



**RHODES UNIVERSITY**

*Where leaders learn*

Vis Virtus Veritas – Strength Courage Truth

## ANNUAL REPORT 2018



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# RHODES UNIVERSITY

## ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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### I. ACRONYMS

ACRONYM/TERM	DEFINITION
APP	Annual Performance Plan
CA	Communications and Advancement
CE	Community Engagement
CHERTL	Centre for Higher Education Research, Teaching & Learning
DHET	Department of Higher Education and Training
DVC: A & SA	Deputy Vice-Chancellor Academic & Student Affairs
DVC: RD	Deputy Vice-Chancellor Research & Development
ED: IOF	Executive Director: Infrastructure, Operations & Finance
FTE	Full Time Equivalent
GRADUATION RATE	The number of students who graduated within a year to the number of enrolled students within the same year (including cancellations). $\text{Graduated (Year n) / Enrolled (Year n) } \times 100$
HE	Higher Education
HEIS	Higher Education Institutions
HELTASA	Higher Education Learning and Teaching Association of Southern Africa
HEMIS	Higher Education Management Information System
HEQC	Higher Education Quality Committee
HEQSF	Higher Education Qualification Sub-Framework
HR	Human Resources
ICT	Information and Communication Technologies
IEF	Infrastructure & Efficiency Funding
IPU	Institutional Planning Unit
ITS	Information Technology Service
I/R STAFF	Instructional / Research Staff
KPI	Key Performance Indicators
NA	Not applicable
NGAP	Next Generation of Academics Programme
NDP - 2030	National Development Plan
NGO	Non-Governmental Organization
NPHE	National Plan for Higher Education
NRF	National Research Foundation
PC	Personal Computer
PG	Postgraduates
PHD	Doctor of Philosophy
PGDIP	Post-Graduate Diploma
PQM	Programme Qualification Mix
RU	Rhodes University
SARCHI	The South African Research Chairs Initiative
SET	Science, Engineering & Technology
SUCCESS RATE	$\text{FTE credited / FTE enrolled (Incl. cancellations) } \times 100$
UCDG	University Capacity Development Grant
UG	Undergraduates
VC	Vice-Chancellor

## II. INSTITUTIONAL GOVERNANCE AND MANAGEMENT INFORMATION

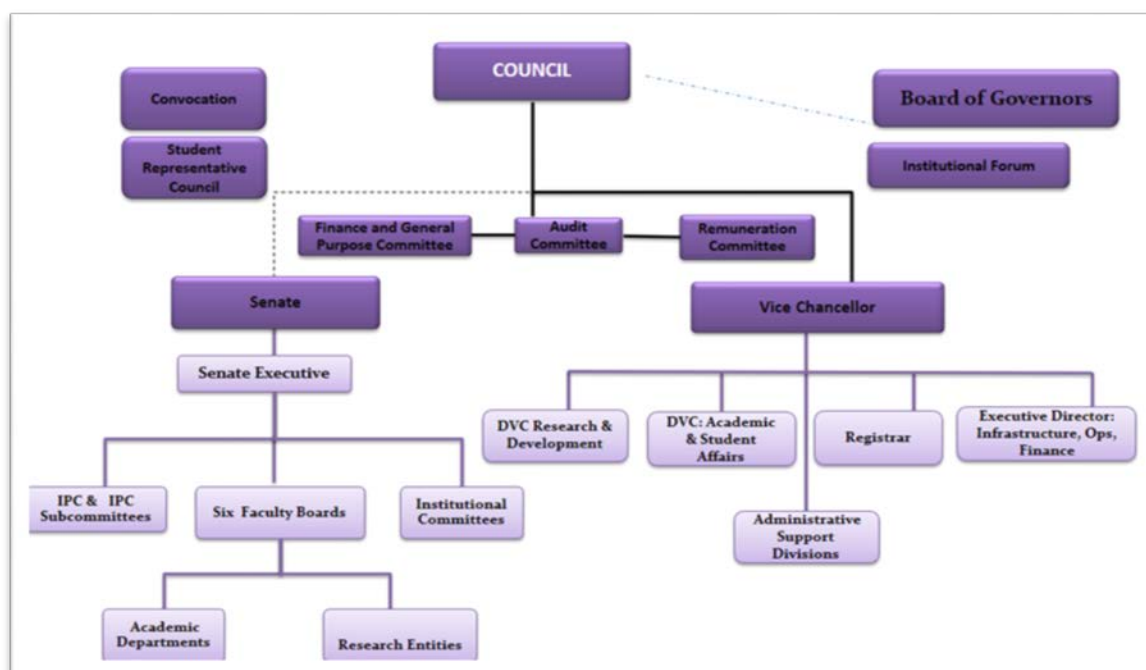
### *Organizational Structure*

The Chancellor is the titular head of Rhodes University and is empowered in the name of the University to confer all degrees. The Vice-Chancellor and Principal is the chief academic and administrative officer of the University. The University Executive comprises the Vice-Chancellor and Principal, the Deputy Vice-Chancellor (Academic and Student Affairs), the Deputy Vice-Chancellor (Research and Development), the Registrar and the Executive Director: Infrastructure, Operations and Finance.

The academic structure of Rhodes University is organised around six faculties: Humanities, Science, Commerce, Pharmacy, Law, and Education. Each academic faculty is led by a Dean. There are thirty-five academic departments within the six faculties. These provide an extensive range of undergraduate and postgraduate degrees and research interests for students and academics. Each academic department is led by the Head of Department. Rhodes University also has a number of research institutes and centres.

Rhodes University's administrative and support divisions provide support for the operations of the University and contribute to the attainment of the strategic goals of the University. The divisions include: Student Affairs, Human Resources, Finance, Library Services, Special Services, Institutional Planning, Internationalization, Communications and Advancement, Equity and Institutional Culture, Research, Information Technology Services, Estates and Residences. The administrative and support divisions are led by their respective Directors.

### *Governance & Management Organogram in 2018*



## **1. ANNUAL PERFORMANCE ASSESSMENT REPORT OF THE APP**

### **1.1 Background**

Rhodes is a relatively small university (approximately 8000 students), but enjoys the distinction of having among the best undergraduate success and graduation rates in South Africa. This is testimony to the quality of students that Rhodes attracts and to the academic provision made for them, and also to the commitment of Rhodes staff to student development and success.

Table 1 presents a detailed set of enrolment indicators; access indicators, success indicators, and efficiency indicators, as well as research indicators. These indicators include the University's ministerially approved enrolment targets for 2018 in the current enrolment cycle (2013 to 2019).

Each key performance indicator in Table 1 is associated with the actual score for the previous year (2017), the target for the reporting year (2018) and the actual score for the reporting year. A colour-coded performance indicator column is provided for easier assessment of each indicator. In the colour-code scheme, green represents excellent performance, yellow represents good performance, while red represents poor performance. The last column to the right of Table 1 provides comments/remarks or possible explanations of deviations from the targeted performance score for each KPI.<sup>1</sup>

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<sup>1</sup> Some Enrolment KPIs in Table 1 may vary slightly from the final outcome when figures are finalized following third HEMIS submission.

# RHODES UNIVERSITY

## ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Enrolment KPI	Year-end Actual 2017	Year-end target 2018	Year-end actual 2018	Performance Score	Comments/Remarks on Deviations
<b>A. ACCESS</b>					
Headcount totals	8077	8367	8150		Need to increase visibility and marketing through open days and partnerships with local schools.
First-time entering undergraduates	1339	1676	1361		Need to increase visibility and marketing through open days and partnerships with local schools.
Headcount enrolments (Foundation Provisioning)	159	150	151		Development of 'flexible curriculum' using extended, augmenting and fully foundational courses.
Headcount enrolments total UG	5661	5937	5660		Need to increase visibility and marketing through open days and partnerships with local schools.
Headcount enrolments total PG	2416	2430	2490		Targeted marketing of postgraduate programmes.
Science, engineering, technology	2468	2322	2437		Though target is met, in certain areas there is a need to increase visibility and marketing through open days and partnerships with local schools.
Business/management	1480	1648	1377		Increase visibility and marketing through open days and partnerships with local schools.
Education	1071	1005	1178		Student recruitment and retention strategies in education are bearing fruit.
Other humanities	3058	3392	3158		Increase visibility and marketing through open days and partnerships with local schools.
Distance education enrolments	0	0	0	NA	
<b>B. SUCCESS</b>					
Graduates UG	1454	1350	1220		Development of 'flexible curriculum' using extended, augmenting and fully foundational courses. Embedding of support for language/reading/writing in the curriculum. Extended Orientation Programme. All activities funded by UCDG.
Graduates PG	1038	1180	1093		Activities of Postgraduate Centre: Support for writing, research design, and supervisor development courses.
Success rates(All)	83%	84%	UG 83% All 79%		There are still Masters and PhDs under examination and it is likely that by the 3 <sup>rd</sup> submission of HEMIS the overall success rate will reach the target for 2018.
Engineering graduates	0	0	0		
Life and physical sciences graduates	146	156	132		Embedment of support for language/reading/writing in the curriculum. Extended Orientation Programme.

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**FOR THE YEAR ENDED 31 DECEMBER 2018**

Animal and human health graduates	160	155	155	Embedment of support for language/reading/writing in the curriculum. Extended Orientation Programme.
Teacher education graduates	203	220	202	Embedment of support for language/reading/writing in the curriculum. Extended Orientation Programme.
Success rate in scarce skills	92%	88%	89%	Embedment of support for language/reading/writing in the curriculum. Extended Orientation Programme.
<b>C. EFFICIENCY</b>				
Headcount of permanent instructional/research professional staff	322	356	356	Rhodes University recognizes the scarcity of qualified academics in the country. To this, a number of initiatives have been articulated in the HR plan to ensure retention and attraction of qualified staff.
% Staff with doctoral degrees	53%	55%	58%	There is a strong focus on improving staff doctoral qualifications. Sabbatical Grants are granted to complete PhDs.
Number of nGap staff	7	10	15	Rhodes University has been remarkably successful with its proposals to DHET for nGap positions.
Ratio of FTE students to FTE instructional/research staff	15.9	14.1	14.9	The student to teacher ratio at Rhodes University is carefully planned to ensure participatory learning experiences of our students. Each student receives personal attention for authentic learning experience.
<b>D. RESEARCH</b>				
Total research output units	823	736	1671	The research office is providing necessary support to Rhodes University researchers with the support of UCDG.
Publication units per I/R staff	1.41	1.1	1.56	The research office is providing necessary support to Rhodes University researchers with the support of UCDG.
Research masters graduates	259	195	260	Activities of Postgraduate Centre: Support for writing, research design, supervisor development courses
Doctoral graduates	108	71	98	Activities of Postgraduate Centre: Support for writing, research design, supervisor development courses

Table 1: Ministerial Approved Enrolment Targets

KEY: Poor Good Excellent

  
Dr S Mabizela  
Vice-Chancellor

Mr V D Kahla  
Chairperson of Council  
Date: 27 June 2019



**RHODES UNIVERSITY**

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**2. REPORT OF THE CHAIRPERSON OF COUNCIL**


In 2018, the Council performed its fiduciary duties with dedication and commitment. This is testament to the fact that all the meetings of Council were held as scheduled, with 79% average attendance, a three percentage point increase from 2017(76%). Members of Council of receive no session allowances/remuneration for their immense contribution to the governance oversight of the University. I commend the members of Council for their selfless commitment towards the advancement of the University in the quest for the common public good. I also commend the management, staff and students on their various achievements in 2017.

It is evident from the enrolment KPIs in Table 1 that they excelled in the core mandates of teaching, learning and research in 2018. Students achieved undergraduate success rate of 83% - one of the best records in the higher education sector in South Africa. In 2018, the University achieved a total research output of 1671 research units, more than 100% above the target of 736 units set in 2018 APP. The University is punching above its weight in the sector, with a research output of approximately 1.6 units per academic staff member in 2018. Reports from faculties indicate active community engagement drives in the faculties. The overall academic success rate is underpinned by the research-teaching-community engagement nexus which enables our students to access powerful knowledge.

A challenge that calls for urgent attention is the issue of under-enrolment, particularly at undergraduate level. The University has identified the need for increased visibility and marketing through open days and partnerships with schools as a recruitment strategy. This problem is exacerbated by the yearly average of 200 students in good academic standing who do not return to register in subsequent years of their academic progression. Although this aspect is not uniquely challenging, the University is working towards understanding the phenomenon better in order to formulate mitigating strategies.

In terms of transformation of the staff demographic profile, steady progress is evidenced in the Lecturer and Senior Lecturer categories. There is further progress in the appointment of under-represented employees in the support staff category, in line with the employment equity imperatives of the University.

The 2018 financial statements indicate that operational expenditure was within the budgeted target. However, the pressure on cash flow has been considerable.



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*V D Kahla*  
*Chairperson of Council*  
*Date: 27 June 2019*



### **3. COUNCIL'S STATEMENT ON GOVERNANCE**

#### **3.1 Statutory Governance Information**

Rhodes University subscribes to the founding principles of the constitution of the Republic of South Africa. The University, in line with the Higher Education Act 101 (1997 as amended), embraces the principles of good governance, promoting cooperative governance, at all levels and within all committees. In the spirit of cooperative governance, it has also adopted the King IV principles of good governance. The University works cooperatively with government, civil society constituencies as well as intra-institutionally. In this regard, the NCHE proposed model of cooperative governance is espoused and embraced. There is a shared sense of power, accountability and responsibility from all participants within the Institution. The model of cooperative governance also embraces the responsibility of Council as provided for by the NCHE. Cooperative governance at also adopts the spirit of the Higher Education White Paper 3: this not only assumes a co-operative relationship between the State and the University, but also recognises that institutional autonomy is to be exercised in tandem with public accountability.

Directly inherent in the discharge of the mandate of the University is the observance of regulations/policies that govern the operations of public higher education institutions. These include but are not limited to the listed regulations/policies:

- Higher Education Act 101 of 1997 as amended
- National Qualifications Framework Act 67 of 2008
- Labour Relations Act 66 of 1995
- Basic Conditions of Employment Act 75 of 1997
- Equity Act 55 of 1998
- Intellectual Property from Publicly Financed Research and Development Act 51 of 2008
- White Paper on Post-School Education and Training (2014)
- Higher Education Qualifications Sub-Framework
- White Paper 3 of 1997
- National Plan for HE (2001)
- Regulations for Reporting by Public Higher Education Institutions (DHET Gazette No. 37726, 2014).

#### **3.2 Composition of Council**

The composition of Council is presented in Table 2.

Constituency		Number of Representatives
Ministerial Appointee		6
Executive Management		3
Secretary (Registrar)		-
SENATE Representative		4
Board of Governors		1
Senior Management Staff (In attendance)		9
SRC		2
Staff Reps Admin		2
Staff Reps Academic		1
Makana Municipality representatives		2
Adopted by Council		5
Co-opted		3
<b>Total</b>	<b>Members</b>	<b>29</b>
	<b>In attendance</b>	<b>9</b>
<b>Grand Total</b>		<b>38</b>

*Table 2: Composition of Council of Rhodes University*

### **3. COUNCIL'S STATEMENT ON GOVERNANCE (Continued)**

#### **3.3 Summary of Attendance at Meetings of Council and Committees of Council**

As per Table 3 below, Council comprises the Committees as outlined. Summary of attendance at meetings is also provided in Table 3.

Name of committee Meeting	Number Scheduled	Number Held	Average % Attendance
COUNCIL	5	5	79%
Finance & General Purposes Committee	4	4	85%
Audit Committee	4	4	62.5%

*Table 3: Council Committees & Attendance of Meetings*

#### **3.4 Major statements/decisions of council in 2018**

##### ***Policies/Reports/Plans Approved in 2018***

At the meetings of Council in 2018, the following

Policies/Proposals/Budgets/Reports/Plans/Framework documents were approved:

- a) Institutional Development Plan (IDP)

Council APPROVED the Institutional Development Plan (2018 -2022).

- b) Annual Performance Plan 2018 (APP)

Council NOTED and APPROVED the 2018 Annual Performance Plan as presented by the Director: IPU.

- c) Adoption of King IV Principles of Good Governance

Council ADOPTED the King IV Principles of Good Governance following Council's special workshop on good governance.

- d) 2017 Annual Report

Council APPROVED the Rhodes University Annual Report for the year ended 31 December 2017.

- e) Major Infrastructure Project/s

Council APPROVED the award of the tender for Refurbishment of Bio-Sciences Building.

- f) Student Disciplinary Code

Council APPROVED the amendments to the Student Disciplinary Code.

- g) Policies

Council approved the following policies

- **Recruitment and Selection Policy**
- **Job Evaluation Policy**
- **Training and Development Policy**
- **Employment of Internationals Policy**

- h) Budget 2019

Council CONFIRMED its approval of the 2019 budget

### **3. COUNCIL'S STATEMENT ON GOVERNANCE (Continued)**

#### **3.5 Statement on IT Governance**

##### ***IT Governance Framework***

The University does not comply with either COBIT5 or ITIL V3 frameworks. Aspects of each are applied for governance controls. Adoption of either of these standards is costly. There is collaboration and training within the sector regarding these frameworks and staff attend workshops to gain an understanding of the frameworks in order to apply appropriate aspects.

##### **Management and Monitoring of IT Assets**

IT Assets are placed on the University's central asset register. Network Infrastructure assets are replaced according to a cycle and the Divisional annual running grant is broken down into pockets of money used for specific purposes e.g. upgrading servers. Assets such as laptops and desktop PCs are managed through an upgrade process. Laboratory replacements are in a cycle. When new PCs are purchased for a lab, the next laboratory receives the PCs taken out of the refurbished laboratory and staff receive the PCs no longer in use.

##### ***Significant IT Investment***

The Running Grant of the Information Technology division for 2018 was broken down into:

Internet Costs	R 2,892,000
Software Licences	R 5,555,000
Capital Equipment and Renewal	R 4,659,679
Running Grant	R 498,643
<b>Total</b>	<b>R13,605,322</b>

Capital Equipment and Renewal includes investment on renewing systems such as the Telephone system, HR and Payroll systems. ARCHIBUS system. System purchases are capitalised across the budget over four years. Investment for refurbishment of the student laboratories is not charged directly to the Division but is a centralised University expense.

##### **IT Related Policies/Committee**


The University has an Information and Technology Steering Committee that is a sub-committee of Senate. Strategic inputs from major technology-driven Divisions are tabled at the committee. The committee has representation from Information & Technology Services, Teaching & Learning, Library Services, Communication and Advancement, Academic Departments such as Computer Science and Information Systems and Finance. This committee discusses IT-related strategy and receives operating reports from Information and Technology Services, Library, Web Unit and the Computer Lab Sub-Committee. This committee signs off and approves the Governance controls regarding central financial systems and servers.

An annual IT General Controls review was performed by the external auditors PwC and tabled at the audit committee. The 2018 report was favourable with eleven issues tabled. Only two of these were categorised as High risk: one was resolved prior to the report and the other was work in progress during the 2018 year. It has since been resolved. Of the nine other findings four were resolved prior to the report being tabled at Audit committee, one was escalated to the third party server provider, three were items that remain on the list from prior years and one was resolved during the 2018 year.

### **3.5 COUNCIL'S STATEMENT ON GOVERNANCE (Continued)**

#### **IT Related Policies/Committee (continued)**

There is also a Modernisation Committee, chaired by the DVC: Research. This forum discusses and assesses business process and associated systems, approving or rejecting the appropriateness and suitability of intended changes to systems and processes affecting the wider University community.



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*V D Kahla*  
*Chairperson of Council*  
*Date: 27 June 2019*

## **4. COUNCIL'S STATEMENT ON SUSTAINABILITY**

### **Introduction**

The requirement for Universities to submit a sustainability report as part of the annual report is a requirement of the 2014 amendment to the Higher Education Act pertaining to the regulations for reporting by public higher education institutions. The guidelines provided in the implementation manual that forms part of the amended legislation signal that Universities are required to move towards triple bottom line reporting. However, detailed guidelines for such reporting have yet to be provided to the sector. This report, as per previous years, is therefore a brief, overview report in line with the guidance provided.

The definition and understanding of sustainability used as the basis or foundation for this report is as articulated by the Brundtland Commission, formally the United Nation's World Commission on Environment and Development:

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

a. Impact on the local economy

The University's Department of Economics & Economic History has determined that Rhodes University comprises some 60% to 65% of the GDP of the Makana municipal region. Some of the key factors contributing to this high proportion are:

- R42 million paid for municipal services in 2018;
- The University is by far the biggest employer in the region. This is underpinned by the University's commitment to "in-sourcing" support services such as cleaning, catering and facilities maintenance for social justice reasons – the local economy will be crippled should the University outsource these services;
- The University has committed itself in its recently revised procurement policy to strive to procure goods and services locally.

b. Social impact and transformation

In his inauguration address the Vice-Chancellor stated that the University must actively and purposively contribute to and participate in building a vibrant and sustainable Grahamstown community, and that the University recognizes and affirms that its future and success is inextricably bound to the future and success of the greater Grahamstown community and that it is deeply and intimately connected with the local community. Rhodes University declares unequivocally that the University is not just **in** Makana but is also **of** and **for** Makana. To this end he has committed to:

- I. Working with and alongside all levels of government to support the Municipality to fulfill its constitutional mandate for the benefit of all citizens of Makana;
- II. Establishing and fostering partnerships with stakeholders to address the enormous discrepancies in basic education schooling standards encountered in Grahamstown;
- III. Establishing Grahamstown as a wireless city in order to make the information and resources of the internet available to as many of the citizens of Makana as possible.

c. Financial sustainability

The Council of the University approved an institutional development plan (IDP) that will provide a "compass" for the strategic direction the University will take for the next ten years. This direction is informed by a financial sustainability plan approved by Council during 2017.

#### 4. COUNCIL'S STATEMENT ON SUSTAINABILITY (continued)

d. Student numbers

Detailed student statistics are provided elsewhere in this Annual Report. It is worth noting here however the level of the University's commitment to making the University accessible to students from poor and working class backgrounds. Over the past decade or so, the University has provided in excess of R200 million of its own funds (over and above the NSFAS allocation) to students requiring financial assistance. The recovery rate of these funds through NSFAS acting as an agency has not been successful, causing the University to engage the services of an external agency specializing in student debt.

e. Academic staff

The Department of Higher Education & Training has estimated that South Africa will be short of some 7000 academics by 2020. Arising out of its own experiences of the difficulty in appointing and retaining academic staff in certain disciplines, Rhodes University has developed a Staff Accelerated Development Program using Mellon and Kresge funding in order to "grow its own timber". This model has formed the basis of the national nGAP (new generation of academics program) developed by the DHET to address this issue nationally.

f. Environmental sustainability

Rhodes University is one of five South African universities to sign the Talloires Declaration in 1996 that commits the University to practising and promoting environmental literacy. The University's Environmental Sustainability Policy of 1998 is currently under review, and aims to promote environmental sustainability best practice within the ambit of the University's resource constraints. The University has also established a Green Fund to support learning and practice in respect of water, energy, waste, carbon footprint, biodiversity, green buildings, responsible purchasing, sustainable travel and sustainability education. New buildings on campus are designed to be as 'green' as possible (rain water harvesting, heat pumps, natural lighting and temperature control, motion sensors etc) within the constraints of the budget.

During 2017 the Vice Chancellor directed that sustainability should be incorporated in all areas and activities of the University – sustainability is one of the foundational principles of the Institutional Development Plan. Rhodes is therefore committed to resolutely pursue knowledge, understanding, critique and reason; to steadfastly continue to promote human dignity, equality, non-sexism and non-racialism, critical citizenship and all the human rights and freedoms that our Constitution proclaimed, and courageously and boldly to protect and assert the core values and purposes of a university, including advancing the public good, academic freedom, institutional autonomy and public accountability in ways that are sustainable, responsible and planned.



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Mr V D Kahla  
Chairperson of Council  
Date: 27 June 2019

## **5. THE STATEMENT OF COUNCIL ON TRANSFORMATION**

Our University remains resolute in its commitment to create and maintain an institutional environment that is positive, welcoming, affirming and supportive for all its staff and students. We are committed to providing our staff and students with a learning, living and working environment that is free of all forms of unlawful discrimination, harassment, prejudice and other forms of inappropriate behaviour; one which supports and encourages excellence and freedom of every student and staff member in an institutional environment that frees the potential of every student and staff of Rhodes University.

In 2018, Office of Equity & Institutional Culture had extensive and broad consultation of the University community which culminated in the preparation and finalisation of the Institutional Transformation Plan (ITP).

Multiple transformation related interventions in human resources have been undertaken at Rhodes University. These efforts have been undertaken in a targeted manner, with relevant strategies having been developed to advance transformation in the following categories:

- Recruitment and Selection;
- Training and Development;
- Promotions and Advancement;
- Policy Reviews;
- Eradication of Discriminatory Practices;
- Introduction of Statutory Committees;
- Institutional Culture and
- Employment Equity.

The attraction of staff to enhance the profile of the Institution has required a review of strategy, investment in new advertising methods and in relevant software. In terms of transformation of the staff demographic profile, steady progress is evidenced in the Lecturer and Senior Lecturer categories. There is further progress in the appointment of under-represented employees in the support staff category, in line with the employment equity imperatives of the University.

Providing upskilling and further development opportunities to staff has been prioritised. A learnership in Business Administration, NQF Level 4 was completed in 2018. Targeted training activities have seen good internal staff being promoted into higher-level positions.

The review of policies to ensure alignment with relevant legislation led to the revision of four transformation-related policies. These are:

- Recruitment and Selection Policy;
- Employment of International Staff Policy;
- Job Evaluation Policy and
- Staff Development Policy.

The University strives to avoid and, where necessary, eradicate practices which may seem to be unfair to certain groups of employees. In this respect, the pre-dawnie system has been dis-established with these employees having been migrated into full-term positions. Eight employees were insourced onto the permanent staffing structure of the University. Conditions of service are currently in the process of being harmonized.

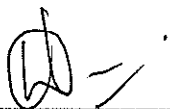
The introduction of statutory committees to advance transformation efforts at the University include the Employment Equity Committee and Skills Development Committee which meet quarterly. The committees comprise representatives from the various occupational categories and levels across the University.



