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REPORT OF THE INDEPENDENT ASSESSOR INTO THE AFFAIRS OF THE VAAL
UNIVERSITY OF TECHNOLOGY

I, **Dr BE Nzimande, MP**, Minister of Higher Education, Science and Technology in accordance with Section 47 (2) of the Higher Education Act (Act 101 of 1997, as amended), publish the Report of the Independent Assessors, Professor N Barney Pityana and Professor MD Rocky Ralebipi-Simela under Sections 44 (1) and 48 of the Act, respectively, on the investigation conducted into the state of affairs of the Vaal University of Technology, as set out in the Schedule.



Dr BE Nzimande, MP

Minister of Higher Education, Science and Technology

Date: 29/01/2020

**REPORT OF THE INDEPENDENT ASSESSORS ON THE STATE
OF THE VAAL UNIVERSITY OF TECHNOLOGY**

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INDEPENDENT ASSESSORS

Pretoria, 31 October 2019.

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PREFACE

We have had the honour of undertaking this assignment entrusted to us by the then Minister of Higher Education and Training, the Hon Dr GNM Pandor, MP who has since May 2019 been appointed Minister of International relations and Cooperation. We are required to investigate and advise the Minister on the state of Leadership, Governance and Management at the Vaal University of Technology. Since 15 May 2019 we have been engaged with this institution at all levels and with as many of the sections and divisions in the institution as we could find. In the process, we read a large number of documents, attended to many submissions, and interviewed many members of staff and stakeholders in order to get to the bottom of what the nature of the problem at the Vaal University of Technology could be.

In the course of this work we came to an appreciation of the value of this institution, and of the love that many of the people, within and outside, have towards the university. We were also saddened that over time the university seems to have lost its way and largely lacks the essence of the idea of a university: nurturing minds, expanding scholarship, knowledge development and community engagement.

Instead rather, a utilitarian blanket has enveloped the university for many years now. It has been a blanket of shame that the university does not deserve.

Having undertaken this task, we are assured that the university has a future. It was with a positive frame of mind that we went about our duty. We wanted to assure the best future for the Vaal University of Technology. We came to know that in order to do so, some drastic steps needed to be taken. As Independent Assessors we realized that we were well placed to make far-reaching proposals in order to assist in the rehabilitation of the university.

In this Report we have done just that. We do so mindful that many people, some of them innocent, may be affected. We trust that it will be understood that there is a future that must be restored, hopes that have to be vitalised, and the integrity of government and the institution and its policies that must be defended and restored for the sake of the people of South Africa.

In the course of this investigation we have come to realise that this situation does not just affect the Vaal University of Technology in isolation. It has as much to do with the future of universities in South Africa at large as it does about the quality and trust of government by citizens. It is about the future of those armies of intelligent South Africans who have hope that universities will nurture and develop their young, contribute to social and economic development, shape the future of society and leave a legacy of a knowledge society that we can all be very proud of. As such, it has to do with the values of our Constitution. It may be small and insignificant, but it is a step that we have been entrusted with and one which we have undertaken with resolve.

We hereby extend our thanks to both Ministers, the Hon Dr Blade Nzimande MP, the current Minister, and the Hon Dr GNM Pandor MP, the previous Minister, whose mandate we sought to serve. We thank them for entrusting to us so honourable a responsibility. We commend this work and we hope that this will assist the Minister to address the problems that have occurred at this institution of higher learning in our country.

N Barney Pityana GCOB

M D Rocky Ralebipi-Simela

INDEPENDENT ASSESSORS

Pretoria, 31 October 2019.

ACKNOWLEDGEMENTS

Work of this magnitude can only succeed with the assistance of many people. In particular we thank the Minister of Higher Education, Science and Technology, the Hon Dr Blade Nzimande MP for entrusting us with this assignment. Thanks are also due to the University Education Branch of the Department of Higher Education and Training. The assistance we received from Dr DC Parker and her colleague Dr Thandi Lewin was invaluable. We especially appreciate the professional support we received from Ms Denise de Klerk and Ms Makkie Phatudi who spared no time or effort to serve us with impeccable devotion. Throughout this time they were ready to assist us with logistics, organizational matters and just to be part of the team.

At the professional level we were delighted to work with Mr AB Heyns, who recorded our interviews diligently. On the technical side, we were pleased that the Department made resources available for us to hire the services of Dr Tau K Motsepe and Ms Barbara Kortjas CA. We needed a very deep and accurate understanding of the financials of the university to explore exactly what was going on with the internal audit functions. Their report helped us a great deal.

At the Vaal University of Technology, the Vice Chancellor Prof GN Zide welcomed us and made facilities available for this work. He was willing to spend time with us, and he gave of himself to see the success of this project. The University also provided logistical support from the Office of the Vice Chancellor. In that regard Prof Zide has done an invaluable service to the University and is deserving of appreciation. At the university, our liaison member of staff was Mr George Mvalo. He assisted us, ensured that our programme was met, and arranged that everyone we needed to talk to was available. Thank you, George, for all that you did to make this a success.

Beyond the university, our interviews were hosted by the Council on Higher Education (CHE) in Pretoria. The Chief Executive Officer of the CHE, Prof Narend Bajinath, welcomed us and made our stay comfortable. On at least one occasion we were hosted by UNISA for some of the interviews.

There are a host of other people who helped us. Many of their names may never be known. To them too we offer our sincere gratitude.

EXECUTIVE SUMMARY

Under cover of a letter dated 30 September 2019, the Independent Assessors appointed by then Minister of Higher Education and Training, Dr GNM Pandor, MP, submitted their final Report with Findings and Recommendations. The Report is addressed to the current Minister of Higher Education, Science and Technology, Dr BE Nzimande, MP.

In the Report, the Independent Assessors, Professors N Barney Pitso and MD Rocky Ralebipi-Simela confirm that Leadership, Governance and Management at the Vaal University of Technology are in such a state of collapse that an intervention was necessary as provided by s.45 of the Higher Education Act, 1997. The Report also finds that on account of the poor Leadership, Governance and Management in all sectors of the University, the institution has not been able to advance its mission; protect the resources, financial and human, made available to the university by the State and by donors; and fails to guarantee quality education for so many young students of the University. In other words, the sustainability of the institution was being put at risk.

The Report raises an important matter. A large-scale collapse of such magnitude has occurred and urgent and deep interventions are now imperative. This has been going on over a long period of time and we now know that the interventions taken have either been superficial or that the scale of the problem has been far too stubborn for the measures previously undertaken. This has happened as a result of collusion and indifference by many who profess to be concerned about the future and about the health of the university, including students and staff, parents and the community, donors and suppliers. In this case, the university has been left to become prey to the wolves. Far too many people who could have stopped the problems have either remained quiet, looked the other way, were indifferent or afraid.

The Report therefore makes thirteen recommendations summarized below, which take a root and branch approach to the problems that have dogged the fortunes of this institution for many years:

- a) The stakeholder and consensus-seeking approach needs to be revisited, and a more transparent system of recruiting members of Council devised.
- b) With the view that the Vice-Chancellor, Prof GN Zide has been incapable of giving strategic leadership to the University, to offer credible and effective management; the future of his employment at the university needs to be re-assessed.
- c) The current crop of leadership at Post Levels 1-3 must be retired or redeployed, and new critical leadership be found to guide the university into the future; through reviewing each of the members of the Senior Executive Management and Executive Managers and Executive Deans to test their

contribution to the university and whether they have a vision consonant with the future of the university.

- d) All management personnel in Post Levels 1-4 and the Executive Deans must be subjected to an annual Lifestyle Audit and declaration of conflict of interest.
- e) With the experiences of this period consistent since about 2006, the selection of a new Council must be undertaken with care. Membership of Council must be vetted, with due diligence as well as probity undertaken in order to weed out opportunistic elements from the university.
- f) The Council size must be reduced, probably limiting membership of Council to 20, by removing, in particular, those who join Council in a representative capacity and decreasing Council membership from internal staff. The commanding presence of internal members of Council never benefits the proper running of Council affairs.
- g) The Administrator should request the assistance of the Special Investigating Unit (SIU) to investigate activities of a number of university officials such as the Vice-Chancellor and Deputy Vice-Chancellors, everyone involved in supply chain management, Infrastructure and Logistics, as well as in Student Services, Security and Campus Protection, and former student leaders, over a long period of time; and ensure that the criminal elements, if found to be guilty of wrongdoing, are charged and go to jail.
- h) A new Institutional Statute should be drafted such that accountability measures are clarified, especially clarifying the roles of structures, not least the role of The Registrar. The Institutional Statute must also design a new method of recruiting the Vice-Chancellor to minimize both the opportunity for politicizing the appointment of the VC and to protect it from capture by vested interests.
- i) The supply chain management policy must provide that any supplier that is found to be engaged in any corrupt activities or found to have been so engaged in previous years, will not only be disqualified and blacklisted at VUT, but also from all universities in South Africa, and reported to the police in terms of the Prevention of Corrupt Practices Act.
- j) Given the finding that this lamentable state had become possible through large-scale collusion between some criminal elements within the university and many of its suppliers, it is recommended that every supplier who won a tender in the past, be required to make a Declaration of their participation in shady dealings against the university. Any who are found to have had shady dealings and who were awarded tenders should be required to cease operations and be removed from the List of Suppliers. Thereafter, a warning should be inserted in all conditions of tender that

should it be found that a tender was won by unlawful or irregular means, or by participation in any scheme, the effect of which would be to corruptly and unjustly cost the university more than what it would otherwise have cost to undertake the service, or have participated in kickbacks or in forms of unjust enrichment at the expense of the university will be reported to the relevant authorities to be prosecuted.

- k) An office of the University Ombudsman that must be independent of Management and Council should be established. Moreover, a Whistleblower Fraud Hotline must be established as a matter of urgency.
- l) That Management must undertake a regular barometer on institutional culture at the university, as well as establish an Ethics Directorate.

The above recommendations address the critical questions that have crippled the university: the manner of appointment of the Vice Chancellor, the manner of appointment of members of Council, the role of Council, supply chain management, the quality of the academic provision at the university, the rot in the institution runs deep and that is aided and abetted by a number of participants inside and outside the university.

This is a comprehensive report and far-reaching in its conclusions and recommendations. We hope that it will go a long way towards remedying the failures of the University.

KEYWORDS: academic merit, mission, governance and leadership, management principles, policies, laws and regulations, corruption.

1. INTRODUCTION

1. By Notice in the Government Gazette, No. 42461 dated 15 May 2019, the then Minister of Higher Education and Training, Dr GNM Pandor, MP, appointed us as the Independent Assessors. Our brief was to advise the Minister on the source and nature of the problems that had so negatively affected the functioning of the Vaal University of Technology (VUT), to the point that the institution can be said to have become dysfunctional. The Minister sought our advice on the measures necessary to restore good governance and management at the university.
2. On 9 July 2019 we issued an Interim Report addressed to the recently appointed Minister of Higher Education, Science and Technology, Dr Blade Nzimande MP. In the report we pointed out that the issues at the university were both urgent and sensitive and immediate action was required. Accordingly, we recommended that the Minister appoint an Administrator for the University, dissolve the Council, and consider the future of the Vice Chancellor. Prof Ihron Rensburg has since been appointed Administrator of the Vaal University of Technology.

