 5 below shows an analysis of the ACSAWG attendance per meeting.

**Table 5: ACSAWG Composition and Attendance**

Academic and Student Affairs Working Group Attendance in 2023							
Name	23 February (Ordinary meeting)	01 June (Ordinary meeting)	14 June (Reconvened meeting)	04 September (Ordinary meeting)	07 November (Ordinary meeting)	20 November (Special meeting)	%
Ms M. Mokuele	P	P	P	P	P	P	100%
Dr D. Naidoo	P	P	P	P	P	P	100%
Mr P. Slack	P	P	P	P	P	P	100%
Professor M.M. Ramogale	P	P	P	P	P	P	100%

P Present  
 A Absent  
 AP Apology

The Working Group deliberated on the following matters, among others, during 2023:

- The Working Group established its terms of reference, intended to serve as the terms of reference of a Council committee when the next Council is installed.
- Reports were received on community engagement, as well as teaching and learning, research, innovation, and engagement.
- The ACSAWG was informed that the Student Affairs Department, with the exception of the Clinic, had relocated to the new Student Centre.
- The 10th Focus Teaching and Learning Conference was successfully hosted by the Teaching and Learning Development Centre (TLDC)
- A Deputy-Director: Intellectual Property was appointed from 1 September 2023.
- The Working Group recommended that the Student Affairs Management Panel (SAMP) be formalised within the University's structures.
- It recommended the development of a policy governing the running of the University's Technology Station in Chemicals.

- Consolidated oversight reports on teaching and learning, and on research, innovation and engagement were recommended to the Administrator for noting.
- The revised Research Policy and revised policy on Financial Research Incentives were recommended to the Administrator for approval.

### 5.3. Audit, Risk and Compliance Working Group (ARCWG)

The main functions of the Audit, Risk and Compliance Working Group are to oversee MUT's external audit process, its financial reporting, the annual financial statements, the internal audit function, risk management, internal controls, fraud risks, information technology risks, the compliance function, and the combined assurance model.

The Working Group held four ordinary quarterly meetings and one special meeting in 2023. The second ordinary meeting convened on 2 June 2023 and continued on 14 June. Table 6 below shows the ARCWG attendance per meeting.

**Table 6: ARCWG Composition and Attendance**

Audit, Risk and Compliance Working Group Attendance							
Name	22 February (Ordinary meeting)	02 June (Ordinary meeting)	14 June (Reconvened meeting)	05 September (Ordinary meeting)	08 November (Ordinary meeting)	14 December (Special Meeting)	%
Ms M. Mokuele	P	P	P	P	P	P	100%
Dr D. Naidoo	P	P	P	P	P	P	100%
Mr P. Slack	P	P	P	P	P	P	100%
Professor M.M. Ramogale	P	P	P	P	AP	P	83%

P Present  
A Absent  
AP Apology

- The ARCWG deliberated in 2023 on the following matters, among others:
- The requirements for the Internal Audit Plan and quarterly reports. A tracking register was required and a dashboard should be developed.
- The Working Group recommended that the Quality Assurance and Internal Audit functions be integrated.
- It received a report on the Enterprise Risk Management Plan (ERM) as at September 2022.
- The Annual Risk Register for 2023 was considered and referred back to the Departments for correction.
- Quarterly reports on fraud, the Ethics Hotline, and other investigations were dealt with in committee.
- A tracking register on progress regarding previous audit findings was noted.
- Reports on management accounts, a schedule of deviations, NSFAS and student debt, and irregular, fruitless and wasteful and unauthorised expenditure (IFAWUE) were added to standing items on the ARCWG agenda.
- The Strategic Risk Register was referred to the Administrator for approval.

- The ARCWG requested that the payroll for June 2023 be distributed to all Heads of Department to ensure that it was correctly allocated, for audit purposes.
- The ARCWG resolved that the Management should identify a dedicated person to deal with risk management.
- The quarterly Risk Management report; progress report on internal audits; and the report on fraud, the Ethics Hotline and other investigations should be included as standing items on the agenda of the Executive Management Committee (EMC).
- The ARCWG considered a report from the auditors on Risk Maturity Assessment.
- A report on business continuity was noted.
- The ARCWG noted that a service provider was being sought to fulfil the risk management function.
- It resolved that line managers be responsible for the improvement of controls and develop a three-year action plan.
- The University's Compliance Plan should include compliance with the Occupational Health and Safety Act, staff doing business with the University, and PAIA, the Promotion of Access to Information Act.
- The report on Consequence Management was referred to the Human Resources Working Group.
- The ARCWG expressed a concern regarding lecturers who had not yet obtained a Masters qualification.
- It recommended the 2024 Internal Audit Charter and the 2024 ERM plan to the Administrator for approval.
- Concerns were raised regarding the audit report; a meeting with the Administrator would be arranged in January 2024 to discuss the matter.

#### **5.4 Finance and Investment Working Group (FIWG)**

The main function of the Finance and Investment Working Group is to provide oversight of MUT's financial and investment strategy in support of its vision and mission, with a view to promoting the long-term financial sustainability of the institution. It monitors the compliance with relevant laws and regulations of all facets of the financial value chain; monitors the allocation of financial resources; and assesses the measures in place to safeguard the University's assets and manage the risks associated with revenue and costs.

The FIWG held four ordinary meetings and one special meeting in 2023. The ordinary meeting of 31 May reconvened on 14 June. Table 7 below reflects the meetings held and the attendance of members.

**Table 7: FIWG Composition and Attendance**

Finance and Investment Working Group Attendance							
Name	22 February (Ordinary meeting)	31 May (Ordinary meeting)	14 June (Reconvened meeting)	05 September (Ordinary meeting)	08 November (Ordinary meeting)	20 November (Special meeting)	%
Ms M. Mokuele	P	P	P	P	P	P	100%
Dr D. Naidoo	P	P	P	P	P	P	100%
Mr P. Slack	P	P	P	P	P	P	100%
Professor M.M. Ramogale	P	P	P	P	P	P	100%

P Present  
A Absent  
AP Apology

The following matters were deliberated upon, among others:

- The FIWG expressed concern regarding the 2023 Budget presented.
- It considered the MUT staff structure as approved by the Council in 2022 to be inappropriate. Some critical organisational design principles were not considered. The personnel budget was more than 74% of the Council-controlled income and the proposed structure would take it above 80%
- The report on NSFAS and Student Debt was recommended to the Administrator for noting. The FIWG pointed out a financial risk of about R58-million in charging students R52,000 a year for residence accommodation when NSFAS was paying only R45,000.
- The Working Group noted that the Annual Procurement Plan was approved by the for Administrator at a meeting on 27 March 2023 and the Budget was provisionally approved.
- The FIWG recommended the terms of reference for the Working Group to the Administrator for approval.
- It recommended the appointment of directors to First Ready Development, a non-profit company formed in 1998 to acquire property for use as student accommodation, which acquired the Executive Hotel property in 1999. The recommended directors are Mr R Delomoney (CFO), Dr PP Masala (Registrar) and Professor N Sibiya (DVC Research and Innovation).
- The FIWG received a management report on MUT's Turnaround Strategy 2023-2031, which could contribute to the five-year development plan to be prepared by the Administrator.
- The Acting Vice-Chancellor reported that the security contract was terminated with 60 days' notice to the University.
- The Working Group commended management's approach on investments. Short-term investments were placed with different financial institutions.
- Instances of over-spending in the mid-year Management Accounts were flagged by the FIWG, including over-spending on administrative personnel and an increase in depreciation. It requested management to report on what it was doing to manage such over-expenditure.
- The Working Group advised that future financial recovery initiatives should include boosting of the University's reserves.
- It was noted that privately funded student debt remains a major challenge.
- The FIWG recommended the 2024 budget and the 2024 procurement plan to the Administrator for approval.
- It forwarded a letter from the DHET, regarding reductions in the block grant and earmarked grants for the 2023-24 financial year, to the Administrator for noting.

## 5.5. Governance, Social Cohesion and Ethics Working Group (GSCEWG)

The main functions of the Governance, Social Cohesion and Ethics Working Group are to provide oversight of all governance matters and Executive Management's execution of strategies to ensure good corporate citizenship, sustainable development, and stakeholder relations; and to assess Executive Management's accountability for ethical and effective leadership and its advocacy of ethics. The GSCEWG is responsible for ensuring that all the Working Groups and statutory committees (such as the Senate, Institutional Forum, EMC, and SRC) are properly constituted and function optimally. The GSCEWG functions as a Nominations Committee of the Administrator.

The Working Group held four ordinary meetings and one special meeting during 2023. Table 8 below shows the attendance of meetings.

**Table 8: GSCEWG Composition and Attendance**

Governance, Social Cohesion & Ethics Working Group Attendance						
Name	24 February (Ordinary meeting)	01 June (Ordinary meeting)	04 September (Ordinary meeting)	07 November (Ordinary meeting)	20 November (Special meeting)	%
Ms M. Mokuele	P	P	P	P	P	100%
Dr D. Naidoo	P	P	P	P	P	100%
Mr P. Slack	P	P	P	P	P	100%
Professor M.M. Ramogale	P	P	P	P	P	100%

P Present  
 A Absent  
 AP Apology



MUT staff, first and second from left, with some school learners when MUT had Open Day at Indwedwe

During 2023 the GSCEWG considered the following matters, among others:

- The Working Group noted that previous assessor reports had touched on issues concerning the culture of the University, ethics, and social cohesion. The Working Group would work closely with Management on such issues.
- The GSCEWG received a report on the number of special meetings of Council and Council committees. The Working Group would review the measures to address identified inefficiencies.
- The Working Group recommended a report on engagement with stakeholders on issues raised at a meeting with the Parliamentary Portfolio Committee to the Administrator for noting.
- It requested the development of an Ethics Framework for the University, incorporating an ethics statement.
- The MUT Organisational Climate and Culture Survey should reside in the Office of the Vice-Chancellor. Expert help should be brought in to assist.
- The GSCEWG received a report on the implementation of recommendations arising from investigations commissioned by the dissolved Council.
- The Working Group recommended to the Administrator the inclusion of the Senior Director of the Teaching and Learning Development Centre (TLDC), the Director of Community Engagement and Development (CEAD), and the Director of Cooperative Education as full members of Senate, provided that the majority of Senate should be academic members.
- report on the EMC Governance Workshop was received and forwarded to the Administrator for noting.
- A report on the composition of the Executive Management Committee (EMC) and a reviewed charter of the committee were recommended to the Administrator for approval.
- A revised Policy on Policies was forwarded to the Administrator for approval. The GSCEWG recommended that policies be differentiated into three categories – Council, Operational, and Academic.
- The Working Group noted that a benchmarking exercise on the workings of the Convocation of the University did not indicate difference from other universities. Convocation would be requested to present an annual report. The Convocation Executive Committee would be invited to submit a report on their performance for the past four years.
- A schedule of mandatory submissions to the Department of Higher Education and Training (DHET) was noted.
- The GSCEWG was informed that the new SRC had been elected in October, following a peaceful campaigning season with no reported issues. The EFF Student Command won the election.
- The Working Group recommended the 2023 Mid-Year Report and the 2024 Annual Performance Plan to the Administrator for noting, subject to inputs made.
- It received a report on benchmarking with regard to the workings of the University's Convocation.

## 5.6.Human Resources Working Group (HRWG)

The Human Resources Working Group provides oversight of the development and implementation of the University's human resource strategy in support of its vision and mission, with a view to attracting, developing and retaining high performing individuals. It is responsible for recommending to the Administrator an appropriate organisational structure, as well as conditions of service, remuneration, benefits and privileges of staff.

The Working Group held four ordinary meetings in 2023. The attendance is shown in Table 9 below.

**Table 9: HRWG Composition and Attendance**

<b>Human Resources Working Group Attendance</b>					
<b>Name</b>	<b>23 February (Ordinary meeting)</b>	<b>01 June (Ordinary meeting)</b>	<b>04 September (Ordinary meeting)</b>	<b>07 November (Ordinary meeting)</b>	<b>%</b>
Ms M. Mokuele	P	P	P	P	100%
Dr D. Naidoo	P	P	P	P	100%
Mr P. Slack	P	P	P	P	100%
Professor M.M. Ramogale	P	P	P	P	100%

P Present  
 A Absent  
 AP Apology

In 2023, the Human Resources Working Group deliberated on the following matters, among others:

- The Working Group highlighted the importance of determining the majority union in the University. It noted that NEHAWU had complained to the CCMA that MUT did not want to negotiate with them as the majority union. Verification of staff numbers showed that there were 572 staff members in the bargaining unit (excluding Grades 1 – 4). Of these, 50,87% were affiliated with NEHAWU, 33,04% with TENUSA, and 16,08% were unaffiliated. Thus NEHAWU was the majority union. The TENUSA recognition agreement still stood, as its membership was above the 30% threshold.
- It was suggested that the University should have a bargaining forum, as both unions met the threshold for recognition.
- The HRWG did not support the University's revised Organisation Structure. It requested Management to review the structure, taking affordability into account.
- The Working Group received a report on why the post grade 1 (the position of Vice-Chancellor) had not been included in previous salary increases. It recommended to the Administrator a salary increase of 4,5% for the post grade 1 retrospective to January 2022.
- A salary increase for post grades 2 – 4 of 4,25% was recommended to the Administrator for approval. A proposed once-off payment of R4,000 for these grades was not supported.
- The HRWG received a report that the 2023 salary negotiations had been concluded with the majority union (NEHAWU) and an agreement had been signed. The report would be submitted to the Administrator for ratification.

- The HRWG noted that a meeting to discuss concerns raised regarding the revised Organisational Structure was held on 18 May 2023.
- The terms of reference of the Working Group were recommended to the Administrator for approval.
- The Working Group noted a report that the University would not have a new five-year Employment Equity plan by September 2023, after expiry of the current plan in August. Management would write to the Department of Labour to request an extension of the existing plan.
- The HRWG received a revised Leave Policy. It requested Management to check on the collective bargaining obligations with respect to conditions of service. Management would consult with relevant stakeholders on the reviewed policy in line with inputs made by the Working Group.
- The Working Group requested management to engage a service provider to conduct an audit of the Human Resources function.
- It took note of a report on expenditure on Evening Classes. It referred the matter to the ACSAWG, requesting the DVC: Teaching and Learning to submit a report on evening classes, taking into account enrolment, allocation of students, number of staff, number of day classes, and how the University ended up with evening classes.
- The HRWG noted that MUT was not compliant with regard to the declaration and permission for staff to do business with the University. The

### 5.7. Information Technology and Network Governance Working Group (ITNGWG)

The main functions of the Information Technology and Network Governance Working Group are to exercise oversight of technology and information management; to recommend policies that give effect to MUT's set direction on the employment of information and technology; and to oversee the integration of associated risks into organisation-wide risk management.

The Working Group held four ordinary meetings in 2023. The composition and attendance is shown in Table 10 below.

**Table 10: ITNGWG Composition and Attendance**

<b>Information Technology and Network Governance Working Group Attendance</b>					
<b>Name</b>	<b>24 February (Ordinary meeting)</b>	<b>02 June (Ordinary meeting)</b>	<b>04 September (Ordinary meeting)</b>	<b>08 November (Ordinary meeting)</b>	<b>%</b>
Ms M. Mokuele	P	P	P	P	100%
Dr D. Naidoo	P	P	P	P	100%
Mr P. Slack	P	P	P	P	100%
Professor M.M. Ramogale	P	P	P	AP	75%

P Present      A Absent      AP Apology

## The ITNGWG considered the following matters, among others, during 2023:

- The Working Group provided guidance on the development of a Data Governance Framework for MUT. It recommended consultation on the framework with academic divisions.
- It requested changes to the IT&N Project Portfolio report; the ICT Risks report; the Service Availability report; and the report on Internal and External Audit Findings.
- The Cybersecurity report was recommended to the Administrator for noting.
- The ITNGWG requested a full report on the utilisation of laptops purchased as part of the University's response to the Covid-19 pandemic.
- The terms of reference for the Working Group were recommended to the Administrator for approval.
- The Secretariat and Management were commended on the quality of the minutes, agendas, and reports.
- The Working Group noted the ICT Business Continuity and Disaster Plan report. It raised a concern about the measures in place regarding load shedding.
- The IT&N Data Governance Framework and related policies and procedures were recommended to the Administrator for noting.
- The Annual ITN Infrastructure Plan for 2024 was recommended to the Administrator for noting.
- The ITNGWG requested a report on the ITS system, the enterprise resource planning (ERP) system, including the total functionalities of ITS and how well the University utilises ITS and its various modules.

## 5.8.Planning, Resources and Infrastructure Working Group (PRIWG)

The Planning, Resources and Infrastructure Working Group oversees the alignment of all aspects of MUT's strategy and planning in relation to academic, financial, physical, and human resource planning. It advises the Administrator on all matters of long-term, medium-term, and short-term planning, reviewing and recommending the Annual Performance Plan and the Mid-Year Performance report. The PRIWG oversees the development and implementation of master plans for infrastructure, energy, and security.

The Working Group held four ordinary meetings and two special meetings in 2023. The attendance is shown in Table 11 below.

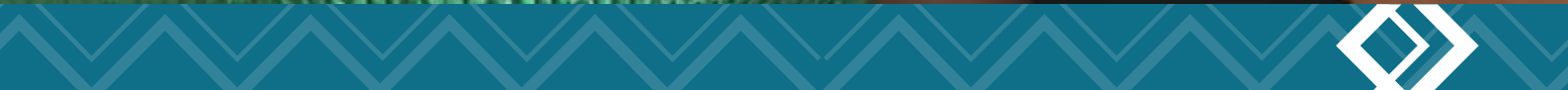
**Table 11: PRIWG Composition and Attendance**

Planning, Resources and Infrastructure Working Group Attendance							
Name	22 February (Ordinary meeting)	01-02 June (Ordinary meeting)	14 June (Special meeting)	05 September (Ordinary meeting)	03 October (Special Meeting)	08 November (Ordinary meeting)	%
Ms M. Mokuele	P	P	P	P	P	P	100%
Dr D. Naidoo	P	P	P	P	P	P	100%
Mr P. Slack	P	P	P	P	A	P	83%
Professor M.M. Ramogale	P	P	P	P	P	AP	83%

P Present      A Absent      AP Apology

## The PRIWG deliberated on the following matters, among others, during 2023:

- The PRIWG advised that the development of a Strategic Planning Governance Framework should take into account the roles, responsibilities, approval structures, processes, project planning, and timelines associated with strategic planning.
- It requested a progress report on actions taken by management to address shortcoming identified in an internal audit report on performance evaluation (the AOPO Internal Audit).
- The Working Group noted correspondence with the KZN Department of Human Settlements and Public Works regarding possible purchase of a property opposite the main campus of MUT, the eNduduzweni Centre for the Blind.
- It recommended that a letter of intent to purchase the property be submitted to the Administrator for approval.
- As the country was moving to higher levels of load-shedding, development of an Energy Efficiency Plan was recommended.
- An integrated institutional Business Continuity Plan was requested, indicating how the University would continue to function in the event that the campus could not be accessed.
- Progress reports on Capital Infrastructure Projects and Maintenance Projects were received.
- It was noted that the Parliamentary Portfolio Committee had expressed concern about the University's internal residences. A process was underway to repair the residences.
- A concern had been raised regarding the quality of water supplied to MUT. The Working Group noted a report that the water had been tested and met acceptable standards.
- The PRIWG recommended reports on the Security Management Plan, the Annual Infrastructure Plan, and the AOPO Internal Audit to the Administrator for noting.
- Reports on the Security Management Plan should include a report on significant incidents that occurred.
- The Working Group requested a report on how students were being compensated academically for the loss of lecture hours as a result of load-shedding.
- The Terms of Reference of the PRIWG were recommended to the Administrator for approval.
- The 2024 New Infrastructure and Refurbishment Plan to the value of R221,5-million was recommended to the Administrator for approval.
- The Energy Management Plan and the Security Management Plan were recommended to the Administrator for approval, subject to DHET funding.
- Management was requested to report on media reports concerning an approach by the Umdoni Municipality regarding a possible satellite campus on the South Coast.
- The Working Group recommended that the Administrator approve the submission to the KZN Department of Public Works of a conditional offer to purchase the eNduduzweni Centre for the Blind.
- It noted the progressive work done in addressing issues raised in the AOPO internal audit on performance evaluation.



In terms of the University's 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 2023, this applied to members of the Administrator and Working Group meetings who were required to declare any conflict of interest ahead of discussion on agenda items and to recuse themselves where conflicted. All declarations are filed and kept by the office of the Registrar.

## 7.STATEMENT ON CONFLICT MANAGEMENT

Section 10 of the Comprehensive Code of Conduct for Council stipulates the dispute resolution mechanisms available to Council. Following the appointment of the Administrator, this particular section does not apply as the Administrator has taken over the role, powers, functions and duties of Council.

## 8.STATEMENT ON COUNCIL CODE OF CONDUCT

The Comprehensive Code of Conduct for Council is intended to uphold the principles of good and corruption-free governance and to ensure that members of Council (when there is a constituted Council) are aware of and comply with applicable laws, regulations, and MUT policies and procedures.

There is a strong emphasis on the division of labour as between the Council members (or the Administrator's team) and the Management. In

terms of good corporate governance, emphasis is placed on the value of declarations of interest where a member of the Executive Management or Administrator's team is potentially conflicted on a matter. Such declarations contribute to the institutionalization of a culture of openness.

The Code of Conduct obliges Council members to perform their duties in line with the principles of ethical conduct and to make decisions based on trust, honesty, and integrity. The Code aims to ensure that the best interests of the University always take precedence over personal or other interests.

## 9.ADMINISTRATOR'S STATEMENT ON SUSTAINABILITY

The Administrator is acutely aware of the need to improve the financial position of the University in order to secure its long-term sustainability. The extent of student debt, and its continued growth, are matters of concern.

During 2023, MUT Management began to implement a Turnaround Strategy, primarily aimed at curbing costs and identifying new income streams.

## 10.APPROVAL OF GOVERNANCE STATEMENT

The Administrator approved the Statement on Governance on 30 August 2024.



**Professor Lourens van Staden**

MUT Administrator

30 August 2024

### 11.1. Senate's Function and Composition

According to Section 42 of the Higher Education Act (No 101 of 1997), Senate's main role is to exercise sound academic governance and to oversee 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 (or the Administrator).

In terms of the Statute of the University, which is aligned to the Act, the majority of Senate members must be academic employees. The composition of the University Senate is as follows:

- Vice-Chancellor and Principal
- Deputy Vice-Chancellors
- Registrar
- All Deans of Faculties
- All Heads of Academic Departments
- Professors (excluding honorary, associate, visiting, emeritus, and adjunct professors)
- Head of the Library
- Head of Research
- Head of Quality Management
- Head of Student Affairs
- Head of Operations
- Head of Human Resources and Development
- Head of Finance
- Head of Legal Services
- Head of Institutional Planning and Research
- Two students who are elected by members of the SRC
- An administrative and support employee from among the three Faculties, elected by the administrative and support employees
- An academic employee from among the three faculties, elected by the academic employees
- Two external members of Council designated by Council
- Additional members proposed by Senate and approved by Council

### 11.2. Senate Meetings in 2023

During the course of 2023, Senate convened four ordinary meetings, three special meetings and one emergency meeting as shown in Table 12 below. The total membership of Senate was 55.

**Table 12: Senate Meetings in 2023**

Meeting Type	Date	Attendance
Ordinary	02 March	37
Special	15 May	29
Ordinary	23 May	38
Special	20 July	32
Ordinary	29 August	45
Emergency	11 September	40
Special	23 October	39
Ordinary	16 November	52

### **In its ordinary meetings, Senate considered reports from:**

- The DVC: Teaching and Learning
- The Registrar
- Deans of the three Faculties
- Faculty Boards
- Senate sub-committees (Community Engagement Committee, Library and IT Committee, Health and Safety Committee, Employment Equity and Skills Development Committee)
- Higher Degrees Committee
- Research and Innovation Committee
- Quality Management Directorate
- Teaching and Learning Development Centre
- Community Engagement and Development
- Marketing and Communications
- Directorate of Institutional Planning and
- Research

#### **Student Representative Council**

Senate deliberated on the following matters, among others, during its meetings.

#### **11.2.1. First Ordinary Meeting, 2 March 2023**

Senate ratified the following Criteria for the selection of Honourees for Graduation Ceremonies, as approved by Senex:

- a.** The Faculty can nominate a maximum of three candidates;
- b.** The nominee should be recognised as a person who has contributed to society for a period not shorter than five years;
- c.** Upon receiving nominations, the Dean should approach the nominees, share the criteria with them and obtain their agreement to be subjected to an assessment;
- d.** The nominated individual would be honoured by the

relevant Faculty, but this would not be considered to be an honorary degree;

**e.** Officials from the Department of Higher Education and Training and its associated entities should be excluded from being nominated as honourees; and

**f.** The nominated individual should become a brand ambassador for the University.

- Senate approved the revised SOPs for Research Awards, including the revised evaluation form. It approved 15 September 2023 as the date for the awards ceremony.
- Senate supported and recommended the proposed Digital Centre that the Moses Kotane Institute (MKI) offered to house in the MUT premises for the approval of the Administrator.
- Senate approved the 2023 Teaching Plan for all three Faculties

#### **11.2.2. Special Meeting, 15 May 2023**

The Senate approved:

- A one week extension of the first semester, with lectures ceasing on Friday 19 May 2023.
- The first semester examinations would be held from 29 May 2023 to 10 June 2023.
- The adjustment of the dates for supplementary examinations and ratification of results. Supplementary examinations would commence on 22 June to 28 June 2023 and the ratification of results would be on 19 June 2023.

#### **11.2.3. Second Ordinary Meeting, 23 May 2023**

The Senate approved:

- The Prospectus for the 2024 academic year for all three faculties.
- The term dates and skeleton calendar, provided there was a report tabled at the Senate's next meeting indicating how the risks associated with two sessions a day of the graduation would be managed.
- The Amendment to the existing programmes in the Department of Human Resource Management.

- The SOPs for the Research Ethics Policy.
- The proposal to change the name of the Community Engagement Committee (COEC) to Community Engagement and Development Committee (CEDC).
- The SOPs for Community Engagement (CE) at MUT.

#### 11.2.4. Special Meeting, 20 July 2023

The Senate supported and recommended the Institutional Rules for the approval of the Administrator.

#### 11.2.5. Third Ordinary Meeting, 29 August 2023

The Senate supported and recommended:

- The Sabbatical Leave Policy and SOPs for the approval of the Administrator.
- The revised Research Policy and the SOPs for Research Output and Financial Incentives for the approval of the Administrator.
- The revised Policy on Policies and the following documents in support of the revised policy: the process flow chart for policies; the MUT Policy Universe; the template for University policies; the record of changes made; and the supporting Council policies.