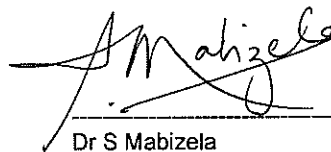
## 5. THE STATEMENT OF COUNCIL ON TRANSFORMATION (continued)

A leadership programme called the Nine Conversations in Leadership has been introduced in an effort to assist with transforming the institutional culture at the University and to support the broad objectives of the Institutional Development Plan.

The division of student affairs continued to provide various forms of support to students in need of support systems such as toiletries and pocket money, amongst others. In 2018, we continued to reasonably accommodate transgender students who were uncomfortable to live in residences. These students were accommodated in annexes that are attached to the residence system so that they can be still part of residence life. A task team has been established to explore the possibility of unisex residences. The Oppidan Office continued to support Oppidan students. One meal per day was occasionally provided to Oppidan students through donations received from the University community. A renaming ceremony of residences was held in April 2018 for the following houses: Robert Sobukwe House, Charlotte Maxeke House and Enoch Sontonga House.



Mr V D Kahla  
Chairperson of Council  
Date: 27 June 2019



Dr S Mabizela  
Vice-Chancellor

## 6. THE REPORT OF COUNCIL ON RISK ASSESSMENT AND MANAGEMENT OF RISK

The Risk Management Committee comprises the Vice-Chancellor, the two Deputy Vice-Chancellors, the Registrar, the Executive Director: Infrastructure, Operations and Finance and the Director of Special Projects, and is serviced by the Risk Management Unit.

The most significant risks facing the University, as in previous years, relate to the financial sustainability of the University, the allied inability to adequately maintain campus infrastructure, and the inability of the Makana Municipality to provide reliable basic services.

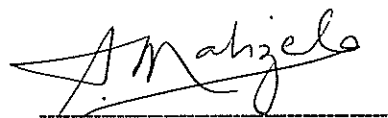
To ensure that all issues and concerns relating to safety, health and environment feed into the Risk Management Committee and ultimately to the Audit Committee, the Safety Health & Environment Committee of the University reports into the Risk Management Unit.

The Risk Management Unit continues to be the custodian of whistle blowing at the University and is tasked with reporting, and where required, investigating any reported allegations of corruption, theft and fraud. Investigations are undertaken when requested by the Vice-Chancellor. During the current year, two forensic investigations were carried out by the forensic unit of the internal audit firm. Appropriate action has been instituted against certain individuals, and where deemed appropriate criminal charges have been laid with the Commercial Crimes Unit. These events have given additional impetus to the modernisation of the financial system, which is being prioritised. The need for improved monitoring, oversight and better control over expenditure and disbursements has been emphasized to all levels of management both in academic departments and institutes and the administration.

The University is committed to a continuous, systematic and integrated process of University-wide risk management that enables the Council to assure stakeholders that risk within and to the university is managed in a diligent, methodical and substantive manner.



H C Staple  
Chairperson of Audit Committee  
Date: 27 June 2019



Dr S Mabizela  
Chairperson of Risk Management  
Committee

## **7. REPORT ON INTERNAL ADMINISTRATIVE/OPERATIONAL CONTROLS**

Rhodes University has implemented systems of internal control which are designed to provide reasonable assurance to the University and the Council that an operational environment is created and maintained which promotes the safeguarding of the University's assets and the preparation of reliable financial and other information.

The Council of the University has also appointed the Audit Committee to review governance and provide oversight over the systems of internal control and financial management and reporting.

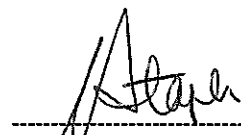
The financial and administrative Information Systems have been developed and implemented according to defined and documented standards to achieve efficiency, effectiveness, reliability and security. Generally accepted standards are applied to protect privacy and provide controls over all data, including disaster recovery and "back-up" procedures. As a result of increasing reporting and compliance requirements, particularly from Government, it has become clear that data interpretation and reporting requires increased attention. The University has embarked upon a review of the capability of its Information Systems. Supporting this review is a systematic appraisal of business processes and systems to identify processes and systems that have become cumbersome, out-dated or inadequate. Business processes and data flow are being evaluated and, where necessary, systems will be modernised or improved.

During the course of 2018 the modernisation of the University's financial system has been prioritised, and a task team chaired by the Executive Director: Infrastructure, Operations & Finance is conducting a thorough due diligence of the options and alternatives available in collaboration with the universities of the North West and Stellenbosch. The launch of the modernisation project is anticipated in July 2019.

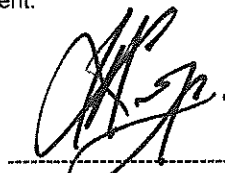
Internal controls and information systems are audited by the external auditors on an annual basis to ensure that the system controls were effective throughout the financial period under review. Transactions with staff, students and third parties receive close scrutiny for accuracy, compliance and efficiency. Procedures that are in place are continually reviewed to minimize the risk of fraud or error.

The University has embarked on a process of formalising and enhancing its risk management processes. This involves the identification of strategic and operational risks, the rating of these risks and the development of strategies to assist in the management of the institution to mitigate the risks which include the maintenance of effective systems of internal control.

Registered auditors, independent of the external auditors, perform selected internal audit assignments under the guidance of the Audit Committee and report findings and recommendations to this Committee of the Council. Corrective actions are taken to address control deficiencies and systems are continuously assessed to identify opportunities for improvement.



H C Staple  
Chairperson of Audit Committee  
Date: 27 June 2019



DR I L L'ANGE  
Executive Director: Infrastructure,  
Operations & Finance

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION**

The academic year 2018 has been an outstanding year for our University. Among the many highlights of this year, the finalisation and approval by Council of the Institutional Development Plan (IDP) and the Institutional Transformation Plan (ITP) was a significant achievement. The approval by Council of these strategic documents was a culmination of months of extensive consultation across all sectors of our University community in order to ensure that these policy documents enjoyed support from the entire University community.

We have recorded below some of the major highlights in various areas of the University operations.

### **Financial position**

Our University is in a good financial position. We must however continue to exercise judicious stewardship of all resources entrusted to our care in order to ensure financial sustainability of our University. The low economic growth in our country and the soaring levels of individual indebtedness place our University in a vulnerable position as students struggle to honour their debt to the University.

We need to intensify our efforts to attract unencumbered third-stream income in order to grow our reserves. Concerted efforts to establish a strong philanthropic base and support need to be made.

### **Research and Innovation highlights**

Our University ranks among the highly productive universities in respect of research outputs. In 2018 we remain at the forefront of pushing the frontiers of knowledge. Among the most significant highlights of 2018 are the following:

- *Publication Count – Research Subsidy*  
The 2017 Publication Count was finalised in May 2018 and submitted to the Department of Higher Education & Training (DHET). It was a 'bumper' year for Rhodes University with publication units earnings up by 15.6% on 2016. This was substantial growth in research output at Rhodes University. A larger than usual Research Report was published by November 2018.
- *Research funding attracted*
  - The A W Mellon Foundation awarded Rhodes University a grant of \$679 000 for the five year period 2019- 2023 for the consolidation and expansion of the Writers-in-Residence Programme. The Writers-in-Residence programme has been very successful over the past six years with two small grants (just over \$100 000 each) and in recognition of this, the larger five-year grant was approved after submission of a new proposal.
  - A second grant of \$46 000 was received under the Mellon Artists-in-Residence programme after a submission of a proposal to host Mr Paul Hanmer, a notable pianist and composer, in the Department of Music. Paul Hanmer will be composing an African Symphony while in residence at Rhodes.
  - The Centre for Biological Control received a 5-year follow-on funding grant from the Department of Environmental Affairs under the Working for Water Programme. At R67 million, this was the largest ever research grant to an individual at Rhodes University.

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Research and Innovation highlights (continued)**

- A delegation of Rhodes staff attended the *Mellon 30<sup>th</sup> Anniversary of Grantmaking in South 1988-2018* symposia and celebrations in both Stellenbosch and Durban in October 2018. As so often is the case, making its mark considerably greater than its size, Rhodes featured substantially in the Mellon publication *The Andrew W. Mellon Foundation. 30<sup>th</sup> Anniversary of Grantmaking in South Africa 1988-2018*.
- *Technology Transfer Office*  
Initial funding for the development of Rhodes University's own Technology Transfer Office (after a period of being part of a regional Eastern Cape TTO) was awarded on a proposal to National Intellectual Property Management Office (NIPMO) in the DST in 2014. A larger proposal was submitted to NIPMO in 2018 and funding of R5m was awarded to the Rhodes University TTO for the period 2019 to 2021. A dynamic Technology Transfer Manager, Ms Suzanne Wolhuter, was recruited and started in February 2018. We have now expanded our posts on the funding for 2019-2021 and have employed Ms Pamella Ntshakaza as a Technology Transfer Officer, and we are recruiting for a Patent Administrator. Our capacity for Technology Transfer and commercialisation has substantially increased and the potential for third-stream income has grown significantly.  
Technology Transfer now has the potential to bring benefits locally, regionally and nationally. The RU Patent portfolio is almost as large as that of the largest Patent portfolio which is at the Cape Peninsula University of Technology (CPUT). We now have the capacity to see out Patent portfolio used.
- *SARChI Research Chairs Renewed in 2018 for second five-year periods*  
Four of our SARChI Chairs were renewed in 2018 for a further 5-year period. This renewal is a powerful expression of confidence in the quality of the research produced by the incumbents of their Chairs and their co-workers. These renewed Chairs are:
  - Professor Martin Hill – Insects in Sustainable Agricultural Ecosystems;
  - Professor Rosemary Dorrington - Marine Natural Products;
  - Professor Charlie Shackleton – Interdisciplinary Science In Land and Natural Resource Use for Sustainable Livelihoods; and
  - Professor Catriona MacLeod – Critical Studies in Sexualities and Reproduction.

Rhodes University hosts 14 SARChI chairs, with a 15<sup>th</sup> hosted as a Rhodes Professor in the associated South African Institute of Aquatic Biodiversity (SAIAB).

- *National Equipment Funding NRF Rated Researchers*  
Applications for evaluation as an NRF Rated Researcher continued apace in 2018, with Thirteen (13) new applications and ten (10) applications for re-rating. There was a high number of B Rated Researchers confirmed (6) in 2018:
  - Professor Makaiko Chithambo (Physics & Electronics) was Re-Rated from a C2 to a B2;
  - Professor Nigel Bishop (Mathematics) improved his Rating from a B2 to a B1;
  - Professor Valerie Moller (ISER) improved her Rating from a B3 to a B1;

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Research and Innovation highlights (continued)**

- *National Equipment Funding NRF Rated Researchers*
  - Professor Ruth Simbao (Fine Art) went from a Y1 to a B3;
  - Professor Mike Marais maintained his B1 Rating for another five-year period;
  - Dr John Mack (DST Centre for Nanotechnology Innovation) was newly rated with B2 rating.
- Rhodes University was successful in the very competitive National Equipment Grant Programme, with the award of grants for two new large pieces of equipment. One is a new Nano Isothermal Calorimeter in Biochemistry and Microbiology, where the principal grant holder is Professor Adrienne Edkins, and the other is an extension to the NIC's Time of Flight Ion Mass Spectrometer facility in Chemistry, where the principle grant holder is Dr Philani Mashazi.
- New subsidy system - Creative Outputs Policy from DHET  
Workshops to develop the implementation of this new DHET subsidy policy were attended by Research Office staff and the HoDs of Drama, Music and Fine Art. The new policy will be implemented from 2019 and Rhodes has made considerable input into the development of criteria and future practices.
- University Capacity Development Programme (UCDP)  
This earmarked grant for research development and, for the development of teaching and learning, replaced the RDG (Research Development Grant) of 2014-2017. It was awarded on a proposal submitted in January 2018. Funds arrived in May and, despite the constraints of less than 12 months to get the programme up and running, all funds have been expended according to original budgets submitted to DHET. In the UCDP there is considerable support for academic staff undertaking their PhDs, for staff developing their research foci post PhD, for the hosting of Senior scholars (such as Professor Thembela Kepe in 2018) and for enhancing mentoring and supervision capacity of RU staff.  
The African Research University Alliance (ARUA) has awarded the hosting rights of its ARUA Centre of Excellence for Water Conservation to Rhodes University be hosted in our Institute for Water Research. The Centre is intended to be a focal point for coordinating high quality research from the member universities across the continent.
- A very successful multidisciplinary Postgraduate Conference was held on 26 & 27 July for research students at the University to develop presentation skills and share their work. The Postgraduate Studies Centre is doing an outstanding job of this and other postgraduate support activities, and we are working on the necessary resources to support and grow this important academic support structure and make it a full-time facility.

### **Teaching & Learning**

The finalisation of the Institutional Development Plan (IDP) in 2018 was important for teaching and learning because of the identification of a 'Strategic Academic Proposition' for Rhodes University. This proposition positions the University as the only research-intensive institution outside a major urban area. Location is then seen to have implications for the teaching & learning/research/ community engagement nexus.

The finalisation of the IDP allowed for an institutional Teaching and Learning Policy to be developed outlining the approach to teaching and learning based on this proposition. This Policy served before Senate and Council in the last quarter of 2018. The task for the first half of 2019 is to align all other teaching and learning policies with this overarching policy so that coherence is achieved.

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Teaching & Learning (continued)**

The Teaching and Learning Policy also identifies another considerable strength in the form of Rhodes University's adherence to the general formative degree. Research (see, for example, Wheelahan, 2010, Allais, 2012) is increasingly demonstrating the value of general formative degrees in equipping students with the knowledge that will allow them to move across contexts in an ever-changing job market and to 'imagine worlds that do not yet exist'. This latter strength is important not only for the world of work in a global economy focused on processes of reinvention but also for transformation in South Africa. Another strength is the flexibility offered to students who can combine subjects from across different faculties to develop a potentially unique route to the double major. A recent book (Case, Marshall, McKenna & Mogashana, 2018), which draws on research by Rhodes University students, shows how this impacts positively on their experiences of learning and their success rates.

The Teaching and Learning Strategy developed alongside the Teaching and Learning Policy therefore:

- i) Continues to value the general formative degree as a significant offering at undergraduate level;
- ii) Includes Community Engagement in the formal curriculum, in the form of service learning courses supplemented by extra curricula activities in the form of volunteerism;
- iii) Continues to value flexibility in subject choice in the general formative degree;
- iv) Adds a second form of flexibility by using various course types borrowed from the 'Extended Programme with an integrated Foundation Phase' to provide additional support to students. Deans can place students on a variety of these course types according to their strengths and weaknesses. We already have evidence that this impacts on success rates.

The Strategy brings student development support together with staff development and support to provide an environment rich in opportunities for learning and success.

Rhodes University can expect to be reviewed by the Higher Education Quality Committee in the next two to three years. This third cycle of quality assurance will focus on teaching and learning. A Quality Assurance Framework for Teaching and Learning was accordingly developed in the third quarter of 2018. This will serve before the institutional structures in the first half of 2019.

### **Community Engagements highlights**

Our Community Engagement efforts derive from our publicly stated acknowledgement that Rhodes University is not just in Makhanda (Grahamstown) but is also **of** and **for** Makhanda (Grahamstown). The future of our University is inextricably bound up with the future of the greater Makana community. Given its location, our University has a particular responsibility to the local community.

Our Community Engagement activities recognise that the local community has tangible and intangible resources that it can contribute in building mutually beneficial, reciprocal and knowledge-driven partnerships with Rhodes University. Our initiatives seek to advance our institutional goal of being simultaneously locally responsive and globally engaged so that we can produce knowledge that seeks to address some of the most pressing and urgent societal challenges while at the same time contributing to our accumulated stock of global knowledge. Our engagement with our local community is not predicated on the assumption that the University has answers to all the challenges faced by our community but on the firm conviction that the University, working together with the community as equals, can make a meaningful contribution towards addressing the plight of the poor and marginalized in our midst. This we do, not as an act of charity, but in recognition of our common humanity and our shared destiny.



## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Community Engagement highlights (continued)**

Among the many notable achievements in 2018 are the following:

- *Departmental Community Engagement*  
There are 73 discipline-specific community-engaged learning (CEL) initiatives running in Academic departments, of which 13 are credit-bearing and classified as service learning (SL). An impressive 820 students are involved in CEL and SL, amounting to 10% of our student body at Rhodes. A service-learning short course has been developed and approved for Academics.
- *A Community Engagement publication*  
A Community Engagement publication was produced in 2018. It highlighted some of the good work being done by Academics at Rhodes University Community Engagement "In Theory and Practice".
- *Engaged Research*  
Community Engagement hosts one of the largest transdisciplinary postgraduate research groups at Rhodes, with 11 Master's, PhD and postdoctoral students all working on engaged research projects or on the scholarship of engagement in 2018. As RUC grows in strength in its research trajectory it is becoming one of the most formidable engagement research hubs in South Africa, contributing 5 accredited journal articles and 27 conference presentations to its research outputs in the last academic year.
- *EU Common Good First International Partnership*  
We very successfully partnered for a Social Innovation Project with Nelson Mandela University, University of the Western Cape, North West University, University of the Free State, University of Johannesburg and, internationally, with Glasgow Caledonian University from Scotland, the Reykjavik University School of Business in Iceland, Roskilde University (RUC) Denmark, the University of Alicante (UA) Spain, University of South East Norway (USN) and the Social Innovation Exchange (SIX) in the UK. Rhodes hosted a meeting on campus for all the above universities over four days in May 2018.
- *Public Schooling*  
Four years ago, Grahamstown was ranked as one of the five worst performing districts in the country. In three years we have turned this around, recording the highest pass rate, the highest number of bachelor level passes and highest number of matriculants writing in the history of Makhanda. Our Nine-tenths Mentoring Programme contributed meaningfully to this turn-around with a large contribution to Bachelor level passes enabling no-fee schools to smash all previous records (from 62 to 102 bachelors). 83 of these bachelor level passes came from the 3 Schools in which we worked. All three of these schools (Ntsika, Mary Waters and Nombulelo) produced pass rates of over 80. This is a first for the city. In terms of pathways, 75% of the students we worked with found tertiary placement locally (32 Rhodes, 24 in RU Bridging Programme, and 6 at GADRA). We can now claim that public schooling in Makhanda is more equal than ever before. What is notable is that this turn around has been driven through the social and educational capital of our student body through volunteerism.
- *Engaged Citizenship*  
Student volunteerism has gained momentum, with over 800 volunteers serving in targeted and well-organized programmes in 2018. This is a further 10% of our student population (totalling 20% of the student body). Volunteers are well-trained through short courses accredited by the University. As a way of professionalising volunteerism and increasing societal impact we have developed accredited short course for volunteers which include: Mentoring, isiXhosa, Tutoring, Engaged Citizenship and Reading Club courses.

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Community Engagements highlights (continued)**

- **Local Partnerships**  
We have 74 active community partnerships in Grahamstown which participate in various teaching, learning and research projects with the University.
- **Community Engagement Symposium**  
In 2018 Rhodes University Community Engagement organised the National Community Engaged Learning Symposium for the fourth year running. We welcomed academics, students and community partners from across the country and abroad (19 National and 4 international Universities attended) to engage in debate about the theoretical and practical challenges underpinning community engagement work.
- We hosted a two-day meeting of the South African Higher Education Community Engagement Forum which attracted 15 SA Universities to our campus in May.
- The Annual Community Engagement Awards Gala Dinner was held on the 7<sup>th</sup> October 2018, students, residences, societies and community partners were recognized for their excellent work in Community Engagement.
- The annual Rhodes University institutional **Trading Live for Mandela Event** was run from the 18 to 24 July. It was a bumper year with 142 events organised across the city in 6 days.
- **The Parent Engagement Programme** was successful with 91 parents and 130 children involved in this capacity-building programme for Rhodes staff Grades 1 to 6. A five-day recovery school for eleven Grade 12's was run for a first time, all 11 of these pupils passed.

### **Student Affairs**

Students are the lifeblood of our University. They are an integral part of who we are as a University. Provision of quality and transformative higher education entails ensuring that our students are able to grow and develop into caring, critical and engaged citizens. In this regard, what happens within the walls of the academy is just as important as what happens outside the lecture rooms. Guided by its overarching goal to “create a living and learning student support system and an environment which is inclusive and is conducive to a healthy lifestyle, personal growth, development and academic success for our students,” our Division of Student Affairs endeavours to see to the emotional and psychosocial needs of our students. Its activities are geared towards ensuring that our students are able to engage with a wide range of new experiences and opportunities outside the classroom, which enables them to embark on the process of understanding themselves in their role as critical and engaged citizens.

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Student Affairs (continued)**

This sort of voluntary learning adds enormous value, and encourages self-reflection and personal holistic development.

Some of the achievements of 2018 include the following.

- A 3-year strategic plan that is aligned to IDP was developed and launched in November 2018.
- The Rhodes-Investec Top 100 Awards ceremony was successfully organised in collaboration with Oppidan Press and Investec with 100 worthy recipients, 7 SRC members receiving general excellence and student leadership awards.
- In response to the increase in mental health difficulties in institutions of Higher Learning, the Division held an Institutional Mental Health talk facilitated by the South African Depression and Anxiety Group (SADAG).
- The Quality of Residence Life survey was conducted in 2018.
- The Career Centre presented a session on career guidance to the Grade 12 learners that were part of the Nine-tenths mentorship programme.
- A crime-wise campaign was launched on 20 September 2018 in collaboration with CPU, SAPS, the Traffic Department, Hitech and the Grahamstown Business Forum.
- The SRC, in partnership with Assupol, sponsored Matric Dance dresses for the girls of Ntsika High school. Due to the success of the project, the 2018 Community Engagement Councillor secured a second donation from Assupol Life for the Nombulelo High matric girls as well as two hair and makeup vouchers from one of the salons in town.
- Ms Lewis presented a concept paper on the relevance of career counselling in Higher Education at the Southern African Association for Counselling and Development (SAACHDE) held in September 2018.
- Ms Israel presented a paper at the Disability Colloquium on 12 November 2018 on "*Centering the body that matters*".
- The Division led a delegation from Rhodes University to attend the Gender- based violence policy framework session in East London in April 2018.
- A delegation from the Eastern Liquor Board met with the Director to discuss an anti-alcohol abuse campaign with the intention to roll out the programmes in 2019.
- NICDAM approached Rhodes University in November 2018 with a proposal to address gender-based violence prevention response. They were invited to make a formal presentation of their proposal. The Division of Student Affairs established a partnership with NICDAM to host a GBV exhibition during the first-year Orientation Week programme in 2019.
- The Rhodes University Rugby Females Sevens team participated at the USSA Rugby Females Sevens Tournament and won the Shield section.
- Five Rhodes Hockey players represented Eastern Province Hockey at the National Hockey tournament during July 2018.
- The RU Debating student society competed in the International Debating competition and beat prestigious universities like Harvard and Cambridge.
- As an initiative to support students with disabilities, the *Enable* society was established in 2018.
- A grant of R50 000 was awarded by the Emily and Carl Fuchs Foundation for academic-related equipment and contributed towards the lift in the Steve Biko Building. The academic equipment for students with visual impairments is housed in the library. A further R50 000 was awarded to fully equip the station as well as to purchase a scooter for a student with a physical disability.
- A renaming ceremony of residences was held in April 2018 for the following houses: Robert Sobukwe House, Charlotte Maxeke House and Enoch Sontonga House.
- As part of the Wardens' ongoing professional development and for the advancement of the transformation agenda of RU, the Division worked closely with the Equity & Institutional Culture Division in transforming residences as living and learning spaces.

## **8. REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Equity & Institutional Culture**

Our University remains resolute in its commitment to create and maintain an institutional environment that is positive, welcoming, affirming and supportive for all its staff and students. We are committed to providing our staff and students with a learning, living and working environment that is free of all forms of unlawful discrimination, harassment, prejudice and other forms of inappropriate behaviour; one which supports and encourages excellence and freedom of every student and staff member to be; an institutional environment that frees the potential of every student and staff member of Rhodes University. All students and staff of our university have an individual and a collective duty and responsibility to contribute to the advancement and realisation of this objective. Those in positions of authority and responsibility have a higher duty to model and shape the appropriate values of our institution.

Creating and sustaining an institutional culture in which human rights, human dignity, freedom of speech and thought are respected is a critical task to be driven by the Equity & Institutional Culture Office.

One of the major achievements of the Office of Equity & Institutional Culture in 2018 was the extensive and broad consultation of the University community which culminated in the preparation and finalisation of the Institutional Transformation Plan (ITP). Other notable highlights for 2018 include:

- Developing a more robust awareness-raising programme. This included strengthening the relationship with the residences' community and the drafting and implementation of the first residences awareness-raising programme. This programme included workshops for wardens on the key transformation issues, and the introduction of new vehicles for awareness raising such as the debate competition through which we worked with 75% of the residences.
- Developing the Institutional Development Plan. This process entailed dialogic conversations at both group and individual levels with all heads of units at departmental, divisional, faculty level and with the SRC. The ITP was approved by Council at its last meeting in December 2018.
- Changing the scope and focus of the Silent Protest. The Silent Protest, which is now an institution of Rhodes, was changed to being an expanded programme that focused more on education and awareness raising and one that included more schools in Grahamstown. Thus a number of talks, discussions and workshops were convened as part of the expanded Silent Protest programme.
- Establishing partnerships with the Department of Social Development and the Department of Education enabled the extension of the Silent Protest Programme to seven schools in Makhanda (Grahamstown). The programme included three talks and discussions on issues of sexual violence and gender-based violence. It also included a workshop on sexual violence and gender-based violence and the development of schools' policies for members of school governing bodies and school managers. 26 members of these bodies from five schools participated in the workshop.
- Organising and hosting a public talk on how to respond to sexual violence, on 3 August. This event was addressed by the Dean of Research at the University of Fort Hare, Professor Pumla Gqola, and Mr Andile Gaelisiwe, the Founder of Open Disclosure Foundation.
- Launching of the Power of the Word Debate Competition by Mr Eusebius McKaiser and Advocate Thembeke Ngcukaitobi formed part of the team that adjudicated the final of the Power of the Word Debate Competition and gave a talk linked to the motion of the debate final.