2. PURPOSE OF THE INVESTIGATION

3. The overall purpose of the investigation was to advise the Minister on:
 - 3.1 The source and nature of problems facing the institution including those relating to governance, management, financial management and procurement practices, human resource matters, administration matters and any other matters that may arise.
 - 3.2 Measures required to restore good governance and management at the Vaal University of Technology.

3. TERMS OF REFERENCE

4. We conducted the investigation on the terms of reference determined by the Minister, as follows:
 - 4.1 Conduct a detailed analysis and provide a report on the various allegations and counter allegations that have been made by stakeholders at the university in 2018 and 2019.

- 4.2 Conduct a detailed analysis of and provide a report on the current situation of the university governance and executive management structures, in particular their functioning and efficacy and relationships between the various structures and portfolios.
 - 4.3 Conduct a detailed analysis of and provide a report on the current situation of the university governance and management including policies and procedures pertaining to financial management, supply chain management, human resources, information technology, student governance and life, infrastructure and policies and procedures of the institution.
 - 4.4 Conduct a thorough investigation of the financial policy and procedures of the institution, with a specific focus on internal audit processes, procurement and tender procedures, and any specific allegations of financial irregularity that may be brought to the attention of the Independent Assessor.
 - 4.5 Verify the findings of the forensic investigations that have been conducted since 2013 and the action taken.
 - 4.6 Investigate and report on any matters that, in the opinion of the Assessor, may impact on the effective functioning of the university, from the analysis of problems relating to governance and management.
5. We are required to make recommendations on the following:
- 5.1 The restoration of good governance and management, specifically in relation to the Executive Management and the Council;
 - 5.2 Any other areas of action required to ensure the effective functioning of the university;
 - 5.3 Any other recommendation that requires the attention of the Minister and the Department;
 - 5.4 What action, if any, ought to be taken.

4. STRUCTURE OF THE REPORT

6. The Report is structured so as to answer the questions set out in the Terms of Reference. It is hoped that by so doing it will provide some cohesion to the arguments as well as the inter-connections between the different sections of the Report. We recognize that the downside of such an approach is that there may be some repetition, although we have tried to minimize repetition as much as possible.

Besides the introductory sections, the Report proceeds by setting the context for the university, its mission and the events that led to the establishment of the team of assessors by the Minister. Thereafter, a section is devoted to the evidence received. That evidence is set out according to the rationale of the Terms of Reference.

7. The examination of the evidence centres on the university's mission as an academic and research institution. Around that Mission we take the view that everything else seeks to serve that central purpose. The implication of this is that the Report takes the view that unless the academic project of the university is served everything else is secondary. We put it like that because we sense that the university needs desperately to recover its purpose and mission. Evidence is followed by an analysis and assessment as well as the implications of the evidence. Finally the Report has a section on Conclusions followed by Recommendations.

5. BRIEF BACKGROUND OF THE VAAL UNIVERSITY OF TECHNOLOGY

8. The Vaal University of Technology (VUT) was founded in 1966 as a College for Advanced Technical Education. It became a Technikon in 1979. During this time it awarded certificates and diplomas in a range of vocational programmes. VUT became a degree and diploma awarding institution in 1979 and, with the restructuring of Higher Education in 2004, became a University of Technology (UoT) and changed its name to the Vaal University of Technology.
9. The main residential campus of VUT is at Vanderbijlpark in southern Gauteng within the Emfuleni Local Municipality. It has three satellite campuses, namely the Daveyton campus in the Metropolitan City of Ekurhuleni, east of Johannesburg; Secunda in Mpumalanga; and the Upington campus in the Northern Cape. These campuses are termed Sites of Learning. The 'satellite' campuses were all established in the mid 1990s. An extension to the main campus is located in Educity, Sebokeng, some 30 kms from the main campus. The Sebokeng campus was previously VISTA University, abolished as a result of the restructuring of higher education in 2000. This site is being developed into a Science and Technology Park. The new Faculty of Education is also based there.
10. The institution has recorded significant growth in student numbers since 2004. The numbers have increased from 15 900 in 2003, to 19 241 in 2017 and 20 200 in 2018. Of these, 18 457 students are on the main campus in Vanderbijlpark with the following distribution on the satellite campuses: Ekurhuleni-863; Secunda-673; Educity-113; and Upington-103 students. Of course, the question has to be asked whether a campus with such a small student population in Upington is viable or not.

11. The location and geographical context of the Vaal University of Technology is significant. Vereeniging-Vanderbijlpark-Sasolburg combines Gauteng and Northern Free State in a large industrial zone dominated by the heavy steel industry, and the Vaal Dam catchment area. These three areas are part of the Sedibeng District Municipality. The Municipality has adopted an Integrated Development Plan (IDP) 2018/19. As part of the Province of Gauteng, the IDP is committed to Gauteng's 10-pillar programme of Transformation, Modernisation and Re-industrialisation. The ten pillars in turn stress the centrality of industrialization, modernization and transformation in the region. In simple terms it commits itself "to take a lead in Africa's new industrial revolution."
12. The strategy refers to a commitment to "promote education as an apex priority in local communities," although curiously enough, neither the Local nor the District Municipalities make any mention of collaboration with the University or tapping into the resources and expertise available at the University. However, the Vaal University of Technology is well placed to become an instrument for development in the Vaal region. It must also be said that the University also does not seem to tap into the resources and opportunities of its geographical location at the heart of an industrial and tourism zone, as well as Gauteng's main water conservation and distribution hub.
13. The University draws students from all regions of South Africa as well as 25 other countries, mostly from the African continent. The institution is predominantly an undergraduate institution, with a post-graduate (Masters and Doctorate) student cohort of about 500 students. The total headcount numbers in 2018 was 21058 students enrolled. In 2018, 8336 students (equally split between male and female) were housed in University residences, up from 6424 the previous year. This represents about 41% of the students of the institution. This is significant because it is precisely around this area of work that many of the problems of the University arise.
14. An analysis of the 2018 institutional information reflects that the University offers about 160 programmes in four Faculties. These Faculties, namely Applied & Computer Sciences; Engineering; Human Sciences; and Management Sciences (and a new Faculty of Education, 2019) offer a range of programmes from diploma to doctoral studies. As a matter of interest the student enrolment seems to be skewed in favour of students studying in the Human and Management Sciences.
15. When the Vaal Triangle Technikon was reconstituted as a university of technology in 2004 together with other technikons, there was no indication, and even today there is none, that the University deeply reflected on this change of mission beyond just a change of name. For one thing it would seem that, like other technikons at the time, VUT considered this change to be a way of upgrading the university in the public esteem. Its mission as a university of technology does not seem to dominate its fit and purpose.

16. Fifteen years later, with the changing situation in the country and the world, it is evident that the University is facing serious challenges, requiring it to redefine its mission and stated objectives. Some of these mission-specific objectives should relate to the unique characteristics of a university of technology in relation to its course offerings or PQM; its postgraduate qualifications, especially as they relate to its continuity with its undergraduate programmes; the research output of the academics in the institution; as well as their academic qualifications.
17. Another challenge of note is the skyrocketing student debt, resulting partly from the fact that more than 57% of the students are funded through NSFAS, creating a financial risk for the University, in that it may not meet its financial obligations with reduced student fees. Together with this is the phenomenon of students remaining in the institution for long periods beyond their prescribed years of study, either failing or repeating, or changing courses midstream. The result of this is that the throughput rate of the institution has remained very poor for a long time and not much has been done to address this matter that is a drain on the finances of the institution (CHE Audit Report on the VUT, April, 2019).

6. HISTORICAL OVERVIEW

18. It is important to note that issues of maladministration, governance, leadership and management have plagued this institution from its inception in 2004. VUT has experienced a series of governance problems relating to maladministration, allegations of corruption, unfair labour practices and abuse of power, among others, since the early days of the establishment of the UoT. These problems led to the appointment of a three-person Commission of Enquiry in 2006 chaired by Mabel M. Jansen, S.C., assisted by Prof. Bennie A Khoapa and Mr. Seth Radebe. At that time it was self-evident that a Vice Chancellor was appointed under dubious circumstances, and he turned out to be unsuitable for the position he occupied. One would have thought that the university would have learnt some lessons from the Mokadi debacle. It did not.
19. Although that Commission of Inquiry resulted in the departure of the then Vice Chancellor and Principal, Prof. A.T. Mokadi, the institution has continued to experience similar governance and management challenges, some of which are attributable to the legacy of Prof. Mokadi and, at least in the view of some, the manner in which his departure was handled.
20. Similar issues resulted in the appointment of an Independent Assessor, Adv. Muzi Sikhakhane in 2012, who confirmed allegations of maladministration, factions within council and top management, management's failures in dealing with issues of unfair labour practices, corruption and

mismanagement of funds, manipulation of procurement processes and non-compliance with procedures, among others. (Adv. Sikhakhane report in July 2012, (2012), p.5).

21. Based on the investigation and report of the Assessor, the Minister dissolved the University Council and appointed Prof. Patrick FitzGerald as University Administrator on the 17th July 2012 for a period of six (6) months. According to the Administrator's report to the Minister dated 25 July, 2013, he was requested to "act to restore proper governance and management at the university, and to commission forensic audits into the affairs of student residences and the management of tenders" (Report of outgoing Administrator of VUT to DHET, (2013), p.1.,par.3).
22. Now, in May 2019, some seven (7) years later a new team of Independent Assessors was appointed to VUT to "conduct an investigation into the governance and management matters at the VUT".
23. In undertaking our task we had to be mindful of this lamentable history of the institution. In all our interviews we were at pains to draw this history to the attention of everyone and to seek everyone's insight into what needs to be done to make sure that history never again repeats itself.

7. A NOTE ON METHOD AND PROCEDURE

24. The Independent Assessors indicated right from the beginning that the investigation was to be conducted in as independent, fair and transparent a manner as possible. The Assessors invited submissions in writing from the University community and every effort was made to attend to every submission registered. The Assessors made available for this purpose a dedicated email address that would ensure that the submissions would be received untampered and confidentiality would be maintained.
25. Secondly, the Assessors made invitations to key sectors of the University community, from the Principal and Vice Chancellor, Chairperson of Council, present and past members of Council, the Registrar, Chairs of Committees of Council, Executive Management, Executive Deans, to key executives in the non-academic sector of the university: Chief Financial Officer, Executive Directors for Human Resources, Finance, Facilities Management, Academic Development, Student Support Services, and Information Technology. We then invited specifically any of the staff who had been mentioned or implicated in the evidence received and we put to them the allegations made against them.
26. We are happy to report that by and large our invitations were willingly honoured, although in one or two cases we had to assert our authority in order to make sure that we had all the evidence that we needed. On that account, we had reason to interview the Chairperson of NEHAWU, because his name

featured prominently in many of the submissions we received. We also became aware that some of the managers were intimidating staff who had given evidence or who had submitted complaints to us. We had to write to the managers warning against such conduct. We will never know whether any consequences will arise as a result of staff making submissions to us. If that happens it will surely be unlawful. The list of all the interviews conducted is attached (**Annexure 1**).