The Senate considered and approved:

- The 2024 Almanac and General Rules and Regulations Handbook subject to the proposed changes.
- The introduction of a new Masters of Business Management (HRM) in the Faculty of Management Sciences.
- The Charter for the Research Ethics Policy
- The 2023 recommendations for Research Award winners.
- The establishment of the Faculty Community Engagement and Development Committee (FCEDC) and its Terms of References.
- The inclusion of the HEMIS credit values in the Programme Content table of the Programme Development templates, PD Form1 and PD Form3, with rows to capture the sub-totals and total SAQA and HEMIS credit values.

#### 11.2.6. Emergency Meeting, 11 September 2023

The Senate approved the suspension of academic activities on 14-16 September 2023 to allow staff and students to attend the memorial service and funeral of the University's founder, Prince Mangosuthu Buthelezi,

who passed away on 9 September. The Registrar would reorganise the academic calendar for the fourth quarter to factor in the three days.

#### 11.2.7. Special Meeting, 23 October 2023

The Senate supported and approved the adoption of the Draft HEQC Institutional Audit Report without any proposed changes.

#### 11.2.8. Fourth Ordinary Meeting, 16 November 2023

The Senate approved:

- The revised Unsatisfactory Academic Performance (G20) Rule.
- The name change from Office Management and Technology to Business and Information Administration (BIA).
- The adoption of Project Based Learning (PBL) for WIL students not placed in industry.
- The Framework for the Scholarship of Engagement (SoE) at MUT.
- Amendments to the Diploma in Public Finance and Accounting and its extended programme (ECP).
- Amendments to the Advanced Diploma in Public Finance and Accounting.
- Applications for the introduction of the following new qualifications in the Faculty of Management Sciences: Diploma in Economics; Higher Certificate in Events Management; Diploma in Supply Chain Management; Diploma in Economics.
- Applications for the introduction of the following new qualifications in the Faculty of Natural Sciences: Advanced Diploma: Information Technology in Computer Networks; Postgraduate Diploma in Cybersecurity; Postgraduate Diploma in Chemistry;
- The postponement of the January 2024 registration by one week, to start on 22 January 2024 and continue to 02 February 2024. The Office of the Registrar to submit a proposal to Senate at its first meeting in 2024 on how to

- recoup the five Teaching and Learning days that would be lost due to the postponement of registration.

Report by the CHE in early 2024, MUT will prepare an institutional improvement plan for submission to the CHE by June 2024.

### 11.3.Changes to the Academic Structure

#### 11.3.1.Discontinuation of National Diploma qualifications

The year 2023 was the final year in which students could be enrolled for National Diploma and B.Tech qualifications. The qualifications were phased out nationally, being replaced by the new HEQSF-aligned Diploma and the Advanced Diploma.

#### 11.3.2.New Qualifications

In the 2023 academic year, there were no new qualifications that were introduced by MUT in its academic structure.

### 11.4.Teaching and Learning

#### 11.4.1. The MUT Institutional Audit

As part of an institutional audit of MUT by the Council on Higher Education (CHE), an audit panel visited the University in November 2022. Subsequently, the CHE submitted a draft audit report to MUT on 18 September 2023, which the MUT Senate considered and accepted at a meeting on 23 October 2023. Following the confirmation of the Institutional Audit

#### 11.4.2. Student Academic Support

During 2023, at-risk students received support through interventions such as tutorials, one-on-one support, mentorship, and academic literacy and language workshops. Lecturers in the Faculties identified students for support, and lecturers in the Mathematics and Science Education Unit (MSEU) and the Academic Literacy and Language Unit (ALLU), as well as Student Academic Advisors, provided assistance. Additionally, the Library conducted information literacy workshops covering topics such as online database searching, the use of Turnitin and Mendeley, and exam preparation.

#### 11.4.3. Programme Development

MUT's academic department developed a number of new programmes in response to a call to action by the acting Vice-Chancellor and Principal. The development of new programmes is central to the University's core business and the current strategy identified the introduction of post-diploma programmes as key in unlocking value for the University. The table below indicates the new programmes developed and approved by Senate in 2023.

**Table 13: New Programmes approved by Senate in 2023**

Faculty of Management	
Department	Programme
Accounting and Law	Advanced Diploma in Public Finance and Accounting
Public Administration and Economics	Diploma in Economics
Public Administration and Economics	Diploma in Supply Chain Management
Office Technology	Higher Certificate in Events Management
Office Technology	Higher Certificate in Contact Centre Management
Faculty of Natural Sciences	
Information & Communication Technology	Diploma in Cybersecurity
	Advanced diploma in Information Communication in Communication Networks
Chemistry	Post graduate Diploma in Applied Chemistry

#### 11.4.4. Work Integrated Learning (WIL)

The total number of students who completed a work-integrated learning component of their qualification in the 2023 academic year was 1,784 across the three faculties. This accounted for 61% of the students that graduated in undergraduate programmes and a 9% increase from the 2022 graduate cohort. Engineering students that completed WIL reached the highest point over eight years with 1,202 students successfully completing WIL in 2023.

To improve graduate employability, a structured Internship program was implemented on campus. A total of 120 graduates, funded through the Presidential Youth Employment Stimulus, were placed on campus and monitored by Co-operative Education through monthly report submissions.

The CED's Employer Engagement program resulted in the University receiving two commendations in the CHE institutional audit report. These were for the positive impression held by employers, particularly with respect to the quality of students and interns; and a high level of satisfaction with respect to the quality of graduates and an extensive stakeholder engagement.

#### 11.4.6. Implementation of the E-Learning Strategy

The implementation of the eLearning strategy is a Key Performance Indicator for MUT's Strategic Objective 1.3, focusing on enhancing the quality of graduates. A series of activities were specified in the 2023 Institutional Operational Plan, including annual targets.

In 2023, a total of 92 academic staff members underwent comprehensive training to enhance their expertise in technology-enhanced teaching and learning. The training sessions included a Teaching with Technology Summit, an Instructional Design course offered through the GetSmarter platform by UCT, a Facilitate Online programme by Emerge Africa, and a Digital teaching and learning series or learning design retreat.

Three academic staff members received support to enroll in the Post Graduate Diploma in Educational Technology at the University of Cape Town. In 2024, assistance will be extended for staff to enrol at UCT or Wits University for the same programme.

Support provided for students included digital literacy workshops and a student helpdesk. Out of the total first-time entering student population, 22% participated in digital literacy workshops. These workshops aimed to familiarise students with the online and digital learning applications they would use during their first year or semester.

At the onset of the academic year, the student helpline faced a challenge due to the absence of personnel to manage this crucial function. However, in the second semester, a student from the ICT department who was completing Work-Integrated Learning (WIL) took on some of the workload, responding promptly to student queries.

To stay current with advancements and offer students the best online learning experience, MUT initiated the migration to the Ultra navigation package of Blackboard, the learning management system (LMS), in late 2023.

An analysis of Blackboard usage statistics as of October 2023 showed that 1,966 out of 2,875 courses (or modules) were active, with 1,001 accessed between October 2022 and October 2023. This data indicates that 68% of the courses were active on Blackboard, but not all of these were actively accessed.

#### 11.4.7. Professional Development and Support of Academic staff

In 2023, the Teaching and Learning Development Centre (TLDC) actively supported curriculum development efforts across various departments, encompassing the creation of new programmes and the refinement of existing ones. Notable collaborations included supporting the creation of new academic programmes in Accounting and Law, Marketing, Office Technology, and Agriculture. The TLDC's collaborative efforts with industry advisory bodies further enriched curriculum development processes, promoting relevance and excellence in programme offerings.

The Teaching Professional Development Unit (TPDU) facilitated the Academic Induction Programme for 23 new lecturers in 2023, providing them with the essential knowledge and skills needed for successful roles in academia. Additionally, the Assessment of Learning in Higher Education short course was implemented, with 22

lecturers successfully completing the training to enhance their skills in assessment design, implementation, and evaluation.

Recognizing the crucial role of student assistants, the TLDC provided training for 182 student assistants in 2023, enhancing their effectiveness in supporting faculty members and students within the academic environment.

In 2023, significant research outputs were achieved by TLDC staff members, contributing to the scholarship of teaching and learning. Publications covered diverse topics such as students' perceptions of online assessments, pedagogical training initiatives for lecturers, and the importance of training and support for tutors in higher education, as shown below in Table 14.

**Table 14 TLDC Research Publications in 2023**

N Ndlovu, PR Gumede, S Mthimkhulu	Students' acceptance and perceptions of online assessments post-COVID-19 pandemic: A case of Community Extension students at a historically disadvantaged institution	Perspectives in Education 41 (2), 180-194
T Mutanda, PR Gumede, T Mayisela, D Ng'ambi	Using a design-based research approach for a supplementary instruction programme: A pedagogical intervention during the COVID-19 pandemic	South African Journal of Higher Education 37 (6), 271-285
PR Gumede, MP Sithole, D Gumede	Lecturers' Perspectives of Pedagogical Training Initiatives at a University of Technology in Kwazulu-Natal, South Africa	South African Journal of Higher Education 37 (5), 221-236
NS Hlongwa, MP Sithole	Training and Support for Tutors: Sine Qua Non for effective tutorship in higher education?	Proceedings of the 10th Focus Conference (TFC 2023), 53-77.

The following staff members, having completed their Doctoral studies, graduated in 2023:

- Dr Lynelle Martin, Department of Marketing
- Dr Ayanda Magwenyane, Department of Chemistry
- Dr Buyi Makhanya, Deputy Director: Academic Literacy and Language Unit
- Dr Sfundo Cebolenkosi Gumede, Department of Mathematics
- Professor Alfred Msomi, Head of the Department of Mathematics, obtained his second PhD
- Dr Bonginkosi Keith (BK) Zwane, Department of Accounting and Law
- Dr Lungani Makhathini, Department of Accounting and Law



Dr Sfundo  
Cebolenkosi Gumede



Dr Ayanda Magwenyane



Dr Buyi Makhanya

#### 11.4.8. Teaching Awards

The Vice-Chancellor's Excellence Awards were deferred in 2023, in order to align them with the National University Teacher Awards (NUTA) which are driven by the DHET.

## 11.5. Research

### 11.5.1. Research Productivity

It is MUT's objective to increase research productivity as measured by research output. The target for 2023 was 66 research output units. The 115,673 research output units received from staff for 2023 not only exceeds the 2023 target but also exceeds the 82.42 research output units approved by DHET for our 2022 submission.

Of the total 115,673 units, 108,5466 units were for research journal articles published in accredited journals. Book chapters made up 4,0916 units and

peer-reviewed conference proceedings 3,0351 units. Articles published in predatory journals, although DHET accredited, are not included in the cumulative output for 2023.

Table 15 below shows the breakdown of the research journal articles published in 2023, according to Faculty.

**Table 15: Research Journal Articles published in 2023**

Period	Admin	Engineering	Management Sciences	Natural Sciences	Total
Q1 2022: Jan - Mar	0.750	6.102	4.833	3.667	15.352
Q2 2022: Apr - Jun	2.250	5.677	5.333	6.917	20.177
Q3 2022: Jul - Sep	3.333	3.630	9.766	13.429	30.158
Q4 2022: Oct - Dec	8,581	5.784	17.281	11.214	42.860
<b>TOTAL: 2023</b>	<b>14.914</b>	<b>21.193</b>	<b>37.213</b>	<b>35.227</b>	<b>108.547</b>

The DHET target for research output per academic staff member is 0.5 for Universities of Technology. MUT achieved 0.3 during 2022 and it is estimated that it will improve to 0.45 for 2023, once the DHET approvals for 2023 are known.

### 11.5.2. Capacity Development

Research capacity development is an important activity as it contributes to increased research productivity. MUT supports research capacity development through funding provided by the University Capacity Development Grant (UCDG). The capacity building workshops hosted by the Research Directorate during 2023 are outlined in Table 16 below.

**Table 16: Research Capacity-building Workshops**

<b>Name of Workshop or Seminar</b>	<b>Date</b>
The NRF Rating Information and Practical Session	18 January 2023
Women in Research Workshop	23 February 2023
Getting Ready for Publication Workshop	02 to 03 March 2023
NRF nGap Information Session	17 March 2023
NRF Funding Application Refresher Course	31 March 2023
NRF Thuthuka and the Black Academics Advancement Programme (BAAP) Information Session	12 April 2023
DSI-NRF Strategic Institutional Engagement	02 August 2023
Grant Writing	22 August 2023
Supervision of Higher Degrees	22 August 2023
Research Ethics	28 August 2023
Fundamentals of Research Proposals and Literature Review	11-12 September 2023
Academic Writing	18-20 October 2023
NRF Rating Workshop	14 November 2023
SPSS & NVivo training	29-30 November 2023

The Research Directorate, through the UCDG, allocated funding to support a total of 30 academic and support staff to complete their Masters and Doctoral degrees. The primary aim was to increase the number of personnel holding higher degrees within the institution.

As part of this initiative, three deserving female researchers were granted seed funds to aid in their career development. Additionally, seven staff members were supported in international exchanges, a strategic effort aimed at fostering collaborative projects and broadening the institution's global network.

Recognizing the importance of skills development, five staff members from the Faculty of Engineering were chosen to attend a comprehensive five-day training program on MATLAB and Simulink conducted by Optimum Solutions. This training opportunity aimed to enhance their proficiency in these vital tools, ultimately

contributing to their effectiveness and productivity in research and development endeavours.

### 11.5.3. NRF Rated Researchers

The National Research Foundation (NRF) rating system allows for the benchmarking of the quality of MUT's 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. The rating system not only identifies researchers who count among the leaders in their fields of expertise but also gives recognition to those who constantly produce high quality research outputs. The number of rated researchers increased from six during 2022 to nine in 2023.

Table 17 below reflects the MUT researchers with NRF ratings in 2023.

**Table 17: NRF Rated Researchers at MUT**

Name	Rating category	Period of Rating
Prof MN Sibiya	C2	2023 - 2028
Prof AT Kaniki	C2	2021 - 2026
Prof TC Davies	C2	2023 - 2028
Prof. B.F Bakare	Y2	2019 - 2024
Dr M Lasich	Y2	2019 - 2024
Dr BP Numbi	Y2	2019 - 2024
Dr O Ebenezer	Y2	2023 - 2028
Dr NJ Gumede	Y2	2023 - 2028
Dr D Naidoo	Y2	2023 - 2028

### 11.5.4. External Research Income

Research Funding lies at the heart of ground-breaking research and serves as the catalyst that fuels innovation. Further, most university-based research is funded through grants and contracts. Research Grants and Contracts not only play an important role in capacity development, national and international collaboration, and increased research productivity and output, but also serve as an incentive to generate new ideas which ultimately results in scientific progress. The Research Directorate assists with raising awareness of opportunities, proposal writing, and the evaluation and submission of proposals. Table 18 below shows the external research income received by MUT during 2023.

**Table 18: External Research Income received in 2023**

Funder	Programme	Grant Holder	Amount (R)
National Research Foundation	SA Research Chairs	Prof. BF Bakare	R570 000,00
National Research Foundation	Competitive Funding for Rated Researchers	Dr AT Kaniki	R 83 000,00
National Research Foundation	Research Development Grant for Rated Researchers	Prof. BF Bakare	R110 000,00
National Research Foundation	S & F-NRF- Free-standing Postdoctoral Fellowships	Dr NAN Ngxongo	R250 000,00
National Research Foundation	Evaluation and Rating	Prof. MN Sibiyi	R30 000,00
National Research Foundation	Evaluation and Rating	Prof. TC Davies	R30 000,00
National Research Foundation	Evaluation and Rating	Dr D Naidoo	R50 000,00
National Research Foundation	Thuthuka Grant (Rating Track)	Dr T Mutanda	R60 000,00
National Research Foundation	Thuthuka Grant (Post-PhD Track)	Dr TP Makhathini	R260 000,00
National Research Foundation	Thuthuka Grant (Post-PhD Track)	Dr LQ Qwabe	R3330,63
DHET	University Capacity Development Grant	Dr A Mienie	R 1 200 000,00
International Centre for Genetic Engineering and Biotechnology	ICGEB Special Programme for South African HDI's	Prof. K.K Naidoo	R173 000,00
DHET/UJ	UCDP-Future Professors' Programme	Dr BYV Mvuyana	R190 000,00
National Intellectual Property Management Office	NIPMO-Institutional Support	Dr A Mienie	R 1 150 810,00
SAMRC	SAMR RCDI	Ms PY Sikosana	R115 000,00
SAMRC	SAMRC RCDI	Ms NP Ndlovu	R92 000,00
National Graduate Academy for Mathematical & Statistical Sciences	Mathematical Early Career Fellowship	Mr L Mazibuko	R25 000,00
National Graduate Academy for Mathematical & Statistical Sciences	Mathematical Early Career Fellowship- Hosted by University of Pretoria	Mr SC Gumede	R25 000,00
South African Quantum Technology Initiative- University of Witwatersrand	SA QUTI (PhD) Student Bursary Award	Mr MB George	R50 000,00
SAMRC	SAMRC RCDI	Mrs R Pillay	R115 000,00
National Research Foundation	NRF Postdoctoral Grants	Dr NB Patrick	R305 000,00
University of Pretoria	UCDP National Collaborative Project-Conference Attendance	Mr D Hove	R20 000,00
<b>TOTAL</b>			<b>R 4 907 140,63</b>

Some MUT staff members at the Research Awards



Nokukhanya Thembane, left, receiving her trophy from Professor Nokuthula Sibiya

### 11.5.5. Research Awards

The 21st Research Awards Evening were hosted on 29 September 2023 at the Premier Hotel, Umhlanga. The following prizes were awarded:

#### Faculty of Engineering

Gold Prize Prof BF Bakare

#### Faculty of Management Sciences

Gold Prize Dr BA Ntshangase

Silver Prize Prof S Ngcobo

Bronze Prize Dr BYC Mvuyana

#### Faculty of Natural Sciences

Gold Prize Dr B Mutanga

Bronze Prize Ms N Thembane

#### Senate Prize (Researcher who published most papers during 2022)

Prof BF Bakare published 15 papers during 2022.

#### DVC: RIE Prize (Research who secured most external research funding)

UCDP/UCDG and HDI Grants were excluded.

Prof T.C. Davies received R328 300.00 from the Alexander Von Humboldt Foundation

#### VC Prize (Best Researcher at MUT)

Prof BF Bakare submitted evidence of research output, external funding received, as well as successful student supervision.

### 11.6. Innovation

#### 11.6.1. Intellectual Property Portfolio

MUT has a small research base and consequently a small number of research and development initiatives result in protectable intellectual property, which results in a modest Intellectual Property portfolio.

MUT currently owns four South African patents from which two are also protected in several countries, as well as one provisional patent. Furthermore, the MUT Intellectual Property portfolio includes two trademarks: the wordmarks 'Mangosuthu University of Technology' and 'MUT'.

Unitary patents for the two Pharmacophore inventions were granted for Europe and the 17 participating countries are: Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovenia, and Sweden.

The target for protected intellectual property is seven, which was achieved.

**Table 19: Summary of MUT Patents Granted and their Status**

Grant Number	Name	Country	Application Type	Renewal Due	Status
2023/05712	Broad-Spectrum Organic Herbicide	South Africa	ZA Provisional		Provisional
2012/09619	Manufacturing a ceiling	South Africa	ZA Complete	19 Dec 2023	Granted
ZL 201680071241.2	Pharmacophores, compounds and methods having application in the treatment of cancer through inhibition of Cyp17a1 and Cyp19a1	China	National Phase	22 Oct 2023	Granted
11,548,860	Pharmacophores, compounds and methods having application in the treatment of cancer through inhibition of Cyp17a1 and Cyp19a1	United States	National Phase	10 Jul 2026	Granted
3365330	Pharmacophores, compounds and methods having application in the treatment of cancer through inhibition of Cyp17a1 and Cyp19a1	Europe (Unitary patent protected in 17 countries)	National Phase	22 Oct 2023	Granted
3002567	Pharmacophores, compounds and methods having application in the treatment of cancer through inhibition of Cyp17a1 and Cyp19a1	Canada	National Phase	22 Oct 2023	Granted
ZL 201680071222.X	Pharmacophores, compounds and methods having application in the treatment of cancer through inhibition of Cyp17a1 and Cyp19a1	China	National Phase	22 Oct 2023	Granted
3365819	Pharmacophores, compounds and methods having application in the treatment of cancer through inhibition of Cyp17a1 and Cyp19a1	Europe	National Phase	22 Oct 2023	Granted
3365330	Pharmacophores, compounds and methods having application in the treatment of cancer through inhibition of Cyp17a1 and Cyp19a1	United Kingdom	National Phase	22 Oct 2023	Granted
3365819	Pharmacophores, compounds and methods having application in the treatment of cancer through inhibition of Cyp17a1 and Cyp19a1	United Kingdom	National Phase	22 Oct 2023	Granted
2015/02913	System for harnessing wave energy	South Africa	ZA Complete	29 Apr 2024	Granted
2018/03198	Treatment of cancer through inhibition of cyp17a1 and cyp19a1	South Africa	ZA National Phase	26 Jul 2023	Granted
2018/03199	Treatment of cancer through inhibition of cyp17a1 and cyp19a1	South Africa	ZA National Phase	26 Jul 2023	Granted

## 11.6.2. Intellectual Property Capacity Development

The Research Directorate has responded to the call for hosting of the sixteenth (2024) and seventeenth (2025) World Intellectual Property Organisation (WIPO) – South Africa Advanced Summer School on Intellectual Property (IP) and Technology Transfer (TT).

We are delighted to report that the Research Directorate's application to host the 2024/2025 Summer School on Intellectual Property and Technology Transfer was accepted. To successfully implement this flagship project, MUT is required to enter into two separate funding agreements each contributing an amount of R500,000, to a total of R1-million. These agreements will be between the Department of Science and Innovation and MUT, and CIPC and MUT respectively.

## 11.7. Community Engagement

There has been noteworthy progress in delivering on the University's strategic objectives for Community Engagement (CE), which are:

SO 3.1: To enhance MUT's contribution to the socio-cultural, environmental and economic development of the community

SO 3.2: To enhance relationships with local communities

### 11.7.1. Strategy and Governance

Progress has been significant in the advancement of Community Engagement (CE) at strategic level and on issues of governance in an effort to strengthen CE at MUT. At strategic level a framework for the scholarship of engagement (SoE) was developed, and after consultations with university structures it was approved by Senate on 16 November 2023 for application in 2024.

The development of a Framework for the Scholarship of Engagement (SoE) at MUT is meant to assist MUT's current effort to respond to the HEQC audit recommendations of 2012 whereby CE should be integrated into the strategic priorities and the core functions of teaching, learning and research. The framework aims to develop a visual representation or roadmap for the implementation of SoE at MUT. It takes participants on a journey of "walking back" from

intended outcomes to clarify what needs to be in place to get there.

Issues of governance to address the challenge of under-reporting of community engagement activities across the university were addressed through the resuscitation of Faculty Community Engagement and Development Committees to feed into the Senate sub-committee on Community Engagement and Development. The Faculty Community Engagement and Development Committee (FCEDC) was resuscitated to increase the participation of academic departments in community engagement.

Among other obligations, the FCEDCs will be responsible for identifying opportunities that enhance community engagement within the Faculty. Aspects such as community engagement as scholarship, the status of CE at MUT, principles that govern CE as indicated in CE policy, partnerships and collaborations, as well as issues of quality assurance will be the business of the committee.

### 11.7.2. Registered Community Engagement and Development Projects

MUT made notable progress in the implementation of CE projects. The CE projects are initiatives of the university staff, mainly academics, students and the CEAD Directorate. A total of 19 CE projects were implemented in 2023, with eight from the Faculty of Natural Sciences, three from Faculty of Management Sciences, two from Faculty of Engineering and six from the CEAD Directorate. The projects were implemented according to the four focus areas of the CE implementation strategy, which are Food Security, Health and Safety; Environmental Sustainability and Resilience; Skills Development; and Nation Building and Social Cohesion as reflected in the table below.

**Table 20: CE Projects according to Strategic Implementation Focus Areas**

Implementation Focus Area	Name of Project	Distribution Across Faculties
Food Security and Safety	Food Security for Better Health (FSBH)	Faculty of Natural Sciences
	Agricultural Support Project (ASP) for Umlazi Community	Faculty of Natural Sciences
	The Food Safety Training (FST) of the Ready-to-Eat Informal Traders in Umlazi	Faculty of Natural Sciences
	Marianridge garden project	CEAD Directorate
	Engagement with learners at Indukwenhle High School on wetland restoration on Thursday 10 August 2023	Faculty of Natural Sciences
Skills Development	Impilo Community Project (ICP) – FMS	Faculty of Management Sciences
	Professional Development of Agricultural Sciences Educators (PDASE)	Faculty of Natural Sciences
	Isisekelo Campaign Project (ISCP)	Faculty of Management Sciences
	Business Skills Development (BSD) project	Faculty of Management Sciences
	Geophagy Study Project (GSP)	Faculty of Natural Sciences
	MUT- MKI Digital centre	CEAD Directorate
	Umlazi ComTech library project	CEAD Directorate
	The Reading project	CEAD Directorate
Environmental Sustainability and Resilience	Ecosystem Rehabilitation & Restoration (ERR) Project- FNS	Faculty of Natural Sciences
	Phytoremediation Project (PRP) at Blackburn village, Mount Edgecombe, Durban.	Faculty of Natural Sciences
Nation Building and Social Cohesion	Environmental Education & Sustainability (EES) Project	Faculty of Natural Sciences & Faculty of Engineering
	School Sports Resuscitation Project	CEAD Directorate and Department of Sports
	Sivusisizwe Africa Initiative	CEAD Directorate
Entrepreneurship	Social Entrepreneurial Programme	Faculty of Management Sciences

The performance on CE projects especially in the last quarter of 2023 can be said to be well above average, with five of the projects in the top bracket of 75-100% implementation, three between 50-75%, four below 50%, and one inactive.

### **11.7.3. Talloires Network of Engaged Universities**

Enhancement of relationships was undertaken in various ways. MUT became a signatory of the Talloires Network of Engaged Universities. MUT through the CEAD Directorate identified and established partnerships, held events and carried out capacity-building initiatives for internal and external stakeholders.

In March 2023 MUT became a signatory member of the Talloires Network of engaged universities. The Network is an international association of institutions which aims to foster civic engagement. As of 2018 the network had 427 member institutions in 85 countries, including South Africa. The network hosts conferences, produces publications on university civic engagement, provides financial and technical support to regional university networks, and awards the annual MacJannet Prize for university student civic engagement initiatives.

MUT stands to benefit by applying for awards that provide monetary prizes and public recognition for innovative approaches to university civic engagement, building MUT's international civic engagement credentials (for example, through the use of the Network's logo); publicizing MUT civic engagement work in the Talloires Network newsletter and social media outlets including Facebook, Twitter and LinkedIn; accessing the TN newsletter, which includes announcements of grant opportunities and regional conferences and sharing experiences while soliciting information from peers (administrators, staff, faculty, and students) at member institutions around the world who have similar interests in civic engagement; representing the Network at national, regional, and international conferences and gatherings focused on university civic engagement and nominating individual leaders at MUT to serve on the Network's Steering Committee.