## **8. REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Communications & Advancement**

Some of the highlights of 2018 for the Communications & Advancement Division include:

- Completing and piloting the institutional comprehensive Communication and Fundraising strategy.
- Launching a pilot national multi-media advertising and marketing campaign.
- Holding an institutional Third Stream Income workshop and adopting key resolutions on 3rd Income Stream harmonisation and optimisation.
- Reviewing the role of the Board of Governors and adopting a minimum Fundraising Programme.
- Isivivane Fundraising campaign made inroads into government funding. Announced the first ever BankSeta funding to Rhodes, valued at R5.8m. Feenix crowdfunding was introduced at Rhodes – this is a crowdfunding platform for students by students where they share their funding needs and funders support them based on their needs.
- A campaign to update Alumni and corporate records was implemented. Over 800 records were updated and 42 new pledges were generated.
- A Web survey was set up to address concerns regarding design, navigation and content management. Terms to guide the new web designs for 2019 were completed.
- A communications plan was promptly developed, adopted and implemented immediately by senior management. This averted student protest and bad publicity for the University when a student committed suicide.
- The Media Transformation Project was launched with 5 other universities in SA/Roll-out of centrally managed TV screens for awareness/communication, internal marketing and fundraising.
- Rhodes successfully co-hosted the Johannesburg celebratory event to honour Honorary Doctorate recipients, Dr Dikgang Moseneke and Dr Yvonne Chaka Chaka who were not able to attend the graduation ceremonies in Grahamstown.
- Rhodes broadened Makana community access to graduations by streaming the graduation ceremonies to local schools.
- The Ntomb'esizwe Scholarship was launched by a group of our alumni for a Grahamstown female student in Commerce, Law, Pharmacy or Science. A total amount of R62,600 was raised which enabled a young woman an opportunity access.
- Rhodes created a brand and packaged the VC's Education Initiative/Pathways to the Future in support of its fundraising drive.
- Chancellor, Judge Lex Mpati, hosted all Alumni events in the country for the first time. He was sharing with the Alumni community the vision of the University as projected in the recently launched Institutional Development Plan and Institutional Transformation Plan (ITP) documents.
- An Old Rhodian Awards Dinner was held in Johannesburg where four deserving Old Rhodians were awarded the Distinguished Old Rhodians awards. These were: Mr Max Boqwana, Prof Pat Terry, Dr Georgina Kemp and Dr Clive Shiff.
- The Vice-Chancellor and the Director of the Division of Communications & Advancement visited to the UK to meet with the UK Trustees to firm plans for Advancement in the UK.
- A donor event held in Johannesburg was very well received by the 13 people from 8 organisations who attended.
- A successful second Rhodes Open Day saw a marked increase in the number of learners coming from the participating schools registered at the University.
- Business process re-engineering was implemented, resulting in structural re-alignment (Telephony Services) and process flow adjustment (Recruitment, Events).
- Personal Development Plans for staff in the Division were implemented.

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Information Technology**

Remaining at the forefront of technology development for teaching and learning and research is a *sine qua non* for a quality university that aims at remaining at the cutting edge of knowledge creation, knowledge dissemination and knowledge application.

Some of the main highlights of the Division of Information Technology & Services are the following.

- Ms Chambers was seconded to the Centre for Higher Education Research, Teaching & Learning (CHERTL) to drive technology and the use of technology in teaching and learning.
- RU joined the SAFIRE which creates opportunities and access to library licences at no additional cost to the University
- There was modernisation of a number of online systems that have reduced the need for students to visit the Student Bureau. Similarly, online workflow systems for various administrative tasks within academic departments have been completed.
- Donations of written-off PCs to local clubs and schools were made when requested.
- Wi-Fi equipment written off and replaced as part of the maintenance cycle was donated to Albany Schools Network.
- The MIS staff attended HEMIS Institute. The Technicians attended NATE, part of the ASAUDIT umbrella of workshops. The Director attended two of the four ASAUDIT meetings. Tracy Chambers attended various workshops with CHERTL to raise awareness of technology in education conversations.

### **Institutional Planning**

Institutional Planning is at the heart of the academic endeavour of our University. This Division has been driving the development of the Institutional Development Plan for the past few years. The finalisation and approval of the IDP marked a high-water mark for our University in 2019. The institutional Development Plan will serve as a compass and a roadmap for our University as we pursue excellence within the context of transformation and change. Our IDP is not a rigid document. We will use it remain focussed on the future while we respond to the ever-changing contexts that define our existence in society.

Some of its achievements in 2018 are listed below.

- *IDP*  
The Institutional Development Plan (IDP) of Rhodes University was approved by Council in June 2018. The Institutional Planning Unit is working with Communications and Advancement Division to promote the IDP throughout the University through the roadshows. The purpose of the roadshows is also to assist academic and support units/divisions with development of their respective IDP-linked operational plans.
- *Enrolment Planning 2020 -2025*  
The Department of Higher Education and Training (DHET) requested all public higher education institutions to prepare and submit their enrolment plans for the next cycle (2020-2025). The enrolment plan provides a comprehensive set of metrics for determining various dimensions of the student body, staff composition and targeted academic outcomes. It is on the basis of information provided to DHET in the enrolment plan that planning of funding of public higher education institutions is articulated. The current enrolment planning cycle ends in 2019.  
The Institutional Planning Unit worked with the Information Technology Services division and Deans of faculties in order to assess actual enrolments in the recent past and make projections from 2020 - 2025.
- *Institutional Reports to DHET*  
In 2018, the Institutional Planning Division coordinated preparations for development of various statutory reports to the DHET. These include the 2017 annual report, the 2018 mid-year report and the 2018 clinical report.

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Institutional Planning (continued)**

- *Institutional Policies*  
In 2018, the Institutional Planning Unit (IPU) division continued interrogating RU existing policies and protocols in the university repository with the aim of working with policy champions in getting our policies up-to-date. IPU is also working on policy gap analysis in order to advise Institutional Planning Committee on possible policy gaps at the University.
- In 2018, the Director: IPU participated and made contributions to the following national professional bodies on aspects of higher education: Southern African Association for Institutional Research, HEDA user-group meetings, International Education Association of South Africa, DHET enrolment planning workshops.
- In 2018, the Director: IPU attended and gave well-received scholarly talks at the following conferences:
  - RC Nnadozie & O Quinlan. *Engaging with the Rankings Systems from the Perspective of a Small Scale University*. 2018 Annual conference of International Education Association of South Africa (IEASA), Pretoria, 22 to 24 August 2018.
  - RC Nnadozie. *A funding contribution analysis of Research and Instruction Staff at Public Universities in South Africa based on Institutional Type*. 2018 Annual Conference of Southern African Association of Institutional Researchers (SAAIR), Durban, 12 to 16 November 2018.

### **Internationalisation**

About 20% of the Rhodes University's student body comprises international students. We also have a number of academic and support staff who come from different parts of the world. We value the presence of international students and staff as this creates a rich and vibrant intellectual, social, linguistic and cultural environment which is essential for our students' holistic growth, development and academic success. This diversity is also essential in achieving academic excellence and developing young people with a broad understanding and appreciation of the importance of human solidarity. The Internationalisation Office works tirelessly in assisting international students and staff to comply with the stringent laws of the country.

Among the many significant achievements of 2018, the following are the major highlights.

- A new system to register international students was developed in collaboration with IT and the Registrar's Division to enable improved compliance with external reporting requirements and to improve efficiency for future audits.
- The Visa Facilitation Service (VFS) Mobile Biometric Service (MBS) came from Port Elizabeth for 3 days. A Medical Aid audit of about 1 400 students was conducted by the International Office. Non-compliance concerns were flagged to the Risk Manager.
- The International Office secured the participation of five Rhodes University researchers in the South African Swedish University Forum (SASUF) network in May 2019.



## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Internationalisation (continued)**

- The Director:
  - Represented at an inaugural international colloquium on “Town and Gown” held in Stellenbosch University from 28-30 November and spoke on topics pertaining to community engagement, internationalisation and infrastructure and planning.
  - Edited the 17<sup>th</sup> edition of Study SA, an overview of higher education in South Africa.
  - Was the Deputy President of the International Education Association of South Africa (IEASA) 2017-2018.
  - Chaired the annual IEASA Conference Committee, for “Engaged Universities: comprehensive internationalisation - a dialogue between local and global realities”, held in Pretoria in August 2018.
  - Facilitated the Framework for South Africa’s Internationalisation Policy dialogue, a collaboration between the British Council, IEASA and DHET on 14<sup>th</sup> November.
  - Met with the senior policy Director in DHET and the Director of Corporate Accounts in the Department of Home Affairs to resolve issues pertaining to International students.
  - Met with a Norwegian delegation from the newly formed DIKU, a visiting government entity, which has increased funding available for SA/Norwegian research, as part of an IEASA/SA delegation.
  - Represented Rhodes University at the European Association of International Education (EAIE) conference in September in Geneva and met with RU partner universities and also, represented IEASA at the Network of International Education Association (NIEA).
  - Met with a delegation from the British High Commission and the Kenyan Ambassador.
  - Published a case study on “Promising Practice: Internationalisation at Home at Rhodes” in a book “Internationalising US Student Affairs Practice; An intercultural and inclusive framework” (Yakaboski and Perozzi, 2018) published by Routledge.
- Visitors were hosted from the US Embassy, DAAD, NUFFIC, Universities in Munster and Osnabruck, Germany, and ESSCA school of management in France.
- Internationalisation at home and International week held in May 2018 consisted of an international parade; the Africa Ball; a Language Carousel and identifying the over 65 languages spoken on campus, among other activities.
- Rhodes University participated in the International Day of University Sports on 20<sup>th</sup> September sport (rowing, running, basketball, long jump etc.). A collaboration between the International Office, the SRC and Sports admin.
- The Internationalisation Award for work up to the end of 2017 was awarded to Professor Warwick Sauer from the Department of Ichthyology and Fisheries Science.
- In line with the underlying principle of internationalisation to open minds and become more aware of the region, the continent and the world beyond the borders of South Africa,
  - Fifteen students from France, US, Canada and Germany are currently completing a “semester abroad” here at Rhodes University.
  - Ten Rhodes students participated in a credit-bearing semester in other partner institutions.
  - A collaboration between the International Office, DSA and SRC internationalised Heritage Day on September 24<sup>th</sup>, provided a truly meaningful intercultural experience sharing stories, cuisine and entertainment.

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Office of Registrar**

A significant amount of work done by the Registrar's Division in 2018 was to review institutional rules and policies in order to streamline and enhance governance in the University. This work started with a workshop early in 2018 to familiarise members of Council of all the governance legislation and the pertinent University policies. This was to ensure that Council members were able to discharge their fiduciary duty to the institution. Our University has adopted the King IV Code of Good Governance.

Some of the major highlights of 2018 are:

- Academic Calendar – University/Faculty and Departmental Rules reviewed and updated by the Constitution Committee.
- Statute review and benchmark in progress.
- Institutional Rules review initiated and in progress.
- Academic Calendar updated as per SAQA credits and NQF levels of courses – Department and Faculty wide.
- The Student Defence Council and Board Programme which assists student offenders at various levels of student discipline established.
- Remits of Senate and Council Committees initiated and in progress.
- Review of rebate system and Honours, Colours and Half Colours completed.
- Streamlining of templates for record-keeping completed: Master's and PhD reporting contracts.
- Appeals Process against academic exclusions streamlined and approved by Senate.
- Review of supplementary examinations and period of supplementary examinations initiated.
- The following online systems have improved the students' experience at Rhodes:
  - Online aegrotat application for students.
  - Students and supervisors can complete progress reports online from anywhere.
  - Students can intimate the submission of their thesis on ROSS and a notification goes automatically to supervisor/HoD to nominate examiners.
  - Supervisors can nominate examiners on ROSS for Master's & PhD candidates for the HoD and Dean's recommendation/approval where applicable.
- Relationships with local feeder schools are maintained.
- All Grahamstown schools are invited to the annual University Open Day regardless of performance in final examination results.
- The recruitment office makes an effort to visit/ see each school through the course of the year either through career exhibitions or in school presentations. In schools that cannot accommodate either, promotional material is delivered.
- When hosting teachers' visits on campus we ensure Grahamstown schools are represented.
- Each year schools are informed in a letter of the names of their pupils who are now registered at the University as well as names of students graduating that year.
- Started Women's talks for Women's month. Invited guest speaker to address staff – Ms D Hornby, Director of Community Engagement who gave a motivational talk on women empowerment in the workplace and communities.
- Started profiling women in the Division: Ms Wicks, Ms Venter and Ms Mondliwa

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **2018 Graduation ceremonies**

Our 2018 graduation ceremonies went off without a hitch. In the 6 graduation ceremonies of 2018, a total of 2492 students received their degrees and diplomas. Of these, 1456 (or 58%) were undergraduate Bachelor's degrees and 1036 (or 42%) were postgraduate degrees and diplomas. Of the 1036 postgraduate students, 229 received their Master's degrees.

Of the 2492 graduates, 63% were women, and 16% were international students.

A total of 88 students received their PhD degrees. The Faculty of Science produced 44 PhD degrees – up from 38 of 2017; the Faculty Humanities 22; the Faculty of Commerce 6, the Faculty of Education 13, Faculty of Law 1; and the Faculty of Pharmacy 2.

As part of our graduation ceremonies, our University conferred honorary degrees on Professor Peter Mtuze, Justice Dikgang Moseneke, Ms Yvonne Chaka Chaka, Prof Vishnu Padayachee, Dr Andrew Mlangeni and Dr Sindiwe Magona.

A special ceremony to celebrate the conferral of the honorary degrees on Justice Dikgang Moseneke and Ms Yvonne Chaka Chaka was held in Johannesburg on 11 May 2018.

We also had two exceptional graduation speakers, Adv Tembeka Ngcukaitobi and Ms Xoliswa Kakana, who gave inspiring graduation addresses.

### **Congratulations to staff and students**

- Our most high profile researcher, Distinguished Professor Tebello Nyokong, was honoured by the award of the degree of Doctor of Science *honoris causa* at UKZN on 18<sup>th</sup> April 2018. This was the third time that Distinguished Professor Nyokong has received an honorary doctorate (the previous ones were from WSU and UNISA).
- Dr Leoni Goosen of the Faculty of Pharmacy was selected to participate in the TAU (Teaching Advancement at Universities) Fellowship programme.
- Dr Leonie Goosen is presently at the Jinan University in China as a visiting lecturer in Pharmaceutical Chemistry. Jinan University is our University's partner in the Confucius Institute programme.
- Distinguished Professor Martin Hill was awarded the SARChI Chair on *Insects in Sustainable Agricultural Ecosystems*. It was held by Professor Compton, who resigned.
- Another of our SARChI chairs also attracted accolades and congratulations. At the SA Women in Science Awards gala dinner in Polokwane, Professor Adrienne Edkins was named as the SAWiSA Distinguished Young Scientist in the Natural and Engineering Sciences. At the same awards ceremony, Prof Edkin's Masters student, Ms Kelly Schwarz, received a SAWiSA DST Albertina Sisulu fellowship, and Ms Zakeera Docrat, Doctoral Student in African Languages in Professor Kaschula's chair, received a SAWiSA DST Albertina Sisulu fellowship in the PhD category of Human and Social Sciences.
- President Cyril Ramaphosa appointed Dr Siphokazi Magadla to serve on the Presidential Independent High-Level Review Panel on Intelligence.
- In early November, Professor Jo-Anne Vorster and Professor Lynn Quinn were announced as winners of a prestigious National Teaching Excellence Award made jointly by the Council on Higher Education and the Higher Education Learning and Teaching Association of Southern Africa.  
The Award recognizes Professors Quinn and Vorster's work in developing and offering a specialized version of the Postgraduate Diploma in Higher Education for staff members working and learning centres across the country.
- Gcotyelwa Jimlango (Politics and International Studies) was awarded the Best Honours Essay prize at the South African Association of Political Studies conference held in October. This is a national award, and we are delighted to have honours students of this calibre.
- As part of staff exchange, Mr Motse Lehata of the Department of Information Systems spent two weeks at Leicester University, United Kingdom. The exchange was facilitated by the Erasmus Plus Programme.

## 8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)

### 2018 Graduation ceremonies (continued)

- The *Enhancing Postgraduate Environments* project (EU-funded) which gave rise to open access online research support materials at [www.postgradenvironments.com](http://www.postgradenvironments.com) was brought to a close with a two-day colloquium at the Royal Embassy of the Netherlands in Pretoria at which Dr Sizwe Mabizela gave the keynote address.
- Professor Marc Schafer was invited to give the keynote/plenary address at the 6th International Conference at the Federal University of Technology in Minna, Nigeria at the beginning of October.
- 'Southern Epistemologies: Thinking beyond the Abyss for a Transformative Curriculum,' organized by Lynette Steenveld (as part of her Mellon funded programme) and hosted by Fine Art, took place in October. It involved a two-day event in which Fine Art and Media Studies students presented on various issues relating to southern epistemologies. Ghanaian artist, Bright Ackwerh, was the keynote participant. The two days ended with an exhibition of his work at the RAW Spot Gallery.
- Ms Gugulethu Baduza, nGAP Lecturer in the Department of Information Systems, was invited to Chair the masters and doctoral programme of the 10th International Development Informatics Association Conference, 21-23 August 2018.
- Dr Anna Nkomo developed a proposal to funders for reading resources for one of the primary schools where she undertook her PhD research. An amount of R100 000 was donated.
- Dr Carmen Oltmann attended the Life Long Learning in Pharmacy (LLLP) conference in Brisbane, Australia, between 6 and 9 July 2018. Carmen is on the International Committee, and also presented a paper entitled "Developing South African Health Professions Educators for the 21st Century". The abstract has been published in the Pharmacy Education Journal.
- Prof Ros Dowse was invited to speak in the plenary session of a combined conference of the International Society for Maxillofacial Rehabilitation (ISMR) and the Australian and New Zealand Head and Neck Cancer Society (ANZHNCS) in Melbourne. She drew on her own experiences as a long-term head and neck cancer survivor, along with her professional roles of healthcare professional and researcher, to talk about gaps between outcomes as measured clinically in comparison with the patient's lived experience.
- At the 21<sup>st</sup> Annual International Education Association of South Africa Conference and related workshops, themed "Engaged Universities: Comprehensive Internationalisation – a dialogue between local and global realities," Distinguished Professor Heila Lotz-Sisitka presented her 75th keynote speech, across 36 countries, with a challenging and inspirational keynote address Global Climate Change and Transformative Learning: Spaces for Situated Dialogues within Global-local Realities.
- Dr Remy Nnadozie and Ms Quinlan also presented a paper in the main 21<sup>st</sup> Annual International Education Association of South Africa Conference and related workshops on engaging with the ranking system as a small university.
- Mr Dinga Booi represented Rhodes University at the parallel International Students Association of South Africa conference (ISASA) conference.
- Ms Thobeka Msengana presented a poster on the "Wellness Leader Programme of Rhodes University" at the annual SAACHDE conference held on 17- 21 September 2018. Ms Msengana also received an award for the best poster at the conference.
- Prof J Arendse, Head of Department: Accounting, was awarded 1<sup>st</sup> prize in the 2018 SAIPA Best Tax Thesis Competition in the Doctoral degree category. This follows the award in 2017 of 1<sup>st</sup> prize in the same category to Dr Ferdie Schneider. Prof E Stack served as both Prof Arendse and Dr Schneider's supervisor.
- On 10 October 2019, the South African Cultural Observatory (SACO) 2 was successfully launched at Rhodes University. SACO 2 is hosted by Nelson Mandela University with enthusiastic partners from the University of KwaZulu-Natal, the University of Fort Hare and Rhodes University. Special guests at the launch included Ms Unathi Lutshaba, Executive Director of SACO and Prof Richard Haines, Academic Director of SACO.
- On 5 October 2018, the Department of Economics hosted its Post-Graduate Conference.

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Vice-Chancellor's Distinguished Awards**

- *Research Awards*
  - The recipient of the Vice-Chancellor's Distinguished Research Award (in the age group 40 and below) for 2018 was Professor Caroline Khene of the Department of Information Systems.
  - The recipient of the Vice-Chancellor's Distinguished Senior Research Award for 2018 was Professor Brett Pletschke of the Department of Biochemistry and Microbiology.
- *Teaching Awards*
  - The Vice-Chancellor's Distinguished Teaching Award made to an academic with fewer than ten years' experience of teaching in higher education was presented to Dr Siphokazi Magadla, of the Department of Political and International Studies.
  - The Senior Distinguished Teaching Award made to academics with ten or more years of experience was presented to Dr Karen Ellery of Extended Studies.
- *Community Engagement*

The Community Engagement Award for 2018 was presented to Professor Tally Palmer.

Warm congratulations to all the recipients of the Vice-Chancellor's Distinguished Awards.

### **Distinguished Professorial title**

Three of our Professors were conferred the title of 'Distinguished Professor' in 2018. These are:

- Professor Heila Lotz-Sisitka
- Professor Catriona Macleod
- Professor Martin Hill

### **Distinguished Alumni Awards**

Rhodes University recognises and honours alumni who have distinguished themselves in our society and beyond through the award of the Rhodes University Distinguished Alumni Award. The aim of the award is to honour Old Rhodians who, through their individual actions, achievements and selfless service to humankind, have enhanced the reputation of the University. It is intended to acknowledge the recipients as outstanding role models for current and future generations. The criteria for consideration for the awards are that the recipient should personify the attributes that Rhodes University seeks to cultivate in a leader. Recipients should also have actively demonstrated their support for the University.

The 2018 Rhodes University Distinguished Alumni Award recipients were:

- Mr Max Boqwana
- Dr Georgina Kemp
- Dr Clive Shiff
- Professor Emeritus Pat Terry

We extend our heartiest congratulations to the recipients of the 2018 Rhodes University Distinguished Alumni.

## **8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND ADMINISTRATION (continued)**

### **Distinguished visitors**

- Professor Thembela Kepe from the University of Toronto to our Geography Department for extended periods in 2018.
- Beit Trust Chairman Sir Andrew Pocock and his wife Julie visited RU for the first time.
- The Faculty of Education hosted Visiting Professor Karl Maton from the University of Sydney. He participated in the faculty's Doctoral Week programme in March.
- The Faculty of Law hosted Mr Max Boqwana, visiting fellow, who spent a few days in the Faculty and presented a public lecture on 19 February entitled 'Illicit Financial Flows from Africa: What can African lawyers do about it?'
- Judge President of the Eastern Cape Division of the High Court, Judge Selby Mbenenge addressed staff and students on 1 March 2018 at the Law Faculty's official opening.
- Prof Bev Glass from James Cooke University in Australia visited the Faculty of Pharmacy in March as Visiting Fellow and gave a series of lectures.
- Dr Tom Brown from the University of Toronto who is a preceptor for our PharmD programme visited our Faculty of Pharmacy in February.
- The Department of Information Systems hosted a number of visiting researchers in the field of Information Security. These included Prof Hennie Kruger and Prof Lynette Drevin of North West University and Dr Christos Kalloniatis of the University of the Aegean.

### **In memoriam**

During the course of the year 2018 our University lost a number of students and staff.

- Prof Matthew Lester, Rhodes University Business School.
- Ms Khensani Maseko, B SocSci student.
- Ms Saajida Cassim, a Pharmacy student, passed away tragically following a car accident while on her way home to KZN at the end of the second semester.
- Ms Damilola Deborah Olorunfemi, a first year Pharmacy student who died after a short illness.
- Mr Malungisa Matika, a staff member, passed away suddenly.
- Mr Neville Woollgar, who passed away on 28 July had served on our University Council for 43 years - with 23 years as the Vice-Chair of Council and Chairperson of the Finance and General Purposes (F&GP) Committee of Council.

### **Conclusion and Appreciation**

Our University is in a stronger position in many respects. Our academic endeavour remains among the best in the country. Our financial position has improved substantially. And our efforts to advance our institutional imperative of providing quality and life-changing higher education remains in sharp focus.

The academic year 2018 has been an exceedingly successful one for our University. The finalisation and approval of our Institutional Development Plan was a significant achievement. We now have a clear compass that will guide and shape decision-making and the allocation of resources. While the IDP will serve as an important navigational beacon as we chart our journey into the future, the ever-changing environment in our society and beyond demands of us to be flexible and adaptable and respond with courage and imagination to the inflections of our time and space.

Guided by the principles of excellence, innovation, sustainability and social impact as our lodestar, we will consolidate our position as a place that inspires hope, a place that nurtures imagination, and a place that awakens creativity. In all that we do, we must be guided by our overarching commitment to contribute towards the development and consolidation of a sustainable, open and democratic society.


**8. THE REPORT OF THE VICE-CHANCELLOR ON MANAGEMENT AND  
ADMINISTRATION (continued)**

**Conclusion and Appreciation (continued)**

In a society in which disdain for knowledge and intellectualism is in the ascendency; a society in which those who shout the loudest command the greatest attention; a society in which demagoguery and reckless and irresponsible populism has been normalised and mainstreamed, we must remain steadfast in our commitment to instill in our students and staff the importance of knowledge, the value of evidence, the pursuit of truth and the cultivation of robust intellectual exchange grounded on facts.

We are grateful to all members of Council for their constant support, wise counsel and guidance in 2018.

We acknowledge with great appreciation the commitment and dedication of our academic and support staff in building and sustaining the best University in our country. We owe an enormous debt of gratitude to the Senior Leadership Team of our University – the Deputy Vice-Chancellors, Deans and Directors – who give their all and their best for the good of our University.



Dr S Mabizela  
Vice Chancellor  
Date: 27 June 2019

## **9. SENATE'S REPORT TO THE COUNCIL**

### **9.1 Composition of Senate & Attendance of Meetings in 2018**

The SENATE of Rhodes University as the highest academic decision-making committee of the University is comprised as shown in Table 4.