27. When we were conducting interviews, we made it clear that all proceedings were recorded, but that our process was not a judicial process but a fact-finding inquiry. It was also designed to put all allegations to those who appeared before us and test all the information we received in an inquisitorial manner. We recognized that should the need arise to ensure a fair process we would apply the lower standard of evidence being the test on a balance of probabilities.
28. In circumstances like this we sought to get as close as possible to the truth of what occurred. This was made difficult by the realization that just about everyone who appeared before us operated from a position of partiality or loyalty to a factional interest, and/or the evidence was designed both to obscure what was really happening in the institution to protect those they had an interest in protecting, and to target those who were considered to be their 'enemies'. We became acutely aware that we were operating in an intensely factionalised environment. Yet our duty was to investigate, make observations, listen to all sides of the story, and then come to some judgment of where the truth, in all probability, lies.
29. Throughout our enquiry we probed deeply, tested the evidence, put the other side of the story, and challenged as many of those who came before us about what we had heard. Above all, we made it clear that our independence was sacrosanct, but that we were guided by the Minister's Terms of Reference. Thankfully, we encountered no stage at which our integrity or our independence was put under question. Though at times the interrogation was robust, we never had a sense that our interlocutors did not trust us to be independent, fair and impartial.
30. With the assistance of the DHET, we procured the services of Dr Tau K Motsepe and Ms Barbara Kortjas, CA to undertake a review of all the financial, human resources and procurement documentation, review the adherence to policies or otherwise, and advise the Independent Assessors on the true state of the finances, processes and policies. The report and findings of the finance advisors and auditors is attached herewith (**Annexure 2**).
31. Apart from the interviews and reading a large number of submissions and documents, we also made in loco inspections of the campuses. Our observations in that regard are reported in the body of this Report under "Satellite Campuses" and "Situational Analysis: Towards a socio-political analysis". Walking about the campus gave us a sense of the extent of the breakdown in the facilities of the

university and helped us to make sense of the complaints by academic staff and students. Critical in this regard is the sense from academic staff that the university was not paying enough attention to the need to provide and/or upgrade teaching and learning facilities; improve the standard of the Libraries and Laboratories; and attend to the poor state of university residences and the student facilities. The complaint we received was that more and more positions were being added to the non-academic components of the university, so that the university was top-heavy with administrators, whereas the teaching load of academics was unbearable. We were also sensitized by the academic staff we interviewed to the problem that, as a means of managing costs, the University had embarked on a programme of cost-saving, by freezing posts and by allowing a proliferation of acting appointments.

32. Ultimately all these allegations were put to the Principal and Vice Chancellor as well as to the Chairperson of Council and to the Registrar. It seems to us that there is a policy vacuum at the institution or simply that management gaps and inefficiencies are such that Directors at the lower levels are inclined to make decisions and to act in manners that are unaccountable and definitely not consultative, thereby causing resentment and confusion. This problem of filtered management is found throughout the university. We hope that this can be remedied by a new Institutional Statute.
33. Through interviews, written submissions, and our own observations, most of the allegations and irregularities prevalent at the institution are flagged in *Guidelines for Good Governance Practice and Indicators for Councils of South African Public Higher Education Institutions*, 2017, published by the Department of Higher Education and Training.
34. Inasmuch as we indicated that we were not undertaking a forensic investigation given that we did not have the tools for such an in-depth and exhaustive undertaking, we did explore enough of the evidence to indicate instances of wrongdoing, malfeasance in the management of the affairs of the university, rules and policies not being adhered to, and possible price-fixing and kickbacks to benefit some members of the university staff and former students. Such matters will deserve a more in-depth investigation that should require the skills of professional investigators such as the Special Investigation Unit. In stating this, we are also aware of the limitations of our Report. Our views and Recommendation largely depend on the credibility of the submissions made to us, and the reliability of the documentation we consulted.
35. In summary, we heard and received evidence of and allegations and counter-allegations about corruption, abuse of power, victimization and intimidation; fraud; abuse of the university communication channels such as email and social media platforms; deep suspicions and lack of trust; endless litigation; many long-term suspensions including those of senior members of staff and too many people on short-term contracts including senior academics; a climate of fear, instability and discontinuity has

been allowed to take root in the institution. Since Council Meetings did not reach a quorum due to the high number of members' resignations critical appointments were not finalized and the institution is somewhat in a coma. This situation has definitely led to institutional paralysis, to a highly compromised academic enterprise, financial instability and to an untenable institutional climate.

8. REPORTS

36. The following reports were received and reviewed by the Independent Assessors:

- a) Vaal University of Technology: Infrastructure and Maintenance Expenditure Review; PWC, August 2016;
- b) Inquiry into Allegations of Misconduct made by NEHAWU and Dr Segopane Seroka; by Adv Mokgerwa Makoti and Pule Attorneys, March 2017;
- c) Magic Forensic Report by Adv Z Frans, 16 August 2017;
- d) Investigation Report by Mahlutshana Inc, 26 November 2017.
- e) Internal Audit Progress Report to VUT Audit & Risk Committee; October 2018;
- f) Investigation into Alleged Deviation on Capital Project Costs and Misappropriation of Funds held in Students' Trust Account, PWC, October 2018;
- g) Forensic Investigation into Allegations of Fraud, Corruption and other Irregularities; SNG Grant Thornton, December 2018;
- h) Vaal University of Technology Infrastructure Project Procurement and Implementation Review; BDO Consulting, May 2019.

9. A REVIEW OF THE EVIDENCE

9.1. The appointment and role of the Vice Chancellor

37. It is fair to say that an overwhelming number of those who gave evidence before us or made submissions to us are of the view that the troubles at the university emanate from the controversies surrounding the appointment of the Vice Chancellor.
38. Prof Gordon Ndodomzi Zide was appointed by Council in April 2017. Prof Zide had previously served as Deputy Vice Chancellor at the University before taking up an appointment as University Registrar at the University of South Africa (Unisa) on 1 September 2015. It has since transpired that he had resigned from Unisa in December 2016, but this matter was not disclosed to the University at the time of making the application for the Vice Chancellor post. Prof Zide then applied for the position of Vice Chancellor at VUT in January 2017, a few months before he was to have reached retirement age. Again, no mention was made of this as it could have been a matter for consideration in the appointment.
39. There are contradictory versions of what transpired in the process of interviews and appointment of the Vice Chancellor. One thing that is not in dispute though is that Prof Zide was duly and democratically appointed by Council. However, there are some members of the interviewing panel who insist that Prof Zide was not the preferred candidate, and that his selection occurred as a result of strong support from the union representatives both at Council and on the panel. According to the Chair of the interviewing panel, as a result of intense lobbying, Council did not choose the preferred candidate of the interviewing panel. Nobody has convinced us that something untoward or irregular occurred notwithstanding that some members may have been pressurized to vote in favour of Prof Zide, even though Senate and the Institutional Forum may have voted differently. The representative of NEHAWU in the Interviewing panel and in Council, in particular, is said to have been intimidating and threatening in his support for Prof GN Zide. That surely is conduct unbecoming and the Chairperson of the Committee should have taken steps to deal with such a member. Inasmuch as nobody complained about this at the time, we take the view that one cannot seek to undermine the decision of Council after the event.
40. The strange thing for us is that we were not able to get sight of the advertisement, or the report and scores of the panel members, nor are the Council minute and resolution available. We requested this documentation from the Registrar and the information we were given was that this documentation was missing. The Chair of the interviewing panel confirmed that the candidate was selected by the panel on the basis that the university sought to promote transformation. Documentation to confirm any of this could not be found. It was missing from the records of the university.

41. According to the Minutes of Council, Prof GN Zide's appointment was to take effect from 1 June 2017. Prof IN Moutlana was still in office and she was to end her term of office on 30 June 2017. By the way, Prof Zide wrongly informed us that Prof Moutlana ended her term of office at the university in April. Prof Zide, assumed duty on 1 May 2017. Effectively, for two months the university operated with two Vice Chancellors. Prof Moutlana, however, took leave during June. This is an example of just one of the many irregularities that dogged Prof Zide's tenure as Vice Chancellor of VUT. On its own this may not be a problem if Council had actually resolved it that way with a view to ensuring a smooth hand-over. The problem, however, arises because the Council resolution does not provide for an earlier assumption of duty for Prof Zide. The Report that we have from HR is that Prof Zide seemed to have been aware of the deliberations of Council, demanded his letter of appointment as soon as Council had resolved, and then insisted that he was available to assume duty immediately. Prof Zide's letter of appointment was not available for us to confirm.
42. The allegation, then, is that Prof Zide was beholden to NEHAWU, the main sponsor of his candidacy for his appointment as Vice Chancellor. The argument is that he was therefore inclined to offer special favours for NEHAWU and to the Chairperson of the NEHAWU VUT branch, Mr Joseph Radebe, in particular. The most gratuitous of such was the Vice Chancellor's withdrawal of charges against Mr Joseph Radebe at the CCMA on 4 September 2017.
43. In two rather lengthy engagements with Prof GN Zide we probed the various allegations against him. He also had an opportunity to share his vision and management philosophy with the Independent Assessors. He shared with us a dossier of his papers, speeches and a comprehensive CV since becoming Vice Chancellor of VUT. The following papers are of significance in understanding the Vice Chancellor's thinking on his responsibilities.
- The Inaugural Address
 - The Anatomy of Office of the Vice Chancellor- 2019
 - Report on the First Quarter 2019.
44. On reading the papers we noted that the VC was inclined to blame Council and colleagues in management without proposing how he would address the deficiencies he noted. Secondly, the VC by such accounts did not have a positive view of the university very early in his tenure and he also did not offer a clear, compelling and positive vision for the university. Finally, we saw no evidence of the VC as a strategic thinker about the institution he had recently become chief executive officer of. We put these observations to him and to members of Council. We received a series of denials, blaming others for the VC not being able to serve the university and Council denied that the VC was not supported.

45. The trend in these papers indicates that the Vice Chancellor is rather obsessed with himself, does not take responsibility, and manages by blaming those reporting to him for non-performance. It is evident that the Vice Chancellor does not exercise leadership in difficult circumstances and fails to provide the university with a guiding vision. The Vice Chancellor bemoans the fact that he has no support from Council, and from his Executive Management colleagues and from staff in his office. One gets a picture of a lonely (or lonesome) Vice Chancellor unable to persuade and influence change and direction in the institution. The only effort he undertook at team building is an exercise he termed the “Blood on the Wall” retreat. It appears that that went badly wrong as it seems to have deteriorated into accusations and counter accusations, leading to the withdrawal of at least two of the members and rather intemperate emails floating around!
46. Almost as soon as he became Vice Chancellor Prof Zide announced that he intended to institute a forensic audit in order to root out corruption in the institution and subject all managers to lifestyle audits. That did not happen because the Vice Chancellor was awaiting approval from Council.
47. The Vice Chancellor did not build a leadership and management team around him soon enough upon assumption of office. Instead he is reported to have confronted key staff and colleagues like Mpho Diago, Director in the Office of the Vice Chancellor and the Registrar, Dr Dan Mokoena, who he accused of being against his appointment. He indicated that he was unable to trust them. His relationship with key support colleagues started on a bad footing as a result. The relationship with Mr. Diago was never repaired, and his relationship with the Registrar is marked by thinly veiled distrust.
48. It must also be mentioned that the Vice Chancellor soon lost some key executive colleagues like the Deputy Vice Chancellor (DVC) Academic and Research, Prof KP Dzimbo who returned to Zimbabwe in December 2018. It is unclear as to when the other DVC posts fell vacant but Prof Zide inherited a situation that had only one substantive Deputy Vice Chancellor in place. Everyone else was acting. This, among others, is what led the Vice Chancellor to characterize the situation as an institution “in the ICU”.
49. Currently, besides the Vice Chancellor, all the DVCs are in acting positions. The process of appointing new DVCs has not commenced as a result of the collapse of the Council through resignations in 2019, which meant that Council could not reach a quorum and take key decisions. The Vice Chancellor seemed paralyzed by this circumstance and has not been willing to be innovative enough and take risks as the situation demanded. For example, we put it to the Vice Chancellor that he could, with the support of the Chairperson, have proceeded with the appointments, but that once Council was properly constituted, he could submit the appointments for confirmation.