### **11.7.4. Partnerships**

#### **11.7.4.1. Local Partnerships**

To enhance relationships with local communities, the CEAD Directorate made significant progress by initiating four local partnership agreements an encouraging MUT staff to make use of them in the implementation CE projects where necessary. Partnerships are an indispensable and integral component of community engagement as they augment expertise, knowledge and funding for the community engagement enterprise of the University.

#### **11.7.4.2. International Partnership**

The CEAD Directorate hosted a Fulbright scholar, Professor Wilson Majee of University of Missouri (USA) on July 31 – August 8, 2023. The Fulbright scholar conducted workshops for academic staff members to integrate community engagement into teaching and learning and research. Prof Majee spent his days at MUT by engaging with various stakeholders internally and University partners as well as collaborators such as the University of KwaZulu-Natal and the eThekweni municipality which is the KZN metropolitan municipality. Workshops included theories of community engagement, research for community development, and health promotion. Comparative discussions between USA and South Africa were undertaken, as they engaged in the design of activities appropriate for their respective contexts. The visit of Prof Majee culminated in a partnership between MUT and University of Missouri.

### **11.7.5. Capacity-building Initiatives**

Capacity-building was provided through weekly Service-Learning forum sessions, an initiative of a partnership between MUT and eThekweni municipality to support the Cooperative Education Directorate to integrate CE into teaching and learning. Through this platform, academic staff were able to find partners and collaborators for their teaching. The MUT community was also capacitated to integrate CE into teaching, learning and research through MUT's affiliation in the South African Higher Education Community Engagement Forum (SAHECEF), which hosted various symposia and conferences across universities.

Capacity building was also provided through CE forum sessions, i.e. discourses among the Faculties to share CE projects with the University community with an aim of encouraging cross-pollination among

projects to bring about multi-disciplinarity in an effort to address the complex societal challenges and ensuring sustainability of projects.

### 11.7.6. Events

#### 11.7.6.1. Community Engagement Day

On 25 July 2023 the CEAD Directorate hosted a Community Engagement Day where the MUT community was afforded an opportunity to showcase community engagement projects. External stakeholders such as representatives from Umlazi business and civil society and partners such as the eThekweni Municipality and Moses Kotane Institute and sister institution DUT attended the CE Day and shared best practices on CE.

#### 11.7.6.2. Mandela Month

For the entire month of July the MUT community joined forces with various external stakeholders to observe Mandela month through various activities of solidarity and nation building. The theme for the year, as determined by the Nelson Mandela Foundation, was Climate, Food, Solidarity. Activities were aligned according to the theme.

The CEAD Directorate coordinated 28 activities which were undertaken by Faculties and support departments

in various local schools of Umlazi and its outskirts, NPOs and within MUT. The Mandela month gained much publicity through MUT radio. Examples of external collaborators were CPUT, eThekweni Municipality's Disaster Management Unit and Emergency Control Unit, Durban Solid Waste, Agro Ecology unit, eThekweni Parks, Provincial dept; Umlazi soccer Legends; Umlazi community structures, EDTEA, Department of Agriculture and Rural Development and Gift of the Givers.

Among activities that the MUT community carried out were visits to the homes of the aged and vulnerable to offer services such as sharing food, cleaning, and refuse cleaning; visit to vulnerable communities to initiate food gardens and tree planting; visit to various schools in Umlazi and rural communities to plant trees and start food gardens; visit to Umlazi police station to distribute cookies baked at the MUT kitchen; official opening of the MUT food pantry by Marketing and Communications Directorate of MUT in partnership with the Gift of the Givers and sister universities. Towards the end of Mandela month the Sports department hosted a media launch of the MUT Umlazi Community Tournament Cup community engagement project. The project is meant to encourage sports in Umlazi.



Marketing and Communications and Community Engagement and Directorate staff, with CPUT and Gift of the Givers staff during the opening of the pantry

### 11.7.6.3. CE International Conference

On the 28 - 30 June 2023 MUT in collaboration with University of Zululand, University of Venda, University of Botswana as well as Nelson Mandela Children's Fund hosted a hybrid conference on community engagement. The theme of the conference was: "We are because you are: Community Engagement and the Scholarship of Engagement interface". A total of 154 abstracts was accepted with nine from MUT.

The conference was a joint effort to unpack the integrated nature of community engagement in Higher Education and secondly, to 'walk the talk'. The intention was also to engage on what universities are good for (not what they are good at), and to deliberate about community engagement's impact on society. Discussions are also expected to create a platform to engage on the scholarship of community engagement and how inclusive monitoring and evaluation could be.



The Digital Centre

### 11.7.6.4. Launch of the Umlazi Digital Centre

On 10 November 2024 the Economic Development Tourism Agency (EDTEA) officially launched the UMLAZI Digital Centre at MUT. The centre is a joint initiative of MUT and the Moses Kotane Institute (MKI), which is based on existing partnerships between the two parties. The partnership indicates Research and Development, Economics and Statistical services as well as Innovation and Technology service as areas of collaboration. The centre is expected to benefit the Umlazi community and MUT to meet its community engagement

mandate and address MUT's Anchor strategy of building sustainable relationships (Goal 3) and enhancing community investment (Goal 5). Also as part of the partnership MUT will benefit through the research output that is envisaged from this project.

### 11.7.6.5. Inguyazana Event

Inguyazana is a Zulu term for 'family in-house meeting'. The CEAD Directorate adopted the name to encourage critical conversations among project members together with their external stakeholders pertaining to slow progress in the implementation of

CE projects registered with the CEAD Directorate at MUT. On 29 November 2023 the CEAD Directorate launched an annual Inguyazana event for all academics and project leaders, including external stakeholders who are partners to the MUT CE projects. The goal of the event was to improve CE at MUT and learn best practises from fellow colleagues. The main objective was to provide a general platform to know the current state of CE projects and their implementation and share challenges experienced during the implementation of CE projects. A number of lessons were learned in the event which brought a better

understanding of the complexity of CE and brought a sense of social responsibility, environmental responsibility, and responsible citizenry. It is envisaged that holding an annual event will improve and accelerate the Scholarship of Engagement at MUT.

#### 11.7.7. Risks Identified

Two risks which could have a potential to negatively affect CE at MUT were identified, as shown in Table 21 below.

**Table 21: CE Risks Identified and Mitigation Measures**

Risks	Mitigation measures
Academic workload model discourages efforts towards community engagement (JL=3%; L=3%; SL=5%; AP= 10; P=10%; Dean=15%)	Discussions with the Directorate of Institutional Planning and Research (DIPR) are underway.
CE projects are not well communicated to the broader community due to shortage of capacity.	Regular programmes through MUT Radio are underway and the appointment of a Post Doc is expected to increase capacity

### 11.8. Staff and Student Awards and Achievements in 2023

A summary of notable student and staff achievements, not already mentioned in earlier sections, is provided below.

#### 11.8.1. Staff and Student awards and achievements

- Mr Vincent Mlungisi Dlamini, a technician in Electrical Engineering, received an award from the Institute of Professional Engineering Technologists for the highest achieving B Tech or B Eng. Tech. graduate at Unisa in 2022.
- Mr Lindokuhle Zulu an Advanced Diploma in Marketing student, was appointed Deputy Chairperson of the national Entrepreneurship Development in Higher Education (EDHE).



- Dr Maryam Amra Jordaan, the NRF Administrator in MUT's Research Directorate was awarded the Cum Laude Award during the University of Free State's 38th Chancellor's Distinguished Alumni Awards.
- The MUT Choir won the annual Higher Education Institutions Performing Arts Festival (HEIPAFEST) music competition that took place on 9 - 11 July 2023 at South African State Theatre in Pretoria.
- Ms Nonhlanhla Vezi, a research assistant in the Department of Community Extension, received an Africa Honoree Author's Award on 31 July 2023 at the 6th African Global Honorees Authors Awards for her book – The Black Graduate in a Corporate World.
- Professor Babatunde Bakare, acting Dean in the Faculty of Engineering, was appointed chairperson for the South Africa Institution of Chemical Engineers for the KZN region for the period of 2023 -2025.
- MUT staff members were among the recipients of awards at the 10th Empowered Administrators Conference. Zakhele Nxumalo, Senior Secretary in the office of the Dean of Natural Sciences, and Nokuthula Msimang, Secretary of Campus Health Services, were co-recipients of the Accountability award. Nonhlanhla Duma, Secretary of Biomedical Sciences, received the Respect award.
- Two MUT students won in their respective categories in the regional level of the annual EDHE Entrepreneurship Interservice competition. Mr Bongumusa Makhathini, a fourth year Bachelor of Health Science, Medical Laboratory Science student, won the New Business Idea category. Mr Lindokuhle Zulu, the founder and director of U&I Foundation, and an Advanced Diploma in Marketing student, won the Existing Social Impact Business category.
- Professor Roger Cooposamy, the Acting Dean of the Faculty of Natural Sciences, was awarded a Lifetime Achievement Award by the Dr V Sivaram Research Foundation during the 8th Global Summit on Medicinal and Aromatic Plants held in Bangkok, Thailand.
- Professor Alfred Msomi, Head of the Department of Mathematical Sciences, and Darlington Hove, a Mathematics Lecturer, won third position at an Artificial Intelligence (AI) conference for performance in Machine Learning and Big Data skills in China.

### 11.8.2. Sporting achievements and awards

- Two students, Siphokazi Molapo, and Pamela Hadebe, and MUT Assistant Coach, Thandeka Thusi, made the Marlins team, which participates in the Basketball National League (BNL).
- The MUT Academy football team became champions of the domestic cup after beating Benfica 2-0 in the final. The team became league champions after amassing a total of 74 points throughout the season, and scoring 90 goals. It would now move up to Premier Division.
- The University's Bodybuilding did exceptionally well at the MTSS Hall in Merewent, Durban. Four of the University's Bodybuilders placed first and won Gold. These are Sibusiso Nkomo, in the under 75kg, under 23; Mvelo Khumalo, under 176cm, Men's Physique; Sphesihle Vilane, over 75kg, under 23; and Ntandazo Mbambo, Men's Classic Physique.
- Nkosingiphile Chivumbe, a second year Human Resources Management students, won a gold medal in the Junior Under 23 Classic Bodybuilding category at the International Federation of Bodybuilding (IFBB) South African Championships in Witbank, Mpumalanga Province from 1-3 September 2023. Lindelani Mazibuko, a first year Accounting student, placed first in the Men's Wheelchair Bodybuilding and also won a gold medal. Mvelo Khumala, a third year Quantity Surveying student placed third, and won a bronze medal.

### 11.8.3. Student Governance activities and achievements

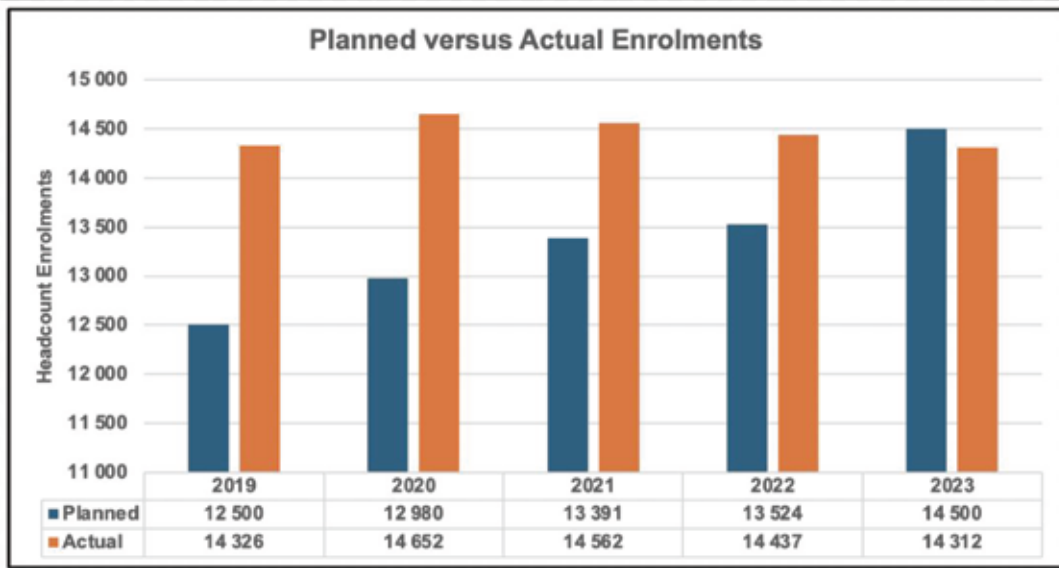
- The 2023-2024 Student Representative Council (SRC) was inaugurated on 19 October 2023, following the the election that took place on 5 October. The Acting Vice-Chancellor and Principal, Professor Marcus Ramogale, thanked the University students for their exemplary behaviour throughout the election period.

- The new President of the student leadership, Mr Thobisa Dalasile, a third-year Accounting student, succeeded the outgoing SRC President, Mr Vusi Mthethwa.
- Professor Ramogale thanked the outgoing SRC for conducting themselves well during their tenure.
- A three-day induction workshop for the new SRC was held on 6, 8, and 9 November 2023 at the University. All the 21 departments and divisions that interact with the SRC made presentations, providing the recently inaugurated student leadership with a deeper understanding of how different departments at the University function.

### 11.9. Composition and Size of the Student Body

The main features of the MUT student population in 2023 are reflected in the following graphs, including the total headcount; the distribution by gender and by major field of study; the success and graduation rates; and the access of students to funding by the National Student Financial Aid Scheme (NSFAS). In most cases, comparative data for the previous four years is also provided.

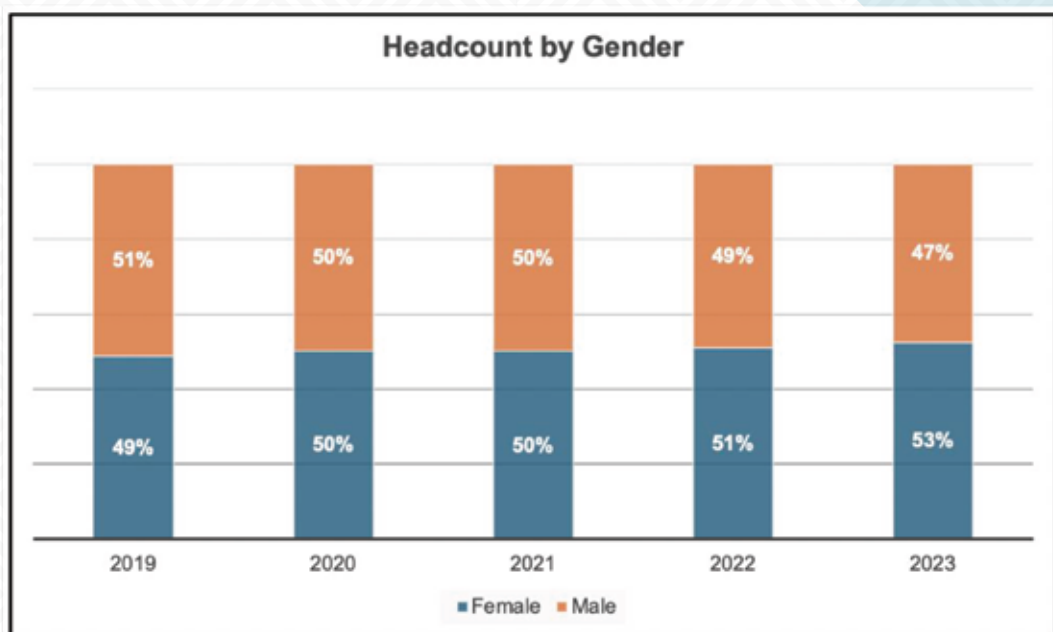
MUT's total student enrolment in 2023 was 14,312, which was 1,3% below the planned target of 14,500. This is the first time in the five-year period shown below that the University's actual enrolment was lower than the target; but the target was almost 1,000 enrolments higher than in 2022, following adjustments made to the Student Enrolment Plan for the period 2023-2025 to bring the target closer to historical actuals. As can be seen, the actual enrolments in previous years were significantly higher than the Enrolment Plan targets, ranging from an over-enrolment of 14,6% in 2019 to 6,7% in 2022. The 1,3% under-enrolment in 2023 is within the 2% deviation permitted by the DHET before it imposes financial penalties on Universities.



**Figure 1: Headcount enrolments, planned vs actual (2019-2023)**

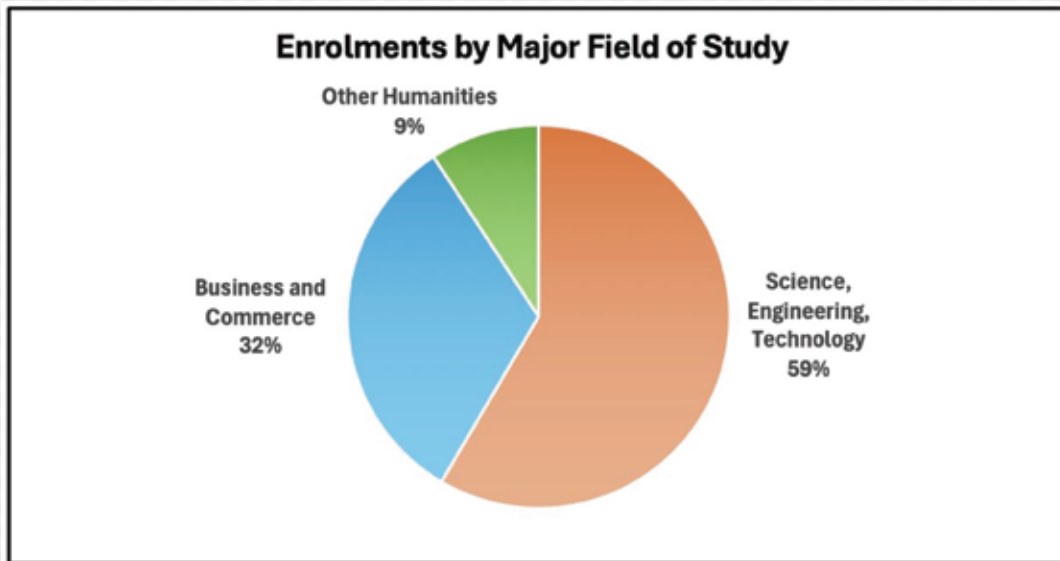
The gender profile of MUT students over the past five years shows a transition from a slight majority of males to an increasing majority of females. As can be seen in the following graph, the proportion of female students increased from 49% in 2019 to 53% in 2023, while the proportion of male students decreased from 51% to 47% in the same period.

In terms of group, MUT's student body remains overwhelmingly African. The proportion of African Students was 99,74% in 2023, compared to 99,72% in 2022.



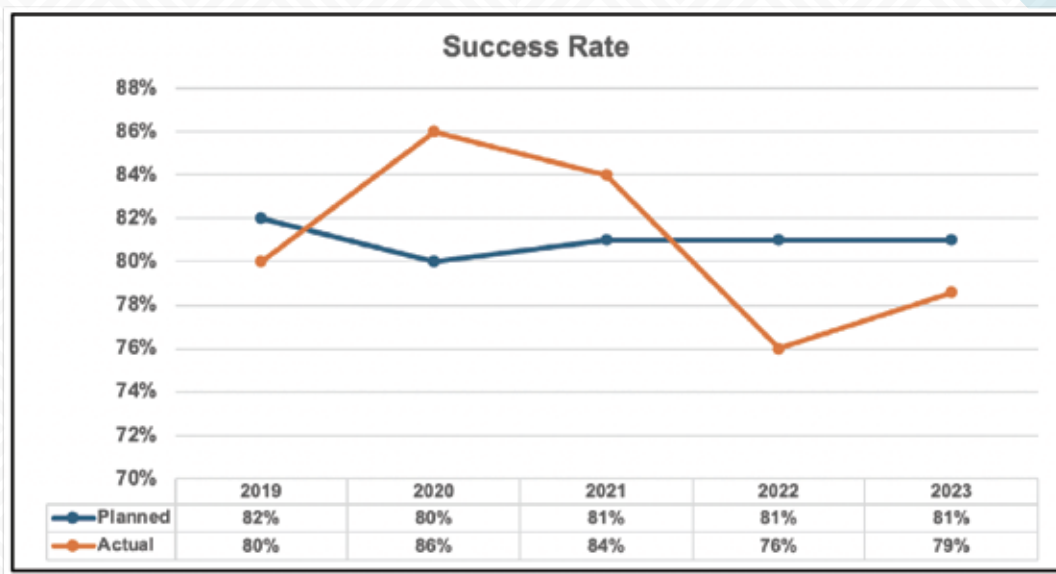
**Figure 2: Headcount by gender (2019-2023)**

The figure below reflects the headcount enrolments by major field of study for 2023. Science, Engineering, and Technology (SET) fields dominated with 59% of the total enrolments, followed by Business and Commerce at 32%, and Other Humanities at 9%. The proportions were similar in 2022: SET was 57.6%, Business and Commerce was 33.6%, and Other Humanities was 8.8%.



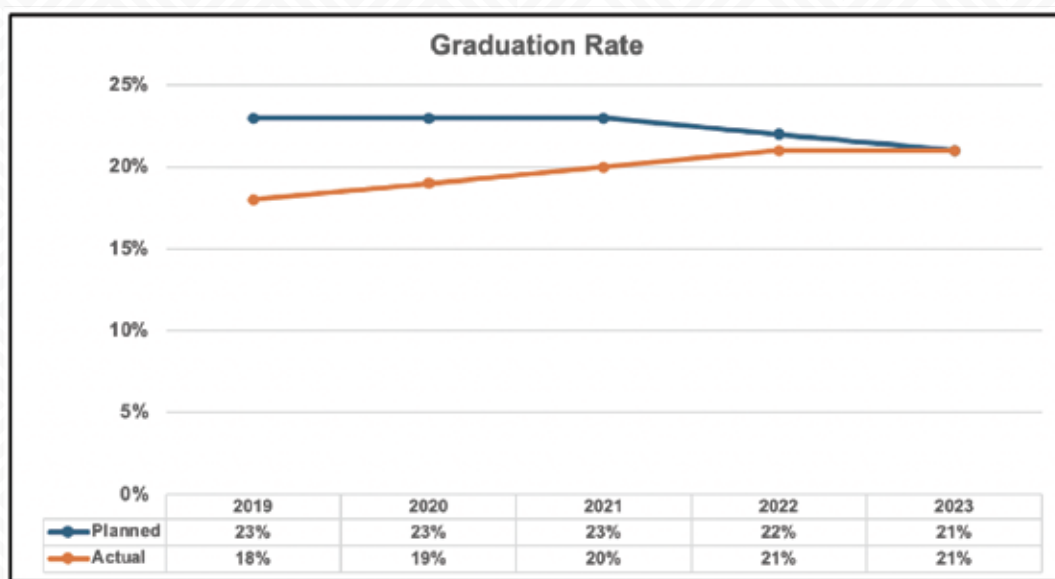
**Figure 3: Headcounts by major field of study in 2023**

The University's success rate reflects the proportion of subjects that students pass compared to the subjects for which they were enrolled. Figure 4 below reflects the actual versus planned success rates for the years 2019 to 2023. While the planned success rates were held relatively constant around 80-82%, the actual success rates showed more variability. The highs of 86% and 84% were achieved during the Covid-19 years of 2020 and 2021. The 2023 success rate of 79% approximates the pre-Covid rate of 80% achieved in 2019.



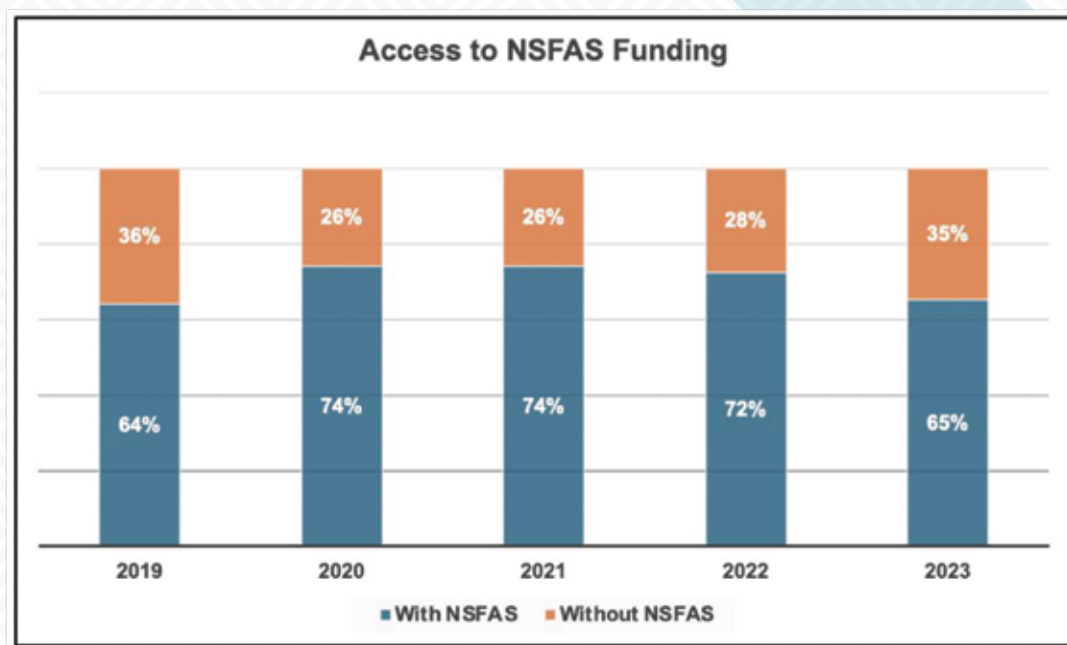
**Figure 4: Success rate, planned vs actual (2019-2023)**

The graduation rate compares the number of students who graduate in a particular year to the total number of students enrolled. The 2023 graduation rate of 21% was unchanged from 2022 (Figure 5) and matched the planned target.



**Figure 5: Graduation rate, planned vs actual (2019-2023)**

The proportion of students receiving funding from the National Student Financial Aid Scheme (NSFAS) in 2023 was 65%. Figure 6 below shows an increase from 64% in 2019 to a peak of 74% in the Covid-19 years of 2020 and 2021, followed by a decline to 65% in 2023.



**Figure 6: Student access to NSFAS funding (2019-2023)**

Overall, the composition and performance of MUT students shows stability over the five year period of 2019 to 2023. Where significant changes were reflected during the Covid years, the 2023 figures show a return to pre-Covid levels.

*MN Sibiya*

**Prof Nokuthula Sibiya**  
Vice-Chancellor & Principal

30 August 2024



Dr Thembi Kweyama

The charter of the Institutional Forum (IF) states that its purpose is to promote the transformation agenda of the University by giving advice to Council. During 2023, the Forum provided advice to the Administrator.

The MUT Statute outlines the role of the IF as an advisory body on issues 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.

In terms of the provisions of the Higher Education Act and the MUT Statute, the IF consists of representatives from Management, Council, Senate, Convocation, academic employees, administrative and support employees, representative employee organisations, students, and an expert on transformation. During 2023, in the absence of Council, a member of the Administrator's technical team served on the IF.