<b>Constituency</b>		<b>Number of Representatives</b>
Management		4
Academic Professors		67
Deans		6
Deputy Deans		7
Heads of Departments		17
SRC Representatives		6
Senate Academic Representatives		6
Other (institutes/centres)		12
Administrative Staff Representatives		2
Hall Warden Representatives		2
In attendance members		9
<b>Total</b>	<b>Members</b>	<b>138</b>

*Table 4: Composition of Senate of Rhodes University*

#### **Senate Committees:**

Senate Executive Committee  
Senate Examinations Committee  
Honorary Degrees Committee  
Nominations Committee  
Constitution Committee  
Institutional Planning Committee  
Research Committee  
Wellness Committee  
Ethical Standards Committee  
Financial Aid Committee  
Teaching & Learning Committee  
Library Committee  
IT Steering Committee  
Student Services Committee  
Board of Residences  
RU Environmental Committee  
Disciplinary Committee  
Health & Safety Committee  
Equity & Institutional Culture Committee  
Naming Committee  
Community Engagement Committee  
Internationalisation Committee

#### **Faculty Boards:**

Humanities Faculty Board  
Science Faculty Board  
Law Faculty Board  
Education Faculty Board  
Commerce Faculty Board  
Pharmacy Faculty Board



## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.1 Composition of Senate & Attendance of Meetings in 2018 (continued)**

#### *Summary of Attendance of Meetings of Senate in 2017*

Name of committee	Number Scheduled	Number Held	Average % Attendance
SENATE	5	5	46%
SENEX	4	5	72%

### **9.2 Major decisions of Senate in 2018**

At the meetings of SENATE in 2018, the following academic proposals were considered. Senate APPROVED the proposed amendments to the Biostatistics (PC301) supplementary examinations.

Senate AGREED to the proposal that supplementary examinations and rewrites awarded in the June examination period be scheduled in the August/September vacation, and AGREED that implementation of the August/September examination period should occur in 2019.

Senate APPROVED the proposal that the IWR and the Department of Geography collaborate to ensure the success of the Honours programme in Environmental Water Management. The course would remain located in the Department of Geography.

In 2018, Senate APPROVED proposals for two new qualifications; MA in Organisational Psychology and Advanced Certificate in Education, Foundation Phase Literacy Teaching. Senate also APPROVED the Veterinary Pharmacy PC 4762 Course Curriculum.

Senate APPROVED the Teaching & Learning Policy

Senate APPROVED the following calendar changes:

- *Faculty Calendar Changes – H Rules - for the Calendar 2019*
- *Department of Anthropology*
- *Department of English Language & Linguistics*
- *Department of Fine Art*
- *Institute of Social and Economic Research (ISER)*
- *Department of Literary Studies in English*
- *Department of Philosophy*
- *Department of Political and International Studies*
- *Department of Psychology*
- *Department of Biochemistry & Microbiology*
- *Department of Chemistry*
- *Department of Computer Science*
- *Department of Environmental Science*
- *Department of Geography*
- *Department of Human Kinetics and Ergonomics*
- *Department of Mathematics*
- *Department of Physics and Electronics*
- *Department of Statistics*
- *Department of Zoology and Entomology*
- *Department of Ichthyology and Fisheries Science*

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.2 Major decisions of Senate in 2018 (Continued)**

- *Department of Education*
- *Department of Accounting*
- *Department of Economics & Economic History*
- *Department of Information Systems*
- *Department of Management*
- *Rhodes Business School*
- *Faculty of Pharmacy*
- *Department of Pharmacy*
- *General Rules for Degrees, Diplomas and Certificates*

In 2018, Senate APPROVED the Condonation of Registration for three students, as presented by the Registrar. Senate RATIFIED the condonation of entry into a degree programme for one candidate. In addition, Senate APPROVED a change in registration from Master of Science to Doctor of Philosophy studies for three candidates.

### **9.3 Highlights of major development & achievements at faculties**

#### **9.3.1. Faculty of Commerce**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Enrolment</b>	<ul style="list-style-type: none"> <li>• Enrolment for undergraduate programmes in the faculty was somewhat lower in 2018 than 2017.</li> <li>• A most successful Open Day was held on Friday, 25 May 2018 for the Grade 11 and 12 learners from schools of the region.</li> </ul>
<b>Student success</b>	<ul style="list-style-type: none"> <li>• Prof Jackie Arendse, HoD: Accounting was awarded 1st prize in the 2018 SAIPA Tax Thesis Competition in the Doctoral degree category for her recently-completed Ph.D.</li> </ul>
<b>Teaching &amp; learning</b>	<ul style="list-style-type: none"> <li>• Following HEQC approval, SAQA approval was received for the PGDip(Business Analysis). The Diploma will be offered from 2019.</li> <li>• Following application/representation by the Department of Accounting, Makhanda/Grahamstown will be a venue for the SAICA Initial Test of Competency (ITC) with the examination being written in January 2019. It is intended that students will not only sit the examination, but will return some weeks before the examination for support workshops by SAICA and staff of the department.</li> <li>• Sponsored by IBM (approximately US \$240,000-00), a number of industry certifications (Business Intelligence Analyst, Application Security Analyst, Mobile Application Developer) have been undertaken by staff and students of the Department of Information Systems:</li> <li>• Faculty's SAICA accredited programmes (BCom, PGDip(Accountancy) and BCom(Honours) in Financial Accounting) were re-accredited at the highest level of SAICA accreditation.</li> <li>• The MBA was re-accredited by AMBA.</li> <li>• As part of a staff exchange, Mr Motse Lehata of the Department of Information Systems spent two weeks at Leicester University, United Kingdom. The exchange was facilitated by the Erasmus Plus Programme.</li> </ul>

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.1. Faculty of Commerce (continued)**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Research</b>	<ul style="list-style-type: none"> <li>• Prof Caroline Khene of the Department of Information Systems received the VC's Distinguished Research Award for 2018.</li> <li>• Members of the Department of Information Systems, Prof Caroline Khene received an NRF C2 rating and Dr Ingrid Sieborger received an NRF Y2 rating.</li> <li>• Prof Jen Snowball and colleagues at NMU, UFH and UKZN were awarded the second round tender for funding for the South African Cultural Observatory. On 10 October 2019, the South African Cultural Observatory (SACO) 2 was successfully launched at Rhodes University.</li> <li>• Ms Gugulethu Baduza, nGAP Lecturer in the Department of Information Systems, was invited to Chair the masters and doctoral programme of the 10th International Development Informatics Association Conference.</li> <li>• 7 students from the Rhodes Business School and 3 students from the Department of Economics and Economic History out of a total of 12 students from Rhodes University participated in the UCT Training Programme in Social Science Research Using Survey Data presented by the Southern Africa Labour and Development Research Unit (SALDRU).</li> <li>• Mr RS Arp, Prof GCG Fraser and Prof MP Hill of the Environmental and Natural Resources Focus Area (ENREFA) Research Group were awarded the Agricultural Economics Association of South Africa prize for the best paper in a Professional Journal for 2017.</li> </ul>
<b>Community Engagement</b>	<ul style="list-style-type: none"> <li>• A successful Budget Outreach Programme was held on 16 March 2018 when members of National Treasury were on campus to share the 2018-2019 Budget (process, content and impact) with staff and students and the greater Makhanda/Grahamstown community.</li> <li>• Staff and students of the Department of Economics lectured and tutored at the GADRA Matric School.</li> <li>• Schools ICT outreach programmes in local and regional schools were provided by the Department of Information Systems.</li> <li>• The Business School provided intervention services for local small and survivalist businesses.</li> <li>• MobiSAM (Mobile Social Accountability Monitoring) continued to operate locally and increasing in surrounding areas as a means of improved two-way communication between citizens and local authorities. This platform was also used to monitor access to sexual reproductive health services as part of SAFAIDS.</li> <li>• The Department of Accounting managed the JSE Schools Investment Challenge.</li> </ul>
<b>Academic promotions</b>	<ul style="list-style-type: none"> <li>• Prof N Pearse of the Rhodes Business School was promoted to rank of full Professor.</li> </ul>

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.1. Faculty of Commerce (continued)**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Notable visitor/s</b>	<ul style="list-style-type: none"> <li>• Dr Makhosi Khoza delivered the Archbishop Thabo Makgoba Development Trust Lecture on 1 October 2018.</li> <li>• The Department of Information Systems hosted a number of visiting researchers in the field of Information Security: Prof Hennie Kruger and Prof Lynette Drevin of North West University and Dr Christos Kalloniatis of the University of the Aegean.</li> <li>• Ms Unathi Lutshaba, Executive Director of SACO and Prof Richard Haines, Academic Director of SACO attended the local launch of SACO 2.</li> </ul>
<b>Conferences and other scholarly gatherings</b>	<ul style="list-style-type: none"> <li>• On 5 October 2018, the Department of Economics hosted its Post-Graduate Research Conference.</li> </ul>
<b>Initiatives to advance transformation and staff equity</b>	<ul style="list-style-type: none"> <li>• Faculty is an active participant in the nGAP programme with lecturers in the Departments of Accounting, Economics and Information Systems.</li> <li>• Faculty continues to employ a diversity of staff all of whom contribute to a more representative academic space and each of whom enhances the academic offerings.</li> <li>• As part of the transformation of the curriculum, courses from each department in the Faculty was subject to intense scrutiny of their content and analysis of students and their performance.</li> <li>• In 2019, Faculty will offer learners of the GADRA Matric School already in possession of an NSC certificate with Bachelor degree pass and who are upgrading their NSC results with an opportunity simultaneously to enrol for an approved course offered by Faculty.</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• The limited number of learners nationally achieving the requisite pass level in Mathematics on the NSC hampers enrolment.</li> </ul>
<b>Anything else</b>	<ul style="list-style-type: none"> <li>• Substantial student funding was awarded to students in the Faculty: Thuthuka (+- R6m), Fasset (+-R6m) and BankSETA (+-R6m).</li> </ul>

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.2. Faculty of Education**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Enrolment</b>	The Faculty met its 2018 enrolment targets: a headcount total of 1178 students comprising 59% undergraduate students and 41% postgraduate students.
<b>Student success</b>	<p>Throughput rates in initial and in-service teacher qualifications continue to be very good and well above the sector average. Our first cohort of BEd(FP) students will graduate this year. 44 wrote the exams, 42 passed and will graduate in the minimum 4 year period – an outstanding success rate.</p> <p>60 of the 62 registered for the BEd(Hons) in Namibia will graduate this year – another superb throughput rate.</p> <p>The language courses in Humanities remain a challenge for many students reading for a BEd(FP) degree. We have appointed an additional lecturer to support academic literacy.</p>
<b>Teaching &amp; learning</b>	<p>Accreditation of our teacher education qualifications is ongoing and slow.</p> <p>Senate approved a Level 6 Advanced Certificate in Education Foundation Phase Literacy which is designed to address the binding constraint of children not being able to read. This programme addresses the teaching of reading in isiXhosa HL.</p>
<b>Research</b>	<p>The faculty has a strong research culture with research-active members of staff. It continues to offer excellent support to PG students through the Research Methods course held twice a year and its three PhD Weeks which are attended by international scholars.</p> <p>The faculty has three SARChI chairs which are important intellectual powerhouses in the Faculty: Distinguished Professor H Lotz-Sisitka (Global Change Social Learning Systems Development: Transformative Learning and Green Skills Learning), Professor MH Graven (South African Numeracy Chair) and Professor M Schafer (Mathematics Education Chair)</p> <p>The Faculty of Education (BEd Foundation Phase) launched the publication “My best teacher: A tribute to South Africa’s teachers from those whose lives they changed, an inspiring publication overseen by Professor C Grant, Ms Z Kuhlana and Ms S Murray.</p>

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## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.2. Faculty of Education (continued)**

<b>ASPECTS</b>	<b>SUMMARY</b>
	<ul style="list-style-type: none"> <li>6 township/ no-fee Schools got 62 bachelors in 2017– compared to 102 in 2018</li> <li>Increased number of pupils wrote matric in 2018 - 558 pupils, this is an 11% increase from 2017.</li> <li>In Summary – the pass rate, number of successful candidates and the number of bachelor passes hit a record high in Makanda/Grahamstown in 2018.</li> </ul> <p>VC's education Initiative targeted 3 High Schools – Nombulelo, Ntsika and Mary Waters. The Rhodes Nine Tenths Mentoring Programme worked with 170 Grade 12's – each one linked to a highly trained Rhodes student volunteer. We were delighted with the impact of this programme as listed below:</p> <ul style="list-style-type: none"> <li>Significantly 89 (87%) of the bachelors in no fee schools were delivered by our 3 partner schools (Ntsika, Nombulelo and Mary Waters)</li> <li>All 89 bachelor passes in these three schools were pupils that were part of the RU Nine Tenths Programme.</li> <li>Top achiever candidate in Sara Baartman district, Usiphile Gazi from Ntsika, participated on the Nine Tenths programme. Both her parents work here at Rhodes as support staff (Monica Gaza is her mother). Her mentor was Thandi Ngqowana, a Masters student in Pharmacy.</li> </ul> <p>Another significant programme to report on is the Bridging year Programme, which has had meaningful impact resulting in increased access to Rhodes University.</p> <p>The Bridging year partnership with GADRA piloted last year was very successful. In 2018, ten pupils/students enrolled for 2 courses at GADRA and one at Rhodes (Psychology - Humanities). Due to the success of the programme, it has been institutionalized and expanded into the Faculty of Science and Commerce for 2019, 40 pupils will be registered (up from the 10 last year). This is another very important pathway created into the University.</p> <p>As a result of the VC's education initiative we have the highest number of local disadvantaged students admitted to RU this year – 130. So going into 2019 we can claim that public education in Grahamstown is becoming more equal. Partnerships and the generosity of many committed individuals being the game changer.</p> <p>Dr Anna Nkomo submitted a proposal to funders for reading resources for one of the primary schools where she undertook her PhD research. An amount of R100 000 had been donated. It was pleasing to note how her research findings were impacting on the ground.</p>
<b>Academic promotions</b>	Dr Ingrid Schudel was promoted to Associate Professor
<b>Awards</b>	Professors <b>L Quinn and J-A Vorster</b> , of CHERTL, on being awarded a National Teaching Excellence Award by the Council on Higher Education (CHE) and the Higher Education Learning & Teaching Association of Southern Africa (HELTASA).

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.2. Faculty of Education (continued)**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Notable visitors</b>	<p>The faculty has been a stimulating intellectual space for staff and students. It hosted a number of national and outstanding international scholars in 2018, including:</p> <p>Professor-Dr Andoni Arenus Martija Profesor Laboratorio Geografía y Educación, Instituto de Geografía, Pontificia Universidad Católica de Valparaíso, Chile. Geography Education and Research. August 2018.</p> <p>Associate Professor Mikael Gustafson. Jönköping University, Sweden. The Linnaes Palmer Project Lecturer Exchange. February 2018.</p> <p>Stefanie Swanepoel. Director of African Earth Rights and a facilitator of the Diploma in Sustainable Development programme at the Sustainability Institute (SI). UNEP Food for Us Project Workshop. May 2018.</p> <p>Dr Saskia Vermeulen. Chancellor's Fellow, Centre for Environmental Law and Governance, University of Strathclyde. United Kingdom. Uncanny Lore Research Meeting with the Khoi San Council. June 2018.</p> <p>Dr Åsa Westermark. University, Sweden. The Linnaes Palmer Project Lecturer Exchange. September 2018.</p> <p>Professor Karin Sporre. Applied Educational Science. Umeå University, Sweden. PhD Teaching Block. October 2018.</p> <p>Dr Jim Taylor. WESSA. Citizen Sciences Collaboration Project Workshop. October 2018.</p> <p>Professor Rosa Guadalupe Mendoza Zuany. Universidad Veracruzana, Mexico.</p> <p>Dr Juan Carlos Antonio Sandoval Rivera. Universidad Veracruzana, Mexico. Collaborative Environmental Education Research. Photo Exhibition: Challenges and paradoxes of the SDG's in indigenous contexts. November 2018.</p> <p>Professor John Holmberg. UNESCO Chair and Physics and Sustainability Professor. Chalmers University, Sweden. Challenge Lab Master Class to Limpopo Basin Curriculum innovation Network December Partner Meeting in Polokwane. December 2018.</p>
<b>Conferences and other scholarly gatherings</b>	<p>Professor Marc Schafer was invited to give the keynote/plenary address for the 6th International Conference at the Federal University of Technology in Minna, Nigeria in October 2018. The theme of the conference was "Enhancing quality education through innovative pedagogy".</p> <p>Professor Marc Schafer was a Visiting Professor at Goethe University in Frankfurt, Germany.</p> <p>Professor Marc Schafer is an associate editor for the EURASIA Journal of Mathematics, Science and Technology Education</p>

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.2. Faculty of Education (continued)**

<b>ASPECTS</b>	<b>SUMMARY</b>
	Distinguished Professor Heila Sisitka-Lotz was a visiting professor at Leuphana University, Germany where she helped shape plans and partnerships to establish a UNESCO Tier 2 Institute on Sustainability and Learning.
	Dr Sizwe Mabizela gave the keynote address at the Enhancing Postgraduate Environments project (EU funded) colloquium at the Royal Embassy of the Netherlands in Pretoria
	The Postgraduate Conference took place in the Education Faculty. This event was attended by postgraduate scholars from across Faculties and provided an opportunity for interdisciplinary conversations about the university as a public good.
	The three-year NRF-ESRC funded project Pathways to the Public Good conference was held in Cape Town in November. Prof Sioux McKenna launched the book the project team has worked on. .
	Nomfundo Siqwede (CHERTL) and Lavern Sias (CPGS) both enjoyed an Erasmus+ funded two-week exchange programme with VU University in Amsterdam where they worked with the International Office and Research Office learning about the administrative processes in place there.
	The ISEA, together with the Eastern Cape English Educators' Association, hosted the 6 <sup>th</sup> biennial Networking teachers' conference, 10 <sup>th</sup> -12 <sup>th</sup> July, with the theme of "Teaching literature for understanding to young children and adolescents".
	Keynote papers were given by:
	Lotz-Sisitka, H.B. Balaton Group Meeting 2018. Balatonszemes, Hungary. September 2018.
	Lotz-Sisitka, H.B. International Education Association of South Africa Conference 2018. Royal Elephant Conference Venues, Pretoria. August 2018.
	Lotz-Sisitka, H.B. African Food Systems and the SDGs Conference 2018. Dakar, Senegal. November 2018. (Joint address PAT MOONEY)
	Lotz-Sisitka, H.B. Future Earth Seedbeds Conference. Port Elizabeth. May 2018.
	Rosenberg, E. (2018). Africa's Future – In Whose Hands? Keynote address at the 36th Annual Conference of EEASA, the Environmental Education Association of Southern Africa, Rethinking Education for Sustainable Development: A Key to Our Future. Livingstone, Zambia. September 2018.



## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.2. Faculty of Education (continued)**

<b>ASPECTS</b>	<b>SUMMARY</b>
	<p>Professor Mqgwashu's NRF-ESRC funded project Southern African Research in Higher Education culminated in a Plenary Panel Presentation: "Rural-University Transition in Southern Africa: preliminary research findings" SRHE International Conference on Research into Higher Education 2018. The changing shape of higher education: Can excellence and inclusion cohabit? Celtic Manor, Newport, Wales, United Kingdom: 5-7 December 2018.</p> <p>Professor Mqgwashu's NRF Thuthuka funded project Learning to Read, Reading to Learn in Secondary School culminated into a Plenary Panel Presentation: "Reading to Learn pedagogy: just another fad?" International Functional Linguistics Congress: re-imagining the future – expanding resources and making connections. Boston College, Chestnut Hill, MA, USA: 19 – 21 July, 2018.</p>
<b>Initiatives to advance transformation and staff equity</b>	Good progress has been made insofar as changing the staff profile is concerned. The Faculty has three n-GAP lecturers and a number of new lecturers from under-represented groups. Appointments at senior academic levels is an ongoing challenge.
<b>Challenges</b>	<p>Education Department Financial Audit: Irregular expenditure and fraud</p> <p>Retention of Black members of staff. Four Black African members (two academic and two admin) resigned in 2018.</p> <p>Level of university support for the CSD. CSD Audit and Review</p> <p>Slow CHE accreditation processes</p> <p>Funding for post-graduate students</p> <p>Payment of ECDoE bursaries</p>

#### **9.3.3. Faculty of Humanities**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Enrolment</b>	The Faculty of Humanities continues to be the largest faculty at the institution, with approximately 43% of all RU students enrolled.
<b>Student success</b>	A total of 878 students graduated in April with Humanities degrees and postgraduate diplomas. This included twenty PhDs.
<b>Teaching &amp; learning</b>	Extensive efforts were undertaken to revise the Humanities degree rules and the structure of departmental offerings. The most important result is that there are now many more semesterized offerings, which will greatly assist with curriculum flexibility and student throughput

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.3. Faculty of Humanities (continued)**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Research</b>	<p>Dr Sally Matthews (Political and International Studies) was the recipient of the Vice-Chancellor's Distinguished Research Award</p> <p>The following staff received NRF ratings in 2018:            Prof A Amtaika (Political and International Studies) C3            Dr E Jordaan (Political and International Studies) C2            Dr M Marais (Literary Studies in English) B1            Dr A Phiri (Literary Studies in English) Y1            Prof V Moller (ISER) B1            Prof R Simbao (Fine Art) B3</p>
<b>Community Engagement</b>	Humanities has a decentralized community engagement system, coordinated by the Community Engagement Office.
<b>Academic promotions</b>	<p>Associate Professor to Full Professor:            Prof K Helliker (Sociology)            Prof P Mwepu (French Studies)            Senior Lecturer to Associate Professor:            Dr S Matthews (Political and International Studies)            Lecturer to Senior Lecturer:            Mr R Amner (School of Journalism and Media Studies)            Dr N Mazwi (African Languages)            Dr A Phiri (Literary Studies in English)            Dr G Steele (Psychology)            Mr D Van Schoor (Classics)</p>
<b>Conferences and other scholarly gatherings</b>	No conferences were hosted by the faculty.
<b>Initiatives to advance transformation and staff equity</b>	<p>The Faculty rigorously applies pro-transformation measures in all of its staff recruitment efforts.</p> <p>Humanities participates in the Mellon-funded "Advancing the Black Professoriate" programme, which is aimed at increasing the number of black staff who can be promoted to the Associate Professor and Full Professor levels.</p>
<b>Challenges</b>	<p>Increase in student numbers required in order to assist the institution in reaching financial sustainability.</p> <p>While academic staff equity advances have been made, these have mainly been at the less senior levels.</p> <p>Postgraduate funding remains a concern. This was exacerbated by the suspension of the SAHUDA/NIHSS Doctoral Scholarship programme.</p>

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.4. Faculty of Law**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Enrolment</b>	1073 students registered in Department of Law for Commercial Law 1 and 2, and Legal Theory 1, 2 and 3. 185 LLB student, 6 LLM students and 5 PhD students
<b>Student success</b>	72 LLB students graduated in 2018, 1 PhD and 1 LLM candidate graduated
<b>Teaching &amp; learning</b>	Continued discussions on curriculum review / decolonisation and assessment practices.
<b>Research</b>	Staff participated in several national and international conferences, and several publications by staff appeared. (Research report contains details).
<b>Community Engagement</b>	The Faculty launched a structured CE programme in 2018, with workshops on dispute resolution and discussions on 'the living Constitution' held at different schools. The Law Clinic continued its consultation sessions at the ADC and staff participated in various Radio Grahamstown talks.
<b>Academic promotions</b>	None
<b>Notable visitor/s</b>	<p>The Eastern Cape Division Judge President SM Mbenenge's encouraging speech helped set a positive tone for the coming academic year.</p> <p>Visiting fellow, Mr Max Boqwana delivered a thought-provoking public lecture in February entitled 'Illicit Financial Flows from Africa: What African Lawyers can do about it?' He also gave lectures to first and penultimate year law students.</p> <p>Adv Chris McConnachie, a research associate of the Faculty, presented lectures to the Constitutional Law class and the Life Partnerships class respectively on matters in which he had acted as counsel: <i>Economic Freedom Fighters v Speaker of the National Assembly and Others</i>; <i>Democratic Alliance v Speaker of the National Assembly and Others</i> on the requirement for parliamentary rules providing for impeachment procedures and accountability measures, and on <i>Women's Legal Centre v President of South Africa, and others</i> addressing the need to recognise Muslim Marriages through legislative enactment.</p> <p>Tyron Theesen and Monde Coto (from Webber Wentzel and Rhodes alumni) addressed the Legal Skills class about the legal environment, specifically relating to multijurisdictional practice, the effects of globalisation on the practice of law, and the types of instructions to expect in a corporate law firm.</p> <p>Our visiting professor, Judge of Appeal Nambitha Dambuzza delivered a well-attended public lecture in April entitled, <i>Women's parental rights in ulwaluko: A paradox</i>. Judge Dambuzza also gave lectures in procedural law courses for LLB students.</p> <p>Adv Wim Trengrove delivered a public lecture in September on 'The Good, the Bad and the Ugly in the NDPP'.</p> <p>Judge Clive Plasket delivered a public lecture in October entitled 'Procedural fairness, executive decision-making and the rule of law.'</p>

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.4. Faculty of Law (continued)**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Conferences and other scholarly gatherings</b>	See research report for details – attached also the 2017-2018 In Camera Report with the details.
<b>Initiatives to advance transformation and staff equity</b>	Ongoing discussions on curriculum transformation and active compliance with employment equity

#### **9.3.5. Faculty of Pharmacy**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Enrolment</b>	The admission requirements for the Faculty of Pharmacy are based on merit. A clear indication in the admissions literature informs potential students that meeting the admissions levels of acceptance in Pharmacy does not guarantee a place. The number of places available as opposed to the number of applications is a national issue and not unique to pharmacy. The enrolment in pharmacy was higher in 2018 than in 2017. The Faculty welcomed new students and parents/guardians on the first Saturday and Sunday and parents had an opportunity to engage with the Vice-Chancellor, Deans of Faculties, SRC members, senior students and other members of the community and to explore the campus.
<b>Student success</b>	146 BPharm degrees were conferred in 2018, of which 22 were awarded with distinction. The university conferred 10 MSc (Pharm), 1 MPharm and 2 doctoral degrees in 2018. That makes close to 160 graduates for 2018. Dr Chiluba Mwila was appointed Head of Department of Pharmacy at the University of Zambia following completion of his PhD at Rhodes.
<b>Teaching &amp; learning</b>	<p>Ms N Paterson, a lecturer and pharmacist, ran Continuing Professional Development (CPD) presentations for new intern psychologists at the Counselling Centre on “the role of pharmaco-therapy in mental illness”. She also presented and promoted Pharmacy at Rhodes at the Diocesan School for Girls (DSG) Career Day in March 2018.</p> <p>Dr Goosen is one of three staff members who have been chosen to take part in the Teaching Advancement at Universities (TAU) Fellowship Programme for 2018 to 2019. The current TAU cohort comprises 51 of the top lecturers from all South African Universities, many of whom have won Institutional or National Teaching Awards or other forms of peer recognition for teaching excellence.</p> <p>Dr Goosen was invited by Prof Yu Pei, current Executive Dean of the International School at Jinan University, Guangzhou, Guangdong, People's Republic of China, to give lectures over a period of four weeks in Medicinal Chemistry and Pharmaceutical English to third year Pharmacy Students. She also conducted discussions on teaching and learning and curriculum with a number of colleagues at the College of Pharmacy of Jinan University.</p>