50. The same is true of other critical positions that have remained under the superintendence of acting managers for extended periods of time. Among these has been the post of CFO where the incumbent was under suspension for well over a year, and eventually left after his contract came to an end. Dr S Seroka, Executive Director: Student Services was suspended and subjected to a disciplinary process. The result is that no agreement has been reached and Dr Seroka remains in limbo unable to resume his duties but, his contract having expired, he is on a month-to-month contract while remaining at home.
51. There is also the strange case of the caretaker Chief Finance Officer, Mr. Athol Rhoda. The CFO, Mr. Leslie Coetzee was suspended pending disciplinary process in March 2018. There seems to be some controversy regarding Mr. Coetzee and the case that is preferred against him. While initially he was to be charged for implementing a policy of “equal pay for work of equal value” that had not been approved by Council, the Chair of Council was of the view that more charges should be preferred against him. The disciplinary process was never completed. At the time when his contract of employment was due to expire, he was advised that his contract would not be renewed. Mr Coetzee made us to understand that he is suing the university.
52. The employment of Mr. AG Rhoda, though temporary, appeared to be irregular to the extent that he was employed on a month-to-month basis at first, with no evident advertising of the vacancy. Recruitment seemed to have been by head-hunting. Mr. Rhoda is a highly qualified and experienced chartered accountant, but he was employed without any form of examination and only on the strength of his being known to the Chair of the Finance Committee. The Chair offered him employment during the crisis in the Finance Department following the suspension of Mr. Coetzee. There was no due diligence conducted prior to the appointment of the Acting CFO.
53. More alarmingly, the contract that was signed with Mr. AG Rhoda was a fixed term contract for one month, whereas Mr. Rhoda actually served on a month-to-month contract from September 2018 at a salary of R146 542.00 per month. This, however, was amended by a letter dated 30 April 2019 to a three months renewable contract for the period May-July 2019. There is now a specific request for the payment of accommodation and car hire for Mr Rhoda. It is not clear whether Council ever did meet to endorse this proposal since Council at this time was inquorate. The question then arises as to the authority of the continued employment of Mr. Rhoda and the perks attendant thereto. It so happens that Mr. Rhoda’s contract expired end of July 2019 and he left the service of the university.
54. It is common knowledge, however, that Mr. Rhoda worked for three days a week (probably more accurately, was in the office for three days a week). He travelled weekly from his home in Cape Town at university expense, hired a car at university expense, and was accommodated in Vanderbijlpark at university expense. The net effect of this is that it cost the university an enormous amount to hire Mr.

Rhoda and many of the perks are not provided for in the contract that was signed. When we enquired from the VC about this, he knew nothing about it and referred us to HR. The fixed-term contract was signed by Prof PQ Radebe, then Acting Executive Director: Human Resources dated 3 September 2018. In other words this was a very risky appointment. All this happened while the suspended substantive occupant of the post was under suspension on full pay and he was challenging his suspension and subsequent failure to renew his contract!

55. This example is simply illustrative of the fact that senior management is denuded of highly skilled and experienced personnel through reckless suspensions and the employment of many in acting positions. Even more seriously, the Vice Chancellor took no responsibility for actions that had been taken against senior managers, or of acting appointments made, nor does he have any first-hand knowledge of most of the disciplinary processes against senior executives and managers.

9.1.1. Irregular Appointments

56. The Vice Chancellor was accused of not following due process in making appointments to his office. Over and above the two executive secretaries that served in his office, the Vice Chancellor appointed a third executive secretary, Ms Selma Sayed, who had been his PA when he served as DVC in 2015. There is no indication that any needs analysis was done to assess the requirement for a third member of the secretarial staff in the Office of the Vice Chancellor.

57. In the case of Ms SB Sayed, the VC went even further. He approached HR and made a case for Ms Sayed to be upgraded to the same level as the other administrative colleagues on the basis that “I request you to please RECTIFY the ANOMALY by making certain that she is put on the appropriate Post Level and therefore following the correct procedure previously followed to effect the principle of EQUAL PAY FOR WORK OF EQUAL VALUE¹.” The VC should have known that the principle was never adopted by Council hence it had caused Mr. Leslie Coetzee, the Chief Finance Officer, to be put on suspension pending charges against him on this account.

58. Ms Sayed also happens to be married to the attorney retained by the Vice Chancellor for personal matters and wherever he seeks representation as Vice Chancellor. In doing so he overlooked the available legal services at the university. This position that had not been properly assessed was made at a higher-level salary on the instructions of the Vice Chancellor to Human Resources on the basis that it was the policy of the institution that staff should receive equal pay for work of equal value.

¹ Memorandum from the Vice Chancellor addressed to Mr. Patrick Rampai, Acting Director: HR dated 9 October 2017.

59. Much is made of the Vice Chancellor's championing of the appointment of Ms Nondumiso Lufele to the position of Director in the Office of the Vice Chancellor. The said candidate was known to the VC, and he had previously submitted a reference on her behalf when she had sought employment elsewhere. The VC did not disclose this fact to the University. There are also some who hold the view that she was too junior and unsuitable for the position. In spite of the accusations of improper conduct on the part of the VC, it is not unusual for a VC to insist on appointing someone he/she has confidence in for such a position. It does not appear to us that it was anything untoward or inherently wrong on his part to champion this appointment, save for the fact that he could have been more forthcoming about his intentions and association with the candidate. The rest of the accusations are not proven.
60. It is worth noting that neither the additional position of Executive Secretary/PA nor the additional Director in the Office of the VC were in the organizational structure of the Office of the VC. There is no indication that these additional posts were approved by Council or the HR Committee of Council.
61. There is also the question of the supposed "Dean of Students". Ms Busisiwe Radebe was offered the position of Dean of Students because the substantive Executive Director: Student Services, Dr S Seroka was on an extended suspension from duty and for more than a year his case could not be concluded. Dr S Seroka had been on suspension since September 2016. For some reason, the university may have been advised that Dr Seroka's position cannot be filled even by an acting person because officially he was supposed to be at work given that the disciplinary process against him collapsed. We doubt that this was correct advice unless other reasons were at play here.
62. To avoid appointing an Acting Executive Director in the place of the suspended Dr Seroka, the university then appointed Ms Busisiwe Radebe (no relation to the other Radebes in the institution) in March 2018 to the 'non-existent position of Dean of Students'. One presumes that she was acting because her substantive position was the Head of the Financial Aid Office. From our investigations we have not found any reference to the position of Dean of Students. Not being in the organogram we deduced that it was not an established position and therefore not in the Budget. One also assumes that it was not formally approved because whoever would have approved it should have asked the questions about the status of the position. In some respects this suggests a manner of dealing with regulatory and policy matters that is inappropriate.

9.1.2. Preferential Treatment

63. Prof GN Zide assumed office in May 2017. In September Mr. Joseph Radebe, Chairperson of NEHAWU was charged with misconduct and his case was heard at the CCMA. In his evidence the VC indicated to the Commissioner that as VC he was not aware of this matter as he never received a handover report from his predecessor. In the light of this testimony the Commissioner ruled that there

was no complainant in the matter and the case was withdrawn. This was on 4 September 2017. This matter is highly contested within the institution. It is argued that it gives substance to both the Vice Chancellor's protection of Mr. Joseph Radebe and his bias towards NEHAWU. It is also alleged that the VC could only have been economical with the truth given that his tenure overlapped by two months with that of his departing predecessor and in any event the officials responsible for disciplinary matters were in office. Mr. Radebe, on the other hand, insists that in any event there was no case against him the matter having arisen purely out of a vendetta by a cabal in the institution.

64. The inconsistency also arises from the fact that on the same set of facts, the VC should have withdrawn disciplinary proceedings against Dr S Seroka whose disciplinary matter was being heard elsewhere at the same time, given that he had not been briefed. But he did not. When this inconsistency of treatment was put to the VC he could not answer as he was called to this particular hearing and no other. The university had hired Hogan Lovells South Africa Attorneys to be the initiator against Radebe. They too were taken by surprise when the case against Radebe was withdrawn.
65. Another example is that which relates to the suspended CFO, Mr. Les Coetzee. Mr. Coetzee was charged on a matter relating to the application of salary levels contrary to the decisions of Council. When the matter came before the CCMA, the Chairperson of Council instructed that further charges be preferred against Mr. Coetzee. It was then that Mr. Coetzee disclosed that the Vice Chancellor had previously ruled that "on my side, the matter can now be put to rest, not unless Council, on its own right, can express a different view". In other words the VC purported to suggest that on matters of discipline the Council had the final say – a view that goes against the distinction between Management and Governance. The Attorney retained by the university, Mr. Phetheni Nkuna of Hogan Lovells (South Africa) reported both to the Chair of Council and to the Deputy Chair of Council, that it was the Vice Chancellor's view that his statement was not intended to be the final say on the matter but that the final decision "vested with Council." Evidently, the VC did not understand the extent of his responsibilities on matters of staff discipline, or he was inclined to defer to Council and avoided taking critical decisions.

9.1.3. On Human Resources and Financial Matters

66. Mr. Mpho Diago was the Director for Special Projects in the Office of the Vice Chancellor during the incumbency of Prof IN Moutlana. The nature of the position of Director is personal to the Vice Chancellor then in Office. Prof Zide could have discharged Mr Diago from this position to revert back to his substantive position in the institution. The Job Description for Mr Mpho Diago was designed to meet the needs of Prof IN Moutlana, the previous Vice Chancellor. For that reason it is our view that

Prof Zide was free to appoint his own person as Director in the Office of the VC. That was not done despite Mr Diago's requests to the Vice Chancellor to be moved. Instead, relations between Mr Diago and the Vice Chancellor deteriorated. There are various reasons for this. Evidently, Prof Zide, as the newly appointed Vice Chancellor, confronted both the Registrar and Mr Diago about the information he had received that they did not support his appointment. It appears that this early encounter set a bad tone of distrust to their relationship from the beginning.