The IF held three ordinary meetings, five special meetings, and one emergency meeting in 2023. The ordinary third quarter meeting, scheduled for 1 September 2023, was not held as there was not a quorum present.

The composition of the IF and attendance of the meetings is reflected in Table 22 below.

**Table 22: IF Composition and Attendance**

Institutional Forum Attendance										
Name	25 January (Emergency meeting)	03 February (Special Meeting)	03 March (Ordinary meeting)	12 May (Special meeting)	26 May (Ordinary meeting)	25 July (Special Meeting)	06 September (Special meeting)	17 November (Ordinary meeting)	14 December (Special meeting)	%
Mr G. Govender	P	P	P	P	P	P	P	P	P	100%
Ms N. Gonden (SRC)	P	P	P	AP	A	P	A			57%
Mr T. Hadebe (Conv.)	P	P	P	P	P	P	P	P	V	100%
Dr C. Israel	AP	AP	P	P	P	P	P	P	P	78%
Dr T. Kweyama	P	P	P	P	P	P	P	P	P	100%
Mr S. Luthuli (SRC)	P	P	P	AP	A	P	A			57%
Dr J.M. Makua	AP	AP	AP	P	AP	P	P	A	P	44%
Mr L.Z. Mthimkhulu	A	A	P	P	P	P	A	A	A	44%
Mr S. Mbonambi (Conv.)	P	P	P	P	P	P	P	P	V	100%
Mr L.P. Nzama	P	P	A	P	P	P	P	P	P	89%
Ms M. Mokele (Admin.)					P	P	P	P	P	100%
Mr V. Phungula (SRC)								P	A	50%
Dr K Ramsarghey	P	P	P	P	P	AP	P	AP	P	78%
Mr T. Zwane	P	P	P	A	P	P	P	P	P	89%
Ms L. Zenzile (SRC)								P	P	100%
Council Appointee	V	V	V	V						n/a
Council Appointee	V	V	V	V	V	V	V	V	V	n/a

P	Present
A	Absent
AP	Apology
V	Vacant



- During 2023, the IF deliberated on the following matters, among others, and provided advice to the Administrator.
- The Institutional Forum considered its input to the Portfolio Committee on Higher Education, which would be making a follow-up visit to the University on 26 January 2023. The IF would reflect on the readiness of MUT for the 2023 registration and the commencement of the academic programmes.
- The Institutional Forum elected Dr LT Kweyama as chairperson at a special meeting on 3 February 2023. Dr Kweyama, the Dean of Students, is the Senate representative on the IF.
- During 2023, the IF deliberated on the following matters, among others, and provided advice to the Administrator.
- The Institutional Forum considered its input to the Portfolio Committee on Higher Education, which would be making a follow-up visit to the University on 26 January 2023. The IF would reflect on the readiness of MUT for the 2023 registration and the commencement of the academic programmes.
- The Institutional Forum elected Dr LT Kweyama as chairperson at a special meeting on 3 February 2023. Dr Kweyama, the Dean of Students, is the Senate representative on the IF.
- The Convocation representatives on the IF expressed their concern at no longer receiving an honorarium for attendance of IF meetings as they travelled long distances to attend. However, the IF resolved that the honorarium could not be paid as it was dependent on Council being in place and Council had been dissolved.
- The IF noted a report from the Senior Director of Human Resources and Development (HRD) on the implementation of the Employment Equity Plan (EEP). At the request of the Administrator, HRD would be working on a new five-year EEP.
- The Forum noted a report on progress regarding the appointment of Senior Management members.
- It noted reports on security measures and on broad-based Black economic empowerment (BBBEE).
- The IF would raise questions in a meeting with the Administrator on the appointment of the Vice-Chancellor, the appointment of the new Council, the five-year Development Plan, and transformation.
- The IF selected Mr LP Nzama to represent it on the Selection Committee for the VC.
- Ms M Mokuele, a member of the Administrator's technical team, was welcomed as a member of the IF.
- The IF considered the draft Institutional Rules and made a recommendation regarding consultation and advice by the Forum in the process of selecting a Vice-Chancellor.
- The Forum deliberated on the revised Recruitment and Selection Policy and resolved that a legal opinion on the policy should be obtained before further consideration.
- The Chairperson, Dr Kweyama, was nominated as the IF representative on the Naming Task Team to engage on the naming and re-naming of MUT buildings.
- The IF received a report on the development of an institutional transformation plan for MUT and approved a suggested rollout plan for submission to the EMC.
- The IF supported the extension of the acting appointment of Dr JM Makua as Acting Deputy Vice-Chancellor (Teaching and Learning) and Dr J van Koller as Acting Deputy Vice-Chancellor (Resources and Planning) on a month-to-month basis from 1 January 2024 to 30 June 2024.




---

**Dr LT (Thembi) Kweyama**  
Chairperson of the Institutional  
Forumice-Chancellor & Principal

30 August 2024



Professor Nokuthula Sibiyi

The year commenced with the introduction new reporting and approval processes following a decision by the Administrator, Professor Lourens van Staden, in his capacity as custodian of all governance-related matters.

Members of the Administrator's technical team were assigned to chair working groups similar to the former Council Sub-Committees. These working groups advised Management on the various submissions that were destined to serve at the quarterly Administrator meetings for his approval. This layer of vetting proved beneficial in refining submissions to the Administrator, thereby increasing their prospects of approval.

The Administrator and his technical team hosted a two-day Stakeholder Summit in September for all levels of University Management, with the student leadership and leadership of organised labour also in attendance. Among the aims of this event was to strengthen the relationship between the various University stakeholders. The robust discussions will serve as a springboard in the development of the

Administrator's five-year development plan for the University.

The recruitment process for the appointment of the substantive Vice-Chancellor began in earnest once the Institutional Rules for the University were approved by the Administrator in August 2023. The objective was to complete the process by the end of the first semester in 2024, with the filling of other vacant executive management positions to follow.

The University secured the approval of the Administrator for negotiations to acquire the Enduduzweni Centre for the Blind, a property adjacent to the NUT north campus. The University's bid was accepted by the KZN Department of Social Development and the sale of the property is expected to be finalised once all the regulatory details are attended to. Once acquired by the University, it is expected that this property will provide the much-needed additional space for growth within MUT.



Teaching and learning resumed in the manner of the 'new normal' following lessons learned during the Covid-19 years. Hybrid teaching, coupled with increased usage of digitisation in teaching and learning, will surely influence teaching methodologies more significantly as society begins to embrace artificial intelligence (AI).

Unfortunately, the University is still plagued by intermittent water supply and the effects of load shedding. Contingency plans have served at the University Senate during the course of the year,

related to making up of lost teaching time resulting from these service delivery failures.

The University's turnaround plan was approved by Executive Management following advice by the Administrator that it be a management report and need not be endorsed by him. The implementation regarding recommendations in the plan has commenced. The University approved the creation of a Central Project Management Unit to oversee the implementation of the turnaround strategy and all funded projects.

*MN Sibiya*

**Prof Nokuthula Sibiya**  
Vice-Chancellor & Principal

30 August 2024



MUT maintains a system of internal controls over financial reporting and the safeguarding of assets against the unauthorised acquisition, use or disposal of such assets. Such controls are designed to provide reasonable assurance to MUT and the Administrator regarding an operational environment that promotes the safeguarding of MUT's assets and the preparation and communication of reliable financial and other information.

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, including HEMIS protocols. 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 assessed the operation of internal control systems and reported findings and recommendations to the EMC and ARCWG. Corrective actions were taken to address control deficiencies and other opportunities for improving systems are adopted when identified. The audit log was maintained to assess progress on the implementation of management action plans in terms of addressing both internal and external audit findings raised previously.

The University prepares its annual financial statements internally using specialized software. The financial statements are prepared by the Budget and Reporting Accountant, with the assistance of the Director: Finance and under the supervision of the CFO. The draft annual financial statements are subject to an independent review by the Internal Audit, Risk and Compliance directorate. The statements were submitted to the Administrator's Working Group on Finance and Investment for approval.

*MN Sibiya*

**Prof Nokuthula Sibiya**  
Vice-Chancellor & Principal  
30 August 2024

*L van Staden*

**Professor Lourens van Staden**  
MUT Administrator  
30 August 2024



Professor Nokuthula Sibiyi



### 15.1. Background and Initiatives

Regrettably, the Founder of Mangosuthu University of Technology, Prince Mangosuthu Buthelezi passed away on 9 September 2023 at the age of 95. His dream to establish a Technikon within the township of Umlazi has enabled MUT to improve the lives of the marginalised, 'abantu abampisholo' as he would say. MUT has continued that dream with its transformation agenda. May the soul of Prince Buthelezi rest in peace.

During 2023, Executive Management appointed a management liaison to the Institutional Forum (IF) to oversee the development of the Institutional Transformation Plan (ITP), among other matters.

A Iekgotla was held in June 2023 where a Transformation expert was invited from a sister university to share its experiences during the development of their plan. A roll-out plan was then developed by an IF Task Team and recommended by the Institutional Forum to Executive Management for its approval on the approach to be adopted in developing the ITP for the University.

In the past year, the University, with the help of some Non-Profit Organisations (NPOs) has been able to relieve the plight of indigent students by launching a Student Pantry. This pantry was launched by Gift of the Givers in July 2023 and supports at least 500 indigent students monthly with food, and sometimes with water when there are water challenges on campus.

The impact is that no student goes to class on an empty stomach. The University network responsible for this is able to provide appropriate data on students requiring assistance and accessible communication platforms. In addition, there other NPOs that augment this support by Gift of the Givers through providing other necessities such as health and hygiene products.

To tackle the issues of social justice, the University collaborates with the United Nations Development Programme (Durban Diakonia Centre) to provide

refugee students information on how they can be registered at MUT. There are ongoing discussions to meet this objective.

The University's Anchor Strategy recognises that a revitalised surrounding community enhances the wellness of the University. There are many ongoing efforts to support our neighbouring communities and some of the highlights in 2023 include the establishment of a Digital Skills centre. The purpose is to enable community members to attain industry-relevant skills that allow them to compete for positions with people from advantaged historical backgrounds.

The University also paid attention to matters that were straining communities and facilitated interventions where possible. Examples are:

- The NPO, IQRAA Trust, was able to renovate some of the schools that were destroyed by the KZN floods.
- Another NPO, GEM Foundation, has been at the forefront of supporting the University's initiatives to provide school shoes and uniforms to local schools.

MUT hosted two international conferences in 2023: The 10th Focus Teaching and Learning Conference and the Empowered Administrators Conference. Both these conferences have become notable fundraiser events for the University and are also instrumental in enhancing the image of MUT globally.

The University, with support from the Acting Vice-Chancellor, increased its Memoranda of Understanding with partners across Europe, the United States of America, Asia, and Africa. In 2023, the University signed MoUs with the following universities:

- ISPICA, Ecole Superieure de Production de la Mode et du Luxe, La Fabrique (France)
- Spelman College, Atlanta, Georgia, (USA)

- Florida Agricultural & Mechanical University, (Tallahassee, USA)
- Bharathiar University (India)
- Dayananda Sager University (Indonesia)
- Moi University (Kenya: Africa)
- Universitas Negeri Manado, Indonesia
- University of Sierra Leone-Africa
- Bulawayo Polytechnic (Zimbabwe-Africa)

These partnerships add to a growing cohort of MUT partners in Sweden, France, United Kingdom, USA, and India. MUT's management and researchers were invited to some of the partners' campuses as speakers. The department of mathematical sciences won an award at the BRICS competition for Artificial Intelligence and Big Data Analysis hosted in China.

MUT's efforts to create a culture of collegiality are reflected in events such as the Vice-Chancellor's State of the University address (SOTU), Women's Day, Founder Memorial, Ethics Tuesdays and Spiritual Thursdays on MUT Radio, and various programmes across the University aimed at creating a culture of tolerance, collaboration, and unity.

The University continued to increase its various channels of communication using wide-ranging communication tools from print to digital. Publications included Boundless, Spirit, and the weekly Good News Friday (GnF) newsletter. Digital

media included mainstream radio, community radio, mainstream TV, community TV, MUT Campus Radio, social media (FB, X, Instagram, TikTok, WhatsApp, SMS), website, and emails. The University was able to communicate critical matters on time and in an accurate manner. These communication channels enabled both staff and students to engage in University matters.

The MUT coffers were augmented by various grants to the University, such as the Sibusiso Bengu Development Grant, MerSeta, as well as other SETAs. These funding agencies have injected financial muscle required by the University in its quest to transform.

In terms of economic transformation, the University has continued to forge ahead with its Entrepreneurship Programme receiving seed funding of R100,000 to establish an Economic Activation Office (EAO) from Entrepreneurship Development in Higher Education (EDHE) in collaboration with Universities South Africa (USAf). This office will play a central role in the University's entrepreneurship ecosystem and will serve as a nerve centre for sharing information on entrepreneurship-related matters across the University.

The University also established the Student Women Economic Empowerment Programme chapter (SWEEP). The MUT SWEEP Chairperson, Ms Mbalenhle Nzama, an Advanced Diploma Student



MUT SWEEP Chairperson, Mbalenhle Nzama

in Human Resource Management, has been afforded an opportunity by the British Counsel to attend a SWEEP UK Exchange Programme at the London School of Economics from 24 - 1 June 2024. Only ten public universities have been afforded this opportunity.

As MUT celebrates in 2024 its 45-year anniversary of enabling our people to shape and own the future, the University is very aware of the importance of transformation given its location and the targeted impact it aims to have on its community.

## 15.2. Employment Equity

The Employment Equity plan that was approved by Council for the period January 2022 to August 2023 has run its course and has been extended until 31 August 2024. MUT acknowledges that it is beneficial to the University to have a broad-based workforce and an inclusive working environment. In accordance with the Employment Equity Act, the University acknowledges and respects the legislative imperative of addressing the legacy of apartheid. Within each organizational structure, transformation

and change management ought to be intertwined with employment equity in order to bring about a workplace that is diverse and representative.

The Employment Equity Amendment Act 2022 received the President's signature on 6 April 2023, but the amendments have not yet been put into effect. They will be effected on a date that will be determined by the President through a proclamation in the Government Gazette. However, this will not have any impact on the University as it will continue to use the EAPs (Economically Active Population) to determine its targets

The significance of transformation in terms of demographics is evident, which is why MUT is doing everything in its power to accurately reflect the racial, gender, and disability profile of the people in the country. The goal of the employment equity plan is to arrive at a more equitable and diverse staff composition at MUT. Despite the fact that there are challenges and difficulties, the University is embracing the challenges and working hard to achieve a more equitable staff composition as the University.

Table 23 below summarises the University's success in meeting its employment equity targets.

**Table 23: University Employment Equity Targets**

University Employment Equity Targets					
Population Group	Gender	EAP 2022	Filled Posts	EE Target	Employees Required
African	Male	43,50%	291	326,74	-35,74
	Female	44,00%	324	300,40	23,60
Coloured	Male	0,70%	3	5,26	-2,26
	Female	0,40%	4	3,00	1,00
Indian	Male	4,50%	31	33,85	-2,85
	Female	2,80%	19	21,03	-2,03
White	Male	2,20%	5	16,52	-11,52
	Female	1,90%	8	14,26	-6,26
<b>TOTAL</b>			<b>685</b>	<b>721</b>	<b>-36</b>

EAP: Economically Active Population. The 2022 EAP figures from the Labour Force Survey were published in 2023.

The figures in the negative represent a deficit in terms of employees required. The University has committed itself through the EE Plan to ensuring that its targets are clearly indicated on advertisements for posts so as to attract and recruit the relevant race and gender, particularly other races as MUT is dominated by African Males and Females. There is still a shortage of women in higher-level positions and people living with disability.

The University continues to work towards achieving employment equity targets and to ensure that the designated groups are given employment opportunities first. However, there has been slow progress in terms

of achieving the provincial and national targets. This is not a challenge unique to MUT but is evident elsewhere as indicated in the new EE Bill and associated regulations.

The numbers for the year under review have been low as a result of financial constraints. Priority was given to the number of positions that needed to be filled, which is what is used for setting targets.

MUT's workforce profile, in terms occupational levels, gender and race as at 31 December 2023, is shown in Table 24 below.

**Table 24: Workforce Profile by Occupational Level**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	2	0	1	0	1	0	1	0	0	0	5
Senior management	1	1	1	1	3	0	1	0	0	0	8
Professionally qualified and experienced specialists and mid-management	37	0	13	2	25	1	3	3	14	1	99
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	159	2	15	1	175	2	14	4	6	2	381
Semi-skilled and discretionary decision making	42	0	0	0	29	0	1	0	0	0	72
Unskilled and defined decision making	8	0	0	0	10	0	0	0	0	0	18
<b>TOTAL PERMANENT</b>	<b>249</b>	<b>4</b>	<b>30</b>	<b>4</b>	<b>243</b>	<b>3</b>	<b>20</b>	<b>7</b>	<b>20</b>	<b>3</b>	<b>583</b>
Temporary employees	63	1	2	5	49	1	0	0	15	1	139
<b>GRAND TOTAL</b>	<b>314</b>	<b>5</b>	<b>32</b>	<b>9</b>	<b>292</b>	<b>4</b>	<b>20</b>	<b>7</b>	<b>35</b>	<b>4</b>	<b>722</b>

### 15.3. Staff Development and Capacity Building

Employees are a key determinant of an organisation's success and maintaining a well-trained and well-qualified workforce is a critical function of both employees and managers. Skills development supports transformation, the University's goals, and professional and personal development and advancement. Employee training and development is a continuous effort of the University to boost the performance of its employees.

Staff development presents an opportunity to instil the needed skills for the employees and in doing so the University is able to bridge any gaps and weak links. Employees who receive training from time to time are in a better position to improve their work productivity.

*MN Sibiya*

**Prof Nokuthula Sibiya**  
Vice-Chancellor & Principal  
30 August 2024

*Lourens van Staden*

**Professor Lourens van Staden**  
MUT Administrator  
30 August 2024



## PART C ANNUAL FINANCIAL REVIEW

The Finance and Investment Working Group (FIWG) held four ordinary meetings and two special meetings during the year to consider various financial and investment issues as mandated.

The year 2023 was the first year of normal operations after the COVID-19 pandemic as there was no carry-over or extension of the 2022 year into 2023. The COVID-19 pandemic had dire consequences for the Higher Education sector and the effects are still being felt in the sector, with the decline in funding from National Treasury, poor economic conditions, and high unemployment rate which all have a negative impact on University finances and place more pressure on the University from a cashflow perspective.

The issue of diminishing funding in the sector continues to be a concern and the 2023 year was no different. The University received a notification from the DHET in October 2023 advising of a reduction of R1,7-million in the Block grant as well reductions of R47-million in the Sibusiso Bengu Development grant, R5-million in the University Capacity Development grant, R900,000 in the Clinical Training grant, and the termination of the Presidential Youth Employment Stimulus which meant that this program was no longer possible.

MUT continues to navigate through these difficult times with a view to addressing various challenges, including capacitating the Finance Department to achieve improved efficiency, effectiveness and compliance in all respects.

The University remains steadfast in prioritising financial sustainability. The Turn-around Strategy was finalised in 2023 and implementation commenced on a phased approach that will require some fundamental changes in business processes and practices in order to yield the desired results.

MUT still experiences significant challenges in respect of Supply Chain Management (SCM). Although two key positions were filled in SCM, the department continues to operate with a structure that is not fit for purpose. This makes it extremely difficult to make impactful improvements and achieve overall efficiency and effectiveness. Consequently, the full capacitation of the SCM unit remains critical in the overall progress and development of the University.

One result of the challenges is that procurement processes in 2023 did not always comply in all respects with the SCM policy. Table 25 below provides a list of identified “irregular expenditure”.



**Table 25: Irregular Expenditure**

Name of Supplier/RFQ No.	Nature of Irregularity	2023 Amount	2022 Amount
Servest Security	Month to month contract	13 413 689	26 281 000
Snow Capped Trading 801 cc	Irregular Expenditure		70 000
City Hospital	Irregular Expenditure		65 000
Enviroserve Waste Management	Irregular Expenditure		176 000
Bidvest Steiner	Irregular Expenditure		984 000
<b>Identified by external audit</b>			
RNR Time & Access Solutions	Mandatory documents non compliance	637 372	
O & O Analytics	Mandatory documents non compliance	983 182	
RFQ MUT 504/2023	Minimum response time not adhered to & minimum no. of quotes not obtained	983 182	
RFQ MUT 586/2023	Minimum response time not adhered to	858 900	
RFQ MUT 464/2023	Minimum response time not adhered to	519 766	
RFQ MUT 73/2023	Minimum response time not adhered to	342 088	
RFQ MUT 50/2023	Minimum no of quotes not obtained	637 373	
RFQ MUT 325/2023	Minimum no of quotes not obtained	345 000	
RFQ MUT 1030/2023	Minimum no of quotes not obtained	100 763	
RFQ MUT 1315/2023	Minimum no of quotes not obtained	58 449	
Mercury & Isolezwe	Incorrect classification of deviation	650 000	
XRF instrument	Incorrect classification of deviation	6 025	
		<b>19 535 788</b>	<b>27 576 000</b>



The Servest Security contract was terminated in the third quarter of 2023 and the matter is considered resolved. The other matters as identified by external auditors will require further internal analysis so that corrective measures can be put in place to prevent any re-occurrence.

Privately funded student debt still remains a major challenge for the University. This has been aggravated by the advent of the COVID-19 pandemic and its devastating impact on the economy. MUT has handed over the collection of student debt to a panel of service providers. There is a significant volume of accounts handed over, with a total handover value of approximately R596-million at year end. These service providers have made steady but slow progress in the collection of such debt. The average collection rate is 9.54%. We engage with debt collectors on a regular basis to review and discuss their progress in respect of collections. MUT's in-house capacity for debt management is very limited. The revised proposed structure of the unit has made provision to partially address this issue.

The challenges of student fees and debt is not unique to MUT and is a sector-wide problem. Historically, MUT has been lenient in allowing students with outstanding balances from previous periods to register in the new academic period without settling prior period debt or making a significant payment towards reducing the balance. There is a culture of non-payment and apathy towards fee responsibilities by students.

It is not feasible to prevent students from registering even when a student owes fees to the University. The sector (including MUT) has experienced dire consequences of "financial exclusion". We continue to work with the SRC to address the issue of student debt and concessions, which is an inevitable consequence of the various socio-economic factors affecting students.

The Provision for Doubtful Debt is significant and represents 54% (2022: 48%) of the Gross Student Receivables. The major reason for the increase in the ratio at the end of 2023 was the non-settlement of fees by students categorised as privately funded students. The impact of NSFAS capping student accommodation allowances was also felt as the University had to raise a doubtful debt allowance of

an additional R62-million of student accommodation fees. We also await the finalisation of the NSFAS Close-out project which will assist in the reduction of debt as our reconciliations show that, on a net basis, the University is owed a significant amount of funding from NSFAS for the years covered by the close-out period, 2017 to 2022.

We have made progress towards regularising the non-profit entity controlled by the MUT, namely, First Ready Development 143 NPC. The company has been reinstated with the Companies and Intellectual Properties Commission (CIPC), new directors have been appointed and the revised Memorandum of Incorporation (MOI) has been lodged and accepted. The next steps will be to check the tax compliance status, address any issues in this regard, and thereafter proceed with the transfer of property to the University.

MUT recorded a total deficit before Other Comprehensive Income of R419,000, compared with a surplus of R127-million in 2022. This represents a material decrease mainly due to the significant Provision for Impairment of Student Receivables of R115-million that had to be raised.

There was an increase in total revenue of 3% (2022: decrease of 3%) and the increase in total expenses was 14% (2022: 2%). The increase in income was mainly due to an increase in investment income of 39%, whilst grant revenue and income from tuition and other fee income both increased by 2%.

The number of Full Time Equivalent (FTE) students decreased by 180 (2%) from 9,665 in 2022 to 9,485 in 2023, whilst headcount numbers decreased by 125 (1%) from 14,437 in 2022 to 14,312 in 2023.

The number of students in residences decreased from 10,072 in 2022 to 9,623 in 2023, a decrease of 449 students which is a 4% decrease compared to 2022

## 16.1 Budgeting Process

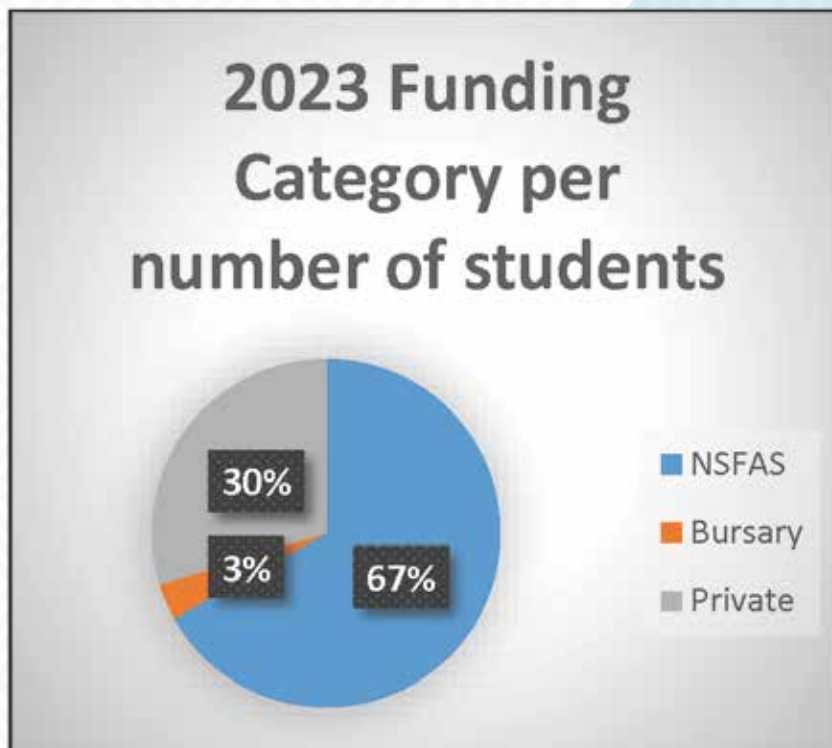
The budget supports the implementation of plans aimed at achieving the objectives of MUT's Annual Performance Plan. The budget for 2023 was a balanced budget in line with historical trends. A Budget Committee is responsible for overseeing the budget and recommended the budget to the FIWG,

which recommends it to the Administrator for approval. The University issues a detailed budget guideline document on an annual basis in order to assist budget holders in the budget-setting process. The 2023 budget was approved by the Administrator at the beginning of 2023.

## 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 fees are funded from the National Student Financial Aid Scheme (NSFAS), plus a small proportion of bursaries or scholarships from independent donors, with the balance made up of privately funded (cash paying) students.

The following graph illustrates the funding category per student number for the 2023 academic year:



**Figure 7: 2023 Student Funding by Category**

### 16.2.1 NSFAS

The number of NSFAS-funded students as of 31 December 2023 was 9,578 (2022:10,562) representing a decrease of 9%. The number of students funded does fluctuate during the year as students are added onto the funded report when new applicants are funded or when appeals are approved by NSFAS. Students are removed from the funded report if they cease to meet the requirements for funding.