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**


#### **9.3.5. Faculty of Pharmacy (continued)**

<b>ASPECTS</b>	<b>SUMMARY</b>
	Pharmacy students are expected to spend a minimum of 400 hours during their undergraduate years in pharmacies as part of a Work Based Learning (WBL) requirement in the curriculum. The aims of WBL are to reinforce and integrate theoretical concepts which have been, or will be, taught in class, to provide opportunities to consolidate knowledge, and to apply knowledge and skills. In 2018 first year Pharmacy students were expected to spend time during the December/ January vacation in a community and/or hospital pharmacy for WBL. All Pharmacy students are now also expected to have Professional Indemnity Insurance and all undergraduate students were assisted by the Faculty to obtain indemnity via the Pharmaceutical Society of South Africa.
<b>Research</b>	<p>Our researchers have broken out of the traditional academic silos to assemble cross-disciplinary, flexible research teams with a common purpose. These include research on pharmaceuticals and personal care products and exploring interactions between chemicals and the environment. The pharmaceuticals group focused on Targeted Drug Delivery with Emphasis on Ocular Drug Treatment. The role of computational and statistical modelling, machine learning and Bayesian statistics in drug registration are some of the topics that have been included. Prof Walker and Prof Tandlich have contributed enormously to research in the Faculty with many students graduating and also publishing in high impact journals.</p> <p>As a result of the collaboration between Rhodes University and Jinan University in Guangzhou, China, Prof Santy Daya was invited to their Pharmacy School to present a research talk as well hold research discussions with various members of staff. The school has approximately the same number of students as the Rhodes Faculty of Pharmacy but they have 120 staff members with very active research in Traditional Chinese medicine as well as drug development, with several patents pending as well as a brand new campus under development. Their pharmacy school has the highest rating in China and thus a continued collaboration with Rhodes is highly desirable in terms of staff development.</p>
<b>Community Engagement</b>	<p>Dr Goosen is a member of the Eskom EXPO for Young Scientists Grahamstown Regional Committee. She also acts as a moderator and conducts training sessions for judges at the Regional EXPO.</p> <p>The Faculty of Pharmacy community engagement programme (home visits) continued last year and forms part of the Pharmacy Practice (PP 4) course for final year students. Students interview patients with chronic conditions in their homes within the Grahamstown community. The patients are selected from the Settlers Day Hospital (PHC clinic) with consent and cooperation of the Professional Nurse in charge of the PHC clinic. The visits gave students the opportunity to see health and illness from patients' perspective and enabled them to identify patients' specific pharmaco-therapeutic problems.</p> <p>Representatives of ten African National Young Academics of Science (NYAS) had the opportunity to meet and engage with each other in November in Cotonou, Benin at the Académie nationale des sciences, arts et lettres du Bénin (ANSALB), (Benin National Academy of Sciences, Arts and Letters) offices. The informal meeting focussed on encouraging young scientists and academics to support the Sustainable Development Goals (SDGs) more effectively. Dr Ngqwala, a senior lecturer in the Faculty of Pharmacy, attended the meeting and represented South Africa. Travel support was provided by the Academy of Science of South Africa (ASSAf). The informal meeting was led by the South African Young Academy of Science (SAYAS).</p>

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.5. Faculty of Pharmacy (continued)**

ASPECTS	SUMMARY
	<p>In December 2018, Dr Ngqwala attended a European Commission funded workshop on Evidence-Informed Policy Making – Water-Energy-Food-Health. The aim of the workshop was to understand how to better communicate and visualise research results, address policy needs, understand policy cycle, and how to use research to influence policy making processes.</p>
	<p>Dr Ngqwala attended the Science Forum South Africa (SFSA 2018) held in Pretoria in December 2018. The Forum was organised by the Department of Science and Technology. SFSA provides a public platform for debating science and society.</p>
	<p>Dr SM Khamanga was promoted to Associate Professor in Pharmaceutics</p>
<p><b>Notable visitor/s</b></p>	<p>Two visiting Fellows visited in 2018:</p> <ul style="list-style-type: none"> <li>• Prof Beverley Glass, Professor of Pharmacy, College of Medicine and Dentistry, James Cook University Townsville, AUSTRALIA</li> <li>• Prof Glass visited the Faculty twice in 2018 – first in March and again in November. During her time here she gave lectures, consulted with staff and postgraduates, and advised on teaching and learning, research and professional issues.</li> </ul>

## 9. SENATE'S REPORT TO THE COUNCIL (continued)

### 9.3 Highlights of major development & achievements at faculties (Continued)

#### 9.3.5. Faculty of Pharmacy (continued)

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ASPECTS	SUMMARY
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Prof Bev Glass and Ms Yoland Irwin

- Mr Andy Gray from UKZN

Andy Gray is well known to pharmacists and other healthcare professionals in South Africa as he is the moderator of the excellent DrugInfo listserv. Internationally, he is currently Vice-President of FIP (International Pharmaceutical Federation) and is one of two candidates standing for President in this year's elections at the FIP conference. He is also a Member of the WHO Expert Panel on Drug Policies and Management. Andy is a senior lecturer at UKZN, a consultant pharmacist for the Centre for the AIDS Programme of Research in South Africa (CAPRISA), Chair of the Names and Scheduling Advisory Committee, South African Health Products Regulatory Authority (SAHPRA), Member of the Legal Advisory Committee and Member of the National Essential Medicines List Committee (NEMLC). Within this hectic demanding life of multiple commitments, he always finds time to honour his honorary Visiting Fellow association with Rhodes. In May 2018, Andy gave several Pharmacy Law lectures and a seminar on "Medical marijuana - slippery slope or brave new vista?" whilst visiting the Faculty in May.


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## 9. SENATE'S REPORT TO THE COUNCIL (continued)

### 9.3 Highlights of major development & achievements at faculties (Continued)

#### 9.3.5. Faculty of Pharmacy (continued)

ASPECTS	SUMMARY
	
	<p>Both Andy and Rosemary, his wife, studied Pharmacy at in the 1980s</p> <p>Dr. Katharina Edkins MRPharmS MRSC FHEA, Senior Lecturer in Pharmaceutics, Secretary to the UK Neutron Scattering Special Interest Group, School of Pharmacy, Queen's University of Belfast, and her colleague visited the Faculty on the 14th September 2018.</p>
<b>Conferences and other scholarly gatherings</b>	<p>The Faculty participated in the Scifest Africa 2018. The groups' theme was Dermatologic Health: Dangerous chemicals in skin lightening products. The undergraduate students in pharmacy prepared moisturizers, creams, cold creams, night creams and then vanishing creams. The festival presented a perfect opportunity for students to present an overview of the practice of skin bleaching and they were able to raise awareness of the dangers of this practice on a cosmetic basis, primarily to lighten normal dark skin.</p> <p>Prof Ros Dowse was an invited plenary speaker at a combined conference of the International Society for Maxillofacial Rehabilitation (ISMR) and the Australian and New Zealand Head and Neck Cancer Society (ANZHNCs). She was also a panel member in a plenary session in which an expert clinical team debated the issue "Treatment Decision Making".</p> <p>Dr Carmen Olthmann is on the international organising committee of the Life Long Learning in Pharmacy conference that was held in Brisbane, Australia (6-9 July 2018). She presented a paper: "Developing South African Health Professions Educators for the 21st Century".</p>



## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.5. Faculty of Pharmacy (continued)**

<b>ASPECTS</b>	<b>SUMMARY</b>
	<p>The Faculty was represented by four post graduate students at the APSSA CoBNest Conference, Spier Wine Estate, 7-10 October 2018 where they presented their research work. These were: Hukan D. West, Tanyi M Kima, Pascal Ntemi and Bwalya Witika.</p> <p>Professor Walker gave an oral presentation at the FIP World Congress in Glasgow in September and was co-author of a paper delivered by the South African Pharmacy Council in which the development of a qualification for Pharmacy Technicians on the OCTO framework was presented.</p>
<b>Initiatives to advance transformation and staff equity</b>	The Faculty welcomed Dr L. Sibiyi in July. He lectures on Anatomy and Physiology. Dr D Khanye joined the Faculty in July. He lectures on Pharmaceutical Chemistry. Ms Tanusha Dhukan accepted an nGAP lecturer position in Anatomy and Physiology and joined the Faculty at the beginning of 2019.
<b>Challenges</b>	<p>Resignations of Dr Clint Veale, Abhi Goberdhan, Dr Ayanda Ngwenya, Yolande van Deventer, and Collin Nontyi. The Faculty was proactive and quick to fill all the vacancies. We are still finding it a challenge to recruit academic pharmacists, for a variety of reasons.</p> <p>Academic pharmacists are also expected to be tutors registered with the South African Pharmacy Council (SAPC).</p>
<b>Anything else</b>	<p>Prof Sandile Khamanga was appointed an expert reviewer for the Clinical Trials Committee of the South African Health Products Regulatory Authority (SAHPRA). This is an established regulatory authority overseeing medicines and clinical research, replacing the Medicines Control Council (MCC). Prof Khamanga serves as an executive board member of the Academy of Pharmaceutical Sciences of South Africa.</p> <p>Approximately 160 first-year students took their first step towards becoming pharmacists when they received their first white coats in a well attended ceremony in the Faculty of Pharmacy. The ceremony provided a powerful emphasis on compassion for pharmacy students that stresses the importance of pharmaceutical care for patients and professionalism as well as scientific proficiency. This was a great milestone for pharmacy at Rhodes and great effort and gratitude to Prof Santy Daya who made it possible that students strode on stage to receive their white coats. Prof R.B. Walker spoke on behalf of Faculty of Pharmacy.</p>

#### **9.3.6. Faculty of Science**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Enrolment</b>	The faculty has 1500 students in total; 50% UG and 50% PG. This is the first year in decades that the faculty was larger than the Faculty of Commerce and is now the second largest faculty in the university. First time entrants were unfortunately lower than in 2017.

## **9. SENATE'S REPORT TO THE COUNCIL (continued)**

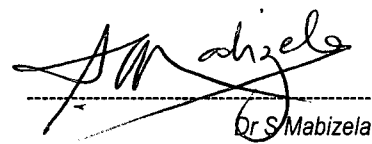
### **9.3 Highlights of major development & achievements at faculties (Continued)**

#### **9.3.6. Faculty of Science (continued)**

<b>ASPECTS</b>	<b>SUMMARY</b>
<b>Student success</b>	<p>Several students were presented with awards and prizes at conferences; Katherine James (Computer Science) won the second-best student award at the annual SATNAC Conference in Hermanus, James Dibley (Computer Science) the best student award at a conference in Dresden, Germany, and Manda Kambikambi (Ichthyology) the best student oral presentation award at the 2018 SASAQs conference. Kelly Swartz was awarded a DST-Albertina Sisulu Master's Fellowship. There were 44 PhDs conferred in April, a new record for the faculty and the university.</p>
<b>Teaching &amp; learning</b>	<p>The faculty has an active Teaching &amp; Learning Sub-committee represented by all departments. This year they concentrated on the Curriculum Review and looked at reducing overlap in courses between cognate disciplines, together with broader curriculum development. Examples include Mathematics, Mathematical Statistics and Physics, and Geography and Environmental Science, and Zoology, Entomology, Botany and Ichthyology. Overlap at the Honours year was interrogated resulting in an attempt to change the structure of the Honours degree to allow for a wider range of joint Honours.</p> <p>An exciting new venture is for the faculty to partner with the GADRA matric school to offer a sort of bridging "post matric" learners who just missed the mark and could not gain admission to university. The Introductory Scientific Concepts and Methods (ISCM) course that is the backbone of the Extended Studies Programme will be offered to 5 GADRA learners in 2019 who will then be able to earn RU credits that can count towards a later BSc. The Extended Studies Unit offers a form of university-level bridging course, as does GADRA MS so a partnership makes academic sense.</p> <p>Dr Karen Ellery was awarded the Senior Teaching award for 2018.</p>
<b>Research</b>	<p>The university was headlined when the MeerKAT project published its first image of the centre of our galaxy; the most detailed image ever taken providing evidence of blackholes and filaments over five light years in length surrounding it. The Department of Physics &amp; Electronics under Justin Jonas' vision and leadership and Prof Oleg Smirnov's RATT group are real trailblazers and we look forward to all the Science and Nature papers that will start flowing from the project.</p> <p>Dr Philani Mashazi was promoted to be the new Deputy Director of the Nanotech Innovation Centre. He also received a NRF Research Development Grant for Y-Rated Researchers for 2019 to the value of R3.5 million. Prof Adrienne Ekins won the recent SA Woman in Science award in the natural sciences. Prof Martin Hill took over the vacant research chair in Agricultural Entomology.</p> <p>The Senior Research Award for 2018 was awarded to Prof Brett Pletschke</p> <p>There were two new ratings for Dr Claudiu Remsing (Mathematics) of a C1, Dr John Mack (Chemistry) of a B3 rating, and (Physics) of a B2 rating of a re-rating for Prof Makaiko Chithambo</p> <p>A new faculty research initiative to start interdisciplinary research included the award of six R20,000 research grants to start new research between different departments/faculties.</p>

**9. SENATE'S REPORT TO THE COUNCIL (continued)****9.3 Highlights of major development & achievements at faculties (Continued)****9.3.6. Faculty of Science (continued)**

ASPECTS	SUMMARY
<b>Community Engagement</b>	The faculty has an active Community Engagement Sub-committee represented by all departments. The faculty assisted with the annual Eskom Science expo in April and 120 staff and students judged student projects. Over 30 school learners spent two weeks in various laboratories during the June holiday and 20 learners in 4 schools were mentored by postgraduate students. This was the first year where new academics assisted with the Mobile Science lab and completed 8 workshops where they assisted with the Gr 9 science practicals.
<b>Academic promotions</b>	There were eleven promotions, approximately half of all promotions, at all levels. From Lecturer we had Dr Childs, Dr Kadye, Dr Motara, Dr de Vos and Dr Edwards. From Senior Lecture to Associate Professor there was Dr Khene, Dr Lobb, Dr Klein, Dr Jones and Dr Boshoff. Prof Irwin was promoted to Professor.
<b>Notable visitor/s</b>	Tracking visitors with departments is difficult and has not been reported.
<b>Conferences and other scholarly gatherings</b>	No conferences were hosted by the faculty.
<b>Initiatives to advance transformation and staff equity</b>	<p>The faculty's focus on transformation was to engage with the Institution's Transformation Plan. The Dean's approach to transformation and equity is not restricted to "bean counting" but about looking at meaningful change in the faculty and university and specifically to enable people differently such that everybody can reach their potential. The latter, relating to equity, can use the analogy of being a parent to multiple children; each child is different and each therefore needs specific resources to reach their potential. The faculty is therefore trying to adopt this approach with providing members with specific support such that they can excel. New academics, for example, are allocated an MSc bursary immediately to start their research on the day they start at the university and get the proverbial "ball" rolling.</p> <p>There were four new appointments in 2018, Dr Pillay (Botany), Dr Catherine McLean (Mathematics), Dr Chris Stevens (Mathematics) and Dr Sheanesu Ruwanza (Environmental Science). Dr Yusuf Motara was awarded a black academics advancement programme and will be taking a two-year sabbatical starting in 2019.</p>
<b>Anything else</b>	<p>Congratulations to Prof Nyokong who was awarded a DSc <i>Honoris causa</i> by UKZN last month, the Centre for Biological Control was awarded a R67 million research grant for the next 3 years, the Institute for Water Research was awarded the hosting rights of three ARUA Centre of Excellence for Water Conservations. Of our students, Aviwe Matiwane (Botany), Charles Faul (Biotechnology Innovation Centre) and Ms Muthumuni Managa (Chemistry) were named as <i>M&amp;G's Top 200 Young South Africans</i>.</p>

  
 Dr S Mabizela  
 Chairperson of Senate  
 Date: 27 June 2019

**10. REPORT OF THE INSTITUTIONAL FORUM TO THE COUNCIL****Role of the Institutional Forum**

The Institutional Forum must advise Council on issues affecting the university, including:

- the implementation of the Higher Education Act, 1997, and the national policy on higher education;
- policies on race, gender equity, and other grounds of discrimination referred to in relevant legislation;
- the selection of candidates for senior management positions;
- codes of conduct, mediation, and dispute resolution procedures;
- the fostering of an institutional culture which promotes (i) tolerance and respect for human dignity and fundamental human rights and (ii) a positive environment for teaching, research, and learning.

**Membership of Institutional Forum in 2018**

Constituency		Number of Representatives
Senior Management		3
Council Rep		3
Senate Reps		2
Unions		3
SRC Reps		6
DASO Chair		1
SASCO Chair		1
<b>Total</b>	<b>Members</b>	<b>19</b>
	<b>In attendance</b>	<b>6</b>

**Summary of Attendance of Meetings of the Institutional Forum in 2018**

Name of committee	Number Scheduled	Number Held	Average % Attendance
Institutional Forum	4	4	>60%

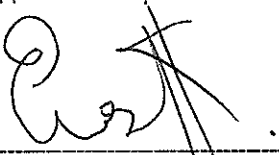
**Major Deliberations of Institutional Forum in 2018**

- i. Review and receive reports on the implementation of the recommendations of the Transformation Summit.
- ii. Election of a fixed (12 month) chair for the IF.
- iii. Review of the employment equity policy.
- iv. Review of the approach to gender, HIV and sexual violence and monitoring the success of policies with reference to the same.
- v. Student enrolment – diagnosing the causes behind the failure to achieve enrolment targets.
- vi. Staff retention – deliberation on factors impacting on staff retention, with particular reflection on remuneration benchmarking, local socio-economic condition and attitudes of existing staff toward new staff.
- vii. Attend national forum for Institutional Forum chairpersons.
- viii. Student reports on transformation issues.
- ix. Representation of RU IF at DHET institutional forum chairperson's committee
- x. Selection of members for senior management and reflecting on the improved quality of recommendations made to IF in terms of quality of information in considering these senior appointments.
- xi. Institutional Forum continued toward a more rigorous approach towards compliance with governance best practices, including a workshop for all members.

**10. REPORT OF THE INSTITUTIONAL FORUM TO THE COUNCIL (continued)**

**Role of the Institutional Forum (continued)**

The Institutional Forum in 2018 has significantly improved attendance and coordination, institutional memory and consistency was achieved via the single chairperson approach.



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Mr Evert Knoesen  
Chairperson of Institutional Forum  
Date: 27 June 2019

## **11. THE REPORT OF AUDIT COMMITTEE**

Rhodes University has implemented systems of internal control which are designed to provide reasonable assurance to the University and the Council that an operational environment is created and maintained which promotes the safeguarding of the University's assets, and the preparation of reliable financial and other information.

The Council of the University has also appointed the Audit Committee to review governance and provide oversight over the systems of internal control and financial management and reporting.

The financial and administrative Information Systems have been developed and implemented according to defined and documented standards to achieve efficiency, effectiveness, reliability and security. Generally accepted standards are applied to protect privacy and provide controls over all data, including disaster recovery and "back-up" procedures. As a result of increasing reporting and compliance requirements, particularly from Government, it has become clear that data interpretation and reporting requires increased attention. The University has embarked upon a review of the capability of its Information Systems. Supporting this review is a systematic appraisal of business processes and systems to identify processes and systems that have become cumbersome, out-dated or inadequate. Business processes and data flow are being evaluated and, where necessary, systems will be modernised or improved.

During the course of 2018 the modernisation of the University's financial system has been prioritised, and a task team chaired by the Executive Director: Infrastructure, Operations & Finance is conducting a thorough due diligence of the options and alternatives available, in collaboration with the universities of the North West and Stellenbosch. The launch of the modernisation project is anticipated in July 2019.

Internal controls and information systems are audited by the external auditors on an annual basis to ensure that the system controls were effective throughout the financial period under review. Transactions with staff, students and third parties receive close scrutiny for accuracy, compliance and efficiency. Procedures that are in place are continually reviewed to minimize the risk of fraud or error.

The University has embarked on a process of formalising and enhancing its risk management processes. This involves the identification of strategic and operational risks, the rating of these risks and the development of strategies to assist in the management of the institution to mitigate the risks, which include the maintenance of effective systems of internal control.

Auditors, independent of the external auditors, perform selected internal audit assignments under the guidance of the Audit Committee and report findings and recommendations to this Committee of the Council. Corrective actions are taken to address control deficiencies and systems are continuously assessed to identify opportunities for improvement.

  
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H C Staple  
Chairperson of Audit Committee  
Date: 27 June 2019

## **12. 2018 ANNUAL FINANCIAL REVIEW**

### **12.1. Review of Financial Results**

The turbulence and uncertainty which pervaded the higher education sector from October 2015 was stabilised to an extent during the 2018 financial year by an injection of additional funding into the sector by the State in the form of additional grants as well as increased funding for NSFAS. The University's initial budget for 2018 had to be revised following announcements by the State after Council had approved the budget. The budget and forecast had to be adjusted accordingly. Despite this additional income, the Council-approved three-year financial viability plan remained in place as the message from the DHET is clear – the funding increases of the magnitude awarded in 2018 have come at the expense of other national budgets, and such levels of increases are not sustainable into the future. Rhodes University has thus been provided with a window of opportunity to stabilize its financial position in order to ensure financial sustainability for the next decade.

#### **2018 Financial performance**

- **Central University Operations**  
State subsidy income as a percentage of recurring income rose to 59,2%, whilst the percentage of recurrent income from tuition fees declined to 37,8%, which is a welcome shift in the right direction. Total recurrent operating income increased in 2018 by 7,2% to R760,5m. Tuition and other fee income increased by 8% to R287,6m, reflecting the increased debtor-management initiatives implemented during the year. State subsidy income for central university operations increased year-on-year by 16,2% to R450,4m. Recurrent expenditure rose by 7,2% to R679m, with staff costs increasing by 8% and other operating expenditure increasing by 8,1%. For the first time in several years income increased at a higher rate than expenditure. The net operating accounting surplus for 2018 was R82,3m prior to the inclusion of the central operations share of the benefit funds expense of R49,6m which gave rise to a net accounting surplus of R32,6m.
- **Contract (earmarked) fund activity**  
The total income increased by 1,4% to R346,8m. State income decreased by 5,2% to R108,5m chiefly due to a decline in the size of the sector budget in 2018. Income from contracts however increased by 37,3% to R55,8m. Expenditure has increased by 3,9% to R308,9m. The net result of the Council managed earmarked funds activity is a surplus of R37,8m, which represents a year-on-year decrease of 15,5%.
- **Residential operations (accommodation)**  
The residential operations budget (comprising the student residences and staff transit housing) is largely self-sustaining. Recurrent income increased by 10,2% to R223m, whilst recurrent expenditure increased by 5,3% to R174,8m. Due to the debtor-management initiatives mentioned above, coupled with careful cost control measures, a net accounting surplus of R44,2m prior to the inclusion of the residential operations share of the pension fund liability is reflected. The inclusion of the share of the benefit funds expense of R12,6m resulted in a net accounting surplus of R31,6m.
- **Investments**  
Long term investment portfolios are managed by the University's Board of Governors together with assistance from professional investment managers. Poor market performance is reflected by an impairment of R27,5m, a year-on-year reduction of 5,04%.
- **Cash flow planning**  
The University's cash flow cycle has improved with the enhanced debtor-management initiatives implemented by the Finance Division during the year. The additional funding from the State has also relieved pressure on cash flows. The Council mandated and ministerially approved overdraft facility was not utilised during the 2018 financial year.

## 12. 2018 ANNUAL FINANCIAL REVIEW (continued)

### 12.1. Review of Financial Results (continued)

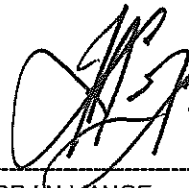
#### 2018 Financial performance (continued)

- Retirement fund obligations  
The combined retirement funding liabilities increased considerably to R178m. Council appointed a Task Team during the course of 2018 to assess the impact of this liability and to make recommendations. The continued existence of an open defined benefit pension fund poses significant risk to the financial sustainability of the University.
- Infrastructure investment  
Several major refurbishment and deferred maintenance projects commenced during 2018, including the modernisation of the campus electrical reticulation system, the fire safety assessment and the refurbishment of the BioScience building. These infrastructure projects were funded from the DHET infrastructure and efficiency funds received for this purpose as well as from university and residence budget allocations.

The University has therefore succeeded in ending the 2018 financial year successfully. However, the high staff-cost ratio in the central budget, the issue of competitive remuneration (particularly for academics), coupled with the very high level of deferred maintenance of campus infrastructure, remain the significant challenges for Rhodes University as identified in the viability plan mentioned above. It is worth repeating - Rhodes University has been accorded a window of opportunity to stabilize its financial position in order to ensure financial sustainability for the next decade, and must take maximum advantage of this opportunity.



T TAGG  
CHAIR: FINANCE & GENERAL PURPOSES  
INFRASTRUCTURE, COMMITTEE  
Date: 27 June 2019



DR I N LANGE  
EXECUTIVE DIRECTOR:  
INFRASTRUCTURE,  
OPERATIONS & FINANCE



## 12. 2018 ANNUAL FINANCIAL REVIEW (continued)

### 12.2. COUNCIL'S STATEMENT OF RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Council is responsible for the preparation and fair presentation of the financial statements of Rhodes University. The financial statements, presented on pages 70-116, have been prepared in accordance with International Financial Reporting Standards ("IFRS") in the manner required by the Minister of Higher Education & Training in terms of section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and include amounts based on judgements and estimates made by management.

The Council also prepared the other information included in the Annual Report and is responsible for both its accuracy and consistency with the financial statements. The current viability of Rhodes University is supported by the financial statements.

The "going concern" basis has been adopted in the preparation of the financial statements. The Council has no reason to believe that the University will not be a "going concern" in the foreseeable future, based on forecasts and available cash resources.