67. The VC believed that Mr Diago was sabotaging him, initiating investigations behind his back and was aligned to a group that was hostile to the VC. The VC reported as such to the Council, sought security cover, took some action such as employing an agency to sweep his office of surveillance and listening devices. Following an Executive Management Retreat, dubbed "Blood on the Wall", Mr Diago complained that he had suffered such unfair attacks from colleagues and did not enjoy the confidence of the Vice Chancellor that he voluntarily withdrew himself from further participation in the Executive Management. Mr. Diago's view was that the VC indicated from the start that he had no desire to work with him. That meant that as Advisor to the VC, Mr Diago could no longer function effectively. Efforts at reconciliation bore no results and after various mediations Mr Diago's offer to resign was accepted. The breakdown in relations between the Vice Chancellor and his Director is set out in detail in a letter that Mr. Diago addressed to the VC dated 20 October 2018. A settlement agreement was arrived at the effect of which was that Mr Diago was granted a severance payment equivalent to two years' salary in the sum of R4 001 867,67. There is no confidentiality clause and no formal obligations between the parties once the agreement is concluded. The agreement is dated the 14th day of February 2019.
68. Needless to say this raised a whole set of other issues. The settlement figure was within the directive of the VC, but he did seek the approval of Council in the persons of the Chairperson, the Chair of Human Resources and the Chair of Finance Committees of Council. There are allegations that Mr Diago's silence was "bought" and that the resources of the university were being used to protect the Vice Chancellor against whatever information might discredit him that Mr Diago claimed to have against the Vice Chancellor.
69. Conscious of these allegations, we sought an official report from the Executive Director: Human Resources. Prof P Q Radebe shared with us the processes that were undertaken to seek to resolve the dispute between the VC and Mr Diago. It had been concluded that the acrimonious and deteriorating relationship between them was no longer tenable. On the other hand, this did not prevent Mr Diago from preparing a dossier that he submitted to the Department of Higher Education and Training, and also to the Governance Committee of Council. In the end Mr. Diago explained that he was in possession of so much damaging intelligence material on the VC that for the sake of the university he needed to make it available to the relevant authorities. The only reason he accepted the

offer of settlement, he says, was that he feared that his life was in danger. Meanwhile he told us that he had submitted what information was available to him to the Public Protector for further investigation. From our point of view the information that was shared with us was not verifiable. No supporting documentation was provided and there was no corroboration of the report that Mr Diago presented to us.

70. Dr S Seroka: The case of Dr Seroka is even more curious. Dr Seroka was acting DVC: Governance and Organisational Transformation in 2016. He had also applied for this position and was duly interviewed. His information is that he was the preferred candidate. His substantive position, however, was Executive Director: Student Services and Support. It appears that NEHAWU submitted a complaint against Dr Seroka relating to, among others, appointments of service providers and goods and services, nepotism in staff appointments and irregular salary increases. An investigation chaired by Adv Mokgwerwa Makoti and Letlhogonolo Pule Attorney dated 10 March 2017 found that there was regular flouting of the Human Resource recruitment procedures as well as the supply chain management policies at the university. The investigation then found that the procurement and appointment processes at the university should be reviewed. It was recommended that Seroka should account for the appointment of his daughter, and on a separate complaint, Mr Joseph Radebe for the appointment of "his wife" to a permanent position. That was in March 2017. Seroka appeared at the CCMA in January 2017 on arbitration set down by the CCMA. In the absence of the university, Seroka was discharged. By a ruling of 5 April 2017, the CCMA Commissioner Masina declined the application of the university to rescind the judgment of January 2017.
71. Dr Seroka was charged for certain offences in June 2017 once again and the disciplinary committee was chaired by Adv Takalani Masevhe. In a ruling dated 19 July 2017 Adv Masevhe found that the University had failed to prove that Dr Seroka was guilty of nepotism. In November 2018, while Dr Seroka was still under suspension since 2016, the university was still seeking to bring the matter to finality. A letter terminating his appointment was withdrawn, but a draft settlement agreement was not approved by Council. It appears that this matter was discussed at EMC, Human Resource Committee of Council and meanwhile the CCMA matter was not getting resolved. The consequence is that the university has not been able to sack Dr Seroka, and he was instructed to stay at home even though he was no longer under suspension.
72. It is alleged that inasmuch as the Vice Chancellor claimed that he received no hand-over report from his predecessor in relation to the Joseph Radebe matter, likewise he would not have had one in relation to the Seroka matter that was before the CCMA at the same time. A matter that could have been resolved or proceeded with took more than a year, decisions were deferred to Council Committees and to the EMC that should have been resolved by firm decision-making.

9.1.4 On the Personal Security for the Vice Chancellor

73. The Vice Chancellor became convinced that his life was under threat. It is difficult to understand what the basis for such a fear on his part was except that he became aware of strange motor vehicles following him. He managed to persuade Council to provide personal security for his safety and that of his family. Some could say that he had even become paranoid as his exchange with Ms B Simoyi of Maduna Protection shows². The Vice Chancellor had become very distrustful of the environment in which he was operating. He felt that he had made enemies at the institution by commissioning the SNG Grant Thornton investigation, and that there were people out to harm him. Again it seems strange that much of the time of Council and Council Committees was devoted to discussing this matter.

74. The Vice Chancellor has denied any relationship with a group led by former student leaders who call themselves the Zide Defence Force. It is alleged that the Zide Defence Force was the same group that forcibly disrupted a Council meeting they believed was called to discuss the Vice Chancellor and to prepare ground for his dismissal. There are reports that the Vice Chancellor has been meeting with elements who are his protectors. Prof Zide denies this. This apparent paranoia about security has the effect of making the VC remote and dysfunctional. When colleagues in the EMC appeared to question the need for security as evidenced in the Minutes as well as in the exchange of emails, the VC abruptly informed them that he would not need the University to provide security for him. Evidently, having managed to persuade Council, colleagues in EMC demanded justification for such an expense. The Vice Chancellor did not take kindly to the questions raised by his colleagues at EMC.

9.1.5 Leadership and Management Style of the Vice Chancellor

75. Reading through the Vice Chancellor's addresses and papers, as well as his correspondence with various colleagues within the university, detailed attention was paid to matters relating to the accusations and counter-accusations of the VC and Mr Diago, the handling of the dossier prepared by Diago and the discussion of the dossier at Council and at the Governance Committee. The relationship at times between the Vice Chancellor and Council was fraught. This manner of intemperate handling of staff by the VC was not just confined to Mr Diago. Some of the correspondence, for example, with Mr. N Bhula, the Head of the Legal Office, showed that the VC was at odds with his key advisors at the University. Unfortunately there have been occasions when the VC has been found to be less that

² In a text chat on 21 March he makes the following unguarded comments: "Our telephone conversation of this morning was regrettably tapped. I need to have another phone. There are some of our people who are legally (sic) orchestrating the strike in order to frustrate the forensic investigation that is underway..."

truthful and to that extent his integrity was brought under question. Cases such as the withdrawal of the CCMA case against Mr Joseph Radebe, his statement to Mr Les Coetzee regarding his attitude to his case, and the correspondence in support of Ms N Lufele that has now surfaced that he had denied. All of these do not bode well for a relationship of trust that is essential for leadership.

76. The Vice Chancellor also weighed in on matters within the social media domain. He initiated cases against anyone who even mildly criticized him. The result was that he was embroiled in cases that he could have let go³. From our observation this kept the Vice Chancellor very busy on matters that were not core to his duties and responsibilities. On the other hand the VC seemed obsessed to clear his name and to justify himself. We observed that the Vice Chancellor was highly under stress in this job.
77. What the Vice Chancellor, somehow, failed to do and something that he could have done, for example, was to prefer charges⁴ against Mr Mpho Diago and who could have been moved elsewhere in the institution as Mr Diago says he had requested⁵. He makes the allegation that Mr. Diago was part of a corruption cabal at the university. Then why did he not act on this? The Vice Chancellor comes across as vacillating Hamlet-like when he should have been decisive in decision-making. It is fair then to say that the VC lacks the capacity to make critical decisions when he should have. His supporters attribute this to his Christian sentiments and a soft heart he has for people. But that is surely not good enough in the position that he occupies. Likewise he expresses hurt and outrage when a member of Council challenges him in a Council meeting that “we have not come here to listen to defences” as the Vice Chancellor seeks to “give his side of the story”. Prof Zide felt that he was not treated with respect and dignity by Council. Instead of understanding the sentiment behind the statement, the VC cites that to be a sign that Council did not support him.

³ A case in point is the litigation by the Vice Chancellor against one Nyiko Progress Mpangane in Gordon Ndodomzi Zide and Vaal University of Technology v Nyiko Progress Mpangane. This case led to another in which the former staff members cited in this were counter suing the Vice Chancellor and the University for Defamation. Jeremia T Molutsi and Mapale NM Kgaphola v Vaal University of Technology and Professor Gordon Zide (case No: 52730/18).

⁴ The Vice Chancellor wrote a letter addressed to the Chairperson of Council dated 30 May 2019 long after Mr Diago had resigned. It is headed, GUIDING DOCUMENT OF SUBMITTED ALLEGATIONS AGAINST THE CHAIRPERSON OF COUNCIL AND THE VICE CHANCELLOR AND PRINCIPAL: Vaal University of Technology; The Vice Chancellor's Response. The document runs into 34 pages. (what was the substance of these claims?)

⁵ Mr Diago reached a severance Agreement with the university in February 2019. On 26 June 2018 the Vice Chancellor had approved a wage hike for Mr. Diago following conciliation at the CCMA. Clearly the handling of this matter lacked resoluteness on the part of the VC

9.2. Governance Matters

78. In the course of this investigation we interviewed several members of Council, past and present. We also interviewed the Chairperson of Council and the Vice Chancellor. We also spoke to the Registrar. By the time the Independent Assessment was instituted, some ten members of Council had resigned within the course of a few months. The result was that the Council could not constitute a quorum in order to conduct legitimate business of the university.
79. Ms U Exner joined the Council in 2016 as a representative from the IT industry. She was Chair of the Governance Committee. She resigned in 2019. She says that she was surprised to be elected Deputy Chair of Council at her second meeting as a member of Council. She had no sense that there were any processes for nominations and appointments in Council. She was very concerned about the way in which Council was operating: meetings started late, there was continuous bickering about the agenda, and documents were late or were received at the meeting itself. It did not appear that preparations for the Meeting were well taken care of. She also detected that members of Council were ranged into factional groups. This made intelligent debate difficult and certainly it made it difficult for members of Council to discharge their fiduciary duties. More importantly, she felt that the Chairperson had no control of meetings.
80. When allegations against the Chair and the Vice Chancellor were tabled at a meeting of the Governance Committee and a dossier to that effect was debated by the Governance Committee and it was decided to table it at Council, Ms Exner felt that the right thing to do was for Council to examine the matter dispassionately and that both the Chair and the VC who were implicated in the report should recuse themselves. They both refused. Questions were raised about procedure and accusations were hurled against the Governance Committee. There were occasions when the Council meetings were chaotic as a result. In the circumstances Ms Exner concluded that this was a situation where nobody was inclined to take difficult decisions. "the only stand I could take was by resigning which I did not want to do", she said. She resigned from Council in March 2019.
81. The Chairperson of Council for his part, blamed the Office of the Registrar for the chaos that Council experienced. He felt that he attended meetings without being briefed fully by the Vice Chancellor or by the Registrar. He made no contribution to the agenda and accepted what was presented to him at the meeting itself. He confirmed what the Vice Chancellor said when he described the university as an institution suffering from multiple organ failure and riddled with cabals. The Chair told us that the Vice Chancellor was trying his best in difficult circumstances but that he did not have the support of elements in both Council and Management. He believed that the forensic investigation process that led to the publication of the SNG Grant Thornton Report was what caused disruptions at Council.