The total funded amount for 2023 was R720-million. (2022: R881-million). Our records indicate that as at 31 December 2023 NSFAS still owed the University an amount of R21-million in respect of the 2023 academic year and R109-million for the 2022 academic year.

The amounts reflected above will be subject to confirmation by NSFAS through their Close-out project. The project was initiated in previous years, commencing with the period 2017 to 2020. The

project was extended to include the 2021 and 2022 academic years. Although various engagements have been made with NSFAS in this project with detailed student enrolment and funding information shared, the project has not been concluded. NSFAS outsourced this project twice, which meant changes in the external project teams and delays in the finalisation of the project. We continue to work with NSFAS to finalise this matter.

NSFAS funding issues during registration continue to cause significant disruptions and inefficiencies during the registration process. The University's Student Orientation and Registration Task Team (SORTT) has dealt with all registration related challenges, including NSFAS issues, since its establishment in 2022.

NSFAS took over the disbursement of student allowances from the universities in June 2023. This process encountered several challenges and required the Financial Aid Office to work closely with NSFAS and the outsourced service provider so that students were not significantly impacted by this change. The impact of the capping of the student accommodation allowance is detailed above.

### 16.2.2 Bursaries and Scholarships

The University has a cohort of students who are funded by various organizations, government, and private institutions. The funding is staggered over the year with some organizations providing support and making commitments over various periods of the year, especially the SETAs who provide funding to students.

Bursaries and scholarships amounted to R26-million (2022: R22-million) and funded 476 (2022: 420) students.

The Financial Aid Office performs an administrative function in respect of bursaries and scholarships and although it does not actively source bursaries and scholarships for students, it does respond to funding proposals from potential funders.

## 16.3 Financial Highlights: Income and Expenditure

### 16.3.1 Income

The statement of Profit and Loss and Other

Comprehensive Income distinguishes between Council-controlled funds, earmarked funds, and student and staff accommodation.

Total income increased from R1 297-million in 2022 to R1 338-million in 2023, which is an increase of R41-million (2%).

Council-controlled income amounted to R818-million compared to R804-million in 2022. This is an increase of R14-million (2%).

Government subsidies and grants increased from R471-million in 2022 to R480-million in 2023, an increase of R9-million (2%).

Tuition and other fee income decreased from R315-million in 2022 to R303-million in 2023, which is a decrease of R12-million (4%). The tuition fee increment for the 2023 year was 5% (2022: 4.23%) which was in accordance with the fee compact issued by the Minister of Higher Education, Science and Technology. However, average tuition fees for the year were 5% lower than 2022, indicating that students are registering for a lesser number of subjects or registering mostly for subjects with low fees. The headcount numbers and FTE numbers also indicate a drop in student numbers which contribute to lower tuition and other fee income.

Income from student residence fees increased from R478-million in 2022 to R504-million in 2023, which is an increase of R26-million (5%). The increment in University residence fees was 7% (2022: 6.23%) which was in accordance with the fee compact issued by the Minister of Higher Education, Science and Technology.

### 16.3.2 Expenditure

Total expenditure amounted to R1 338-million, which is an increase of R169-million (14%) on the 2022 amount of R1 169-million.

Council-controlled unrestricted expenditure amounted to R932-million in 2023 compared to R798-million in 2022, which is an increase of R134-million (17%).

Personnel costs amounted to R526-million compared to R507-million in 2022, which is an increase of R19-million (4%). The salary increment for the year was 4.25% (2022: 4.5%). The ratio of personnel costs to unrestricted income is 64% (2022: 63%).

## 16.4. Other Operating Expenses

Other operating expenses amounted to R621-million, which is an increase of R37-million (6%) on the 2022 expenses of R584-million.

The University spent 30% more on Repairs and Maintenance in 2023 than 2022 due to backlog maintenance projects which commenced in 2022, continuing into 2023 and 2024. There was an 80% increase in student transport costs in 2023 compared to 2022. This was due to a new contract being entered into from the end of 2022, whereby a greater number of buses was required and the number of trips to and from external residences increased significantly. Furthermore, in 2023 there was more face-to-face teaching and learning occurring, compared to 2022 when many classes were still being held online. Student-related functions increased by 131% compared to 2022 as operations returned to normal and all student-related functions and events took place face to face.

Information Technology and Networking costs increased by 31% as more services were required from technology service providers to maintain systems and networks. The University also had to raise an additional R4-million provision for impairment of obsolete inventory in respect of student laptops that were purchased in 2020 in response to the COVID-19 pandemic. This represented a 100% increase over the 2022 year end. Legal fees continued to plague the University with an increase of 36% in legal fees, mainly as a result of employee-related matters.

The implementation of the Turn-around Strategy will mean more stringent measures to reduce costs whilst ensuring the quality of teaching and learning is not compromised.

## 16.5. Surplus/Deficit

There is an overall deficit before other comprehensive income of R419,000 in 2023, which is a decrease of R127-million compared to the 2022 surplus. The major reason for this decrease is the significant increase in impairment provision for student receivables of R115-million.

The Council controlled deficit of R114-million, as a result of the significant impairment provision, is a concern. The University's relatively low tuition fee base is also a concern. A special intervention will be required to address the historically low fees

which the University has been prevented from increasing due to the DHET fee compact and NSFAS policies on student funding.

## 16.6. Statement of Financial Position

### 16.6.1. Non-current Assets

Property, Plant and Equipment increased by 4% from R1 147-million in 2022 to R1 193-million in 2023. The main reason for the increase is the completion of various infrastructure-related projects.

### 16.6.2. Current Assets

Current assets increased by 13% from R1 518-million in 2022 to R1 718-million in 2023. The increase is mainly due to an increase in trade and other receivables of R21-million (5%) and cash and cash equivalents of R169-million (15%).

### 16.6.3. Non-current Liabilities

Non-current liabilities increased by 16% from R1 214-million in 2022 to R1 413-million in 2023. The increase is mainly due to the increase in Deferred Income of R70-million as a result of work-in-progress being raised on the infrastructure projects. There was also an increase of 20% in the Restricted Grants balance.

### 16.6.4. Current Liabilities

Current liabilities increased by 10% from R319-million in 2022 to R350-million in 2023. This is mainly due to the increase in Trade and Other payables of 10%, including payroll accruals, special restricted funds, and unallocated funds received, which increased by 33%, 74% and 26% respectively.

### 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 R1 152-million (2022: R1 150-million). This includes a revaluation reserve (on the revaluation of the University's fixed properties) of R527-million (2022: R527-million). Liquidity is also positive with current assets exceeding current liabilities by R1 353-million (2022: R1 199-million). The University's own cash balance after deducting earmarked grants is R422-million (2022: R397-million) as at 31 December 2023.

The following table reflects key financial indicators and ratios for 2023, with comparative data for the years 2019 – 2022.

**Table 26: Financial Indicators and Ratios (2019-2023)**

	2019	2020	2021	2022	2023
Personnel cost to unrestricted Income	65%	64%	57%	63%	64%
Personnel cost as a % of total expend.	47%	45%	36%	43%	39%
Subsidy as a % of income	41%	41%	37%	35%	35%
Tuition and residences as % of income	56%	55%	61%	61%	60%
Other Income as a % of Income	1%	1%	1%	2%	4%
Current Ratio	1	1	2	3	3
Cash Ratio	3	1	1	1	1
Total debtors as a % of fees	39%	75%	70%	89%	105%
Provision for bad doubtful as a % of debt	54%	46%	60%	48%	54%
(Decrease)/Increase in debtors ( R000)	-44 951	127 497	-112 413	148 137	20 760

There is a focused effort to improve the financial sustainability of the University. The table above reflects minor improvements in some ratios, whilst student debt still remains a concern.

Although progress is slow and hindered by various internal and external factors, we are 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 Rodney Delomoney**  
Chief Financial Officer

30 August 2024



**Mr Paul Slack**  
Chair: Finance & Investments  
Working Group

30 August 2024



**Professor Lourens van Staden**  
MUT Administrator

30 August 2024



Zimasa Gwarube

## 17.1 Governance of Risk

Managing risk is an iterative process that assists MUT in setting strategy, achieving goals, and making informed decisions. It is part of governance and leadership and is fundamental to how MUT is managed at all levels. Managing risk is part of all activities associated with MUT and includes interaction with MUT stakeholders.

The Administrator had oversight of risk management in 2023 through the Audit, Risk and Compliance Working Group (ARCWG). Risk is managed within the approved Enterprise Risk Management (ERM) framework 2020-2025. Processes are in place to identify, evaluate and manage or monitor significant risks that have the potential to impact the

achievement of institutional goals and objectives. The Vice-Chancellor and Executive Management are responsible for risk assessment and mitigating against institutional risks. Progress on the monitoring of risks and risk mitigation actions are reported to ARCWG every quarter.

The University identified 10 strategic risks for 2023, listed in the table below.

Table 27: Top 10 Risks in 2023

BRIEF DESCRIPTION OF RISK	Strategic Goals	RESIDUAL RISK <sup>1</sup> RATING
1. The vision, mission and 5 strategic goals of MUT will not be realised	Goal 1: Excellence in Teaching and Learning Goal 2: Excellence in Research, Innovation and Engagement Goal 3: Excellence in Community Engagement Goal 5: To create an Enabling Support Environment	18,75
2. Academic Programmes that may not adequately prepare students for world of work	Goal 1: Excellence in Teaching and Learning Goal 5: To create an Enabling Support Environment	5
3. Low level of research and innovation outputs below DHET target. (0.5 units per staff member)	'Goal 2: Excellence in Research, Innovation and Engagement Goal 3: Excellence in Community Engagement	9
4. Low levels of national and international collaborations and partnerships	Goal 4: Targeted National Engagement and Internationalisation	15
5. Difficulty to attract, develop, and retain key skilled staff	Goal 5: To create an Enabling Support Environment	10
6. Inadequacy of IT&N enterprise architecture capability	Goal 5: To create an Enabling Support Environment	15
7. MUT not being able to continue as a going concern and meet current financial commitments & future investments	Goal 5: To create an Enabling Support Environment	15
8. Limited space for growth on the main campus (SD: operations). Shortage of student accommodation on and near campus (Dean of students). Inadequate resources in lecture venues (DVC Teaching & learning).	Goal 5: To create an Enabling Support Environment	15
9. Perpetuation of fraud and corruption Attempts to capture MUT's procurement and administrative processes. Death threats to MUT employees. Poor Administrative Processes resulting in non-compliance with laws, regulations and internal controls.	Goal 5: To create an Enabling Support Environment	8
10. Disruptions to normal business operations.	Goal 5: To create an Enabling Support Environment	7,5

## Residual risk rating scale descriptions as per ERM framework:

3	Residual rating between 15.1 - 25	Actual level of risk exposure after controls is considerable higher than risk appetite and requires management constant attention to ensure residual risk does not occur.
2	Residual rating between 5.1 - 15	A reasonable level of risk exposure, after controls, was left that requires management attention from time to time to ensure residual risk does not occur.
1	Residual rating between 0 - 5	The level of risk exposure is minimal after controls were applied and within the risk appetite.

### 17.3.Fraud Risk Management

The Vice-Chancellor of MUT is normally responsible to Council (the Administrator in 2023) to ensure that risk, including fraud risk and regulatory compliance, is appropriately managed. The Administrator, through the Audit, Risk and Compliance Working Group (ARCWG), exercised oversight responsibility for the management of enterprise risk. MUT has a hotline facility independently managed by Deloitte Tip-Off Anonymous (Pty) Ltd.

An Anti-Fraud Working Group, a select executive management structure, receives and analyses fraud and corruption reports that come through the various available channels of the University, coordinated by the Director Risk and Audit. MUT does not have an internal forensic division and the function is outsourced. The Risk and Audit Directorate is responsible for the coordination all the forensic investigations and reports on behalf of the Vice Chancellor.

A quarterly report on Fraud and Other Investigations (Hotline report) is developed and submitted to the ARCWG. The report includes a register of all the reported cases with the status of management actions taken. The report also covers new cases that were not previously reported in the previous quarter.



**Ms Zimasa Gwarube**

Acting Director: Internal Audit,  
Risk and Compliance

30 August 2024



In line with MUT's approved charter, the Audit, Risk and Compliance Committee's primary responsibility is to provide Council with assurance on the application of principles and best practices associated with the Council's accountability regarding all elements of corporate governance. The Administrator set up an Audit, Risk and Compliance Working Group (ARCWG) which carried out the delegated responsibility of the committee in 2023. The working group met quarterly to fulfil its oversight and monitoring function.

The functions of the Working Group include facilitating effective working relationships between the Administrator, management and the auditors; the review of the financial statements and consideration all factors and risks that may affect the integrity of the financial statements; the review of the system of internal control, the management of financial risks, information systems, accounting practices, processes for monitoring compliance with applicable laws and regulations, and the University's auditing processes; and the review its own Code of Business Conduct

### 18.3. Internal Audit

Internal audit is an independent assurance function with the aim of providing 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 and the information systems environment, and compliance with laws and regulations.

The Internal Audit (IA) function at MUT works in line with the Internal Audit Charter. The internal audit activity is co-sourced with appointed service providers reporting to the MUT Director Risk and Audit.

The Director Risk and Audit, as the custodian of the internal audit function, reported regularly to the Audit, Risk and Compliance Working Group (ARCWG) in 2023. A three-year strategic rolling plan, including an annual operational plan, was developed and approved for the 2023 financial year. This is a risk-based plan and reports will be submitted to ARCWG (or the corresponding Council committee) on a quarterly basis for monitoring and oversight purposes.

Internal Audit also assists management by coordinating the process of closing out reported external and internal audit queries, by following up quarterly on the specified target action dates. An audit register report is compiled and updated quarterly and reported to ARCWG.

Table 28 below shows the status of internal audit findings as at 31 December 2023.

**Table 28: Status of Internal Audit Findings, 2023**

Status	Teaching & Learning	Finance	HR	Marcomms	Student Affairs	Registrar	DIPR	IT&N	Operations	Total
Unresolved	1	9	0	0	0	1	1	2	3	17
Resolved	59	226	19	9	23	28	33	27	16	440
Partially Resolved/In progress	2	20	6	0	3	5	9	4	14	63
	62	255	25	9	26	34	43	33	33	520

#### 18.3.1. 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 AFS in 2022.

It is management's responsibility to implement a good system of internal controls to ensure strategic goals are achieved. The role of Internal Audit is to assess internal control systems and to assist line management in ensuring the adequacy of such controls. The University Council (or the Administrator), provides oversight of the preparation, integrity and fair presentation by management of the financial statements and the financial reporting process.

## 18.4. Risk Management

Risk management at MUT is guided by an Integrated Enterprise Risk Management (ERM) and Combined Assurance Framework. The risk management process is aligned to the institutional strategy, which ensures a focused and integrated process of risk management.

The MUT Administrator, with the support of ARCWG, has provided oversight for risk management and Internal Audit. The Vice-Chancellor, with the risk management committee (EMC), is responsible for the implementation of the Enterprise Risk Management (ERM) and Combined Assurance Framework.

The Director Risk and Audit is responsible for co-ordinating ERM activities. The Risk and Audit function, as a second line of defence, facilitates the enterprise-wide risk management and combined assurance process. The risk management function conducts risk assessment workshops or training, which result in the development and update of the strategic risk register and the fraud risk register on a quarterly basis.

## 18.5. Compliance

### 18.5.1. Monitoring Health and Safety

The University's Health and Safety Committee (HSC) regularly monitors actions taken by management to mitigate any risks to health and safety, and areas of concern. The 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.

Occupational Health and Safety (OHS) continues to play a role at the University in terms of ensuring that MUT lecture venues are maintained in good condition and that there is an improvement in the ventilation system in the teaching and learning environment. An awareness campaign regarding ventilation in lecture venues was conducted to ensure that students are vigilant about health and safety matters.

The laboratories used by students and lecturers were subjected to a proper Pressure Equipment Compliance process and they have obtained a certificate of compliance for gas installation issued in the interests of the health and safety of students and employees, and to safeguard the property of the University.

The internal student residences which were non-compliant with relevant legislation and safety standards were not occupied in 2023 while the Infrastructure Department refurbished them to meet health and safety standards. The involvement of OHS in construction projects deemed as high risk, through the development of Health and Safety specifications and site visits, is assisting the University to ensure that the activities are conducted in accordance with construction regulations.

A memorandum of agreement in terms of section 37(2) of the OHS Act, 85 of 1993 as amended has been developed by OHS. This is a legal document that stipulates terms and conditions for contractors to ensure that students and employees are not exposed to risks arising out of their scope of work.

In the interests of health and safety, students are represented by an SRC member in the Health and Safety Committee. The member is responsible for raising health and safety issues affecting students and has been taken through an OHS induction process. The programme of OHS awareness is being extended to the residence House Committees. There are planned emergency simulation drills in students residences and other buildings such as laboratories and libraries to prepare students and staff for an emergency situation.

The OHS has embarked on a programme of installing fire detection equipment in student residences. Block H has the system and the



renovations to the Block E residence incorporated fire detection.

Food safety remains an important aspect of health and safety, hence OHS is ensuring that all food handlers catering for the University are compliant with food safety management requirements. The facilities where the food is processed are checked and the food handlers at various University events are being screened to see that they meet all the necessary requirements for food safety management.

The OHS has initiated a process of water analysis with a view to ensuring that water being consumed by students and employees is safe for human consumption. The Operations Department has sourced the services of an accredited laboratory to conduct water analyses on campus and advise on the quality.

### 18.5.2. Monitoring IT Governance

The information technology (IT) governance practices of MUT have reached a high level of maturity. The IT&N Department has been recognized as a leader in its reporting to the Information Technology and Network Governance Working Group (ITNGWG) and has also established a high level of strategic importance. The University acknowledges IT&N as a critical strategic enabler, which aligns with the University's strategy, its six IT strategic objectives, establishing an IT Governance framework, and establishing comprehensive risk registers covering areas of strategic importance, departmental operations, and IT project-related risks. Progress in the development of standard operating procedures (SOPs), guided by internal and external audits, has been noted, with no repeated audit findings being recorded.

**Ms Zimasa Gwarube**  
Acting Director: Internal Audit,  
Risk and Compliance

30 August 2024

**Professor Lourens van Staden**  
MUT Administrator

30 August 2024



## **PART D**

# **CONSOLIDATED FINANCIAL STATEMENTS**



# GENERAL INFORMATION

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Provision of Higher Education
<b>Administrator</b>	Prof. LR van Staden
<b>Registered office</b>	511 Mangosuthu Highway Umlazi Durban KwaZulu-Natal 4031
<b>Postal address</b>	P.O Box 12363 Jacobs 4061
<b>Auditor</b>	Nexia SAB&T Chartered Accountant (SA) Registered Auditors
<b>Level of assurance</b>	These consolidated financial statements have been audited in compliance with the applicable requirements of the Higher Education Act (Act No. 101 of 1997, as amended).
<b>Issued</b>	28 August 2024

# ◆ ◆ ◆ **TABLE OF CONTENTS** ◆ ◆ ◆

<b>Administrator's statement of responsibility for the consolidated annual financial statements</b>	<b>4</b>
<b>Independent Auditor's Report</b>	<b>5 - 10</b>
<b>Consolidated Statement of Financial Position</b>	<b>11</b>
<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	<b>12</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>13</b>
<b>Consolidated Statement of Cash Flows</b>	<b>14</b>
<b>Accounting Policies</b>	<b>15 - 22</b>
<b>Notes to the consolidated financial Statements</b>	<b>23 - 56</b>
<b>These financial statements were prepared under the supervision of:</b>	
<b>Rodney Delomoney CA (SA)</b>	

# ADMINISTRATOR'S STATEMENT OF RESPONSIBILITY FOR THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The Mangosuthu University of Technology Administrator is required in terms of the Higher Education Act No 101 of 1997 (as amended) to maintain adequate accounting records and is responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is his responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the Mangosuthu University of Technology as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with Accounting Standards. The external auditor is engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with Accounting Standards based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Administrator acknowledges that he is ultimately responsible for the system of internal financial control established by the Mangosuthu University of Technology and places considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Administrator sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the university and all employees are required to maintain the highest ethical standards in ensuring the university's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the university is on identifying, assessing, managing, and monitoring all known forms of risk across the University. While operating risk cannot be fully eliminated, the Mangosuthu University of Technology endeavours to minimise it by ensuring that

appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The Administrator is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Administrator has reviewed the Mangosuthu University of Technology's cash flow forecast for the year to 31 December 2024 and, in light of this review and the current financial position, he is satisfied that the Mangosuthu University of Technology has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Mangosuthu University of Technology's consolidated financial statements. The consolidated financial statements have been examined by the Mangosuthu University of Technology's external auditors and their report is presented on pages 5 to 12.

The consolidated financial statements set out on pages 13 to 56, which have been prepared on the going concern basis, were approved by the

**Administrator on 29 August 2024 and were signed by:**



**Prof. LR van Staden**

# INDEPENDENT AUDITOR'S REPORT TO THE MINISTER OF HIGHER EDUCATION AND TRAINING AND THE COUNCIL OF THE MANGOSUTHU UNIVERSITY OF TECHNOLOGY

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

1. We have audited the consolidated financial statements of the Mangosuthu University of Technology and its subsidiary (the group) set out on pages 13 to 56 which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.

2. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Higher Education Act of South Africa, (Act No. 101 of 1997).

### Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report.

4. We are independent of the group in accordance with the Code of professional conduct for auditors of the Independent Regulatory Board for Auditors (IRBA) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance

with other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards).

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

6. We draw attention to the matters below. Our opinion is not modified in respect of these matters.  
Material impairments – trade and other receivables

7. As disclosed in note 7 to the financial statements, material impairments of R455 076 000 (2022: R340 208 000) are recognised on student receivables.

### Restatement of corresponding figures

8. As disclosed in note 21 to the financial statements, the corresponding figures for 31 December 2022 were restated as a result of an error in the financial statements of the Group at, and for the year ended, 31 December 2023.

### Responsibilities of the Council for the consolidated financial statements

9. The council is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Higher Education Act of South Africa, (Act No. 101 of 1997), and for such internal control as the council determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

10. In preparing the consolidated financial statements, the council is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

### Responsibilities of the auditor for the audit of the consolidated financial statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. A further description of our responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report.

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objectives presented in the annual performance report. The council is responsible for the preparation of the annual performance report.

14. We selected the following objectives presented in the annual performance report for the year ended 31 December 2023 for auditing. We selected objectives that measure the university's performance on its primary mandated functions and that is of significant national, community or public interest.

Objective	Page numbers	Purpose
Excellence in Teaching and Learning	13 -14	MUT commits to offering enriching educational experiences to enable student success and provide students with a university experience that develops the whole person – academically, socially and personally
Excellence in Research, Innovation and Engagement	15	MUT will maintain a supportive and proactive environment for the development of the institution's research enterprise and other creative endeavours.

15. We evaluated the reported performance information for the selected objectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the university's planning and delivery on its mandate and objectives.

16. We performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the university's

mandate and the achievement of its planned objectives

- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner.

- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

17. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

18. We did not identify any material findings on the reported performance information for the selected objectives.

### **Other matters**

19. We draw attention to the matters below.  
Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements

## **REPORT ON COMPLIANCE WITH LEGISLATION**

21. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The council is responsible for the university's compliance with legislation.

22. We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

23. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the university, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

24. We did not identify any material non compliance with the selected legislative requirements.

## **OTHER INFORMATION IN THE ANNUAL REPORT**

25. The council is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the consolidated financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

26. Our opinion on the financial statements and our findings on the reported performance information and the report on compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.

27. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

28. If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

## INTERNAL CONTROL DEFICIENCIES

29. We considered internal control relevant to our audit of the consolidated financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.

30. We did not identify any significant deficiencies in internal control.

## OTHER REPORTS

31. We draw attention to the following engagements conducted by various parties. These reports did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.

### Audit-related services

32. We issued the following agreed-upon procedures engagement reports on the funding received by the University:

Engagement Name	Purpose of Engagement	Period	Reporting Due Date	Status
ResearchOutput Subsidy	Agreed upon procedures on ResearchUnits claimed	1 Jan 2023 - 31 Dec 2023	16-May-24	Completed
Clinical Training Grant (CTG)	Agreed Upon Procedures on expenditure	1 Apr 2023 - 31 Mar 2024	31-May-24	Completed
Foundation Provision	Agreed Upon Procedures on expenditure	1 Apr 2023 - 31 Mar 2024	31-May-24	Completed
Infrastructure and Efficiency Grant (IEG)	Agreed Upon Procedures on expenditure	1 Jan 2023 - 31 Dec 2023	31-Mar-24	Completed
New Generation Academic Programme (NGAP)	Agreed Upon Procedures on expenditure	1 Apr 2023 - 31 Mar 2024	31-May-24	Completed
Nurturing and Emerging Scholars Programme (NESP)	Agreed Upon Procedures on expenditure	1 Apr 2023 - 31 Mar 2024	31-May-24	Completed
Sibusiso Bengu Development Grant (SBDG)	Agreed Upon Procedures on expenditure	1 Apr 2023 - 31 Mar 2024	31-May-24	Completed
Sibusiso Bengu Development Grant (SBDG) - Administration	Agreed Upon Procedures on expenditure	1 Apr 2023 - 31 Mar 2024	31-May-24	Completed
University Capacity Development Grant (UCDG)	Agreed Upon Procedures on expenditure	1 Apr 2023 - 31 Mar 2024	31-May-24	Completed
Clinical Health Enrolment	Agreed upon procedures on enrolment data	1 Jan 2023 - 31 Dec 2023	31-Jul-24	Completed
HEMIS Student and staff statistics	Agreed Upon Procedures on HEMIS data	1 Jan 2023 - 31 Dec 2023	31-Jul-24	Completed

## AUDITOR TENURE

33. In terms of the IRBA rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of Mangosuthu University of Technology for 3 years.

Nexia SAB&T

**Nexia SAB&T**  
**Talha Mayet**  
**Director**  
**Registered Auditor**  
**30 August 2024**

---

## ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor's responsibility for the audit
- the selected legislative requirements for compliance testing

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the consolidated financial statements and the procedures performed on reported performance information for selected objectives and on the university's compliance with selected requirements in key legislation.