The financial statements have been audited by the independent audit firm, PricewaterhouseCoopers Inc, which was given unrestricted access to all financial records and related data, including minutes of meetings of the Council and all its committees.


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

#### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements on pages 70-116 were approved by the Council on 27 June 2019, and signed on its behalf by:



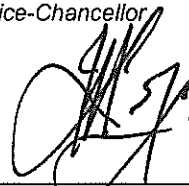
V D KAHLA  
Chair of Council



DR S MABIZELA  
Vice-Chancellor



T TAGG  
Chair, Finance & General Purposes Committee



DR I L'ANGE  
Executive Director: Infrastructure,  
Operations & Finance



## INDEPENDENT AUDITOR'S REPORT

### TO THE MINISTER OF HIGHER EDUCATION AND TRAINING AND THE COUNCIL OF RHODES UNIVERSITY

#### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

##### Opinion

We have audited the consolidated financial statements of the Rhodes University and its subsidiary (the University) set out on pages 70 to 116, which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa, 1997 (Act No. 101 of 1997).

##### Basis for opinion

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.

We are independent of the University in accordance with section 290 and 291 of the Independent Regulatory Board for Auditors' *Code of professional conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

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

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

The council is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa, 1997 (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.

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Chief Executive Officer: T D Shango

Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.

Reg. no. 1998/012055/21, VAT reg.no. 4950174682..

In preparing the consolidated financial statements, the council is responsible for assessing the University'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 council either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the consolidated financial statements**

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

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

#### **REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT**

##### **Introduction and scope**

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof we have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual report. We performed procedures to identify findings but not to gather evidence to express assurance.

Our procedures address the reported performance information, which must be based on the approved performance planning documents of the University. We have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. Our procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.

We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual report of the University for the year ended 31 December 2018:

<b>Objectives</b>	<b>Pages in the annual report</b>
Headcount totals	5
First-time entering undergraduates	5
Headcount enrolments total UG	5
Headcount enrolments total PG	5
Graduates UG	5
Graduates PG	5
Headcount of permanent instructional/research professional staff	6
Ratio of FTE students to FTE instructional/research staff	6
Total research output units	6
Publication units per I/R staff	6

We performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. We performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

We did not identify any material findings on the usefulness and reliability of the reported performance information for the above-mentioned objectives.

### **Achievement of planned targets**

Refer to the annual report on pages 5 to 6 for information on the achievement of the planned targets for the year and explanations provided for the under/over achievement of a number of targets.

## **REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION**

### **Introduction and scope**

In accordance with the PAA and the general notice issued in terms thereof we have a responsibility to report material findings on the compliance of the University with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.

We did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

### **OTHER INFORMATION**

The council is responsible for the other information. The other information comprises the information included in the *Rhodes University Annual Report 2018*. Other information does not include the consolidated financial statements, the auditor's report thereon and those selected objectives presented in the annual report that have been specifically reported on in the auditor's report.

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

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.

If, based on the work we have performed, on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **INTERNAL CONTROL DEFICIENCIES**

We considered internal control relevant to our audit of the consolidated financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance thereon. We did not identify any significant deficiencies in internal control.

### **OTHER REPORTS**

We draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the University's consolidated financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of our opinion on the consolidated financial statements or our findings on the reported performance information or compliance with legislation.

### Performance audits

No performance audits in progress.

### Investigations

No investigations in progress.

### Audit-related services and special audits

Agreed-upon procedures and special purpose audits on certificates were performed for grants, other funding and similar items. Below is a list of agreed-upon procedures engagements and special purpose audits performed or are in the process of being performed:

Engagement Name	Purpose of Engagement	Period Covered	Reporting Date
Department of Higher Education and Training: Statistical Data Return	Agreeing of income and expenditure to contracts and supporting documentation.	1 January 2017 to 31 December 2017	25 June 2018
Clinical Training Enrolments - 2017	Agreeing student data to underlying records and Financial data to contracts and supporting documentation.	1 January 2017 to 31 December 2017	20 July 2018
Department of Higher Education and Training – Student Statistics	Performance of procedures required by the Department of Higher Education and Training relating to the HEMIS submission.	1 January 2017 to 31 December 2017	27 July 2018
Medical Research Council Grant	Agreeing of income and expenditure to contracts and supporting documentation.	1 January 2018 to 31 December 2018	15 February 2019
Department of Environmental Affairs: Thicket Project	Agreeing of income and expenditure to contracts and supporting documentation.	1 April 2018 to 31 January 2019	20 February 2019
University Capacity Development Grant	Agreeing of income and expenditure to contracts and supporting documentation.	1 April 2018 to 31 December 2018	20 February 2019
University Capacity Development Programme Collaborative Grant	Agreeing of income and expenditure to contracts and supporting documentation.	1 April 2018 to 31 December 2018	20 February 2019
Teaching Development Collaborative Programme Grant	Agreeing of income and expenditure to contracts and supporting documentation.	1 April 2018 to 31 December 2018	20 February 2019
Investec Commerce Foundation Grant	Agreeing of income and expenditure to contracts and supporting documentation.	1 February 2018 to 31 January 2019	27 February 2019
RUMEP – Rhodes University Maths Education Project Grant – Consolidation	Agreeing of income and expenditure to contracts and supporting documentation.	1 January 2018 to 31 December 2018	27 February 2019

<b>Engagement Name</b>	<b>Purpose of Engagement</b>	<b>Period Covered</b>	<b>Reporting Date</b>
RUMEP – Rhodes University AngloGold Ashanti Social & Institutional Grant	Agreeing of income and expenditure to contracts and supporting documentation.	1 January 2018 to 31 December 2018	27 February 2019
Eastern Cape Educational Trust	Agreeing of income and expenditure to contracts and supporting documentation.	1 January 2018 to 31 December 2018	27 February 2019
Sishen Iron Ore Community Development Trust Grant	Agreeing of income and expenditure to contracts and supporting documentation.	1 January 2018 to 31 December 2018	28 February 2019
Centre for Social Development – Grant	Agreeing of income and expenditure to contracts and supporting documentation.	1 January 2018 to 31 December 2018	4 March 2019
Department of Environmental Affairs: WFW Pereskia & Waterweeds Projects	Agreeing of income and expenditure to contracts and supporting documentation.	1 April 2018 to 31 January 2019	8 March 2019
Department of Environmental Affairs: NRM Bio-control Research and Implementation Project	Agreeing of income and expenditure to contracts and supporting documentation.	1 April 2018 to 31 January 2019	8 March 2019
National Research Foundation – NRF Grants	Agreeing of expenditure to contracts and supporting documentation.	1 January 2018 to 31 December 2018	8 March 2019
RUMEP – Rhodes University Maths Education Project Grant – Consolidation	Agreeing of income and expenditure to contracts and supporting documentation.	1 January 2018 to 31 December 2018	10 April 2019
Sishen Iron Ore Community Development Trust Grant	Agreeing of income and expenditure to contracts and supporting documentation.	1 January 2018 to 31 December 2018	10 April 2019
DST/Mintek NIC Consortium - Research Grant	Agreeing of income and expenditure to contracts and supporting documentation.	1 April 2018 to 31 March 2019	12 April 2019
Department of Higher Education and Training - HEAIDS GLOBAL FUND PROGRAMME	Agreeing of income and expenditure to contracts and supporting documentation.	1 January 2018 to 31 March 2019	23 April 2019
Clinical Grant Funds of the Pharmacy Clinical Training Project	Agreeing of income and expenditure to contracts and supporting documentation.	1 April 2018 to 31 March 2019	30 April 2019
Department of Higher Education and Training: Foundation Programme Funds	Agreeing of income and expenditure to contracts and supporting documentation.	1 January 2018 to 31 December 2018	9 May 2019

<b>Engagement Name</b>	<b>Purpose of Engagement</b>	<b>Period Covered</b>	<b>Reporting Date</b>
Department of Higher Education and Training – Research Articles	Agreeing research articles claim to supporting journals and publications.	1 January 2018 to 31 December 2018	10 May 2019
Department of Higher Education and Training – Staffing South Africa's University Framework PHASE 1 (nGAP)	Agreeing of income and expenditure to contracts and Supporting documentation.	1 April 2018 to 31 March 2019	27 May 2019
Department of Higher Education and Training – Staffing South Africa's University Framework PHASE 2 (nGAP)	Agreeing of income and expenditure to contracts and supporting documentation.	1 April 2018 to 31 March 2019	27 May 2019
Department of Higher Education and Training – Staffing South Africa's University Framework PHASE 3 (nGAP)	Agreeing of income and expenditure to contracts and supporting documentation.	1 April 2018 to 31 March 2019	27 May 2019
Department of Higher Education and Training – Staffing South Africa's University Framework PHASE 4 (nGAP)	Agreeing of income and expenditure to contracts and supporting documentation.	1 April 2018 to 31 March 2019	27 May 2019
Department of Higher Education and Training - Infrastructure and Efficiency Funding Progress Report	Agreeing of expenditure to contracts and supporting documentation.	1 April 2018 to 31 March 2019	29 May 2019

### Audit engagements

As required by the funding agreement, an audit was conducted during the year under review, as indicated below.

Engagement Name	Purpose of Engagement	Period Covered	Reporting Date
Rhodes University Sports Council	Report to stakeholders of the project whether, in our opinion, the annual project statements present fairly, in all material respects, the financial performance of the project in accordance with the project agreement.	1 January 2018 to 31 December 2018	21 May 2019
Transgressive Social Learning for Social-Ecological Sustainability in Time of Climate Change Project – International Social Science Council	Report to stakeholders of the project whether, in our opinion, the annual project statements present fairly, in all material respects, the financial performance of the project in accordance with the project agreement.	1 January 2018 to 31 December 2018	In progress
Rhodes University Board of Governors	Report to stakeholders of the project whether, in our opinion, the annual project statements present fairly, in all material respects, the financial performance of the project in accordance with the project agreement.	1 January 2018 to 31 December 2018	In progress
PSAM – Public Service Accountability Monitor	Report to stakeholders of the project whether, in our opinion, the annual project statements present fairly, in all material respects, the financial performance of the project in accordance with the project agreement.	1 January 2018 to 31 December 2018	In progress

*PricewaterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc.**

Director: A Rathan

Registered Auditor

Port Elizabeth

Date: 27 June 2019



## **Annexure A – Auditors’ responsibility for the audit**

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 respect to the selected subject matters.

### **Financial statements**

In addition to our responsibility for the audit of the consolidated financial statements as described in the 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 by the council.
- Conclude on the appropriateness of the council’s 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 related to events or conditions that may cast significant doubt on the University’s ability 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 financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on the information available to us at the date of the auditor’s report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 University to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the University’s audit. We remain solely responsible for our audit opinion.

### **Communications 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 confirm to the council that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on our independence and where applicable, related safeguards.

**RHODES UNIVERSITY**
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2018**

	Notes	2018 R '000	2017 R '000
<b>ASSETS</b>			
<b>Non-current assets</b>		1,018,055	1,011,281
Property, plant and equipment	1	442,894	424,052
Available for sale financial assets	2	-	575,826
Financial assets at fair value through other comprehensive income	2	572,741	-
Other financial assets at amortised cost	4	2,420	11,403
<b>Current assets</b>		751,912	493,764
Inventories	5	4,854	4,501
Trade receivables	3	28,679	27,556
Other financial assets at amortised cost	4	189,966	65,828
Cash and cash equivalents	6	528,413	366,060
Available for sale financial assets	2	-	29,819
<b>Total assets</b>		<u>1,769,967</u>	<u>1,505,045</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity funds</b>		1,149,895	1,119,901
Property plant and equipment funds		427,898	409,047
Council unrestricted funds		41,172	12,937
Council restricted funds		680,825	697,917
<b>Non-current liabilities</b>		178,379	114,078
Interest-bearing borrowings	8	330	65
Retirement benefit obligations	21	178,049	114,013
<b>Current liabilities</b>		441,693	271,066
Deferred income	7	227,727	115,900
Trade and other payables	9	157,192	154,814
Contract liabilities	10	56,284	-
Interest bearing borrowings	8	490	352
<b>Total equity and liabilities</b>		<u>1,769,967</u>	<u>1,505,045</u>

**RHODES UNIVERSITY**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018						2017	
		Council Directed Funds							
Notes		Central operations R'000	Student Accomm- odation R'000	Endowed funds R'000	SUB- TOTAL R'000	Council Managed Funds R'000	TOTAL R'000	TOTAL R'000	
	<b>TOTAL INCOME</b>	766,618	226,205	30,846	1,023,669	346,837	1,370,506	1,262,077	
	RECURRENT ITEMS	760,560	223,308	28,727	1,012,595	325,712	1,338,307	1,220,897	
	<b>Revenue from contracts with customers</b>	291,008	223,308	5,522	519,838	170,291	690,129	637,444	
	Tuition and other fee income	287,634	205,997	-	493,631	41,522	535,153	486,476	
	Income from contracts	-	-	-	-	55,839	55,839	40,652	
	Private gifts and grants	112	-	5,522	5,634	60,289	65,923	62,075	
	Sale of goods and services	3,262	17,311	-	20,573	12,641	33,214	48,241	
	<b>Other revenue</b>	450,396	-	-	450,396	131,196	581,592	530,526	
	State Appropriations - subsidies and grants	450,396	-	-	450,396	108,510	558,906	501,907	
	Private gifts	-	-	-	-	22,686	22,686	28,619	
	<b>Sub-total</b>	741,404	223,308	5,522	970,234	301,487	1,271,721	1,167,970	
	Income from investments	19,156	-	23,205	42,361	24,225	66,586	52,927	
	<b>NON-RECURRENT ITEMS</b>	6,058	2,897	2,119	11,074	21,125	32,199	41,180	
	Profit on disposal of assets	11	-	-	11	174	185	686	
	Realised capital profits on investment	-	-	2,065	2,065	-	2,065	6,122	
	Impairment of available for sale investments	-	-	-	-	-	-	(3,875)	
	Other non-recurrent income	6,047	2,897	54	8,998	20,951	29,949	38,247	
	<b>TOTAL EXPENDITURE</b>	684,326	181,949	32,080	898,355	308,941	1,207,296	1,162,604	
	RECURRENT ITEMS	683,661	178,589	32,080	894,330	308,228	1,202,558	1,160,592	
	Personnel costs	500,878	62,359	-	563,237	121,267	684,504	643,509	
	Academic professional	252,422	-	-	252,422	48,137	300,559	278,585	
	Other personnel	249,559	62,359	-	311,918	73,130	385,048	365,513	
	Leave liability decrease	(1,103)	-	-	(1,103)	-	(1,103)	(589)	
	Other operating expenses	166,808	108,248	32,080	307,136	171,166	478,302	455,162	
	NSFAS impairment	( 537)	(179)	-	(716)	-	(716)	21,532	
	Student debtor provision	4,940	3,906	-	8,846	-	8,846	8,862	
	Depreciation	11,553	4,255	-	15,808	15,795	31,603	31,454	
	<b>Sub-total</b>	683,642	178,589	32,080	894,311	308,228	1,202,539	1,160,519	
	Finance costs	19	-	-	19	-	19	73	
	<b>NON-RECURRENT ITEMS</b>	665	3,360	-	4,025	713	4,738	2,012	
	Capital expenditure expensed	665	3,360	-	4,025	713	4,738	2,012	
	<b>NET SURPLUS</b>	<b>82,292</b>	<b>44,256</b>	<b>(1,234)</b>	<b>125,314</b>	<b>37,896</b>	<b>163,210</b>	<b>99,473</b>	
	<b>OTHER COMPREHENSIVE INCOME</b>								
	Remeasurements of post-employment benefit obligations	(49,612)	(12,639)	-	(62,251)	-	(62,251)	(55,381)	
	Changes in the fair value of equity and debt investments at FVOCI	-	-	(27,528)	(27,528)	-	(27,528)	36,565	
	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>32,680</b>	<b>31,617</b>	<b>(28,762)</b>	<b>35,535</b>	<b>37,896</b>	<b>73,431</b>	<b>80,657</b>	

**RHODES UNIVERSITY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Unrestricted Accumulated Fund R'000	Unrestricted Endowment Fund R'000	Sub-total Unrestricted Funds R'000	Property, Plant and Equipment Fund R'000	Total Unrestricted Funds R'000	Total Endowment Fund R'000	Restricted contract Fund R'000	Total Restricted Funds R'000	Total Funds R'000
<b>Balance at 1.1.2017</b>	(126,793)	146,188	19,395	394,876	414,271	370,777	254,087	624 864	1,039,135
Retirement funding									
valuation adjustments	(55,381)	-	(55,381)	-	(55,381)	-	-	-	(55,381)
Investment fair value									
adjustment	-	11,035	11,035	-	11,035	25,530	-	25 530	36,565
Net surplus before transfers	52,301	(3,162)	49,139	-	49,139	5,490	44,844	50 334	99,473
Funds utilised/written off	109	-	109	-	109	-	-	-	109
Transfers									
- Depreciation charge	18,985	-	18,985	(31,454)	(12,469)	-	12,469	12 469	-
- Property, plant and									
equipment additions	(30,345)	-	(30,345)	45,625	15, 280	-	(15,280)	(15,280)	-
<b>Balance at 31.12.2017</b>	<b>(141,124)</b>	<b>154,061</b>	<b>12,937</b>	<b>409,047</b>	<b>421,984</b>	<b>401,797</b>	<b>296,120</b>	<b>697 917</b>	<b>1,119,901</b>
<b>Balance at 1.1.2018</b>	(141,124)	154,061	12,937	409,047	421,984	401,797	296,120	697,917	1,119,901
Prior period adjustment	-	-	-	-	-	-	(43,524)	(43,524)	(43,524)
Retirement funding valuation									
adjustments	(62,251)	-	(62,251)	-	(62,251)	-	-	-	(62,251)
Investment fair value									
adjustment	-	(7,843)	(7,843)	-	(7,843)	(19,685)	-	(19,685)	(27,528)
Net surplus before transfers	126,548	(3,057)	123,491	-	123,491	1,823	37,896	39,719	163,210
Funds utilised/written off	87	-	87	-	87	-	-	-	87
Transfers									
- Depreciation charge	15,808	-	15,808	( 31,603)	(15,795)	-	15,795	15,795	-
- Property, plant and									
equipment additions	(41,057)	-	(41,057)	50,454	9,397	-	(9,397)	(9,397)	-
<b>Balance at 31.12.2018</b>	<b>(101,989)</b>	<b>143,161</b>	<b>41,172</b>	<b>427,898</b>	<b>469,070</b>	<b>383,935</b>	<b>296,890</b>	<b>680,825</b>	<b>1,149,895</b>

**RHODES UNIVERSITY**
**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 R '000	2017 R '000
<b>Cash flow from operating activities</b>			
Cash generated from operations	19	118,586	132,046
Interest received		43,381	31,812
Net cash inflow from operating activities		<u>161,967</u>	<u>163,858</u>
 <b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment			
Funded through own cash resources	1	(50,454)	(45,625)
Proceeds on disposal of property, plant and equipment		-	744
Dividends received		8,395	8,679
Interest received		14,810	12,436
Net increase in non-current investments		(93,559)	(17,211)
Net advances of student, staff and other loans		8,983	(19,658)
Net infrastructure grants received/(utilised) for capital purposes		<u>111,827</u>	<u>(30,077)</u>
Net cash inflow/(outflow) in investing activities		<u>2</u>	<u>(90,712)</u>
 <b>Cash flow from financing activities</b>			
Interest paid		(19)	(73)
Movement on interest-bearing borrowings		403	(701)
Net cash inflow/(outflow) from financing activities		<u>384</u>	<u>(774)</u>
 <b>Increase in cash and cash equivalents</b>		162,353	72,372
Cash and cash equivalents at beginning of year		<u>366,060</u>	<u>293,688</u>
Cash and cash equivalents at end of year	6	<u><u>528,413</u></u>	<u><u>366,060</u></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2018

## 1. Property, plant and equipment

	Land and buildings R'000	Furniture and Equipment R'000	Computer Equipment R'000	Vehicles R'000	Library, museum and art collections R'000	Total R'000
<b>Year ended</b>						
<b>31 December 2018</b>						
Opening carrying amount	350,901	63,629	4,483	5,039	-	424,052
Additions	26,356	14,553	6,678	1,586	1,281	50,454
Disposals/transfers	-	(9)	-	-	-	(9)
Depreciation charge	(10,643)	(12,657)	(5,753)	(1,269)	(1,281)	(31,603)
Closing carrying amount	366,614	65,516	5,408	5,356	-	442,894
<b>At 31 December 2018</b>						
Cost or valuation	481,832	274,174	91,021	31,201	108,907	987,135
Accumulated depreciation	(115,218)	(208,658)	(85,613)	(25,845)	(108,907)	(544,241)
Carrying amount	366,614	65,516	5,408	5,356	-	442,894
<b>Year ended</b>						
<b>31 December 2017</b>						
Opening carrying amount	338,108	62,880	3,341	5,610	-	409,939
Additions	21,137	13,819	8,058	1,333	1,278	45,625
Disposals	-	-	(58)	-	-	(58)
Depreciation charge	(8,344)	(13,070)	(6,858)	(1,904)	(1,278)	(31,454)
Closing carrying amount	350,901	63,629	4,483	5,039	-	424,052
<b>At 31 December 2017</b>						
Cost or valuation	455,476	259,630	84,343	29,615	108,904	937,968
Accumulated depreciation	(104,575)	(196,001)	(79,860)	(24,576)	(108,904)	(513,916)
Carrying amount	350,901	63,629	4,483	5,039	-	424,052

Included in the amounts above are leases classified as finance leases. See note 8.

Details of all fixed properties are available for inspection at the University.

The University has received Infrastructure Development Grants from the Department of Higher Education and Training to fund specific capital projects. To date the following amounts have been expended and offset against the cost of these assets.

	2018 R'000	2017 R'000	2016 R'000	2015 R'000	2014 R'000	Pre- 2014 R'000	Total R'000
Land and buildings	50,966	58,436	17,583	66,432	48,508	144,791	386,716
Furniture and equipment	3,886	1,826	1,178	7,082	1,724	16,925	32,621
	54,852	60,262	18,761	73,514	50,232	161,716	419,337

Property, plant and equipment under construction at year end includes the construction of the Bio-Science Building. The total cumulative costs relating to the Bio-Science Building under construction,

incurred at year end, amounts to R41.2 million which have been offset by the infrastructure grant received.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2018**  
(continued)

**2. Financial assets at fair value through other comprehensive income**

**(i) Classification of financial assets at fair value through other comprehensive income (FVOCI) comprise:**

- Equity securities which are not expected to be sold in the short to medium term, and which the University has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the University considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the University's business model is achieved both by collecting contractual cash flows and selling financial assets.

**(ii) Equity investments at FVOCI**

	<b>2018 R'000</b>
<b>Non-current assets</b>	
<i>Listed securities</i>	
Investec Portfolio	<u>177,055</u>

**(iii) Debt investments at FVOCI**

Debt investments at FVOCI comprise the following investments in listed and unlisted bonds:

	<b>2018 R'000</b>
<b>Non-current assets</b>	
Government bonds	123,514
International market unit trust	183,040
Money market deposits	<u>89,132</u>
	<u>395,686</u>
<b>Total financial assets at FVOCI</b>	<u><u>572,741</u></u>

In the prior financial year, the University designated these investments as available-for-sale investments where management intended to hold them for the medium to long term.

At year end a cumulative write-down of R47.0 million to the carrying value of total financial assets was recognised in other comprehensive income.

Of the above investments an amount of R158.0 million relates to Council directed funds.

**(iv) Disposal of equity investments**

Since 1 January 2018, the University sold shares which had a fair value of R57 426 635 and realised a gain on disposal of R19 543 088 which has been recognised in other comprehensive income.

**2. Financial assets at fair value through other comprehensive income (continued)**

<b>(v) Amounts recognised in profit or loss and other comprehensive income</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
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The following gains were recognised in profit or loss and other comprehensive income.

Gains from available-for-sale assets recognised in profit and loss	-	6,122
Gains from equity investments held at FVOCI recognised in other comprehensive income	19,543	-
Gains from debt investments recognised in profit or loss	2,065	-
Dividends from available-for-sale assets recognised in profit and loss	-	8,679
Dividends from equity investments held at FVOCI recognised in profit or loss in other income	8,395	-

<b>(vi) Financial assets previously classified as available-for-sale financial assets (2017)</b>	<b>2017 R'000</b>
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At fair value:

Listed shares	239,936
International market unit trust	177,797
Money market deposits	37,252
Government bonds local authority	102,104
Government bonds parastatals	18,737
	<u>575,826</u>

At cost:

Listed shares	136,308
International market unit trusts	137,688
Money market deposits	35,646
Government local	101,190
Government parastatals	19,499
	<u>430,331</u>

Of the above investments an amount of R169 million relates to Council directed funds.

At amortised cost

Fixed deposit	<u>29,819</u>
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Of the above amount R26 million comprises restricted funds with the balance of R3 million being Council directed funds.

The carrying amounts of the University's international market unit trust investments are denominated primarily in US Dollar.

The market value of certain investments within the portfolio was less than original cost at year end. This reduction below cost is considered to be of a significant or prolonged nature and therefore an impairment of R3.8 million has been charged to the income statement.

Credit quality of investments held is managed by the University with reference to quarterly portfolio statements by the Board of Governors received from the fund managers.



**2. Financial assets at fair value through other comprehensive income (continued)****(vii) Financial assets previously classified as available-for-sale financial assets (2017) (continued)****2018**  
**R'000****2017**  
**R'000**

Disclosed in the financial statements as:

Current asset	-	29,819
Non-current asset	-	575,826
	<u>-</u>	<u>605,645</u>

The following table presents the University's investments that are measured at fair value at 31 December 2018.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Assets</b>				
Assets at amortised cost	-	119,616	-	119,616
Financial assets at fair value through other comprehensive income (FVOCI)				
- Equity securities - listed	177,055	-	-	177,055
- Government bonds	123,514	-	-	123,514
- International market unit trusts	183,040	-	-	183,040
- Money market deposits	89,132	-	-	89,132
<b>Total assets</b>	<u>572,741</u>	<u>119,616</u>	<u>-</u>	<u>692,357</u>

The following table presents the University's investments that are measured at fair value at 31 December 2017.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Assets</b>				
Available-for-sale financial assets				
- Fixed deposit	-	29,819	-	29,819
- Listed shares	239,936	-	-	239,936
- International market unit trusts	177,797	-	-	177,797
- Money market deposits	37,252	-	-	37,252
- Government bonds	120,841	-	-	120,841
<b>Total assets</b>	<u>575,826</u>	<u>29,819</u>	<u>-</u>	<u>605,645</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing services, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by the University is the bid price at year-end. These instruments are included in level 1.