82. Regarding the process for the appointment of the Vice Chancellor, astonishingly Mr. TT Hlapolosa, who was a member of Council at the time, does not recall Council ever discussing the profile of a Vice Chancellor who was to be recruited with the retirement of Prof IN Moutlana. He was satisfied, he said, that the matter was being handled responsibly elsewhere by the appropriate committees. It was put to Mr. Hlapolosa that it was strange that within months of his appointment the new VC seems to be struggling to get support from Council for the work that he was appointed to do. The Chairperson however was adamant that the VC received all the support he required from Council, a view that he contradicted himself often about. That the Vice Chancellor had characterized attendance at Council as being “in a circus at best and a slaughter-house at worst” could not have escaped the knowledge of the Chairperson. But he did nothing about it.
83. The Vice Chancellor was very scathing in his dismissal of Council. In a Preface to his document *The Anatomy of the Vice Chancellor’s Office: The VUT’s Management Experience of Lows and Highs* (2019), Zide described Council as riddled with “character assassination, back-stabbing, factionalism..., lack of support from some vocal members” and “the soul of the university and its professional character were totally lost” to Council. Evidently, Prof Gordon Zide never managed to connect with Council.
84. In his Report to Council in March 2019 Prof Zide calls upon Council to “unequivocally give an expression of whether or not it supports the VC in his attempts of managing the affairs of the university in a proper manner...” (page 31; section 12). In Concluding his Report the Vice Chancellor bemoans what he regards as tensions between himself and some members of Council, and that he has been tried and found guilty via social media while Council observes these developments with indifference. It is fair to conclude that the Vice Chancellor has not been able to cultivate a relationship between himself as Chief Executive and Council as a statutory governance structure of the university.
85. The Chairperson of Council also bemoaned the fact that the relationships between himself and the Registrar and between the Vice Chancellor and the Registrar were strained to the point of dysfunctionality. According to him the problem was that Council meetings were dominated by internal management disputes that overflow onto Council meetings without control. The Chairperson loses control of the Agenda as items are introduced without notice. The 60/40 split between internal and external members just does not work, he told us. The Chairperson conceded that during 2018 almost all chairs of Committees of Council resigned. As all were independent external members it meant that the balance of influence in Council went the other way. Members who resigned cited that the Council meetings were not functioning optimally. Meetings took very long, planning for meetings was poor and they felt that coming to meetings was a waste of time. The Chairperson felt that the Registrar took too long to replace members who had resigned with the result that after the 10th member resigned Council was no longer quorate.

86. The Chairperson also conceded that while all this was happening, the financial situation of the university was deteriorating. And yet in June 2019, the University approved a salary increase of 7.5% in order to avert a strike. Money that the university did not have. The Chair of Council believes that to solve the problem of Governance at the university “there must be a new VC, two DVCs, a second Registrar, and a new CFO to give the university a new lease on life.” We were also told that the manner in which Council was constituted was problematic.
87. The Chairperson’s opinions were largely supported by other members and former members of Council like Ms Nonkululeko Gobodo, Dr Kwinda and Dr M Rakometsi. What emerged from other members of Council is that the Chairperson just had not been able to lead Council, exert authority on Council or supervise the work of the Vice Chancellor, and give direction to the Registrar. In that case, so the argument went, Council and the university were bound to collapse in his hands. In other words, according to this view, the Chairperson of Council himself was part of the problem.
88. Dr M Rakometsi, CEO of UMalusi, an external member of Council and a seasoned public service official in public Education says that he consistently advised Management on how to prepare for Council Meetings and Council Committees, how to prepare Minutes of Meetings and assemble an Agenda such as to minimize contention and debate at the meeting itself. He too eventually resigned from Council.
89. Our observation is that while the relationship between the Chair of Council and the Vice Chancellor is good, between them they are not giving direction or inspiration to Council, or the university at large. The Vice Chancellor, in particular is hands off, and is inclined to complain but gives no strategic direction. He complains about everybody and everything. It is either that Executive colleagues do not perform or do the tasks entrusted to them, or Council does not support the VC. He rarely, if ever, takes responsibility, or provides solutions or gives strategic direction. There is a Manual of Standard Operating Plans for each portfolio, but we have not found a performance management tool in place.
90. It also does not appear that the Chairs of Committees of Council are functioning in a manner that is synchronized with the Chairperson of Council. This is the outcome of both the Chairperson of Council and the Vice Chancellor not exercising a supervisory responsibility on the work of the Office of the Registrar or paying attention to the agendas of Council Committees or monitoring the Minutes of these Committees. The result, we observe, is that all three principal officers of the university have lost the respect of members of Council, and of the institution at large.
91. The breakdown in Council can be seen in the Chairperson’s own words where people who were no longer students or members of the University community in any manner were allowed on 20 March

2019 to invade a Council meeting and cause it to collapse. They had been allowed into the meeting, and then allowed to speak, to the consternation of some members of Council and the Registrar.

92. It is also our view that both the Chairperson and the Vice Chancellor had allowed the burden of managing Council to fall on the shoulders of the Registrar. For that reason the blame for not acting on the vacancies that were to be filled was placed on the Registrar. Agendas were seemingly left to the Registrar, and Council vacancies were to be attended to by the Registrar. One does not get any sense of collective responsibility or collaborative effort and team-work.

93. There is reason to be deeply concerned about Good Governance at the university.

9.3 The Office of the Registrar

94. Dr TD Mokoena has been on the staff of the university since 1994 when he was appointed Lecturer in Accounting. He broke service for a short while when he went to VISTA University but returned to the university in 1997. In 2006 he was appointed Registrar. Having begun his career as an academic at the institution, he has served under three Vice Chancellors as Registrar in the new dispensation. In effect he established the Office of the Registrar. Dr Mokoena is eminently qualified for the position that he occupies. The problem is that he is perceived as being too powerful, domineering and dictatorial. On the other hand, we found him to be a very honest and principled officer of the university. In any event he denied the accusations against him.

95. There is also a view that the Registrar at times acts as if he is not part of the executive leadership and management team of the university. When he does not get his way, he walks out, or sulks. He does not take much time to argue, persuade and influence and therefore to win support for his ideas. Otherwise he could have been a refreshing influence on the fortunes of the university. He only attends Executive Management Meetings when he wants to, and, it is alleged that he does not attend graduation ceremonies as regularly as it is expected of him. His detractors accuse him of being a law unto himself. Ultimately his default position is to threaten to report to the Minister or to the Department. All this does not make him popular or effective as Registrar, an office that rests at the fulcrum of the administrative efficiency and functionality of the university.

96. To be fair to him, however, the Registrar has shared with us volumes of his efforts at intervention in the university addressed to the Chairperson of Council and the Vice Chancellor. He has apprised us of the meetings he has had with the Vice Chancellor in his efforts to bring about conciliation among the warring factions. He considers himself to be on the side of the Vice Chancellor to advise about policies. The problem however is that his relationship with both the Chairperson and the Vice

Chancellor have not been good almost from the moment that the VC was appointed. He felt that none of his counsel has been paid attention to where crisis could have been avoided in, for example, an academic plan, registrations and course accreditations, governance concerns and the financial state of the university.

97. All of this may have devalued the important role of the Office of the Registrar in the institution. It also serves to undermine the enormous contribution that Dr Mokoena could make in guiding the fortunes of the institution in Management and Governance, as the custodian of the university's policies, governance, statute, and regulations. A part of this problem has been with communication systems. Disciplined communication between the Registrar and the Vice Chancellor would ensure that the Vice Chancellor is briefed about Agenda items before the meetings of the Executive Management, and that the VC will also make a contribution to the Agenda of Council, Senate, committees, and that the VC reviews the draft Minutes before they are presented for adoption.
98. By doing so the Office of the Registrar could ensure efficiency and consistency. Matters that ought not to appear in the Agenda of Council, for example, because they are operational matters, would be dealt with at the level to which they belong. His watchdog role would ensure proper management of the affairs of the university at the correct level. The constant complaint that we received from Council was that at no stage was Council engaged in deliberations on strategic and policy matters. Far too many items were operational. There was too much of a tendency at the institution to delegate upwards matters that should have been resolved at the lower levels. The Registrar himself was perceived to belong to a cabal, given that he was known to be a close friend of Mpho Diago.
99. Whatever the merits of the accusations and counter accusations between the Registrar, Chairperson of Council and Vice Chancellor may be, clearly there has been a level of dysfunctionality. With it, accordingly, there has not been any system of ensuring that resolutions taken are acted upon and reported back in regular fashion. Our review of the Reports by the VC indicates that rarely does the VC reflect on and engage Council on the implementation of decisions taken. Neither have we seen Council seriously debate with the VC his preoccupation with his personal concerns, his inability to manage those who report to him, and his management of performance. Just a review of the VC's papers, statements and addresses should give cause for Council to be concerned because they just did not take the university forward nor did they provide the university with a compelling vision or strategy in the value that could be derived from his leadership from theory to action. The logical outcome then is that neither the Chairperson of Council nor the Registrar are held to account or emerge together as a team that could take the university forward.
100. Ms Nonkululeko Gobodo the iconic Chartered Accountant and founder of Nkululeko Leadership Consultants observed sharply that the Vice Chancellor was just incapable of doing the work that was

expected of him. She rather thought that perhaps it was beyond his capabilities. When she resigned, she recommended Mr. Patel to join the Council. Mr. Patel became Chair of the Finance & Risk Committee but he too resigned in despair. Strangely the performance of the VC has not featured in the deliberations of Council even though there was a performance system in place.

101. Equally, we have no evidence that Council has a tool or instrument to undertake its own performance assessment, especially the Chairperson of Council and Chairs of Committees of Council. The result is that when Council collapses, the Chairperson still says that the vacancies must be filled without reflecting on the reasons so many members of Council resigned.
102. Our view is that the Registrar needs to be affirmed in his work and he needs to work to a disciplined model of operations that is accountable and consultative.

9.4 The Academic Life at VUT

103. The Academic Project is the CORE BUSINESS of a university. This recognition would be espoused through living the vision, mission and values of the university. The entire university community would rally around these virtues with the leadership of Council and Executive Management. The governance and leadership of the VUT are somehow singing a different tune. The following utterances indicate the total lack of collective vision and commitment to the institutional mission and values they committed themselves to upholding. They speak as if someone else is responsible for the core business of the university, totally abdicating their individual and collective responsibility and putting blame elsewhere.
104. We heard from the VC that the VUT “suffers from multiple organ failure”; we heard from the Registrar that the academic project “has endless problems because people tend to forget that students are the most important stakeholders in the university” and that “people are put in positions but know nothing about their jobs”. The Acting CFO, Mr Rhoda described the institution as one which has operated in a crisis mode for some time. The Acting DVC Teaching and Learning described VUT as a “very hostile environment which is run by politicians, cadres or forces who have a huge influence on the decisions that we take as academics”.
105. One senior academic informed us that since 2000, while the institution grew in terms of student numbers, administrative posts were created, but not academic posts that would support teaching and learning. The Executive Dean of Engineering uttered the following when asked about his role and those of his academic colleagues in managing the institution: “Academics at VUT are only heard – they are not in charge. The union (NEHAWU), HR and FINANCE are in charge and call the shots”.