### Financial statements

In addition to our responsibility for the audit of the consolidated financial statements as described in this auditor's report, we also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the university's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated financial statements. Our

conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause the group to evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

We communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Higher Education Act of South Africa, Act no 101 of 1997	Section 34(4)(a) Section 34(4)(b) Section 34(5) Section 34(6) Section 27(7)(c) Section 27(7)(e) & s27(7)(A)-(C) Section 20(5) Section 40(3)(a)(i) Section 40(3)(a)(ii) Section 40(3)(a)(iii)
Higher Education Act of South Africa, Act no 101 of 1997	Section 7(4)(b)(xii) Section 4(1)-(2) Section 5(1) Section 5(2)(a)(d)(g)(m) Section 6(2) Section 6(2)(d) Section 6(2)(3)

- evaluate the overall presentation, structure and content of the consolidated financial

Prevention and Combating of Corrupt Activities Act	Section 34(1)
--	---------------

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in Rand Thousands

	Note(s)	2023	2022 Restated *	2021 Restated *
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	2	1 192 875	1 147 387	1 057 539
Net defined benefit asset	4	14 649	12 510	11 724
Intangible assets	5	4 582	4 977	3 347
		<b>1 212 106</b>	<b>1 164 874</b>	<b>1 072 610</b>
<b>Current Assets</b>				
Inventories	6	658	4 796	5 990
Trade and other receivables	7	407 118	386 358	238 221
Investments at fair value	8	3 767	3 653	3 363
Cash and cash equivalents	9	1 291 928	1 123 362	1 252 741
		<b>1 703 471</b>	<b>1 518 169</b>	<b>1 500 315</b>
<b>Total Assets</b>		<b>2 915 577</b>	<b>2 683 043</b>	<b>2 572 925</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Reserves	10	526 712	526 712	535 021
Retained income		625 377	623 066	498 762
		<b>1 152 089</b>	<b>1 149 778</b>	<b>1 033 783</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Net defined benefit liability	4	36 034	37 332	34 628
Interest bearing loans	11	58 401	66 075	72 942
Restricted grants	12	822 228	684 319	697 472
Deferred income	13	496 542	426 685	316 443
		<b>1 413 205</b>	<b>1 214 411</b>	<b>1 121 485</b>
<b>Current Liabilities</b>				
Interest bearing loans	11	7 675	6 867	6 131
Restricted grants	12	47 855	41 624	71 667
Trade and other payables	14	283 348	258 660	339 859
Deferred income	13	11 405	10 847	-
Bank overdraft	9	-	856	-
		<b>350 283</b>	<b>318 854</b>	<b>417 657</b>
<b>Total Liabilities</b>		<b>1 763 488</b>	<b>1 533 265</b>	<b>1 539 142</b>
<b>Total Equity and Liabilities</b>		<b>2 915 577</b>	<b>2 683 043</b>	<b>2 572 925</b>

# CONSOLIDATED STATEMENT OF PROFIT/LOSS & OTHER COMPREHENSIVE INCOME

	Note(s)	Council- Controlled Unrestricted	Specifically funded restricted	2023 Sub-total	2023 Student and staff accommodat ion	2023 Total	2022
<b>Figures in Rand Thousands</b>							
<b>TOTAL REVENUE</b>	15	<b>818 373</b>	<b>15 008</b>	<b>833 381</b>	<b>504 154</b>	<b>1 337 535</b>	<b>1 296 553</b>
<b>RECURRENT REVENUE</b>		<b>818 373</b>	<b>15 008</b>	<b>833 381</b>	<b>504 154</b>	<b>1 337 535</b>	<b>1 296 553</b>
Government grants	15	465 145	15 008	480 153	-	480 153	471 013
Income from other activities	15	10 923	-	10 923	-	10 923	4 164
Tuition and other fee income	15	303 035	-	303 035	504 154	807 189	793 140
Investment income	16	39 270	-	39 270	-	39 270	28 236
<b>TOTAL EXPENDITURE</b>		<b>932 147</b>	<b>15 008</b>	<b>947 155</b>	<b>390 799</b>	<b>1 337 954</b>	<b>1 169 496</b>
<b>RECURRENT EXPENDITURE</b>		<b>932 147</b>	<b>15 008</b>	<b>947 155</b>	<b>390 799</b>	<b>1 337 954</b>	<b>1 162 860</b>
Staff costs - Academic professional	17	246 907	-	246 907	-	246 907	247 971
Staff costs - Non-academic professional	17	278 844	-	278 844	-	278 844	259 060
Amortisation	5	395	-	395	-	395	347
Depreciation and impairment	2	52 082	10 847	62 929	-	62 929	58 211
Impairment loss - Student receivables	7	114 868	-	114 868	-	114 868	340
Other operating expenses	18	226 486	4 161	230 647	390 799	621 446	584 122
Finance costs	19	12 565	-	12 565	-	12 565	12 809
<b>NON-RECURRENT EXPENDITURE</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 636</b>
Loss on disposal of property, plant and equipment		-	-	-	-	-	6 636
<b>(Deficit) / Surplus for the year</b>		<b>(113 774)</b>	<b>-</b>	<b>(113 774)</b>	<b>113 355</b>	<b>(419)</b>	<b>127 057</b>
<b>Other comprehensive income: Items that will not be reclassified to profit or loss</b>							
Other comprehensive income - actuarial gain/ (loss)	4	2 730	-	2 730	-	2 730	(2 751)
<b>Total comprehensive income</b>		<b>(111 044)</b>	<b>-</b>	<b>(111 044)</b>	<b>113 355</b>	<b>2 311</b>	<b>124 306</b>

<b>Figures in Rand Thousands</b>	<b>Revaluation reserve - non distributable</b>	<b>Retained income</b>	<b>Total equity</b>
Opening balance	535 021	442 196	977 217
Prior year adjustments (note 21)	-	56 566	56 566
<b>Balance at 01 January 2022</b>	<b>535 021</b>	<b>498 762</b>	<b>1 033 783</b>
Surplus for the year ended	-	127 055	127 055
Other comprehensive loss	-	(2 751)	(2 751)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>124 304</b>	<b>124 304</b>
Reversal of revaluation	(8 309)	-	(8 309)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>(8 309)</b>	<b>-</b>	<b>(8 309)</b>
<b>Balance at 01 January 2023</b>	<b>526 712</b>	<b>623 066</b>	<b>1 149 778</b>
Surplus for the year ended	-	(419)	(419)
Other comprehensive income	-	2 730	2 730
<b>Total comprehensive Loss for the year</b>	<b>-</b>	<b>2 311</b>	<b>2 311</b>
<b>Balance at 31 December 2023</b>	<b>526 712</b>	<b>625 377</b>	<b>1 152 089</b>
Note(s)	10		

Figures in Rand Thousands	Note(s)	2023	2022 Restated *
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	184 494	(28 569)
Finance income		106 982	66 483
Finance costs		(3 952)	(3 321)
<b>Net cash from operating activities</b>		<b>287 524</b>	<b>34 593</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(102 623)	(147 232)
Purchase of other intangible assets	5	-	(1 977)
<b>Net cash from investing activities</b>		<b>(102 623)</b>	<b>(149 209)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	11	(6 866)	(6 131)
Payment of interest on long-term borrowings	11	(8 613)	(9 488)
		-	-
<b>Net cash from financing activities</b>		<b>(15 479)</b>	<b>(15 619)</b>
<b>Total cash movement for the year</b>		<b>169 422</b>	<b>(130 235)</b>
Cash at the beginning of the year		1 122 506	1 252 741
<b>Total cash at end of the year</b>	9	<b>1 291 928</b>	<b>1 122 506</b>

## 1. Material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

### 1.1 Reporting entity

Mangosuthu University of Technology is an educational institution domiciled in the Republic of South Africa and is governed by the Higher Education Act (Act no 101 of 1997, as amended). The consolidated financial statements as at and for the year ended 31 December 2023, comprises of the University and its subsidiary, First Ready Development 143 NPC collectively referred to as 'the University'. The address of the University's registered office is 511 Mangosuthu Highway, Umlazi, 4031, South Africa.

Where reference is made to the financial statements in the accounting policies, it should be interpreted as referring to the consolidated financial statements where the context requires, unless otherwise noted.

### 1.2 Basis of preparation

The consolidated financial statements have been prepared on the going concern basis in accordance, and in compliance with, IFRS Accounting Standards and IFRIC Interpretations issued and effective at the time of preparing these consolidated financial statements and the regulations for the annual reporting by the Higher Education Institutions and in the manner required by the Higher Education Act (Act 101 of 1997) of South Africa, as amended.

The consolidated financial statements have been prepared on the historic cost convention on an accrual basis, except for Investments at fair value which are measured at fair value through profit or loss and land and buildings which are measured at revalued amount in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the university's

functional currency and rounded to the nearest thousand.

### 1.3 Significant judgements, assumptions and sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements is, outlined as follows:

#### Entity in which Mangosuthu University of Technology does not hold equity instruments but has control over

The Mangosuthu University of Technology has concluded that it has control over First Ready Development 143 NPC even though it does not hold equity shares in the company. This is because the company was formed by the Executive management and Council of the University. The directorship of the Company is 100% represented by individuals related to the University. Furthermore, since the formation of the company Mangosuthu University of Technology has been the only party to exercise any and all rights over the company and the ability to influence the returns of the company.

## **Revenue and expenditure recognition in respect of First Ready Development 143 NPC**

No revenue and expenditure have been recognised in the accounting records of First Ready Development 143 NPC (FRD) in view of the fact that these records were not maintained, and all revenue and expenditure in respect of the property owned by FRD has been recorded in MUT's financial system. Management is not aware of any revenue or expenditure in the name of FRD.

## **Key sources of estimation uncertainty**

### **The Impairment of financial assets**

The impairment allowance for financial assets are based on assumptions on risk of default and expected loss rates. The Mangosuthu University of Technology uses judgement in making these assumptions and selecting the inputs for the impairment calculation, based on the Mangosuthu University of Technology's history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Information about assumptions and estimation uncertainties in respect of expected credit losses is disclosed in note 7.

### **Allowance for slow moving, damaged and obsolete inventory**

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. When cost is higher than NRV, inventory items are written down to net realisable value. The write-down is included in operating expenses.

### **Fair value estimation**

Several assets and liabilities of the Mangosuthu University of Technology are either measured at fair value or disclosure is made of their fair values.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 4 (employee benefits), note 8 (investments at fair value) and note 2 (property, plant and equipment).

### **Impairment of property, plant and equipment**

The Mangosuthu University of Technology reviews and evaluates the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs. Refer to note 2.

### **Useful lives of property, plant and equipment**

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on Mangosuthu University of Technology replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge. Refer to note 1.4.

### **Employee benefits**

Mangosuthu University of Technology makes certain estimates and assumptions about the future when determining the employee benefits obligations. Refer to note 4 for additional disclosures on key actuarial assumptions.

### **1.4 Property, plant and equipment**

Property, plant and equipment are tangible assets which the Mangosuthu University of Technology holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment are recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Mangosuthu University of Technology, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

#### 1.4 Property, plant and equipment (continued)

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day-to-day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the

end of the reporting year. A formal revaluation is carried out every 5 years by an independent and professional valuer.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the University. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Useful life
Buildings	Straight line	50 years
Land improvements	Straight line	35 years
General equipment	Straight line	10 - 16 years
Furniture and fittings	Straight line	10 - 16 years
Motor vehicles	Straight line	5 - 9 years
Computer equipment	Straight line	3 - 5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. General equipment consists mainly of air-conditioners, training equipment, security system, kitchen equipment, electronic equipment and beds for hostels.

#### 1.5 Financial instruments

Broadly, the classification possibilities, which are adopted by the Mangosuthu University of Technology, as applicable, are as follows:

Financial assets:

- Amortised cost
- Fair value through profit or loss

Financial liabilities:

- Amortised cost.

Note 26 Financial risk management presents the financial instruments held by the Mangosuthu University of Technology based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

## 1.5 Financial instruments (continued)

### Trade and other receivables

#### Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Mangosuthu University of Technology's business model is to collect the contractual cash flows on trade and other receivables.

#### Recognition and measurement

Trade and other receivables are recognised when the Mangosuthu University of Technology becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

#### Impairment

The Mangosuthu University of Technology recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Mangosuthu University of Technology measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

#### Measurement and recognition of expected credit losses

The Mangosuthu University of Technology makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions.

The student base is somewhat diverse with significantly different loss patterns for different students with different types of funding. The Mangosuthu University of Technology aggregates students who share similar credit risk characteristics for purposes of determining the credit loss allowance. Details of the provision matrix, per grouping, is presented in note 7.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account.

#### Write off policy

The Mangosuthu University of Technology writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Receivables written off may still be subject to enforcement activities under the Mangosuthu University of Technology recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

### Investments in equity instruments

#### Classification

Investments in equity instruments are presented in note 8. They are classified as mandatorily at fair value through profit or loss.

#### Recognition and measurement

Investments in equity instruments are recognised when the Mangosuthu University of Technology becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value

recognised either in profit or loss or in other comprehensive income. Trade and other payables

### **Classification**

Trade and other payables (note 14), including VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

### **Recognition and measurement**

They are recognised when the Mangosuthu University of Technology becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 19).

Trade and other payables expose the Mangosuthu University of Technology to liquidity risk and possibly to interest rate risk. Refer to note 26 for details of risk exposure and management thereof.

### **Financial liabilities**

#### **Classification**

Financial liabilities comprise of trade and other payables, interest bearing borrowings, and are classified at initial recognition, as financial liabilities at fair value through profit or loss, loans and interest bearing borrowings and trade and other payables.

### **Recognition and measurement**

Financial liabilities at fair value through profit or loss are recognised when the Mangosuthu University of Technology becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition at fair value. Subsequent to initial recognition they are measured at amortised costs. Transaction costs are recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs (note 19).

### **Cash and cash equivalents**

Cash and cash equivalents include bank accounts and short-term investments with maturities of less than 90 days. The cash is held at South African major banks. Cash and cash equivalents are stated at amortised costs.

### **Bank overdrafts**

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

### **1.6 Leases**

The Mangosuthu University of Technology assesses whether a contract is, or contains a lease, at the inception of the contract.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Mangosuthu University of Technology has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

### **Mangosuthu University of Technology as a lessee**

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for

which the Mangosuthu University of Technology is a lessee, except for short-term leases of 12 months or less, or leases of low value assets.

For these leases, the Mangosuthu University of Technology recognises the lease payments as an expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

### 1.7 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average formula. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 1.8 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined contribution plans

Payments to defined contribution retirement benefit

plans are charged as an expense as they fall due. Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the Mangosuthu University of Technology's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

#### Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Past service costs are recognised immediately to the extent that the benefits are already vested and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries. Full retrospective application with limited exceptions is applied. Defined benefit plans ("DB Plans"), full deficit – or surplus are recognised on the statement of financial position.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the Mangosuthu University of Technology is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

### 1.9 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Intangible assets are carried at

cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Computer software - purchased	3 -5 years
Oracle database - purchased	Indefinite

### 1.10 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Mangosuthu University of Technology will comply with the conditions attaching to them; and
- the grants will be received.

Grants relating to income are netted off against relevant expense.

A government grant that becomes receivable as compensation for expenses or surplus already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income during the construction of the asset and are recognised in

profit and loss on a systematic basis over the life of the asset.

### 1.11 Revenue from contracts with customers

The Mangosuthu University of Technology recognises revenue from the following major sources:

- Student fees - tuition
- Student fees - accommodation

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Mangosuthu University of Technology recognises revenue over the service period to its students which is either a semester or a full year.

The payment terms granted to students for tuition and accommodation fees is either full upfront payment or in monthly installments over the academic period of which the student is registered.

## 1.12 Income from other activities

The University recognises income from other activities from the following major sources:

- a. Sale of products from Technology Station in Chemicals (TSC) and Agricultural department.
- b. Venue hire income from the rental of certain University halls, lecture venues and other spaces.
- c. Donations from various private and corporate organisations.

Revenue is measured based on the consideration to which the University expects to be entitled from a customer. The University recognises revenue when it transfers control of a product or service to a customer.

### Venue hire income

The University leases on an ad-hoc basis certain of its halls, lecture venues and other spaces to various organisations and private entities.

Revenue from the rental of venues is recognised when the service is rendered to the lessee.

### Donations

The University receives donations from various private and corporate donors during the course of the year. Revenue from donations is recognised when the funds are deposited into the Universities bank account.

### Sale of products

The University sells chemicals, soaps and detergents produced by the TSC and also sells livestock produced by the Agricultural department to the local community. Revenue from such sales is recognised when control of the goods has been transferred when the buyer pays and collects for the goods.

These goods are sold for cash and no credit terms are granted.

## 1.13 Reserve categories

The statement of comprehensive income is prepared on a segmented reporting basis in the manner required by the Minister of Higher Education and Training in terms of section 41 of the Higher Education Act, (Act No. 101 of 1997 as amended),

as amended. Income shown as Council controlled relates to reserves over which Council has legal control and discretionary control. Income shown as specifically funded restricted relates to reserves generated in terms of legally enforceable requirements by the donor or grantor. Income shown as student and staff accommodation relates to revenue generated from student accommodation fees. Management continuously reviews the classification of the various reserves and periodically reclassifies them, where deemed appropriate, for changes in the circumstances and conditions relating to them.

The statement of changes in equity is grouped according to the same criteria as the statement of comprehensive income and also includes a revaluation reserve. Reserves for the acquisition of property, plant and equipment are transferred to the revaluation reserve, which thereafter represent the total reserves from the revaluation of items of property, plant and equipment.

## 1.14 Consolidation

### Basis of consolidation

The consolidated annual financial statements incorporate the consolidated financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the University.

The University has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those of the University.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

## 2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	41 208	-	41 208	41 208	-	41 208
Buildings	1 138 219	(98 368)	1 039 851	1 060 922	(62 933)	997 989
Furniture and fittings	33 468	(23 084)	10 384	31 030	(19 706)	11 324
Motor vehicles	11 915	(8 144)	3 771	8 619	(5 833)	2 786
General equipment	102 943	(64 613)	38 330	95 943	(56 569)	39 374
Computer equipment	84 889	(47 385)	37 504	67 366	(35 383)	31 983
Land improvements	24 716	(2 889)	21 827	24 716	(1 993)	22 723
<b>Total</b>	<b>1 437 358</b>	<b>(244 483)</b>	<b>1 192 875</b>	<b>1 329 804</b>	<b>(182 417)</b>	<b>1 147 387</b>

Figures in Rand Thousands

2023

2022

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Land	Buildings	Furniture and fittings	Motor vehicles	General equipment	Computer equipment	Land improvements	Total
<b>Opening balance</b>								
Cost or revaluation	41 208	1 060 922	31 030	8 619	95 943	67 366	24 716	1 329 804
Accumulated depreciation and impairment	-	(62 933)	(19 706)	(5 833)	(56 569)	(35 383)	(1 993)	(182 417)
<b>Net book value at 01 January 2023</b>	<b>41 208</b>	<b>997 989</b>	<b>11 324</b>	<b>2 786</b>	<b>39 374</b>	<b>31 983</b>	<b>22 723</b>	<b>1 147 387</b>
Additions	-	77 297	881	2 048	6 165	16 232	-	102 623
Disposals and scrappings - cost	-	-	(315)	-	(1 943)	(387)	-	(2 645)
Disposals and scrappings - accumulated depreciation	-	-	262	-	1 544	305	-	2 111
Reclassifications	-	-	1	-	(31)	30	-	-
Gains from verification exercise	-	-	1 837	-	2 856	1 635	-	6 328
Depreciation	-	(35 435)	(3 415)	(885)	(9 116)	(11 668)	(896)	(61 415)
Impairment loss	-	-	(191)	(178)	(519)	(626)	-	(1 514)
<b>Net book value at 31 December 2023</b>	<b>41 208</b>	<b>1 039 851</b>	<b>10 384</b>	<b>3 771</b>	<b>38 330</b>	<b>37 504</b>	<b>21 827</b>	<b>1 192 875</b>
<b>Made up as follows:</b>								
Cost or revaluation	41 208	1 138 219	33 468	11 915	102 943	84 889	24 716	1 437 358
Accumulated depreciation and impairment	-	(98 368)	(23 084)	(8 144)	(64 613)	(47 385)	(2 889)	(244 483)
	<b>41 208</b>	<b>1 039 851</b>	<b>10 384</b>	<b>3 771</b>	<b>38 330</b>	<b>37 504</b>	<b>21 827</b>	<b>1 192 875</b>

Figures in Rand Thousands

2023

2022

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Land	Buildings	Furniture and fittings	Motor vehicles	General equipment	Computer equipment	Land improvements	Total
<b>Opening balance</b>								
Cost or revaluation	41 208	948 718	34 008	11 109	103 347	57 073	12 158	1 207 621
Accumulated depreciation and impairment	-	(42 094)	(16 957)	(8 055)	(55 738)	(26 163)	(1 075)	(150 082)
<b>Net book value at 01 January 2022</b>	<b>41 208</b>	<b>906 624</b>	<b>17 051</b>	<b>3 054</b>	<b>47 609</b>	<b>30 910</b>	<b>11 083</b>	<b>1 057 539</b>
Additions	-	112 205	344	1 500	8 580	14 335	12 558	149 522
Disposals and scrapings- cost	-	-	(3 871)	(3 990)	(19 031)	(5 621)	-	(32 513)
Disposals and scrapings- accumulated depreciation	-	-	3 109	3 385	14 628	4 754	-	25 876
Gains from verification exercise	-	-	548	-	3 046	1 580	-	5 174
Depreciation	-	(20 840)	(5 209)	(1 163)	(14 146)	(12 913)	(918)	(55 189)
Impairment loss	-	-	(648)	-	(1 312)	(1 062)	-	(3 022)
<b>Net book value at 31 December 2022</b>	<b>41 208</b>	<b>997 989</b>	<b>11 324</b>	<b>2 786</b>	<b>39 374</b>	<b>31 983</b>	<b>22 723</b>	<b>1 147 387</b>
<b>Made up as follows:</b>								
Cost or revaluation	41 208	1 060 922	31 030	8 619	95 943	67 366	24 716	1 329 804
Accumulated depreciation and impairment	-	(62 933)	(19 706)	(5 833)	(56 569)	(35 383)	(1 993)	(182 417)
	<b>41 208</b>	<b>997 989</b>	<b>11 324</b>	<b>2 786</b>	<b>39 374</b>	<b>31 983</b>	<b>22 723</b>	<b>1 147 387</b>

Property, plant and equipment encumbered as security

No property, plant and equipment have been pledged as security.

## 2. Property, plant and equipment (continued)

### Changes in estimates

The Mangosuthu University of Technology reassesses the useful lives and residual values of items of Mangosuthu University of Technology at the end of each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information. Management's assessment of the average us

The depreciation methods and average useful lives of Mangosuthu University of Technology have been assessed and based on this analysis, the useful lives of General Equipment, Vehicles, Office Furniture & Fittings and Computer Equipment have been revised. The impact of the change is a decrease in the annual depreciation charge for the current year of R7 679 273 (2022: R10 326 972). Depreciation in future years will be impacted by his change in estimate of the same value.

Assets that would have been depreciated by 31 December 2023 were identified and these assets were adjust to ensure that these asset will depreciate until 31 December 2025. The underlying assumption was that these assets will be used for at least two years after year end. The revised life times were applied on the remaining useful life as at 1 January 2023 and therefore effected the depreciation charges for the 2023 year.

The RUL of an asset was determined based on the condition assessment performed during the physical verification and the Local Government Capital Asset Management guideline as issued by the National Treasury was applied in respect of percentages of RUL by asset condition to determine the RUL of the asset as at 31 December 2023. The following percentages were applied:

Condition: Very good = 90.5%  
Condition: Good = 70.5 %  
Condition: Fair = 50.5%  
Condition: Poor = 30.5%  
Condition: Very poor = 10.5%

The EUL are based on MUT's policy (refer to accounting policy 1.4 - Property, Plant and Equipment)

### Revaluations

Formal revaluations are performed every 5 years by a professional and independent external valuer. The last revaluation was done at the end of 2019. This valuation was performed by Knight Frank, independent valuers who are members of the South African Institute of Valuers. The next revaluation will be performed in 2024 in line with the revaluation policy. Refer to note 10.

### Physical verification of movable assets

During the year under review, MUT conducted a full physical verification of movable assets. Impairment indicators were identified during the verification exercise relating to some Computer Equipment, Office Equipment and Training Equipment. In this regard assets that were deemed to be poor or in a very poor condition were further tested for impairment. These assets were tested for impairment by comparing the carrying amount to its recoverable amount. As a result, an impairment charge of (2022: R3 022 000 ; 2021: -) was recorded in profit or loss for the year.

The verification exercise also revealed that a significant number of assets have been found in the University, but these assets were not recorded in the fixed asset register. These assets were inspected, fair values determined and have been recorded as asset gains in the current financial year. The financial impact of this gain is R6 328 000. (2022: R5 174 000). Refer below for fair value measurement methodology. The fair value of newly identified assets were determined using the Depreciated Replacement Costs (DRC) method. This method involves determining the costs of the new assets of the same type and adjusting the cost to take into account the condition and to reflect the remaining useful life of the actual asset on hand.

The formular to calculate the DRC is:  $DRC = CRC \times RUL/EUL$   
CRC = current replacement cost  
RUL = remaining useful life  
EUL = Expected useful life  
The CRC is the equivalent of the price of a new or similar asset.

Impairment of non-financial assets

## 2. Property, plant and equipment (continued)

During the annual verification of movable assets, assets in a poor or very poor condition were identified. These assets were submitted and tested for impairment thus giving rise to the impairment loss.

The University has adopted the depreciated replacement cost approach (DRC) for determining impairment of assets in service.

The Current Replacement Cost (CRC) is the equivalent of the price of a new or similar asset on the date of testing. Replacement costs were obtained from various sources including quotations and prices

obtained from other institutions and the internet.

The Depreciated replacement Cost (DRC) is equal to  $CRC \times RUL/EUL$ . The remaining useful life (RUL) of an asset was determined based on the condition assessment performed during the physical verification. The expected useful life (EUL) is based on MUT's policy and practice.

Condition = Poor (factor of 30.5%) Condition =

Very poor (factor of 10.5%)

The recoverable amount of MUT assets is realised through value in use.

### Depreciation and impairment

Depreciation on owned property, plant and equipment  
Impairment loss

61 415	55 189
1 514	3 022
<b>62 929</b>	<b>58 211</b>

Work in progress of R92 151 000 (2022: R352 793 000) is included in cost of buildings.

## Capital commitments

The capital commitments relate to infrastructure development projects at the University. The commitments are funded mainly by project related funding received from Department of Higher Education and Training. The projects are included in work-in progress for the year.

### Contracted

1. Capital commitment amounting to R6 562 000 for new roof replacement at MUT campus as at 31 December 2023. The expenditure is funded by the Infrastructure and Efficiency grant received from the Department of Higher Education and Training.

2. Capital commitment amounting to R19 282 000 for the completion of the Student Centre as at 31 December 2023. The expenditure is funded by the Infrastructure and Efficiency grant received from the Department of Higher Education and Training.

3. Capital commitment amounting to R13 175 000 for the renovation of Block E residence as at 31 December 2023. The expenditure is funded by the Infrastructure and Efficiency grant received from the Department of Higher Education and Training.

4. Capital commitment amounting to R18 502 000 for the construction of new water storage tank and pump rooms as at 31 December 2023.

The expenditure is funded by the Infrastructure and Efficiency grant received from the Department of Higher Education and Training.

5. Capital commitment amounting to R2 406 000 (2022: R5 900 000) for new roof replacement at MUT Executive Hotel Student residence as at 31 December 2023. The expenditure is funded by the Infrastructure and Efficiency grant received from the Department of Higher Education and Training.