**2. Financial assets at fair value through other comprehensive income (continued)**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of investments disclosed under level 2 is determined by portfolio managers based on current market indicators.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

**3. Trade receivables**

	<b>2018</b> <b>R'000</b>	<b>2017</b> <b>R'000</b>
Trade receivables	103,658	93,768
Loss allowance	(74,979)	(66,212)
	<u>28,679</u>	<u>27,556</u>

Trade receivables are amounts due from students, in the ordinary course of the University's business.

The University holds these trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Details about the University's impairment policies and the calculation of the loss allowance are provided in note 24.

**4. Other financial assets at amortised cost****Classification**

The University classifies its financial assets at amortised cost only if both the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

	<b>2018</b>	<b>2017</b>
	<b>R'000</b>	<b>R'000</b>
<b>Other receivables</b>		
Fixed deposits	119,616	-
Prepayments	17,350	7,402
National Research Foundation (NRF)	13,430	21,643
National Student Financial Aid Scheme (NSFAS)	14,013	13,863
Accrued interest receivable	9,363	2,993
Receiver of revenue - VAT	3,000	2,000
Water research control account	616	501
Other	12,578	17,426
	<u>189,966</u>	<u>65,828</u>
Loss allowance	-	-
	<u>189,966</u>	<u>65,828</u>

Other receivables are monies due from reputable institutions for various grants, projects and auxiliary activities of the University in accordance with relevant contractual agreements. Due to the nature of these receivables and based on the loss allowance assessments performed, there is no exposure to credit risk and therefore the expected credit loss rate is 0%.

Of the R119.6 million fixed deposits, an amount of R41.6 million comprises restricted funds with the balance of R78.0 million being Council directed funds.

	<b>2018</b>	<b>2017</b>
	<b>R'000</b>	<b>R'000</b>
<b>Loans</b>		
Student Loans – NSFAS	110,525	116,341
Loss allowance	(110,525)	(116,341)
	-	-
Student Loans - Other	18,750	12,813
Loans to employees	2,563	2,484
	21,313	15,297
Loss allowance	(18,893)	(3,894)
	<u>2,420</u>	<u>11,403</u>

Details about the University's impairment policies and the calculation of the loss allowance are provided in note 24.

<b>Other receivables</b>	189,966	65,828
<b>Loans</b>	<u>2,420</u>	<u>11,403</u>
	<u>192,386</u>	<u>77,231</u>
Non-current	2,420	11,403
Current	189,966	65,829
<b>Other financial assets at amortised cost</b>	<u>192,386</u>	<u>77,231</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2018**  
**(continued)**

<b>5. Inventories</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
Stationery	228	228
Technical inventories	2,284	2,104
Cleaning material and foodstuffs	1,850	1,680
Study material	492	489
	<u>4,854</u>	<u>4,501</u>

<b>6. Cash and cash equivalents</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
Cash at bank and in hand	57,321	46,335
Short term bank deposits	471,092	319,725
	<u>528,413</u>	<u>366,060</u>

Cash and cash equivalents consists of:

DHET restricted funds	303,445	173,282
Research restricted funds	153,536	148,244
University unrestricted funds	71,432	44,534
	<u>528,413</u>	<u>366,060</u>

For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise the following:

Cash and bank balances	<u>528,413</u>	<u>366,060</u>
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<b>7. Deferred income</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
As at 1 January	115,900	145,977
Net increase/(decrease) in deferred income	111,827	(30,077)
Government grants received - Infrastructure	167,072	30,199
Capital expenditure incurred	(54,852)	(60,262)
Realised in comprehensive income	(393)	(14)
As at 31 December	<u>227,727</u>	<u>115,900</u>

Deferred income represents mainly the building and infrastructure upgrade funding received from the Department of Higher Education and Training. Where funds received have been utilised for capital projects, they are offset against the cost of the asset purchased. Where funds have been utilised to defray related expenses which do not qualify for capitalisation, income is recognised as the expenses are incurred. Unspent amounts are held under current liabilities, as deferred income.

<b>8. Interest-bearing borrowings</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
<b>Current portion of borrowings</b>	490	352
Lease liability		
<b>Non-current portion of borrowings</b>		
Lease liability	330	65
<b>Total borrowings</b>	<b>820</b>	<b>417</b>

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. The finance lease liability is secured by vehicles with a net book value of R1 122 299 (2017: R562 030).

Interest rates:

- lease liability	<u>10.00%</u>	<u>10.25%</u>
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Finance lease liabilities – minimum lease payments:

Not later than 1 year	494	353
Later than 1 year, no later than 5 years	402	88
	<u>896</u>	<u>441</u>

Future finance charges on finance lease	<u>(76)</u>	<u>(24)</u>
Present value of finance lease liabilities for vehicles	<u>820</u>	<u>417</u>

<b>9. Trade and other payables</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
Trade and other payables	47,584	41,988
Student deposits	80,899	75,668
DHET – fee adjustment funding	-	9,326
Leave pay accrual	8,890	9,993
Payroll accruals	19,819	17,839
	<u>157,192</u>	<u>154,814</u>

The fair value of trade and other payables approximates the carrying amounts as the majority of trade and other payables are non-interest bearing and are normally settled within agreed terms with creditors.

**10. Revenue from contracts with customers**

Revenue is recognised when and only when control of the good or service is transferred to the customer.

Rhodes University derives revenue from the transfer of goods and services over time and at a point in time in the following streams of revenue:

<b>(a) Disaggregated revenue from contracts with customers:</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
Tuition and other fee income	535,153	486,476
Income from contracts	55,839	40,652
Private gifts and grants	65,923	62,075
Sale of goods and services	33,214	48,241
	<u>690,129</u>	<u>637,444</u>

Tuition and other income has been further disaggregated as follows:

	<b>South African Non-NSFAS funded Students R'000</b>	<b>South African NSFAS funded Students R'000</b>	<b>International Students R'000</b>	<b>Total R'000</b>
2018	274,495	179,541	81,117	535,153
2017	318,983	88,390	79,103	486,476

The above table reflects the composition of local and international students during 2018 and 2017, along with the funding status of South African students.

The National Student Financial Aid Scheme (NSFAS), funded 33.5% (2017: 18.2%) of student fees. Revenue from international students increased by 2.5%, representing 15.2% (2017: 16.2%) of total tuition and other income.

**(b) Recognised as revenue from contracts with customers over time**

Tuition and other fee income	535,154	486,476
Income from contracts	55,839	40,652
Private gifts and grants	65,923	62,075
Sale of goods and services	31,405	46,798
	<u>688,321</u>	<u>636,001</u>

**Recognised as revenue from contracts with customers at a point in time**

Sale of good and services	1,808	1,443
	<u>1,808</u>	<u>1,443</u>

**10. Revenue from contracts with customers (continued)****(c) Contract liabilities**

The University has recognised the following liabilities related to contracts with customers:

Contract liability	56,284	-
	<u>56,284</u>	<u>-</u>

Significant changes in the balance for contract liabilities:

Opening balance as 1 January 2018*	43,524	-
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**Movement during the year:**

Funding received in relation to contracts from customers	22,087	-
Revenue recognised for which performance obligations were satisfied	(9,327)	-
Closing balance at 31 December 2018	<u>56,284</u>	<u>-</u>

\*Refer to change in accounting policies note for amounts recognised through opening equity.

**11. Other revenue is made up of:**

	<b>2018 R'000</b>	<b>2017 R'000</b>
Donations	22,686	28,619
State appropriations, subsidies and grants	558,906	501,907
	<u>581,592</u>	<u>530,526</u>

**State Appropriations - grants and subsidies are made up as follows:**

	<b>2018 R'000</b>	<b>2017 R'000</b>
Subsidy – block grant	450,396	387,409
Specific grants – research	108,117	114,484
DHET infrastructure grants released	393	14
	<u>558,906</u>	<u>501,907</u>

**12. Income from investments**

	<b>2018 R'000</b>	<b>2017 R'000</b>
Interest income	58,191	44,248
Dividend income	8,395	8,679
	<u>66,586</u>	<u>52,927</u>

**RHODES UNIVERSITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2018**  
**(continued)**

<b>13. Other non-recurrent income</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
South East Academic Libraries Systems operating costs levy income	2,576	2,462
South East Academic Libraries Systems millennium income	3,217	4,616
Board of Governors administration levy	3,570	3,443
Student vacation accommodation	2,443	2,538
Information and Technology System student sales	4,226	4,165
Insurance claims	631	6,387
Other	13,286	14,636
	<u>29,949</u>	<u>38,247</u>
<b>14. Personnel</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
Academic professional	300,559	278,585
Other personnel	385,048	365,513
Leave liability	(1,103)	(589)
	<u>684,504</u>	<u>643,509</u>
Remeasurements of post-retirement medical benefits	(787)	(2,353)
Remeasurements of post-retirement pension benefits	63,038	57,734
	<u>62,251</u>	<u>55,381</u>
	<u>746,755</u>	<u>698,890</u>



**RHODES UNIVERSITY**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2018  
(continued)**

<b>15. Other operating expenses</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
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The following items have been included in recurrent expenditure:

Advertising	3,196	2,419
Audit fees		
- External	1,116	634
- Internal	838	285
- Other services	1,212	1,083
Books, journals and periodicals	19,671	20,153
Catering and entertainment	5,691	5,148
Electricity and water	23,228	17,044
Expenditure on computer equipment written off	236	843
Cleaning costs and materials	5,165	4,983
Rates	13,496	11,949
Repairs and maintenance expenditure	22,104	15,236
Residence kitchen supplies	40,807	34,106
Scholarship, bursaries and merit awards	108,635	114,309
SEALS Trust software fees	3,637	3,568
Security	5,667	5,068
Skills Development Levies	4,650	4,172
Software licences and internet expenses	10,942	10,888
Telephone and fax	2,535	2,596
Travel and accommodation	48,396	48,346

<b>16. Finance costs</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
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Interest expense	19	73
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<b>17. Commitments</b>	<b>2018 R'000</b>	<b>2018 R'000</b>
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Commitments for capital expenditure	351,129	89,976
Commitments for operating expenditure		
General	33,369	12,430

Capital expenditure commitments will be financed through funds specifically designated for the projects and infrastructure grants from the Department of Higher Education. At 31 December 2018, commitments relate to the life sciences project, the school of languages project, and the refurbishments of the biosciences, chemistry and pharmacy buildings.

General expenditure commitments will be financed through the internal central budget funds.

**18. Contingent liabilities**

There is a contingent liability amounting to R0.4 million (2017: R0.6 million) for surety guarantees given by the University to assist staff to obtain motor vehicle and other loans.

<b>19. Cash generated from operations</b>	<b>2018 R'000</b>	<b>2017 R'000</b>
Reconciliation of net surplus to cash generated from operations:		
Net surplus before transfers	163,210	99,473
Prior year adjustment	(43,524)	-
	<u>119,686</u>	<u>99,473</u>
Adjustments for non-cash items:		
Depreciation	31,603	31,454
Profit on disposal of fixed assets	(185)	(686)
Profit on disposal of investments	(2,065)	(6,122)
Movement in retirement benefit assets and liabilities	1,785	6,931
Impairment of investments	-	3,875
NSFAS (release)/impairment	(716)	21,532
Student debtor impairment	8,846	8,862
Interest received	(58,191)	(44,248)
Dividends received	(8,395)	(8,679)
Interest paid	19	73
Changes in working capital	26,199	19,581
Trade receivables and other financial assets	24,174	(14,807)
Inventories	(353)	295
Trade and other payables	2,378	34,093
Cash (utilised in)/generated from operations	<u>118,586</u>	<u>132,046</u>

**20. Compensation paid to Executive Personnel**

The following disclosures relate to compensation paid to executive management for the year ended 31 December 2018. The amounts reflected below are based on the total cost of employment to the University and comprise flexible remuneration packages. The following are key management:

	Office held	Basic salary R'000	Employment benefits R'000	Other allowances/ payments R'000	Total cost to Rhodes University R'000
Dr S Mabizela	Vice-Chancellor	2,358	583	50	2,991
Dr P Clayton	Deputy Vice-Chancellor: Research & Development	1,755	312	120	2,187
Dr C Boughey	Deputy Vice-Chancellor: Academic & Student Affairs	1,830	312	-	2,142
Dr A L Moodley	Registrar	1,309	206	22	1,537
Dr I L'Ange	Executive Director: Infrastructure, Operations & Finance	1,572	275	-	1,847

The following disclosures relate to compensation paid to executive management for the year ended 31 December 2017. The amounts reflected below are based on the total cost of employment to the University and comprise flexible remuneration packages.

	Office held	Basic salary R'000	Employment benefits R'000	Other allowance/ payments R'000	Total cost to Rhodes University R'000
Dr S Mabizela	Vice-Chancellor	2 211	547	50	2 808
Dr P Clayton	Deputy Vice-Chancellor: Research & Development	1 632	291	139	2 062
Dr C Boughey	Deputy Vice-Chancellor: Academic & Student Affairs	1 663	284	-	1947
Dr S Fourie	Registrar (Jan to Sept)	739	76	500	1315
Dr A L Moodley	Registrar (Oct to Dec)	285	47	5	337
Dr I L'Ange	Executive Director: Infrastructure, Operations & Finance	1 474	260	-	1 734

**21. Retirement benefit obligations**

The University operates a defined benefit pension fund as well as two defined contribution provident funds. These funds are separately administered and managed in terms of the Pension Funds Act.

The responsibility for governance and management of the defined benefit pension fund lies with the trustees. The trustees engage professional pension fund administrators to assist them in discharging their responsibilities. Further, the trustees of the Rhodes University Pension Fund manage the fund on the basis of the statutory valuation, performed in terms of the Pension Funds Act, and the recommendations made by the statutory actuary.

For the purposes of the preparation of these financial statements, the retirement obligations are required to be valued in terms of IAS19R Employee Benefits. In terms of IAS19R, a different actuarial valuation method and assumptions are used, compared to the statutory valuation. These valuation methods and assumptions are by nature more conservative and hence result in differences in measurement.

The University also provides post-retirement healthcare benefits to retirees employed by the institution prior to 1991. The entitlement to this benefit is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The obligation is also valued in terms of IAS 19R Employee Benefits.

	<b>2018</b> <b>R'000</b>	<b>2017</b> <b>R'000</b>
Statement of financial position obligations for:		
- pension benefits	113,513	49,612
- post-retirement medical benefits	64,536	64,401
	<u>178,049</u>	<u>114,013</u>
Total income / expenditure charge for:		
- pension benefits	(27,664)	(18,443)
- post-retirement medical benefits	(6,416)	(6,483)
	<u>(34,080)</u>	<u>(24,926)</u>
Recognised in other comprehensive income:		
- pension benefits	(63,038)	(57,734)
- post-retirement medical benefits	787	2,353
	<u>(62,251)</u>	<u>(55,381)</u>

**21. Retirement benefit obligations (continued)*****Pension benefits***

The defined benefit pension fund is valued by independent actuaries on an annual basis using the Projected Unit Credit method.

The latest actuarial valuation of the pension fund was performed on 31 December 2018.

This plan is registered under the Pension Fund Act. The assets of this fund are held independently of the University's assets in a separate trustee-administered fund.

The plan is a final average salary pension plan which provides benefits to members in the form of a guaranteed level of pension, payable for life. The level of benefits provided depends on the member's length of service and their salary in the final year prior to retirement. The plan is governed by local regulations and practices of the Financial Services Board as well as the Pension Fund Act of South Africa. There were no financial significant rule amendments, curtailments or settlements during the year under review.

The fund is required by law to maintain a funding level of at least 100%. A statutory valuation is conducted every three years to confirm the fund's financial soundness. An interim valuation is conducted annually.

	<b>2018</b> <b>R'000</b>	<b>2017</b> <b>R'000</b>
<i>The amounts recognised in the statement of financial position are as follows:</i>		
Present value of funded obligations	998,776	986,846
Fair value of plan assets	<u>(885,263)</u>	<u>(937,234)</u>
Liability at statement of financial position date	<u>113,513</u>	<u>49,612</u>

*The movement in the defined benefit obligation over the year is as follows:*

Beginning of the year	986,846	895,777
Current service cost	21,405	17,574
Interest cost	97,244	87,812
Member contributions	14,030	13,615
Remeasurements (gain)/loss	(43,533)	49,490
Benefits paid	(74,780)	(74,889)
Risk premium and expenses	<u>(2,436)</u>	<u>(2,533)</u>
End of the year	<u>998,776</u>	<u>986,846</u>

21. Retirement benefit obligations (continued)	2018 R'000	2017 R'000
<b><i>Pension benefits (continued):</i></b>		
<i>The movement in the fair value of plan assets over the year is as follows:</i>		
Beginning of the year	937,234	896,787
Interest	90,985	86,943
Employer contributions	26,801	26,665
Employee contributions	14,030	13,615
Benefits paid	(74,780)	(74,889)
Risk premium	(2,436)	(2,533)
Remeasurement loss	(106,571)	(9,354)
End of the year	<u>885,263</u>	<u>937,234</u>
Amount to be recognised in other comprehensive income		
Remeasurement (gain)/loss on liabilities	(43,533)	49,490
Remeasurement loss on assets	<u>106,571</u>	<u>9,354</u>
	<u>63,038</u>	<u>58,844</u>
<i>The amount recognised in total income/expenditure are as follows:</i>		
Current service costs	(21,405)	(17,574)
Net interest (expense)	<u>(6,259)</u>	<u>(869)</u>
Total, included in staff costs	<u>(27,664)</u>	<u>(18,443)</u>
<i>Plan assets, as set out in the actuarial valuation, are comprised as follows:</i>		
Cash	5.7%	9.4%
Equities	34.3%	36.8%
Bonds	24.2%	19.3%
Property	2.3%	3.7%
International	29.5%	26.4%
Other	<u>4.0%</u>	<u>4.4%</u>
	<u>100.0%</u>	<u>100.0%</u>

**21. Retirement benefit obligations (continued)*****Pension benefits (continued):******Analysis of remeasurements***

	<b>2018 R'000</b>	<b>2017 R'000</b>
<b><i>Defined benefit obligation:</i></b>		
Remeasurement(gain)/loss due to change in financial assumptions	(23,303)	45,345
Remeasurement (gain)/loss due to experience adjustment	(20,230)	4,145
	<u>(43,533)</u>	<u>49,490</u>

***Plan assets:***

Remeasurement loss : Return on plan assets, not included in interest income above	(106,571)	(9,354)
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***The principal actuarial assumptions used were as follows:***

Discount rate	10.1%	9.9%
Future salary increases	7.0%	7.0%
Future pension increases	3.6%	3.6%
Inflation rate	6.0%	6.0%

***Mortality Rate:***

Pre-retirement: SA85-90 (Light) table

Post-retirement: PA(90) ultimate table rated down 1 year plus 0.5% improvement per annum from 31 December 2003.

***Sensitivity analysis***

Sensitivity analysis looks at the effect of deviations in the key valuation assumptions and other implicit valuation assumptions. The effect of changes in the key valuation assumptions to the defined benefit obligation is as follows:

<b>Assumption</b>	<b>Change</b>	<b>Defined benefit obligation R'000</b>	<b>% change</b>
Salary increase rate	1% increase	1,005,335	4.8%
Salary increase rate	1% decrease	919,245	-4.2%
Discount rate	1% increase	855,528	-10.8%
Discount rate	1% decrease	1,086,435	13.2%
Pension increase rate	1% increase	1,041,549	8.6%
Pension increase rate	1% decrease	886,970	-7.5%
Life expectancy	2 years increase	1,001,254	4.4%
Life expectancy	2 years decrease	915,858	-4.5%

## 21. Retirement benefit obligations (continued)

### *Pension benefits (continued):*

The RU Pension Fund valuations reflected in these annual financial statements are arrived at in compliance with IAS19. The Trustees of the Pension Fund, whilst mindful of these IAS19 valuations, manage the fund with reference to the valuations undertaken by the Fund's statutory actuary, whose valuations are subject to scrutiny by the Financial Services Board. The most recent such valuation reflected the fund as fully funded.

The Trustees of the pension fund take into account the following employer risks in the management of the fund:

**Market risk:** The assets of the pension fund are invested in equities, bonds, cash and international assets. The trustees apply an investment strategy of diversification and use two asset managers, each of whom manages approximately 50% of the fund's assets, to mitigate this risk.

**Inflation risk:** Pension increases are linked to inflation which has an impact on the pensioner liability. The trustees are mindful that the employer is subject to risk as a result. In arriving at pension increases the trustees consider, inter alia, the statutory valuations of the fund and not the IAS 19 valuations and have hitherto succeeded in not increasing employer obligations to the fund beyond the employer contribution, which has remained the same since inception of the Fund. As at 1 January 2016, the date of the most recent statutory valuation, the required rate of contribution from the employer for benefits accruing after the valuation date amounts to 13.56% of pensionable emoluments. The current employer contribution rate is 15%.

There are further risks attaching to the employer from the defined benefit plan, namely:

1. Longevity risk which is the risk that pensioners and current employees will live for longer than the mortality assumptions used in the statutory valuations. This risk is, for obvious reasons, not manageable beyond adjusting the mortality assumptions when appropriate.
2. Inflation risk arising from the employer granting salary increases greater than those assumed in the statutory valuations. The trustees require that the Actuary takes note of any such trends in preparing the statutory valuations.



**21. Retirement benefit obligations (continued)*****Post-employment medical benefits***

The University provides post-retirement medical benefits to certain qualifying employees in the form of continued medical aid contributions. Entitlement to this benefit is based on the employee being employed by the University prior to 1991, remaining in service up to retirement age and completing a minimum service period. This unfunded defined benefit liability in respect of this obligation is valued by independent actuaries annually using the Projected Unit Credit method. This liability was valued at 31 December 2018. The plan is registered under the Medical Schemes Act. The plan is governed by a Board of Trustees.

	<b>2018</b> <b>R'000</b>	<b>2017</b> <b>R'000</b>
<i>The amounts recognised in the statement of financial position are determined as follows:</i>		
Present value of unfunded medical benefit obligations	<u>64,536</u>	<u>64,401</u>
<i>The movement in the liability over the year is as follows:</i>		
Beginning of the year	64,401	65,463
Current service cost	323	302
Interest cost	6,093	6,181
Benefits paid	(5,494)	(5,192)
Remeasurement due to changes in financial assumptions	(3,753)	(1,623)
Remeasurement due to experience adjustment	2,966	(730)
End of the year	<u>64,536</u>	<u>64,401</u>
<i>The amounts recognised in total income/expenditure are as follows:</i>		
Current service cost	(323)	(302)
Interest cost	(6,093)	(6,181)
Total included in personnel costs	<u>(6,416)</u>	<u>(6,483)</u>

**21. Retirement benefit obligations (continued)*****Post-employment medical benefits (continued):******Sensitivity analysis***

Sensitivity analysis looks at the effect of deviations in the key valuation assumptions and other implicit valuation assumptions. The effect of changes in the key valuation assumptions to the defined benefit obligation is as follows:

Assumption	Change	Defined benefit Obligation R'000	% change
Health care inflation	1% increase	70,062	8.6%
Health care inflation	1% decrease	59,704	-7.5%
Discount rate	1% increase	59,658	-7.6%
Discount rate	1% decrease	70,197	8.8%
Post-retirement mortality tables	2 years decrease with 1% improvement p.a. from 2006	69,990	8.5%
Expected retirement age	1 year younger	65,166	1.0%
Expected retirement age	1 year older	64,446	-0.1%
Withdrawal tables	0% - 15% p.a.	64,581	0.1%

	2018 R'000	2017 R'000
<i>Membership data:</i>		
Employed members (in service)	36	40
Retired members	262	262
Total number of eligible members	<u>298</u>	<u>302</u>

*The principal actuarial assumptions used were as follows:*

Interest rate	9.60%	9.9%
Subsidy inflation rate (medical cost trend rate)	5.80%	6.8%

***Mortality rate:***

During employment: SA 85/90

Post-employment: PA(90) ultimate life tables less than 1 year age adjustment with an improvement of 0.5% per annum from 2007 onwards.

Risks associated with post-employment medical benefits:

Through its post-employment medical benefit plan, the University is exposed to a number of risks, the most important of which are detailed below:

*Inflation risk:* The risk that future CPI inflation and healthcare cost inflation are higher than expected and uncontrolled.

*Longevity risk:* The risk that pensioners live longer than expected and thus their healthcare benefit is payable for longer than expected.

**22. Related parties**

The Department of Higher Education and Training (DHET) is considered to be a related party. The DHET is considered to exert significant influence over the University. Refer to note 11 for details of state appropriations received and note 7 for details of grants received for building and infrastructure funding.

**23. Financial instruments by category**

The financial assets and liabilities of the University are classified as follows:

Rhodes University holds the following financial instruments:	<b>2018 R'000</b>	<b>2017 R'000</b>
<b>Financial assets</b>		
<b>Financial assets at amortised cost</b>		
Trade receivables	28,679	27,556
Other financial assets at amortised cost	172,036	67,829
Cash and cash equivalents	528,413	366,060
<b>Financial assets at fair value through other comprehensive income (FVOCI)</b>	572,741	-
<b>Available-for-sale financial assets</b>	-	605,645
	<u>1,301,869</u>	<u>1,067,090</u>
<b>Financial liabilities</b>		
<b>Liabilities at amortised cost</b>		
Interest bearing borrowings	820	417
Trade and other payables	157,192	154,814
	<u>158,012</u>	<u>155,231</u>

## **24. Financial risk management**

### **Fair value estimations**

For more information about the methods and assumptions used in determining the fair value of financial instruments, refer to note 2.

### **Financial risk factors**

The University's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The University's overall risk management processes focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the University's financial performance.