Yet another senior academic, Dr. Machika (Head of CAD) characterized VUT as a university designed for student failure and puts the blame on the Registrar's office for failures of the registration system. She also told us that she is the one who developed the Academic Plan and had it widely consulted. She then gave it to her line manager, the then DVC: Academic and Research to present to Senate. The Senate never saw the document as it did not get approved at executive management level. It is here where the Registrar blames the incompetence of the former DVC: Academic and Research and the VC has absolutely nothing to say about it.

106. We heard from many academics who feel abused, neglected and are not remunerated for the actual work they do. This we found to be more prevalent at the satellite campuses. One academic was accosted by students and went through the normal channels to report the matter, but nothing was done about those students until we confronted the VC on the case. There are stories of academics who will continue to work because of their commitment to students even though they do not receive support from management. In cases where there are vacancies, some of them actually took over the responsibilities left by the incumbent and continue to work without recognition or remuneration for years.
107. The morale of the staff in the academic sections has been affected very negatively by such frustrating experiences resulting from lack of effective Information Management Systems, registration problems, and general malaise of the Institutional culture of VUT that does not care. We also spoke to Prof Mjojo of the Fundani Computer Center whose company was engaged by VUT to develop an Information Management System to support planning in the Academic Project. His company was involved in the development of the VUT Strategic Plan 2015 – 2019 and was further engaged to develop the IMS for the institution.
108. When Prof. Zide was appointed, Prof. Mjojo's project was summarily cancelled without much of any explanation and was not even paid for the work he had done. The tendency of simply cancelling work that has already been tendered for and replacing it with another tender is very common at VUT. While they have actually spent the money, the institution has not benefitted from the work that was supposed to be done. The result is that the IMS is still a big problem.
109. These are all the people who are entrusted with the responsibility to lead and manage the institution and its resources with diligence and care but seem to be very neglectful of the core business of the University, to the detriment of the students and the people of South Africa.
110. Dr. Machika's repeated staff complaints (since 2014) of fraud and corruption relating to the financial mismanagement of the CAD finances, abuse of power and victimization of staff, such as bullying, insulting, gossiping about and humiliating employees, were never dealt with effectively by the former

DVC: Academic and Research. We were informed that instead the DVC simply removed people from the CAD to other sections, in so doing allowing fraudulent and corrupt practices of senior academic leaders to continue.

111. We also learned of the many problems experienced by foreign students at VUT. It appeared that they were charged exorbitant fees with the collusion of Home Affairs. The many registration problems we have already reported on are also stumbling blocks to the improvement of the student experience at the institution.

112. Looking at the documentary evidence provided to us, such as the Annual Reports of 2016 and 2017, Annual Performance Plans (APPs) for 2016 - 2019 and APP Reports 2016, 2017 and 2018, the Draft Strategic Plan 2019 - 2023 and its Draft Implementation Plan for the same period, the following key observations are made:

112.1 There is a total lack of coherence in the Institutional Plans that would align the Academic Project with all the subsystems of the university including budgets and other resources.

112.2 There is no well-developed Academic Plan that would guide the activities of the core business of the university, especially the role of IT in improving the teaching and learning spaces and student experiences.

112.3 There is a lack of a collective Vision in the activities of the institution, therefore allowing many units to work in isolation to the detriment of the academic enterprise.

112.4 There is also no visible relationship between the top risks of the university and the mitigation strategies planned. One wonders what informs the objectives and targets set in the Strategic Plans and APPs of the institution. For example, the top three risks for 2016, 2017 and 2018 are the same:

- i) Declining enrolments
- ii) Shortfalls in grants
- iii) Increasing student debt

113. It is obvious that the mitigation strategies are not effective and futuristic. The mitigation strategy for declining enrolments was to encourage students to return and finalise their qualifications before they are phased out. This is obviously a short term issue which is not addressing the long term survival of the university.

114. The performance targets are not sufficiently interrogated and nuanced. In the APP 2018 for example, the APP scorecard has seven targets as follows:

- i) Degree credit success rate
 - ii) Total FTE enrolment
 - iii) Total number of graduates
 - iv) % of programmes on the PQM aligned with the HEQSF criteria
 - v) Weighted research output
 - vi) Number of innovation disclosures and
 - vii) Revenue arising from commercialization
115. All the targets from 1 – 5 are met except 6 and 7 with 7 actually achieving 0%. On the surface one would conclude that the majority targets are met and therefore VUT is performing very well. When one looks deeper and questions the meanings and interpretations of these targets, it is not clear what is being measured.
116. Progress on performance targets for 2019, which would have been reported in the June 2019 as Mid-Year or Mid-Term Progress Report, is not available as yet at the end of September.
117. The Draft Strategic Plan 2019 – 2023 is a much better drafted document with a much clearer focused VUT as a University of Technology. The Vision, Mission and Values of VUT are simpler and speak clearly to the goals, objectives and success indicators.
118. The APP 2019, however, may need to be interrogated further as it looks more like the former APPs rather than the Strategy 2019 – 2023 DRAFT Implementation Plan.
119. The revised enrolment targets approved by DHET in October 2018 will allow VUT to become more realistic about what can be achieved. The goals, objectives and critical success factors.
120. In a university of technology (UoT) the major focus of the academic activities should be Science Engineering and Technology (SET). In the case of VUT, the growth is Human Sciences, followed by Management Sciences, with SET coming last. Increased enrolments in non-SET majors may stifle the mission of VUT resulting in a mission and scope drift from SET. The VC informed us that what could be termed his pet-project was to establish a Cultural Village and a Human Rights Directorate at the university – rather strange priority for a UOT! There is also no indication that technology education is a feature of the new Faculty of Education or that the proposed additions to the university will feature a strong inclination towards technology in keeping with the mission of the university.

121. The goal to increase the registration of new programmes needs to be reviewed, given that these programmes may not necessarily enhance the SET focus of the institution. Also, this may put extra strain on the resources of the institution. Again, a more coherent institutional planning cannot be overemphasized.
122. On the goal of enhancing research, innovation and commercialization, the targets need to be more realistic. Otherwise these could turn into moving targets that may never be realized.
123. In terms of improving the academic profile of the institution from the current ranking of 22 out of 26, we learned from oral presentations that VUT has lost many high quality academics and researchers in the last few years mostly as a result of the negative reputation it has created.

9.5. Leadership

124. Across the University, there is overwhelming acknowledgement that the University is in dire straits and it needs urgent assistance. It is recognized that within a decade the institution has had to be subjected to another independent assessment process. This is being put to the problem of leadership that the university has suffered for too long.
125. The Vice Chancellor, in particular, diagnoses the situation as one that, in his words, "is suffering from multiple organ failure." This suggests to us that the Vice Chancellor does not believe that the institution has any chance of survival. What amazes us is that there is no evidence from Council or from his colleagues in Executive Management that he was engaged about this and what he believed were the solutions. This was just a statement that was never examined. He charges that he has received no support or assistance from Council, and from the Executive Management Committee. It is granted that the Vice Chancellor addresses the topic of leadership in numerous of his papers and reports. The problem, however, is that his theories of leadership are not evident in practical application. By and large he is withdrawn, passive at times, and engrossed about his own personal feelings and sensitivities. Leadership is not one of Prof Zide's strong points.
126. We know that both in Executive Management and in Council his statements about lack of support and that the university is in paralysis are contested. We also know from evidence that the Chairperson stated as fact that the VC was being stabbed in the back by his colleagues in Management. In a lengthy email, Mpho Diago demanded proof of the veracity of this statement and indeed who it was directed at. In an equally lengthy response dated 30 May 2019 long after Mr M Diago had resigned from the university, the Vice Chancellor denied that there was any cause for

concern in his relations with colleagues in Executive Management thereby disputing the assertion of his own Chairperson of Council.

127. The Vice Chancellor strikes us as completely overwhelmed and incapable of providing the necessary leadership to navigate this ship out of a sinking hole.
128. The Chairperson has no answers either save to be defensive against accusations leveled at his leadership of Council, and allegations of his support for the Vice Chancellor even in the face of evident failures to perform. We received testimonies from members of Council who have since resigned because of the chaotic way in which the meetings were conducted. The former chairperson of council, Mr. Mofokeng was described as “someone who was the cause of confusion” at the University. He was thought to have been among members of Council who expressed or were involved in tenders or approached service providers for favours. Mr Mofokeng resigned from Council when there were newspaper reports of his sexual activities with young women such that Council believed that he was an embarrassment to Council. The current chairperson, Mr. TT Hlapolosa, was incapable of handling the chaos, or assertive enough in a rough environment or he was perceived to be too loyal to the Vice Chancellor. He fueled sentiment about his fitness to hold the office of Chairperson when he could not follow the right processes but allowed himself to interfere in the operational issues of the institution.
129. The Registrar tells us that there is a total collapse of Governance at the institution and a leadership vacuum that renders the University dysfunctional. At the time when we arrived, the Council had had about six meetings which did not quorate, resulting in a total collapse of the governance function at the university. This collapse was typified in that appointments of Deputy Vice Chancellors could not be finalized because Council was inquorate to the utter frustration of the Vice Chancellor.
130. Ordinarily Council is supposed to convene four times a year. Whenever Council Meetings and special Council Meetings are convened at more frequent intervals, it is often a sign that something is just not functioning as well as it could. It is a sign of a lack of planning. It is a drain on the finances of the university, and it points to an inability to manage meetings and handle the agenda effectively, and it causes a strain on the capacity of Committee Services in the Office of the Registrar and it also means that resolutions taken could not be properly followed up and reports prepared in a short space of time. All these are true of the Council of VUT. It became obvious to us that there are long-term simmering tensions that no one seems to be able to put their finger on, let alone figuring out how to quell such fires. Finger-pointing is the order of the day without anyone taking responsibility.
131. Everyone else that we interviewed confirmed the total collapse and dysfunctionality of the institution including Council members, members of Executive Management, senior academics, student

leadership and other members of the University community. The general trend is finger pointing where everyone blames someone else and no one takes personal responsibility for any of the maladies of the institution.

9.6. Satellite Campuses

132. We also paid visits to the satellite campuses, officially known as Learning Centres at VUT: Sebokeng, Daveyton and Secunda. Sebokeng houses the prestigious VUT Science Park and Sebokeng is seen as the growth point for VUT. At Sebokeng, Dr Joe Molete is the Executive Director, but in Daveyton, Mr. Vido Khungoane has been acting, with regular extensions for more than 2 years. Of the three centres, he is the only one who does not come from the academic section of the University having transferred as a caretaker from his position as Deputy Registrar. At Secunda, Dr JS Viljoen's position is even more precarious. He acts de facto as the Campus Head, but he has no appointment to that effect. His substantive position is that of Head of Academic Programmes. His concern is that the campus is neglected by the management at main campus. He does not even recall the Campus being visited by the Vice Chancellor, and only once by the DVC Academic.
133. They have to live with the fact that so many of their concerns are not attended to. The infrastructure is not coping with the numbers of students and the student mood can be volatile. He believes that part of the problem is that VUT does not have a vision for the campus. At Daveyton, Mr. Khungoane's concerns are about managing the red tape in relations to administrative matters with main campus. The main irritant for Daveyton VUT, though, is the nasty relationship they have to endure with Unisa. Somehow the two institutions have not been able to work together. As Unisa insists on occupying the lion's share of the facilities, VUT is finding itself confined to a much smaller space in the Library Building, VUT staff and students find it difficult to function effectively. We asked whether Management and Council had initiated engagement with Unisa at a high enough level to have a signed Memorandum of Agreement specifically about shared services. Mr Khungoane was not aware of any such initiatives. Instead he was agitating for VUT to acquire its own property separate from Unisa.
134. Our conversations with the affected campuses is that there is a view that the university does not care for the outlying campuses and does not have a strategy for the utilization of the learning centres/satellite campuses in the advancement of the mission of the university. It is therefore difficult to understand why they are in existence. As far as they know the university has never taken them into account in the strategic vision processes and in the planning for the university.