6. Capital commitment amounting to R844 000 (2022: R2 300 000) for the refurbishment of the ablution facilities at MUT Natural Science campus as at 31 December 2023. The expenditure is funded by the Infrastructure and Efficiency grant received from the Department of Higher Education and Training.

7. Capital commitment amounting to R742 000 (2022: R1 600 000) for the supply, installation and commissioning of CCTV cameras at MUT campus as at 31 December 2023. The expenditure

is funded by the Infrastructure and Efficiency grant received from the Department of Higher Education and Training.

8. Capital commitment amounting to R10 767 000 for an upgrade of Seme Road at MUT campus as at 31 December 2023. The expenditure is funded by the Infrastructure and Efficiency grant received from the Department of Higher Education and Training.

9. Capital commitment amounting to R3 322 000 for new roof replacement at Dining Hall, Gym and Technology Station in Chemicals (TSC) buildings at MUT campus as at 31 December 2023. The expenditure is funded by the Infrastructure and Efficiency grant received from the Department of Higher Education and Training.

10. Capital commitment amounting to R10 465 000 for an upgrade of bulk electrical infrastructure at MUT campus as at 31 December 2023. The expenditure is funded by the Infrastructure and Efficiency grant received from the Department of Higher Education and Training.

11. Capital commitment amounting to R19 160 000 for an upgrade of soccer field and athletics track at MUT campus as at 31 December 2023. The expenditure is funded by the Sibusiso Bhengu Development Programme (SBDP) grant received from the Department of Higher Education and Training.

12. Capital commitment amounting to R3 716 000 for the refurbishment of MUT lecture venues as at 31 December 2023. The expenditure is funded by the SBDP grant received from the

Department of Higher Education and Training.

13. Capital commitment amounting to R2 489 000 for the refurbishment of MUT C45 and C47 computer labs as at 31 December 2023. The expenditure is funded by the SBDP grant received from the Department of Higher Education and Training.

The above-mentioned projects are also included in the work-in-progress for the year.

### 3. Leases (company as lessee)

The Mangosuthu University of Technology leases student residences and photocopying machines. The average lease term is three years for student residences and five years for photocopying machines.

The lease charges for photocopying machines are based on a fixed fee per machine. These leases were assessed and designated as low value assets under IFRS 16

#### Leases - Student residences

MUT entered into new lease agreements for student residences commencing at the beginning of the 2022 year for a three-year period. The escalation thereof is to be agreed upon by the parties on an annual basis. There is no minimum occupation rate or amount payable in terms of the agreement. The rental is therefore considered variable based on usage and as such variable payments are not included in the measurement of the lease liability at commencement of the lease. The lease payments are recognised as an expense in the Statement of comprehensive

### Other disclosures

Lease of photocopy machines	4 864	3 449
Lease of student residences	327 983	335 937

#### 4. Net defined benefit

##### Carrying value

Present value of the defined benefit obligation partially or wholly funded	(21 385)	(24 822)
Non-current assets - National Tertiary Retirement Fund (NTRF) Asset	14 649	12 510
Non-current liabilities - Post Retirement Medical Aid Obligation	(36 034)	(37 332)
<b>Net gain or (loss) recognised in other comprehensive income</b>		
Pension fund asset	1 031	(182)
Medical aid obligation	1 699	(2 569)
	<b>2 730</b>	<b>(2 751)</b>

#### NTRF Retirement Fund

The NTRF is a defined contribution fund established with effect from 30 November 1994. The rules of the Fund allow for guaranteed minimum retirement benefits in respect of members who previously belonged to either the Associated Institutions Pension Funds ("AIPF") or the Temporary Employees Pension Fund ("TEPF"). This benefit forms a defined benefit underpin within the Fund.

A summary of the guaranteed minimum post-employment retirement benefits is given below. Full details are contained in the registered Rules of the Fund.

##### Normal retirement age

A member may retire at age 60, but may remain till age 65, if a service agreement has been entered into between the member and the employer.

##### Final pensionable salary

The highest average of a member's pensionable salary over any consecutive 24 months. Gratuity Previous members of the Associated Institutions Pension Fund, the Government Services Pension Fund or the Authorities Services Pension Fund are entitled to a gratuity of 7.25% of Final Pensionable Salary for each year of pensionable service.

The Fund is subject to the provisions of the Pension Funds Act 24 of 1956 (the "Act") and amendments.

1) Section 14B(4) of the Act prescribes minimum pension increases for pensioners. Pensions in payments should be increased by the greater

of the increase to be granted in terms of the Fund's pension increase policy and the lower of: Inflation-related increases since commencement of the pension; and increases that can be afforded with reference to what has been termed the "notional pensioner accumulation amount."

2) Members of the Fund are entitled to minimum benefits as per the Pensions Fund Second Amendment Act, 2001, as set out in Section 14A of the Act. This minimum benefit is defined in Section 14B (2)(a) of the Act as the fair value equivalent of the present value of the member's accrued deferred pension calculated at a prescribed rate of discount.

Subject to the provisions of the Act and of the Rules of the Fund, the sole responsibility for the management of the Fund shall be vested in the Trustees.

##### Exposure to risks

- Inflation: The risk that future CPI inflation is higher than expected and uncontrolled
- Investment returns: The risk that future investment returns are lower than expected. This would possibly result in the member shares being insufficient to cover the minimum retirement benefit due, thus increasing the top-up required
- Longevity: The risk that pensioners live longer than expected and thus their pension benefit is payable for longer than expected
- Open-ended, long term liability: The risk that the liability may be volatile in the future and uncertain
- Future changes in legislation: The risk that changes

to legislation with respect to the post-employment liability may increase the liability for the University

- Future changes in the tax environment: The risk that changes in the tax legislation governing employee benefits may increase the liability for the University

- Administration: Administration of this liability poses a burden to the University

It was assumed that early ill-health retirement would

occur at 40% (2022:40%) of the pre-retirement mortality rates. An expected retirement age of 63 (2022:63) was assumed and is based on the average age of retirements. It was assumed that 95% (2022:95%) of the members would be married at retirement with a spouse 4 years younger than the husband.

The University's obligation towards the NTRF pension fund was actuarially calculated as at 31 December 2023 by Alexander Forbes Financial Services.

#### Statement of financial position

Present value of funded obligations	(1 810)	(2 258)
Fair value of plan assets	16 459	14 768
	<b>14 649</b>	<b>12 510</b>

#### Fair value of planned assets

Opening balance	14 768	17 380
Interest income on assets	1 409	1 572
Actuarial (loss) / gain	471	(1 843)
Benefits paid	(189)	(2 341)
	<b>16 459</b>	<b>14 768</b>

Actual return on plan assets	1 880	(271)
------------------------------	-------	-------

The actual return on plan assets is calculated using the market value of assets both opening and closing as well as cash flow from the assets.

The net actuarial gain on the fair value of planned assets arose as a result of the actual returns on the assets being lower than the calculated interest income on assets.

#### Unrecognised actuarial gains/(losses)

Opening balance	-	-
Amortisation	(1 031)	182
New gains/(losses)	1 031	(182)
	<b>-</b>	<b>-</b>

#### Present value of funded obligation

Opening balance	2 258	5 656
Current service costs	85	154
Interest cost	216	450
Actuarial (gain)/loss	(560)	(1 661)
Benefits paid	(189)	(2 341)
	<b>1 810</b>	<b>2 258</b>

#### Per statement of comprehensive income

<b>Profit or loss</b>		
Current service cost (included in staff costs - note 17)	85	154
<b>Net interest cost:</b>		
- Interest cost (note 16)	(1 193)	(1 122)
<b>Amount recognised in profit and loss</b>	<b>(1 108)</b>	<b>(968)</b>

#### 4. Net defined benefit (continued)

##### Other comprehensive income

Actuarial (gain)/loss	(560)	(1 661)
-----------------------	-------	---------

Cumulative amount recognised in other comprehensive income	(21 394)	(22 425)
--	----------	----------

##### Factors contributed to net actuarial gains

##### The following factors contributed to the net actuarial gain:

Change in economic assumptions	(130)	(541)
Experience: Member share increases	(434)	2 209
Experience: Salary increases	(161)	(257)
Experience: Data and model changes	134	(1 847)
Experience: Demographic experience	31	(1 225)
	<b>(560)</b>	<b>(1 661)</b>

##### Reconciliation of Statement of financial position

Opening value	12 510	11 724
Amount recognised in profit and loss	1 108	968
Amount recognised in other comprehensive income (page 35)	1 031	(182)
	<b>14 649</b>	<b>12 510</b>

The paragraph 65 limit in terms of IAS 19 (Employee Benefits) ensures the asset to be recognised in the University's statement of financial position is subject to a maximum of the present value of any economic benefits available to the University in form of refunds or reductions in the future contributions. The paragraph 65 limit is not applicable for the year under review and the prior year, accordingly there is no unrecognised surplus as the paragraph 65 limit is not applicable.

The defined benefit plan exposes the University to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. The economic assumptions used in this valuation are based on market information as at 31 December 2023. The market information and rates fluctuate daily therefore the assumptions in 2023 may differ from the assumptions used in 2022.

##### Significant valuation assumption

Discount rate	9,20%	9,60%
Inflation rate	4,40%	5,10%
Pension increase rate	2,42%	2,81%

##### Discount rate

The rate used to discount post-employment benefit obligations should be determined by reference to market yields at the reporting date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields (at the reporting date) on government bonds should be used. In our opinion, there is no deep market in corporate bonds in South Africa and as such we have recommended assumption with reference to the Nominal Bond Curve, as compiled by the Johannesburg Stock Exchange of South Africa and obtained from Inet Bridge, at the duration of the liabilities of 4 years. This converts into an effective yield of 9,20% (2022: 9,60%) as at 31 December 2023. In terms of the accounting standards historical yields are less important and we consequently consider it appropriate to use the discount rate of 9,20% per annum.

Inflation rate

#### 4. Net defined benefit (continued)

While not used explicitly in the valuation, we have assumed the underlying future rate of consumer price inflation (CPI) to be 4.40% (2022: 5,10%) per annum. This assumption is in line with the SA Government's Monetary Policy target of 3% to 6% per annum. This assumption has been based on the relationship between the current Nominal and Real Bond Curves, as compiled by the Johannesburg Stock Exchange of South Africa. The real bond yield was rounded to the nearest 0.1% as in the case of the discount rate. We calculated our inflation assumption as the difference between the discount rate and the real bond yield and adjusted for an inflation risk premium which we assumed to be 0.5%. The yield on a conventional bond is assumed to equal inflation plus the real yield on an index-linked bond plus an inflation risk premium. There is a premium to compensate the conventional bondholder for the uncertainty regarding future inflation. If inflation is higher than expected, their real yield will be lower than expected. The index-linked bondholder does not require such a premium as their yield is protected against higher-than expected inflation.

#### Pension increase rate

Within the context of the Board's objective to grant annual pension increases to the extent that the Fund earns an investment return in excess of 6.0% per annum over the long term, as well as the Pensioner Portfolio's objective to out-perform the consumer price index (CPI) by 4.5% per annum over the long term and on recommendation of the Fund's Actuary, the Fund's pension increase policy prescribes that the Fund's purpose is to provide pensions payable in terms of the Fund's Rules, including pension increases which, subject to affordability, are targeted to be between 50% and 60% of the Consumer Price Index (CPI) over the long term. The Financial Sector Conduct Authority in recent years has reiterated that pension increases should be set in line with a targeted percentage of CPI. As a result, we have assumed a target of 55% of CPI. This implies a pension increase rate of 2.42% per annum.

#### Fund membership

The active members covered by the fund is 34 (2022:43)

**The below sensitivity analysis was performed on the key valuation assumptions**

---

#### Sensitivity information: 2023 / 2022

##### 1% increase in discount rate

Decrease in defined benefit obligation	(752)	(754)
--	-------	-------

##### 1% decrease in discount rate

Decrease in defined benefit obligation	(4 670)	(6 515)
--	---------	---------

##### 1% decrease in inflation rate

Increase in defined benefit obligation	(1 036)	(1 060)
--	---------	---------

##### 1% increase in inflation rate

Decrease in defined benefit obligation	(3 543)	(4 969)
--	---------	---------

##### Expected retirement age: 63 years

##### 1% increase in pension increase rate

Decrease in defined benefit obligation	(3 276)	(4 774)
--	---------	---------

##### 1% decrease in pension increase rate

Increase in defined benefit obligation	(970)	(1 085)
--	-------	---------

---

## Post Retirement Medical Aid Fund Benefit

Post-retirement Medical Aid benefit (PRMA) is post-retirement health-care benefit which includes subsidisation of medical aid premiums to employees and retirees and to their registered dependents. The University offers employees and retirees the opportunity to belong to one of several medical schemes.

The Projected Unit Credit method has been used to value the liabilities. This post-retirement benefit obligation exposes the University to actuarial risks, such as longevity risk, currency, interest rate risk and market (investment) risk.

The University's obligation towards the PRMA obligation was actuarially calculated as at 31

December 2023 by Simeka Consultants and Actuaries (Pty) Ltd. This obligation is fully funded by the University.

The University has not legally ring-fenced any assets to fund this liability and there are therefore no "Plan Assets".

### Maturity profile

The obligation does not have a defined maturity, the liability ceases when the last member entitled to the health care benefit passes away. This date is unknown. The weighted average lifetime of the remaining members which was 10.4 years (2022: 10.5 years) was used for the current valuation. This is the calculated estimate of the average future remaining lifetime of the membership weighted by the level of subsidy.

### Five year projections.

The projected value of the accrued liability for the five years following the valuation date are as follows

**31 Dec 2024:** Accrued liability R36 095 000, Service costs Rnil, Interest cost R3 732 000 and Benefit payment R3 979 000

**31 Dec 2025:** Accrued liability R35 848 000, Service costs Rnil, Interest cost R3 687 000 and Benefit payment R4 302 000

**31 Dec 2026:** Accrued liability R35 233 000, Service costs Rnil, Interest cost R3 601 000 and Benefit payment R4 651 000

**31 Dec 2027:** Accrued liability R34 183 000, Service costs Rnil, Interest cost R3 465 000 and Benefit payment R5 028 000

**31 Dec 2028:** Accrued liability R32 620 000

### Statement of financial position

Present value of unfunded obligations	36 034	37 332
<b>Benefits paid</b>		
Benefits paid	(3 550)	(3 176)
<b>Movement in present value of obligation</b>		
Opening balance	37 332	34 628
Interest cost	3 951	3 311
Actuarial (gain)/loss arising from financial assumptions (page 34)	(1 699)	2 569
Benefits paid	(3 550)	(3 176)
<b>Closing balance</b>	<b>36 034</b>	<b>37 332</b>
<b>Profit or Loss</b>		
Interest cost (note 19)	3 951	3 311
<b>Other comprehensive income: Actuarial losses</b>		
Opening balance:	(56 935)	(59 504)
Amount recognised during the year (page 34)	(1 699)	2 569
	<b>(58 634)</b>	<b>(56 935)</b>
<b>Actuarial (gain)/loss</b>		
<b>Change in actuarial assumptions</b>	(459)	(28)
<b>Actual health care cost inflation compared with expected</b>	380	714
<b>Change in demographic profile of the membership</b>	(1 620)	1 585
	<b>(1 699)</b>	<b>2 271</b>
<b>Reconciliation of statement of financial position</b>		
Opening value	37 332	34 628
Employee contribution	(3 550)	(3 176)

#### 4. Net defined benefit (continued)

Amount recognised in profit or loss	3 951	3 311
Amount recognised in other comprehensive income	(1 699)	2 569
	<b>36 034</b>	<b>37 332</b>

#### Key valuation assumptions

Discount rate	10,94%	11,11%
Mortality rate (PA(90)) mortality tables for males and females with a age reduction of 2 years	(2)	(2)

#### Sensitivity information: 2023

##### 1% increase in discount rate

Decrease in defined benefit obligation (effect in % terms)	(6)	(6)
Increase in annual expense (service cost plus interest cost) (effect in % terms)	2	2

##### 1% decrease in discount rate

Increase in defined benefit obligation (effect in % terms)	7	7
Decrease in annual expense (service cost plus interest cost) (effect in % terms)	(3)	(2)

##### Medical mortality rate rated down by 1 year PA 90-3

Increase in defined benefit obligation (effect in % terms)	4	4
Increase in annual expense (service cost plus interest cost) (effect in % terms)	4	4

##### Medical mortality rate rated up by 1 year PA 90+3

Decrease in defined benefit obligation (effect in % terms)	(4)	(4)
Decrease in annual expense (service cost plus interest cost) (effect in % terms)	(4)	(4)

The University is a going concern with its assets fairly exceeds all its liabilities. There are no legal plan assets matching its liability. The University manages this cognisant of its moral and legal obligations, together with consideration of the University's sustainability and affordability over the duration of the liability.

#### 5. Intangible assets

	2023		2022			
	Cost / Valuation	Accumulated amortisation / Carrying value	Cost / Valuation	Accumulated amortisation / Carrying value		
Computersoftware - definite	7 424	(6 189)	1 235	7 424	(5 794)	1 630
Computersoftware - indefinite	3 347	-	3 347	3 347	-	3 347
<b>Total</b>	<b>10 771</b>	<b>(6 189)</b>	<b>4 582</b>	<b>10 771</b>	<b>(5 794)</b>	<b>4 977</b>

Intangible assets consist of Integrated Tertiary Software (ITS) system and Oracle database. These are purchased software and not internally generated. The Oracle software has an indefinite useful life as it has a perpetual user license.

#### Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computersoftware	4 977	(395)	4 582

#### Reconciliation of intangible assets - 2022

Opening balance	Additions	Amortisation	Total
-----------------	-----------	--------------	-------

## 6. Inventories

Maintenance stock and consumables	1 398	1 365
Student laptops held for resale	4 151	4 161
	<hr/>	<hr/>
	5 549	5 526
Impairment of inventories	(4 891)	(730)
	<hr/>	<hr/>
	<b>658</b>	<b>4 796</b>

During the year inventories was reduced by the value of R4 891 000 (2022: R730 000) due to stock that has been regarded as obsolete. The movement impairment was recognised in the Statement of Profit or Loss and Other Comprehensive Income under Other Operating Expenses.

## 7. Trade and other receivables

### Financial instruments:

Student receivables	844 669	707 333
Allowance for impairment loss	(455 076)	(340 208)
Net student receivables	<hr/>	<hr/>
	389 593	367 125
Sundry debtors	17 525	19 233
	<hr/>	<hr/>
<b>Total trade and other receivables</b>	<b>407 118</b>	<b>386 358</b>

### Categorisation of trade and other receivables

Trade and other receivables are categorised as follows:

At amortised cost	<hr/>	<hr/>
	407 118	386 358

### Exposure to credit risk

Trade receivables inherently expose the Mangosuthu University of Technology to credit risk, being the risk that the Mangosuthu University of Technology will incur financial losses if customers fail to make payments as they fall due.

In recognising and measuring Expected Credit Losses for trade receivables under the simplified approach, MUT used a provision matrix for calculating lifetime expected credit losses. The provision matrix is based on MUT's historical default rates over the expected life of the trade receivables. The rates are applied to the ageing buckets in each category of debtor after setting off the amounts still allocated to the student debtors.

## 7. Trade and other receivables (continued)

	2023	2023	2022	2022
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
<b>Expected credit loss rate:</b>				
<b>Categories of Debtors</b>				
NSFAS - Current	108 058	(18 927)	140 807	-
NSFAS - 1 year past due	3 648	(3 648)	1 129	-
NSFAS - 2 years + past due	213 209	-	191 063	-
PrivatelyFunded- Current	173 729	(86 475)	75 450	(42 517)
PrivatelyFunded- 1 year past due	20 127	(20 128)	15 023	(15 023)
PrivatelyFunded- 2 years + past due	302 439	(302 439)	269 987	(269 987)
Bursary/Sponsored - Current	5 367	(5 367)	1 261	(315)
Bursary/Sponsored - 1 year past due	541	(541)	494	(247)
Bursary/Sponsored - 2 years + past due	17 551	(17 551)	12 119	(12 119)
	<b>844 669</b>	<b>(455 076)</b>	<b>707 333</b>	<b>(340 208)</b>

### Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

<b>Opening balance</b>		<b>(340 208)</b>	<b>(339 868)</b>
Loss allowance raised		(114 868)	(340)
<b>Closing balance</b>		<b>(455 076)</b>	<b>(340 208)</b>

There were no debts written off during the year.

There were no changes in the estimations techniques and assumptions.

## 8. Investments at fair value

Investments held by the Mangosuthu University of Technology which are measured at fair value:

### Mandatorily at fair value through profit or loss:

Other equity instrument	3 767	3 653
Old Mutual Wealth Investment. This investment was made several years ago and can be drawn down at any time.		
	<b>3 767</b>	<b>3 653</b>

The investment is a Unit Trust held with Old Mutual Investment. The investment is held with Old Mutual investments and is invested in two funds namely: Nedgroup Investment SA Equity Fund R class and Old Mutual Money Market.

## 9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5 045	143
Cash on term deposit	1 286 883	1 123 219
Bank overdraft	-	(856)
	<b>1 291 928</b>	<b>1 122 506</b>

## 9. Cash and cash equivalents (continued)

Current assets	1 291 928	1 123 362
Current liabilities	-	(856)
	<b>1 291 928</b>	<b>1 122 506</b>

Cash and cash equivalents held by the entity that are not available for use by the group.

869 113 726 432

## Cash on term deposits

### Financial institution

ABSA	418 591	328 989
Nedbank	338 556	313 421
Investec	87 010	80 532
Grindrod	442 726	400 277
	<b>1 286 883</b>	<b>1 123 219</b>

## 10. Revaluation reserve

The revaluation reserve represents the accumulated gains on the revaluation of the University's fixed properties. Further details of the revaluation are provided under note 2.

Opening balance	526 712	535 021
Reversal of revaluation	-	(8 309)
	<b>526 712</b>	<b>526 712</b>

## 11. Loans and Borrowings

The loans and borrowings consist of two unsecured loans from ABSA.

### Held at amortised cost

#### Unsecured

ABSA Bank Limited	66 076	72 942
-------------------	--------	--------

#### Unsecured

### Split between non-current and current portions

Non-current liabilities	58 401	66 075
Current liabilities	7 675	6 867
	<b>66 076</b>	<b>72 942</b>

An unsecured loan of R31 355 042 (2022: R35 319 250) from ABSA Bank Limited bearing a fixed interest rate of 11.06% and repayable in two instalments of R3 881 641 per annum including interest and capital. The instalments are due in June and December each year. The final date for repayment is 23 June 2029.

An unsecured loan of R34 720 453 (2022: R37 623 093) from ABSA Bank Limited bearing a fixed interest rate of 11% and repayable in two instalments of R3 858 192 per annum including interest and capital. The instalments are due in June and December each year. The final date for repayment is 23 December 2030.

The above loans were taken out to fund the construction of a new student residence which was completed in 2018.

Borrowings	Opening balance	Interest costs	Repayments	Closing balance
ABSA Loan 1	35 319	3 799	(7 763)	31 355
ABSA Loan 2	37 623	4 813	(7 716)	34 720

## 11. Loans and Borrowings (continued)

**72 942                      8 612                      (15 479)                      66 075**

## 12. Restricted grants

### Non - Current

#### 2023

	Opening balance	Grants received	Interest	Expenditure	Closing balance
SBDP Grant	310 583	54 546	25 958	(50 754)	340 333
Deferred maintenance	22 516	-	1 767	(5 905)	18 378
Algabitech & equipment	213	-	34	-	247
Student centre/bridge	16 442	-	1 332	(1 788)	15 986
New student housing	73 978	-	6 393	(230)	80 141
FC2 Engineering gabs	8 030	-	667	(25)	8 672
FC11 Project management	(1 186)	-	-	1 186	-
Infrastructure efficiency	196 851	120 132	23 720	(35 158)	305 545
University essential projects	10 036	-	796	(1 069)	9 763
Bulk infrastructure	46 856	-	3 663	(7 356)	43 163
	<b>684 319</b>	<b>174 678</b>	<b>64 330</b>	<b>(101 099)</b>	<b>822 228</b>

The above grants have been received from DHET for specific projects. The University is precluded from utilising any of the grant monies for any other purpose other than the stated terms and conditions of the various grant letters.