Day to day risk management is the responsibility of all the management and staff of the University and is achieved through compliance with the documented policies and procedures of the University. All such policies and procedures are approved by Council or an appropriately mandated sub-committee of Council.

#### **(a) Market risk**

##### **(i) Foreign exchange risk**

Foreign exchange risk arises from transactions which are denominated in a currency which is not the University's functional currency. The University has no significant foreign exchange exposure and therefore no formal policy is in place to manage foreign currency risk.

The only area where the University is exposed to foreign exchange risk at financial position date is in the non-current investments which include international market unit trusts which are exposed to the US dollar. The impact of a 5% increase/decrease in exchange rates with all other variables held constant on the valuation of the international asset swaps at reporting date would be R9.1 million (2017 : R8.9 million) higher/lower.

##### **(ii) Price risk**

The University is exposed to equity securities price risk because of investments held by the University. The University is not exposed to commodity price risk. To manage its price risk arising from investments in equity shares, the University diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Investment Committee of the Rhodes University Foundation.

At 31 December 2018, if the FTSW/JSE CPI index increases/decreases by 10% with all other variables held constant and all the University's equity instruments moved according to the historical correlation with the index, the market value of the listed equities would have been R17.7 million (2017 : R24.0 million) higher/lower. Due to the unpredictability of equity market returns, a general indicative percentage of 10% is used to highlight the changes in market value on equity investments.

##### **(iii) Interest rate risk**

The University is exposed to interest rate risk due to financial assets and liabilities bearing variable interest rates. Interest rate risk is managed by ensuring that the University's assets are invested in accounts which earn the best possible interest rates.

**24. Financial risk management (continued)****(b) Credit risk****Trade receivables**

The University has applied IFRS 9 to measure its expected credit losses (ECL).

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The expected loss rates are based on the payment profiles of outstanding student fees, over a period of 24 months before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates were adjusted to reflect current and forward looking information affecting the ability of students to settle the receivables. The University has identified the funding status of students (i.e. self funded or NSFAS funded) as well as the registration status of students post period end to the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On this basis, the loss allowance as at 31 December 2018 and 1 January 2018 (on adoption of IFRS 9) was determined as follows:

**31 December 2018**

Expected Credit Loss rate

Gross carrying amount – Trade receivables

Loss Allowance

**Total:**

72%

R103.7 million

R 75.0 million

<b>Risk categories</b>	<b>Amounts outstanding at year end 2018 R'000</b>	<b>Loss rate applied</b>	<b>Expected credit loss R'000</b>
SA Graduating (non NSFAS)	7,940	60%	4,766
SA Returning (non NSFAS)	26,992	60%	16,144
SA non registered (non NSFAS)	29,537	95%	27,912
International Graduating	2,207	60%	1,313
International Returning	6,246	70%	4,341
International non registered	5,467	100%	5,467
SA Graduating (NSFAS)	7,279	60%	4,331
SA Returning (NSFAS)	17,990	60%	10,704
<b>IFRS 9 lifetime ECL: Year end</b>	<b>103,658</b>	<b>72%</b>	<b>74,979</b>

**31 December 2017**

Expected Credit Loss rate

Gross carrying amount – Trade receivables

Loss Allowance

**Total:**

71%

R93.8 million

R66.2 million

<b>Ageing buckets</b>	<b>Amounts outstanding at year end 2017 R'000</b>	<b>Loss rate applied</b>	<b>Expected credit loss R'000</b>
SA Graduating (non NSFAS)	7,336	60%	4,365
SA Returning (non NSFAS)	30,516	60%	18,157
SA non registered (non NSFAS)	22,416	80%	17,623
International Graduating	1,738	60%	1,034
International Returning	7,118	70%	4,947
International non registered	12,229	100%	12,229
SA Graduating (NSFAS)	3,130	75%	2,332
SA Returning (NSFAS)	9,285	60%	5,525
<b>IFRS 9 lifetime ECL: Year end</b>	<b>93,768</b>	<b>71%</b>	<b>66,212</b>

**24. Financial risk management (continued)****(b) Credit risk****Trade receivables (continued)**

The closing loss allowances for trade receivables as at 31 December 2018 reconcile to the opening loss allowances as follows:

	<b>2018 R'000</b>	<b>2017 R'000</b>
<b>Balance at 31 December – calculated under IAS39</b>	66,212	57,483
Amounts restated through opening retained earnings	-	-
Opening loss allowance as at 1 January 2018 – calculated under IFRS 9	66,212	57,483
Increase in loan loss allowance recognised in profit or loss during the year	8,846	8,862
Receivables written off during the year	(79)	(133)
<b>Balance at 31 December</b>	<b>74,979</b>	<b>66,212</b>

**Loans**

Loans include NSFAS student loans, other student loans, employee loans and other loans. The University applied IFRS 9 to measure the expected credit losses.

**NSFAS student loans**

An amount of R5,474,000 was recovered from NSFAS and R342,000 was recovered from Debt Tracker, during the course of 2018.

NSFAS student loans have been fully provided for, as the recoverability of the NSFAS debtor amount is considered low. Therefore, the expected credit loss rate is 100%.

The expected loss rates are based on the payment profiles of outstanding NSFAS student loans, over a period of 36 months before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates were adjusted to reflect current and forward looking information.

**Other student loans and employee loans**

Other student loans relate to post-graduate student loans. Employee loans are made available for housing and personal purposes.

The expected loss rates are based on the payment profiles, over a period of 36 months before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information.

## 24. Financial risk management (continued)

## (b) Credit risk

## Trade receivables (continued)

	NSFAS Student Loans	
	2018 R'000	2017 R'000
<b>Balance at 31 December – calculated under IAS39</b>	116,341	94,809
Amounts restated through opening retained earnings	-	-
Opening loss allowance as at 1 January 2018 – calculated under IFRS 9	116,341	94,809
Increase in loan loss allowance recognised in profit or loss during the year	-	21,532
Unused amount reversed	(5,816)	-
<b>Balance at 31 December</b>	<b>110,525</b>	<b>116,341</b>
	<b>Other Loans</b>	
	2018 R'000	2017 R'000
<b>Balance at 31 December – calculated under IAS39</b>	3,894	6,891
Amounts restated through opening retained earnings	-	-
Opening loss allowance as at 1 January 2018 – calculated under IFRS 9	3,893	6,891
Increase in loan loss allowance recognised in profit or loss during the year	14,999	-
Unused amount reversed	-	(2,997)
<b>Balance at 31 December</b>	<b>18,893</b>	<b>3,894</b>

## (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability through an adequate amount of committed credit facilities and the ability to close out market positions. Council, through the Finance and General Purposes Committee, and the Management of the University monitor the University's liquidity on an ongoing basis. At the end of the reporting period, the University held Council directed deposits at call of R78.0m that are expected to readily generate cash inflows for managing liquidity risk.

The table below analyses the University's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year R'000	Between 1 and 5 years R'000	Later than 5 years R'000
<b>At 31 December 2018</b>			
Interest-bearing borrowings	490	330	-
Trade and other payables	76,293	-	-
	<b>76,783</b>	<b>330</b>	<b>-</b>
<b>At 31 December 2017</b>			
Interest-bearing borrowings	352	65	-
Trade and other payables	79 146	-	-
	<b>79 498</b>	<b>65</b>	<b>-</b>

**24. Financial risk management (continued)**

**(d) Capital risk management**

The University's objectives when managing capital are to safeguard the ability of the University to continue as a going concern and meet its stated objectives. This objective is met through careful consideration by the Council each year of the critical strategic objectives of the University.

**25. Events after reporting period**

No matters which are material to the financial affairs of the University have occurred between 31 December 2018 and the date of approval of the Annual Financial Statements.



## **1. Changes in accounting policies**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year, except for the adoption of the following new or revised standards.

### **1.1 Application of IFRS 9 Financial Instruments**

In the current year, the University has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the University's financial statements are described below.

#### **Classification and measurement of financial assets**

The date of initial application (i.e. the date on which the University assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 01 January 2018. All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.

Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income.

All other debt investments and equity investments are subsequently measured at fair value through profit or loss, unless specifically designated otherwise. The university may, on initial recognition, irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies in other comprehensive income.

The University may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In contrast, for an equity investment designated as measured at fair value through other comprehensive income, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss. Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to new impairment provisions using an expected loss model. This contrasts with the incurred loss model of IAS 39.

**1. Changes in accounting policies (continued)****1.1 Application of IFRS 9 Financial Instruments (continued)****Classification and measurement of financial assets (continued)**

The University's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as available-for-sale financial assets and were measured at fair value at each reporting date under IAS 39 have been designated as at fair value through other comprehensive income. The change in fair value on these equity instruments continues to be accumulated in equity. However, the cumulative amount in equity is no longer reclassified to profit or loss on derecognition of the equity investments.

Debt instruments classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Management reviewed and assessed the University's existing financial assets as at 01 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the University's financial assets as regards to their classification and measurement.

The following table summarises the impact on the classification on financial instruments as a result of IFRS 9:

<b>Financial assets – 1 January 2018 – IAS 39</b>	<b>Available for sale financial assets R'000</b>	<b>Equity investments at fair value through OCI R'000</b>	<b>Debt investments at fair value through OCI R'000</b>
Closing balance 31 December 2017 – IAS 39	575 826	-	-
Reclassify available for sale financial assets to equity investments at fair value through OCI	(239 936)	239 936	-
Reclassify available for sale financial assets to debt investments at fair value through OCI	(335 890)	-	335 890
<b>Opening balance 1 January 2018 - IFRS 9</b>	-	239 936	335 890

**Impairment of financial assets**

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the University to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

## **1. Changes in accounting policies (continued)**

### **1.1 Application of IFRS 9 Financial Instruments (continued)**

#### **Impairment of financial assets (continued)**

Specifically, IFRS 9 requires the University to recognise a loss allowance for expected credit losses on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, contract assets and loan commitments and financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the University to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset.

On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the University is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables and contract assets in certain circumstances. As at 01 January 2018, management reviewed and assessed the University's existing financial assets, amounts due from students and customers for impairment using reasonable and supportable information that was available without undue cost or effort, in accordance with the requirements of IFRS 9, to determine the credit risk of the respective items at the date they were initially recognised, and compared that to the credit risk as at 01 January 2017 and 01 January 2018.

The result of the assessment had no material impact on the current loss allowances recognised.

#### **Classification and measurement of financial liabilities**

One major change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at fair value through profit and loss (FVTPL) attributable to changes in the credit risk of the issuer. Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit and loss was presented in profit or loss.

This change in accounting policy did not have an effect on the University for the current or for the previous year.

**1. Changes in accounting policies (continued)****1.2 Application of IFRS 15 Revenue from contracts with customers**

In the current year, the University has applied IFRS 15 Revenue from Contracts with Customers (as revised in April 2016) and the related consequential amendments to other IFRSs. IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services. IFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of these new requirements as well as their impact on the University financial statements are described below.

The University applied IFRS 15 with an initial date of application of 1 January 2018 in accordance with the modified retrospective transitional approach, by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. The comparative information has therefore not been restated. The effect of the change in accounting policy is set out in the following table:

<b>Statement of changes in funds</b>	<b>Impact of adopting IFRS 15 at 1 January 2018 (loss)/gain R'000</b>
Contract liabilities recognised in respect of performance obligations not met	(43,524)
<b>Net Impact at 1 January 2018</b>	<b>(43,524)</b>

**2. Accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except for the changes in accounting policies as described in note 1.

**2.1 Basis of Preparation**

The consolidated financial statements of the (the University) have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner prescribed by the Minister of Education in terms of section 41 of the Higher Education Act 1997 (Act No. 101 of 1997), as amended. The consolidated financial statements have been prepared under the historical cost convention as modified by available-for-sale financial assets, which were carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are valuation of employee benefits, impairment of receivables and valuation of certain available-for-sale investments.

**2. Accounting policies (continued)**

**2.1 Basis of Preparation (continued)**

**New Standards not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not yet been adopted by the University. The University's assessment of the impact of these new standards and interpretations is set out below:

**IFRS 16 – Leases**

IFRS 16 will result in almost all leases being recognised on the statement of financial position, as the distinction between financing and operating leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the University's operating leases. As at the reporting date, the University currently does not have any material operating leases.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

This standard is mandatory for financial years commencing on or after 1 January 2019. The University does not intend to adopt IFRS 16 before its mandatory date.

**Other**

There are no other standards, interpretations or amendments that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**2.2 Consolidation**

Subsidiary entities are those entities over which Rhodes University has the power, directly or indirectly, to exercise control. All subsidiaries are consolidated, except if control is expected to be temporary, or if there are long term restrictions on the transferability of funds. Subsidiaries are consolidated from the date on which effective control is transferred to Rhodes University and they are de-consolidated from the date that control ceases. All inter-entity transactions, balances and unrealised surpluses and deficits are eliminated.

Uniform accounting policies are applied for all entities consolidated.

The following entity is included in the consolidated financial statements of Rhodes University:

- David Rabkin Project for Experiential Journalism Training (Pty) Ltd (trading as Grocotts Mail)

**2. Accounting policies (continued)**

**2.3 Income recognition**

University income falls into the following main categories:

- State appropriations: subsidies and grants
- Tuition and other fee income
- Private grants and income from other contracts
- Private gifts
- Sale of goods and services
- Finance income
- Other non-recurrent income

**State appropriations: subsidies and grants**

State subsidies for general purposes are recognised as revenue in the financial year to which the subsidy relates.

Subsidies and grants for specific purposes, e.g. capital expenditure, are included in liabilities as deferred income and are credited to the asset when the asset becomes available for use, resulting in a decrease in the depreciation recognised in the statement of comprehensive income over the expected lives of related assets.

However, if the funding is provided in advance of the specified requirement (i.e. the University does not have immediate entitlement to it), the relevant amount is retained as a liability until the University has complied with all the conditions attached to the construction of the asset, after which the grant is deducted from the carrying amount of the asset.

**Tuition and other fee income**

Tuition and other course fees relate directly to the provision of specific academic and non-academic courses. Income is recognised on a pro-rata basis across the length of the course, in line with the provision of the courses to students.

Tuition and other fee income is stated gross of any expenditure and credited to the statement of comprehensive income over the period students study.

**Private grants and income from contracts**

Income is recognised within the statement comprehensive income when the grant or income is receivable (legal/contractual commitment) and performance related conditions specified in the agreement are met. In the absence of performance conditions, income is recognised in full as soon as it becomes receivable.

Income received in advance of completion of performance conditions is recognised in the statement of financial position as a contract liability and released to the statement of comprehensive income as conditions are met. Where grants or income are received in arrears, accrued revenue or receivable assets are recognised in line with income.

**2. Accounting policies (continued)**

**2.3 Income recognition (continued)**

**Sale of goods and services**

Income from the sale of goods or services is credited to the statement of comprehensive income when the University transfers control of the goods or services to the external customer.

**Finance income**

Finance income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the University.

**Other non-recurrent income**

Occasional sales and services are recognised in the period in which control is transferred to the external customer. Income from such sales and services are included in 'other non-recurrent income' in the statement of comprehensive income.

***Income recognition (applicable before 1 January 2018)***

Revenue is generally recognised at the fair value of the consideration received for goods or services rendered. Revenue is shown net of value-added tax, returns, rebates and discounts. The University recognises revenue when the amount of income can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the University's activities as described below.

**2.3.1 State appropriations: Subsidy and grant income**

State appropriations and grants for general purposes are recognised as income in the financial year to which the subsidy relates. Appropriations for capital expenditure purposes are set off against the cost of the assets as incurred. Unspent amounts are retained in deferred income as a current liability.

**2.3.2 Tuition and accommodation fee income**

Tuition and fee income is only recognised when the amount can be measured reliably and future economic benefits will flow to the University. Tuition fees are recorded as income in the period to which they relate. To the extent that this income may not be realised, provision is made for the estimated irrecoverable amount. Deposits provided by prospective students are treated as current liabilities until the related fees become due to the University.

**2.3.3 Designated income**

Income received for designated specific purposes will arise from contracts, grants, donations and income on specifically purposed endowments. In all instances any such income is recognised as income in the financial period when the University is entitled to use those funds. Funds that will not be used until some specified future period or occurrence are held in an appropriate fund until the financial period in which the funds can be used. Prior to that time the amount is appropriately grouped in one of the restricted funds comprising aggregate funds. These are treated as "transfers" on the statement of comprehensive income.

**2. Accounting policies (continued)**

**2.3 Income recognition (continued)**

***Income recognition (applicable before 1 January 2018)***

**2.3.4 Interest income**

Interest is recognised on a time allocation basis, taking account of the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the University.

**2.3.5 Dividend income**

Dividends are recognised when the University's right to receive a dividend is established.

**2.3.6 Donations and gifts**

Donations and gifts are recognised on receipt. Donations in kind are recognised at fair value.

**2.3.7 Rental income**

Where the University retains the significant risks and benefits of ownership of an item under a lease agreement, it is classified as an operating lease. Receipts in respect of the operating lease are recognised on a straight-line basis in the statement of comprehensive income over the period of the lease.

**2.3.8 Student deposits**

Deposits provided by prospective students are treated as current liabilities.

**2.3.9 Other non-recurrent income**

This revenue comprises sundry revenue including cost recoveries recognised.

**2.4 Research costs**

Research costs are expensed in the period in which they are incurred.

**2.5 Reserve funds**

**2.5.1. Council unrestricted funds**

The unrestricted operating fund reflects the University's subsidised activities and also includes tuition fees. Additions to these funds mainly comprise state-subsidy, tuition fees and the sales and services of educational activities, as well as transfers from other funds to finance expenditure. Expenditure mainly comprises direct expenses in academic departments for training, research and community service, as well as other support service expenses, such as academic administration, library facilities, bursaries and loans. Institutional expenses, such as expenses incurred for the executive, student services, information technology and operating costs regarding land and buildings, are also accounted for in these funds.

**2.5.2. Council restricted funds**

These funds may be used only for the purposes that have been specified in legally binding terms by the provider of such funds or by another legally empowered person.



**2. Accounting policies (continued)**

**2.5 Reserve funds (continued)**

**2.5.3. Property, plant and equipment funds**

The amount in property, plant and equipment funds represents the carrying value of the University's fixed assets that is financed from unrestricted funds.

**2.6 Foreign currencies**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income in the year in which they arise. Such balances are translated at year-end exchange rates.

**2.7 Financial Instruments (applicable before 1 January 2018 – IAS39)**

Financial instruments carried on the statement of financial position include cash and bank balances, investments and loans, receivables, trade payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The carrying amounts for the following financial instruments approximate their fair value: cash and bank balances, investments, receivables, trade creditors and borrowings. Purchase and sale transactions of financial instruments are accounted for at trade date.

**2.8 Financial assets (applicable before 1 January 2018 – IAS39)**

The University classifies its financial assets in the following categories: loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

**2.8.1 Loans and receivables**

Loans and receivables included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The University's loans and receivables comprise 'Trade and other receivables' and cash and cash equivalents. Loans and receivables are carried at amortised cost using the effective interest rate. Loans and receivables are impaired on a basis similar to trade receivables set out in 2.8.2 below.

**2. Accounting policies (continued)**

**2.8 Financial assets (applicable before 1 January 2018 – IAS39) (continued)**

*2.8.2 Trade receivables (including student debt)*

Trade receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. Financial assets classified as receivables are initially recognised at fair value plus transaction costs. Subsequent to recognition, receivables are carried at amortised cost using the effective interest rate method less provision for impairment. Short-term receivables with no stated interest are measured at the original invoice amount if the effect of discounting is immaterial. A provision for impairment for trade receivables is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. An impairment loss is recognised in profit/loss when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate of the instrument.

Assets that are individually significant are considered separately for impairment. When these assets are impaired, any impairment loss is recognised directly against the related asset. Assets that are individually significant and that are not impaired and groups of small balances are considered for impairment on a portfolio basis, based on similar credit risk. Impairment losses are recognised in an allowance account for credit losses until the impairment can be identified with an individual asset and, at that point, the allowance is written off against the individual asset. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

*2.8.3 Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or Management intends to dispose of it within 12 months of the end of the reporting period.

Financial assets classified as available-for-sale are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, available-for-sale financial assets are carried at fair value. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets is the current bid price as per the Johannesburg Stock Exchange (JSE). If the market value of an investment cannot be determined, the investment is measured using an acceptable valuation method.

**2. Accounting policies (continued)**

**2.8 Financial assets (*applicable before 1 January 2018 – IAS39*) (continued)**

*2.8.3 Available-for-sale financial assets (continued)*

Unrealised gains and losses arising from the change in fair value are recognised directly in other comprehensive income until the asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income. However, interest income on these items, calculated using the effective interest method, is recognised in profit/loss. Dividend income is recognised when the University's right to payment has been established and it is included in other income. Net foreign exchange gains or losses on monetary available-for-sale financial assets are recorded directly in profit/loss as part of other income or other expenses. Cumulative gains or losses accumulated in equity are recognised in profit/loss upon disposal or impairment of the financial asset, as part of net gains or losses, and are included in other income or other expenses.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

The University assesses at each reporting date whether there is objective evidence that a financial asset or group of assets is impaired. A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. Available-for-sale financial assets will become impaired when a significant or prolonged decline in the fair value of the investments below their cost price or amortised cost is noted. If any objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and current fair value less any impairment loss on the financial asset previously recognised in profit/loss, is removed from equity and recognised in the statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit/loss, the impairment loss is reversed through the statement of comprehensive income.

***Cash and cash equivalents***

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, and investments in short-term money market instruments (with a low risk of value changes), net of bank overdrafts. In the statement of financial position, bank overdrafts are included in current liabilities.

***Borrowings***

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**2. Accounting policies (continued)**

**2.8 Financial assets (*applicable before 1 January 2018 – IAS39*) (continued)**

*2.8.3 Available-for-sale financial assets (continued)*

***Trade and other payables***

Trade and other payables are carried at the fair value of the consideration to be paid for goods and services that have been received or supplied and invoiced or formally agreed with the supplier.

Other liabilities are stated at original debt, less principal repayments and amortisations. Other liabilities are classified as current unless the University has an unconditional right to defer settlement of the liability for at least 12 months after year end.

**2.9 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**2.10 Property, plant and equipment**

All property, plant and equipment is stated at historical cost, reduced by depreciation and government grants received, as applicable. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Donated property, plant and equipment is recorded at fair value at the date of the donation. Property, plant and equipment purchased with government grant funds are treated as set out in note 2.3.1.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The estimated useful lives are:

Buildings	50 years
Furniture and equipment	6 to 10 years
Vehicles	4 to 10 years
Computer equipment	3 to 5 years

Library books and periodicals are written off in the year of acquisition.

Land is not depreciated as it is deemed to have an indefinite life.

## **2. Accounting policies (continued)**

Assets which individually cost less than R5 000 are not capitalised, but are expensed in the year of acquisition. Assets which individually cost between R5 000 and R15 000 are capitalised and written off in full in the year of acquisition.

The residual values and useful lives of all significant assets are reviewed, and adjusted if appropriate, at year end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit in the statement of comprehensive income.

### **2.11 Impairment of non-financial assets**

Non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

### **2.12 Accounting for leases**

Leases of property, plant and equipment where the University assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated fair value of the leased assets, or, if lower, at the present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the useful life of the assets.

Leases of assets, under which all the risks and benefits of ownership are effectively retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

### **2.13 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method.

### **2.14 Financial instruments - IFRS 9**

Financial instruments, consisting of financial assets and financial liabilities, carried at the reporting date by the University include bank and cash, trade receivables, trade payables, borrowings and bank overdrafts. Trade receivables and trade payables exclude prepayments and certain statutory and employee-related payables for the purposes of financial instruments.

**2. Accounting policies (continued)****2.14 Financial instruments - IFRS 9 (continued)**

Trade receivables are initially recognised when they are originated, in conjunction with IFRS 15. All other financial assets and liabilities are recognised on the balance sheet when the University becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Loans receivable at amortised cost****Classification**

Loans receivables are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms of these loans give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding, and the University's business model is to collect the contractual cash flows on these loans.

**Recognition and measurement**

Loans receivable are recognised when the University becomes a party to the contractual provisions of the loan. The loans 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 loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest rate method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

**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.

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 University'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 University 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 rate method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

**2. Accounting policies (continued)****2.14 Financial instruments - IFRS 9 (continued)****Trade and other payables****Impairment**

The University 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 University measures the loss allowance for trade and other receivables which do not contain a significant financing component, at an amount equal to lifetime expected credit losses (lifetime ECL). The loss allowance for all other trade and other receivables is measured at lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on these receivables has not increased significantly since initial recognition, then the loss allowance for those receivables is measured at 12-month expected credit losses (12 month ECL)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date. In order to assess whether to apply lifetime ECL or 12-month ECL to trade and other receivables which do have a significant financing component, the University considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than evidence of a receivable being credit impaired at the reporting date or of an actual default occurring.

**Classification**

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

**Recognition and measurement**

Trade and other payables are recognised when the University 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 rate method. The effective interest rate 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 rate method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments with original maturities of 3 months or less and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

**2. Accounting policies (continued)**

**2.15 Provisions**

Provisions are recognised when the University has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate. The increase in the provision due to the passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

**2.16 Employee benefits**

**2.16.1 Accumulated annual leave**

Employee entitlements to annual leave are recognised when they accrue. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of reporting date.

**2.16.2 Pension obligations**

The University operates a defined benefit pension plan, the assets of which are held in a separate trustee-administered fund. The pension plan is funded by payments from employees and the University. Valuations of these obligations are carried out annually by independent actuaries. All actuarial gains and losses are recognised immediately in the year in which they arise in other comprehensive income.

The University also operates two defined contribution provident plans. The University's contributions to these plans are charged to income as incurred.

**2.16.3 Other post-retirement benefit obligations**

The University provides post-retirement healthcare benefits to retirees employed by the institution prior to 1991. The entitlement to these benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Valuations of these obligations are carried out annually by independent actuaries. All actuarial gains and losses are recognised immediately in the year in which they arise in other comprehensive income.

**2.16.4 Termination benefits**

Termination benefits are payable when employment is terminated by the institution before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The institution recognises termination benefits when it is demonstrably committed to either:

- terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or
- providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

**2.17 Taxes**

The University is exempt from income tax.