#### 2022

	Opening balance	Grants received	Interest	Expenditure	Closing balance
SBDP Grant	298 368	13 365	16 884	(18 034)	310 583
Deferred maintenance	23 569	-	1 219	(2 272)	22 516
Algabitech & equipment	388	-	21	(196)	213
Student centre/bridge	2 284	19 677	1 601	(7 120)	16 442
New student housing	103 589	-	5 017	(34 628)	73 978
FC2 Engineering	1 107	7 081	955	(1 113)	8 030
FC11 Project management	(501)	-	-	(685)	(1 186)
Infrastructure efficiency	207 993	65 163	6 533	(82 838)	196 851
University essential projects	10 594	-	573	(1 131)	10 036
Bulk infrastructure	50 081	-	2 745	(5 970)	46 856
	<b>697 472</b>	<b>105 286</b>	<b>35 548</b>	<b>(153 987)</b>	<b>684 319</b>

### 13. Deferred income (continued)

Deferred income - non-current	496 542	426 685	316 443
Deferred income - current	11 405	10 847	-
	<b>507 947</b>	<b>437 532</b>	<b>316 443</b>

### 14. Trade and other payables

#### Financial instruments:

Trade accounts payables and other accruals 100 797 106 784

#### Non-financial instruments:

Credit balances in student debtors 78 050 76 856

Payroll accruals 48 128 36 467

Special restricted funds 32 660 19 098

Deposits received 23 713 19 455

**283 348 258 660**

### 15. Revenue

#### Government grants

Government Subsidy 465 145 457 120

Grant income - laptop - 23

Council controlled government grants 465 145 457 143

Foundation grant - 9 542

Programme funding - 2 347

Realised deferred grant (note 13) 15 008 1 981

**480 153 471 013**

#### Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

#### Tuition and other fee income

Tuition fees 296 405 308 545

Examination fee 112 175

Student levies 6 518 6 047

Accommodation fees 504 154 478 374

**807 189 793 141**

#### Income from other activities

Donations Received 936 867

Rebates 210 155

Student Cards 56 65

Library Fines 11 6

Short Courses Income 30 28

TSC Projects Income 22 45

Hire of Venue 366 293

Conference Income 220 47

Sundry Income 2 5

Internal Costs Recovery 1 649 1 884

Insurance Claim Received 713 769

VAT Recoverable 380 -

Gains from verification exercise 6 328 -

**10 923 4 164**

## 16. Investment income

### Interest income

#### Investments in financial assets:

Bank and other cash	38 077	27 114
Interest - post retirement fund obligations (note 4, page 35)	1 193	1 122
<b>Total interest income</b>	<b>39 270</b>	<b>28 236</b>

## 17. Staff costs

### Employee costs

Academic Professionals	246 907	247 971
Non-Academic Professionals	278 844	259 060
	<b>525 751</b>	<b>507 031</b>

### Average number of persons employed during the year

Academic professionals	228	224
Non academic professionals	354	354
	<b>582</b>	<b>578</b>

## 18. Other operating expenses

### Auditor's remuneration

External	2 368	1 977
Internal	2 788	2 171
Repairs and maintenance	22 191	17 151
Legal fees	3 769	2 774

### Outsourced services

Catering expenses	1 666	1 134
Cleaning, hygiene and sanitation	18 989	18 108
Grounds and gardens	1 959	2 382
Information technology and computer services	12 912	9 855
Security	27 969	26 671
Student Transport	62 523	35 421
Variable lease payments - Student residences	327 983	335 937
Low value leases - photocopy machines	4 864	3 449
Software licensing	10 936	11 844
Assessment rates & municipal charges	37 188	36 723
Telephone expenses	1 623	4 305
Periodicals (subscriptions to online journals and other academic materials)	7 920	10 044
Insurance	3 329	2 791
Professional fees	8 669	7 263
Consumables	2 554	2 809
Bank charges	1 146	1 274
Debt collection	2 700	3 136
Student related functions	4 130	1 787
Books and materials	1 432	1 046
Research and development costs	10 633	10 821
Membership fees	2 008	1 390
Training	2 863	2 145
Free study dependents	1 447	1 960
Council fees	-	1 859
Students sports body	2 462	2 337
Teaching aids	1 444	1 327
Conferences and workshops	2 587	1 676
Printing costs	732	1 147
Stationery	1 117	1 168

## 18. Other operating expenses (continued)

Petrol and oil	2 413	1 265
Travel- local	2 934	1 756
Branding	1 157	924
Obsolete stock provision	4 161	-
Other operating expenses	13 880	14 295
	<b>621 446</b>	<b>584 122</b>

## 19. Finance costs

Interest - post retirement medical aid obligation (note 4, page 37)	3 951	3 311
Interest paid- interest bearing loans	8 614	9 498
<b>Total finance costs</b>	<b>12 565</b>	<b>12 809</b>

## 20. Cash generated from/(used in) operations

Surplus for the year	(419)	127 057
<b>Adjustments for:</b> Depreciation and amortisation	61 810	55 536
Losses on disposals, scrapings and settlements of assets and liabilities	534	6 636
Finance income	(39 270)	(28 236)
Finance costs	12 565	12 809
Impairment of PPE	1 514	3 022
Prior period gains on assets	(6 328)	(5 174)
Other comprehensive income - actuarial loss	2 730	(2 751)
Prior year adjustment	-	7 212
Other comprehensive income	-	(8 309)
Fair valuation of investment	(114)	(290)
Transfer of WIP and deferred income	85 424	(3 065)
Impairment provision- Student debtors	114 868	340
Movement in post retirement obligations	(3 437)	1 918
Deferred income recognised	(15 009)	(1 981)
<b>Changes in working capital:</b>		
Inventories	4 138	1 194
Trade and other receivables	(135 628)	(148 478)
Trade and other payables	24 688	(88 410)
Restricted grants	76 428	42 401
	<b>184 494</b>	<b>(28 569)</b>

## 21. Prior period adjustment

The following prior period error was corrected following a retrospective approach where the correction was done from the earliest date practical, being 2022.

1. During the year it discovered that Deferred Income had a balance which could not be matched with corresponding assets. The balance was historical and could not determine the year it came from reliably. It resulted in Deferred income being overstated by R56 566 000 prior to 2022 financial year end. This was corrected an opening balance adjustment in the 2022 annual financial statements.

**The impact of the prior period errors on the Statement of Financial Position is as follows:**

### Statement of Financial Position

Opening retained earnings	-	56 566
Deferred income	-	(56 566)

## 22. Payment to Council and Administrators Committees for attendance of meetings

### To whom paid

#### Council members

M Morailane (Chairperson)	-	271
OM Galane	-	109
BA Makhathini	-	63
MT Msimang	-	79
S Makhunga	-	48
M Makhura	-	63
Z Zulu	-	65
HT Zwane	-	135
V Bhimma	-	86
B Kraziya	-	18
PL Buthelezi	-	23
L Mbatha	-	99
SS Mthethwa	-	60
NC Nyama	-	98
L Noge-Tungamirai	-	50
B Zulu	-	5
NS Mlaba	-	85
TL Toni	-	94
S Dlamini	-	141
SZ Mnyandu	-	189
Total Council members	-	1 781

#### Administrator

Prof LR van Staden - Administrator	3 382	882
MR Mokuele - Technical team member	2 553	635
PK Slack - Technical team member	2 258	375
Dr D Naidoo - Technical team member	2 254	375
Total Administrator	10 447	2 267
	<b>10 447</b>	<b>4 048</b>

The Minister of Higher Education, Science and Innovation, Dr BE Nzimande dissolved the Council of MUT and appointed an Administrator to MUT effective 28 September 2022 as per Government Gazette No 44280, dated 10 October 2022. The Administrator is Prof LR van Staden. The Administrator has appointed a technical team to assist him in carrying out his mandate. The Administrator has been appointed for a 24-month period from effective date.

### 23. Compensation paid to Senior Management and Administrative Staff

The following disclosure relates to the compensation paid to members of the Executive, Deans and other senior management of the University for the year ended 31 December 2023 as defined in the Statute of the University. Gross remuneration, for the purposes of the Higher Education Act, is based on the cost of employment to the University and comprises flexible remuneration packages, suitably annualised, where applicable and is inclusive of the employer's contributions to health and post retirement benefits. All these benefits fall within the category of short-term employee benefits. Exceptional payments, if any, to Executive and senior management have been included in the annualised gross remuneration and are disclosed separately below where applicable.

NAMES	Offices Held	2023	2022
Dr ED Malaza	Vice-Chancellor & Principal	-	1 940
Prof MRamogale	Acting Vice-Chancellor and Principal	4 018	3 411
Prof N Sibiya (appt 01/09/2022)	DVC: Research, Innovation and Engagements	3 338	903
Dr CM Israel (appt 01/08/2022)		1 995	696
Mr G Govender	Snr Director: Office of the Vice-Chancellor	1 864	1 761
D Brijlal (appt 01/11/2021)	Snr Director: Human Resources and Development	1 852	1 640
MHL Kau	Interim Snr Director: Operations	1 800	1 587
F Madhi	Snr Director: Legal Services	2 223	2 041
Dr JMMakua	Acting DVC: Teaching and Learning	2 383	2 212
EMF Mkhize	Snr Director: MARCOMMS	1 995	1 775
MT Khumalo	Snr Director: Operations	-	1 993
Dr N Mosala-Bryant	Snr Director: Library	1 936	1 703
Dr PR Gumede	Acting Snr Director: TLDC	1 367	1 303
Dr PP Masala	Registrar	2 250	1 906
Dr M de Swardt	Snr Director: ITN	2 223	1 989
Dr JF van Koller	Acting DVC: Resources and Planning	2 357	2 135
Dr NJ Mabaso	Acting DVC: Resources and Planning	-	1 444
R Delomoney	Chief Financial Officer	2 360	2 135
Dr BA Ntshangase	Acting Dean Management Sciences	1 802	1 710
Dr LT Kweyama	Dean of Students	1 901	1 680
Prof BF Bakare	Acting Dean Engineering	1 499	1 420
Prof M Coopoosamy	Acting Dean Natural Sciences	1 830	1 740
		<b>40 993</b>	<b>39 124</b>

#### Exceptional payments

During the year ended 31 December 2022 settlement agreements were agreed with three executives (Dr ED Malaza, Dr NJ Mabaso and Mr MT Khumalo) in terms of the disputes that were resolved at the CCMA. This resulted in the following settlements: Dr ED Malaza (R1 600 000), Dr NJ Mabaso (R1 100 000), and Mr MTKhumalo (R1 400 000). Other than the ones stated above no other exceptional payments in excess of R 249 999 were made to the members of the executive and senior management for the years ended in 2022 and 2023. Exceptional payments as defined for this purpose in terms of the Higher Education Act include special bonuses and exceptional amounts arising out of the termination of employment with the University.

## 24. Taxation

### Income Taxation

Mangosuthu University of Technology is exempt from South African normal taxation in terms of Section 10(1) (cA)(i) of the Income Tax Act and therefore no provision has been made for taxation.

First Ready Development 143 NPC, a subsidiary of the university, has no tax exemption. However, the company is dormant and there is no tax obligation that flows through the group. No tax returns have been submitted to SARS; the company is rectifying the compliance.

### Value Added Tax

The University is registered as a VAT vendor. Educational services are an exempt supply under section 12(h) of the VAT Act of 1991. Under current legislation, tuition fees, accommodation fees and some state funded research grants have no VAT implications.

First Ready Development 143 NPC is not registered for VAT as its primary asset is a building, and this building is defined under the VAT act as a dwelling for SARS purposes which is not vat-able (refer to note 29 for further explanation).

## 25. Related parties

### Relationships

Subsidiaries  
Shareholder with significant influence  
Members of Council  
Members of senior management

First Ready Development 143 NPC - refer to note 29  
Department of Higher Education (DHET)  
Refer to note 22  
Refer to note 23

### Related party balances

#### Restricted grants

DHET restricted grants	870 083	725 943
------------------------	---------	---------

### Related party transactions

#### Grants received

DHET Block grant	465 145	457 120
DHET Restricted grants	194 276	72 720

## 26. Financial risk management

### Categories of financial instruments

#### Categories of financial assets

##### 2023

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	8	3 767	-	3 767	3 767
Trade and other receivables	7	-	407 118	407 118	-
Cash and cash equivalents	9	-	1 291 928	1 291 928	-
		<b>3 767</b>	<b>1 699 046</b>	<b>1 702 813</b>	<b>3 767</b>

##### 2022

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	8	3 653	-	3 653	3 653
Trade and other receivables	7	-	386 358	386 358	-
Cash and cash equivalents	9	-	1 123 362	1 123 362	-
		<b>3 653</b>	<b>1 509 720</b>	<b>1 513 373</b>	<b>3 653</b>

#### Categories of financial liabilities

##### 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	100 797	100 797	-
Borrowings	11	66 076	66 076	-
		<b>166 873</b>	<b>166 873</b>	<b>-</b>

##### 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	106 784	106 784	-
Borrowings	11	72 942	72 942	-
Bank overdraft	9	856	856	-
		<b>180 582</b>	<b>180 582</b>	<b>-</b>

## 26. Financial risk management (continued)

### Financial risk management

#### Overview

The Mangosuthu University of Technology is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The University's financial instruments consist primarily of deposits with registered Grade A commercial Banks, student accounts receivable and trade payables, interest bearing loans and borrowings.

The University Council has overall responsibility for the establishment and oversight of the University's risk profile. Council has established an Audit, Risk and Compliance Committee (ARCC) to develop monitor and manage the University's risk management policies on its behalf and Executive management is responsible for implementing, managing and complying with selected risk management strategies.

All potential risks are identified, evaluated and managed as appropriate. Risk management policies, systems and procedures are reviewed regularly to reflect changes in market conditions, the higher education sector and in the University's operating environment. The Chairperson of the respective committee, the Vice-Chancellor and other members of Executive management report regularly to the Council on risk management activities and results. The University, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees, students and other stakeholders understand their roles and obligations.

The University's policies regarding insurance and risk cover are set and monitored by the ARCC. Likewise, decisions on the level of financial risk are taken by the ARCC and enforced by the University's Finance Division in terms of established limits by reference, in each case, to the particular transaction type, the monetary amounts and the counterparties involved. The University is exposed to market risk as

it holds an investment in funds which are significantly affected by fluctuations in market conditions.

The University is exposed to changes in market prices through its investment in unit trust funds with Old Mutual. This investment was taken out in 1999 and is subject to fluctuations in the market prices of the units it is invested in. (Refer note 8)

Interest rate risk: The University is exposed to interest rate risk through the funds it has invested in call accounts with various financial institutions with interest rates linked to the repo rate.

There has been no change to the University exposure to market risks during the year of assessment or the manner in which these risks are managed and measured.

#### Credit risk

The University's potential concentrations of credit risk consist mainly of short-term cash, cash equivalent investments and trade and other receivables.

The University places cash and cash equivalents with reputable financial institutions. The maximum exposure approximates the carrying amount.

The University's credit risk exposure is represented primarily by the net aggregate balance of amounts receivable in respect of unpaid student fees and general trade receivables. Collateral measures include the withholding of the certificates and the refusal to allow students in default of their financial obligations to register in the ensuing academic year unless a debt payment plan has been committed to. Debt collection

procedures are applied as diligently as circumstances permit in such a way as to minimise risk and related collection costs. As a general principle, no collateral is required for general trade debtors and other receivables. The University grants registration concessions to students at the discretion of Executive Management.

The University provides for expected credit losses in respect of student-related receivables (student fee debtors) and other trade receivables to the extent that these can be reliably and conservatively determined, having regard to the credit risk experience and payment history of the particular categories of debtors.

## 26. Financial risk management (continued)

### Liquidity risk

The University manages its liquidity risk by monitoring its daily cash flow to ensure that surpluses are optimally invested, and that adequate cash is available to meet its day-to-day operations in the short and medium-terms, based on rolling cash flow projections and good working capital management. The University adopts a diversified investment strategy with specified major financial institutions, each of which is required to be accredited according to the University's Investment Policy and has no significant concentration of credit risk with any single counter-party.

The timing and cyclical nature of the University's cash inflows and outflows are such that liquidity problems are likely to occur in the first quarter of the year. The University has access to funds through its short-term deposits in the event that any unforeseen event occurs.

### Market risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and

equity prices) will affect the University's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within the acceptable parameters, while optimising the return

#### a) Interest rate risk

The University's borrowings used to finance its operations are at fixed rates of interest. The level of borrowings and consequently, the debt servicing costs are closely monitored and controlled by the Finance Committee on behalf of Council, having regard to the prevailing and projected interest rates and the University's capacity to service such debt from future earnings.

#### b) Foreign exchange risk

The University has minimal exposure to foreign exchange risk.

### Fair value versus carrying value

The fair value of the financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	2023		2022	
	Carrying amount	Fair Value	Carrying amount	Fair value
Cash and cash equivalents	1 291 928	1 291 928	1 123 362	1 123 362
Interest bearing loans	(66 076)	(66 076)	(72 942)	(72 942)
	<b>1 225 852</b>	<b>1 225 852</b>	<b>1 050 420</b>	<b>1 050 420</b>

### Basis for determining fair values

The following summarises the significant methods and assumptions used in estimating the fair values of the financial instruments reflected in the table above.

#### a) Cash and cash equivalents

The fair value of cash and cash equivalents is assumed to be equal to its carrying value, which is based on the year-end actual bank balances as reflected on the bank statements.

#### b) Employee benefits

The fair value of the employee benefits obligation is based on the actuarial valuation more fully disclosed on note 4 of these financial

## 26. Financial risk management (continued)

### c) Interest bearing loans

The fair value is assumed to be equal to its carrying value which is based upon the actual amortisation table from ABSA.

### Interest rate sensitivity analysis

The University only has long term borrowings from ABSA as disclosed in note 11.

The interest rate on these loans is fixed and therefore not subject to fluctuations in interest rates. Therefore, no interest rate sensitivity is provided.

### Credit risk

At the reporting date, the University has significant credit risk in respect of students who are self-funded.

#### Credit losses

Refer to note 7 for the ageing of student receivables.

### Liquidity risk - contractual cash flows

The following are the contractual cash flows of the financial liabilities that are maturing over different periods, including interest payments and excluding the impact of netting agreements.

#### 31 December 2023

	Carrying amount R'000	Contractual cash flows R'000	6 months or less R'000	6 - 12 months R'000	>1 year R'000
Trade and other payables	100 797	100 797	100 797	-	-
Interest bearing loans	66 076	96 712	7 740	7 740	81 232
	<b>166 873</b>	<b>197 509</b>	<b>108 537</b>	<b>7 740</b>	<b>81 232</b>

#### 31 December 2022

	Carrying amount R'000	Contractual cash flows R'000	6 months or less R'000	6 - 12 months R'000	>1 year R'000
Trade and other payables	106 784	106 784	106 784	-	-
Interest bearing loans	72 942	112 192	7 740	7 740	96 712
	<b>179 726</b>	<b>218 976</b>	<b>114 524</b>	<b>7 740</b>	<b>96 712</b>

## Accounting classification and fair values

### Fair value hierarchy

The table below analyses financial instruments measured at fair value, or items for which the disclosure of fair value is required, by valuation method. The different levels have been defined as follows:

#### 2023

	Level 2 R'000	Total
Investment at fair value	3 767	3 767
	<b>3 767</b>	<b>3 767</b>

## 26. Financial risk management (continued)

### Investment at fair values

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

1. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
2. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices), or indirectly (i.e. derived from prices).
3. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### Fair value sensitivity in respect of level 3 Property, Plant and Equipment

The note details the methodology and sensitivity of the determined fair value of the assets that are prior period gains as reflected in note 2. The existing asset base was used to provide cost data that was used as a base from which fair value may be determined and adjusted these values using applicable CPI, and condition assessment.

### CPI Adjustment

Due to the age of the University and the history associated with the asset register data, only assets that have been purchased in the last 5 years were considered for use in the determination of fair value.

### Median value

To ensure that outlier values have limited effect on the fair value determination, the median of all adjusted values for assets with the same descriptions will be determined.

### Traded value

Where identified assets do not fall into a category from which value can be derived, and then the value will be as per quoted prices in an active and liquid market. Where market values are not available, estimates can be made with reference to

the market value of assets with similar characteristics, or with reference to an arm's length transaction concluded for similar assets. Internet based searches were used to provide a useful resource for current pricing.

### Condition

The final factor that was considered is condition. Because no information relating to the age of the asset is available, the assumption is that the asset is not new and as such, a factor must be applied to the median value to ensure that it is a fair representation of the economic value of the asset in its current condition.

The university assets economic life is realised through use, the fair value was determined in order to recognise the asset, which will in future be the cost of the asset therefore the above unobservable inputs would not have significant impact to the asset recoverable amount initial recognition.

### Fair value sensitivity in respect of level 2

#### Investments at Fair Value

The investment is held with Old Mutual and is invested in two funds namely Nedgroup Investment SA Equity fund R-class and Old Mutual Money Market

## 27. Contingencies

1. Litigation is in progress against Mangosuthu University of Technology from the parents of a former student who was shot and killed at one of the University's external residences. The claim documents reflect the amount of R10 050 000 being claimed.

The matter is being defended by the University's legal directorate who are aware of the discrepancy in the total claim value and will be using this as part of the defense in this matter.

2. As a result of non-submission of tax returns for First Ready Development 143 NPC, we are not aware of any and have not recognised any tax implications that will flow from the submission of the tax returns. There is a process underway to finalise the tax assessments with SARS (refer to note 33 for further information).

## 28. Contingent asset

The University and NSFAS embarked on a "Close-out" process for the academic years 2017 to 2022. This "Close -out" project which was initiated by NSFAS is in its final stages of verification by NSFAS.

NSFAS issued the University with a finalisation letter in July 2022 advising of the outcome of the close-out project for the respective years. The communication from NSFAS acknowledges NSFAS's total exposure to the University of R193 645 000 after taking into consideration any overpayments.

Subsequent to this letter, NSFAS appointed other consultants to assist with the project. MUT has been engaging with NSFAS through these consultants and is in the process of finalising its response to NSFAS. The reports and calculations performed indicate that NSFAS owe MUT R338 552 556 for the years subject to close-out. This excludes disputed amounts that NSFAS has not agreed to.

## 29. Interests in subsidiaries - First Ready Development 143 NPC

Included in Mangosuthu University of Technology's Property, Plant and Equipment balance is the student residence known as the "Executive Hotel". This property is owned by First Ready Development 143 NPC, a company specifically formed in 1998 by the then Council and management of MUT for the purpose of acquiring the property to be used as student residence for Mangosuthu University of Technology's students. The property was acquired in 1999 at a cost price of R3 500 000. The carrying value of this property as at 31 December 2023 is R22 895 977 (as per the latest valuation conducted as at 31 December 2019). The property has been used as student accommodation since acquisition.

A process is underway to appoint a new board of directors. The company is in the process of amending its Memorandum of Incorporation.

The property is accounted for in the financial records of MUT and all related revenues and expenditures (including capital expenditure) are also accounted for in the financial records of the University. This was done because there were no separate accounting records of the company and in substance the company is controlled by Mangosuthu University of Technology. Mangosuthu University of Technology's financial statements

are reported as consolidated financial statements as a result of assets, revenue and expenditure of this entity being included in the accounting records of Mangosuthu University of Technology and reported as such in the annual financial statements.

The student accommodation that is provided is primarily used for the purposes of a dwelling and therefore regarded as exempt from VAT.

The accommodation fee per student for this residence is R14 880 (2022: R13 900) per semester. The residence has a capacity of 240 students. This residence was not occupied in the 2023 academic year and thus no income was earned from this residence.

### Contingent liability

The company is a non-profit company. The company is registered for income tax. There is no record of the submission of income tax returns for the company. The Mangosuthu University of Technology has commenced the process of addressing this matter in order to further engage with SARS. Therefore, there exists a contingent liability in respect of potential income tax payable on possible taxable income of the company from the time it commenced trading. There is also a contingency in respect of penalties and interest on such income tax. However, at this stage of the process, it is not possible to reliably estimate the amount of this liability. MUT appointed tax specialist through a professional services firm to attend to all tax aspects that may arise in respect of the company.

## 30. Going concern

We draw attention to the fact that at 31 December 2023, the Mangosuthu University of Technology had accumulated surplus of R625 377 000 (2022: R623 066 000) and that the Mangosuthu University of Technology's total assets exceed its liabilities by R1 152 089 000 (2022: R1 149 778 000).

The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

## 31. Events after the reporting period

The University has determined that there are no subsequent events.

## 32. New Standards and Interpretations

### 31.1 Standards and amendments adopted in the current year

There are no new standards that apply to MUT in the current year.

### 31.2 Standards and interpretations not yet effective

The university has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the university's accounting periods beginning on or after January 1, 2024 or later periods:

#### Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after January 1, 2025.

The university does not envisage the adoption of the amendment until such time as it becomes applicable to the university's operations.

It is unlikely that the amendment will have a material impact on the university's consolidated financial statements.

#### Supplier finance arrangements - amendments to IAS 7 and IFRS 7

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendment is for years beginning on or after January 1, 2024. The university does not envisage the adoption of the amendment until such time as it becomes applicable to the university's operations

It is unlikely that the amendment will have a material impact on the university's consolidated financial statements.

#### Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after January 1, 2024. The university does not envisage the adoption of the

amendment until such time as it becomes applicable to the university's operations. It is unlikely that the amendment will have a material impact on the university's consolidated financial statements.

### **Lease liability in a sale and leaseback**

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after January 1, 2024.

It is unlikely that the amendment will have a material impact on the university's consolidated financial statements.

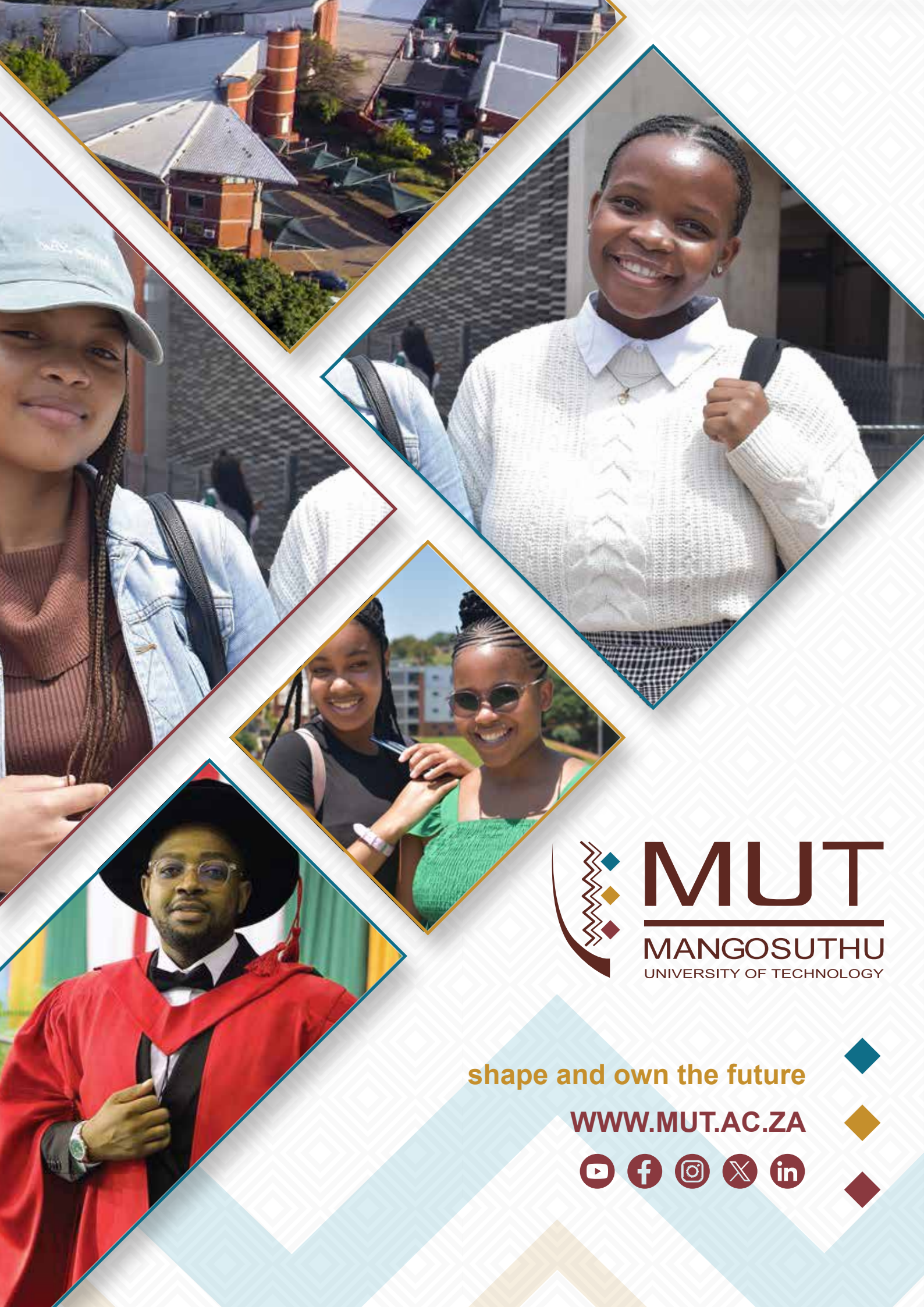
### **Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The effective date is for annual reporting periods beginning on or after 1 January 2024. This will not have any impact on MUT as the Universities does not have any liabilities with uncertain settlement dates.

### **33. Comparative figures**

Certain comparative figures have been reclassified



**MUT**  
**MANGOSUTHU**  
UNIVERSITY OF TECHNOLOGY

shape and own the future

[WWW.MUT.AC.ZA](http://WWW.MUT.AC.ZA)