9.7. Role Confusion and Contestation

135. It became evident to us that members of Council lacked a collective vision for the institution, and an understanding of their fiduciary responsibilities to perform their duties, either due to capacity issues, or their interest in interfering directly in the operations of management. Evidence showed that Council sought to influence outcomes of staff appointment processes, (including the controversy around the appointment of the vice chancellor and the then Acting CFO, Mr. Athol Rhoda), and procurement decisions around tenders and the outcomes of staff discipline processes. An example was given where the Chairperson of Council got involved in the case of the CFO, adding the charges preferred against the CFO and instructing University officials on the matter. The crucial working relationships between the Chairperson of Council and the Registrar, on one hand, and the Vice Chancellor, on the other, in preparing agendas and other documentation for Council meetings, collapsed to the point where Council meetings, meetings of Council committees and meetings of EMC, were highly compromised and ineffectual.

The Scourge of Factions

136. It became very obvious within a very short space of time at the institution that the VUT community is highly factionalised. Members of Council, EMC, SRC, and generally members of staff seem to belong to cabals which are using Council meetings as battlegrounds to fight for their own factional interests. It is alleged that the appointment of the VC was subject to factional battles, rather than a merit-based process. The history of factions apparently dates back to Prof. Mokadi's time and then Prof. Moutlana's times. The view is that some of those currently opposed to the VC were supporters of Prof Moutlana. All this in our view is speculative conspiracy theories, one among many that abound at the university. The problem is that many people believe these, including the VC hence there is an atmosphere of distrust, accusations and counter-accusations, politics of support for whatever reason. This is a toxic climate for a university. If the university is viewed as a closed system such loyalties play a big part in determining progress and human relations.

137. It was also reported to us that there are persons who are no longer members of the University community, former student leaders who hang around the university without any clarity as to their purpose or roles. It was noted that they are involved in the factional battles in the institution; they are invited (or invite themselves!) and allowed to sit in council meetings by the Chairperson of Council and/or the Vice Chancellor. There are reports that at university residences there are people, some of them former students, who occupy university residences unlawfully or are allowed to do so. It is suggested that these same former students are involved in extorting kick-backs from suppliers at the

university. We were not able to examine these allegations sufficiently hence we are proposing that an external agency undertake such further investigation as would put these matters to rest.

138. The testimony from the majority of Council members who resigned en masse from Council was that the chaotic nature of council meetings, especially among internal members (supportive of their own factions) was one of the major reasons they resigned. There were reports of secret meetings at which only some were members of Council participated or were excluded. It is very obvious that Council was rendered ineffective because of factionalism and internal divisions that were blatant everywhere.

9.8. Non-adherence to Rules and Policies

139. Good Governance requires that policies, procedures and basic meeting rules be adhered to. Our findings indicate that the meetings of Council lacked quorums on more than six occasions, that the meetings were chaotic, agenda items referred for action were not always followed up substantive matters would be added to the agenda at the meetings without the required substantive documentation; "declarations of interest" at each meeting were not taken seriously; and that the Council committees were also ineffective and dysfunctional. At best, they met per schedule of meetings, but at worst, the meetings deteriorated into factional battlegrounds for power and influence. From the point of view of external members of Council, what was most frustrating was that Council was held to ransom by internal squabbles among internal members of Council.
140. Institutional policies and procedures are mostly outdated and highly flouted with no consequence management administered. This is indicated by the many human resources (HR) related allegations where individuals are appointed into non-existing posts; many people are on long suspensions with full pay and benefits, while others act in those positions, creating financial burdens for the institution. We heard of allegations of nepotism; demand for sexual favours from female staff; appointments and promotions that do not follow policies and procedures but are seen as dependent on "who you know". Examples were given by workers to the effect that the union leadership (NEHAWU) in particular was influencing the decisions of who gets promoted, who gets their contracts changed from fixed term to full-time employment, and whose salaries get to be adjusted.
141. The high number of litigation against the University suggests to us that HR policies and procedures are flouted to the extent that workers are very unhappy and cannot trust the university's internal processes to resolve their issues. Mindful of this, we sought an appointment with the CCMA officials in Vanderbijlpark in order to understand more clearly the pattern of labour relations cases from VUT. Our request was ignored. We requested management to furnish us with a schedule of cases that are pending against the university, for a list of members of staff on suspension and the period and

expected time it takes to resolve disciplinary matters. Such information, we were told, was not available from HR. We understood the problem only partially. The practice at VUT is that Managers take the decisions to suspend employees without prior reference to HR. It also means that the VC will never know the matters that cause staff to be subjected to disciplinary processes and how they can get resolved, that is, unless these were matters initiated by the VC.

142. Breach of policy is even more rampant in the area of procurement and supply chain management (SCM) processes in particular. These are evident in endless irregularities relating to, for example, the procurement of security services, student accommodation and the refurbishment of facilities. There are irregularities where officials would sign tender papers with amounts above their signing powers; approve variation orders illegally; split contracts, sign off tender papers for work that has not even been completed; qualified officials signing off on shoddy work that would have to be done again for extra payments above the original tenders.
143. The many forensic audits and other investigations at the institution emanate from the total disregard of rules, policies and procedures at VUT. The common thread that runs through all of these reports is that most findings are legitimate, and the recommendations are hardly ever followed up and implemented.
144. We suspect that the amount of unresolved issues over the years have become, at least in part, the cause for disgruntled staff to seek assistance outside of the institution by writing directly to the Minister or the Department. The result is that people communicated their frustrations with the Minister, the Public Protector and anyone who would listen to their plight.

9.9. Procurement

145. It has been mentioned to us countless times that at the heart of the problems at the university is the matter of tenders. Complaints and accusations have been levelled against the Supply Chain Management Directorate both in terms of efficiency in handling the various aspects of management of tenders as the various reports so clearly disclose, against various staff in the Infrastructure and Logistics Directorate, and in Student Support many of whom have been suspended or are facing disciplinary action. In our view the Operations and Logistics Department is in need of a radical overhaul.
146. Large amounts of money have become available to the university as a result of the government's effort to improve conditions at universities, especially those that had historically been disadvantaged. Additional funds have become available for infrastructure upgrades, teaching and research

development grants etc. It appears to us that the contestation and factionalism at the university is about access and exclusion to funds. A cabal that is best placed to take advantage of its proximity to resources seeks to exclude competitors and to create conditions that would facilitate such looting to advantage them. There is a very political factor about corruption.

147. Conditions created for this activity begin by ensuring that the appointments of key personnel from the Vice Chancellor to security staff must be enablers and facilitators of this corruption and theft. Engaged in this are student leaders, union leadership and well-placed staff at the university. Invariably they work in collusion with suppliers and contractors. We understand that the methods are varied: price-fixing as well as cost escalation; overruns and variations (these are estimated to have cost the university some R97m in 2018/2019); kickbacks; and going as far as making demands or extorting payments from successful bidders, are a common occurrence. It is also common knowledge that there is abuse of the principle that variation orders are allowable at no more than 10% of the original quotation, as well as price splitting in order to process costs within the policy limits. This has been the door through which the university ends up paying much more than the prices per contract.
148. This is a culture that has embroiled the Vaal University of Technology. It has sucked in not only personnel within the university, but much of the community's expectations are shaped by these influencers. The Vice Chancellor told us that "the Vaal community is destroying VUT". So high are the stakes that everybody fears for their lives, and there are shadowy figures who make threats and intimidation if their demands are not met. Among these the Registrar reported to us that in the course of our investigation he was summoned by some people who demanded that he made himself available for the position of Vice Chancellor. He was aware that he was being blackmailed. He reported this criminal effort to the police. So dark and pervasive is this culture, however, that we are unable to verify, nor could we pin down the perpetrators. Everybody lives in fear and threats are made against their lives, including those of some senior Executives including the Vice Chancellor.
149. That this matter has badly crippled the university can be judged from the number of investigations, forensic or otherwise, that have been sourced by the university. Our only concern is that it seems that the authorization of investigations is dispersed: the Vice Chancellor, the Registrar, Human Resources, and the Legal Counsel etc. We do not have a sense that the investigations undertaken have the full backing, knowledge and authority of the Vice Chancellor, for example. This results in many investigations with recommendations that are poorly implemented, repetitive, and ineffectively monitored. In some respects, the investigations themselves become a cover for doing nothing or for obscuring malfeasance in the institution. That, together with an institutional culture where decision-makers are always put under pressure to act in the interests of certain groups, and executive and

other meetings are not assured of confidentiality, documents and reports being tampered with or lost are not uncommon occurrences.

150. There is no institutional culture of accountability, responsibility, honesty, efficiency, service and selflessness at this institution. This may well be a harsh judgment. It does not account for the many honest members of staff who are battling to remain loyal and offer dedicated and functional service. Many of such staff live in an environment of fear and intimidation, and the attendant uncertainty about their jobs. It also does speak to the overwhelming view about the quality of leadership that the university has been able to attract over many years. Over and above this there are reports that the SAPS in Vanderbijlpark are in cahoots with this corruption and criminal cabal or cannot be trusted to act decisively to enforce the law. That therefore means that a culture of impunity prevails as malfeasance has no consequences. It struck us that people came before us and they talk and act openly, mention names and yet nothing seem to happen as a result.
151. This resultant state of paralysis can be demonstrated in the manner in which the university has been unable to come to a decision about whether to purchase the Academia Building as a student residence or not. It appears that the building has been on offer to the university for many years. In the meantime the price has escalated and at the last instance stood at R168m. Technical and financial assessments were done with the support of DHET and the Development Bank of Southern Africa (DBSA). At last, in March 2019, Council appeared to have made a decision to purchase the property, but then promptly reconstituted itself in order to reverse the decision because it was unaffordable! This was most frustrating to the staff who had been working on this, given the obvious needs of the university.
152. Mr. R Moodley, Director: Control Systems Management, wrote to Council in his capacity as Chairperson of the Accommodation Task Team, expressing his concerns and pleading for decisiveness. From the Memo by Moodley, it transpires that Council was made aware that the seller had been coerced by certain individuals at the institution to inflate the price. It is unclear whether the concerns of Council were genuine or that this was just another act of brinkmanship among contesting cabals within the institution. Mr Moodley avers that such "coercion" was highly unlikely. He urged that Council maintain its initial approval for the purchase resolution in that "the purchase of Academia would be the pinnacle of achievement and makes good business sense..." (Memorandum, 8 April 2019).
153. This Report, among others, must serve to protect this institution from imminent collapse under the weight of criminality and corruption that has taken root at the institution and threatens to define its culture. It has been shocking to us that again and again we heard stories of abuse of power, of violence or threats of violence. We fail to understand how a place that is a centre for knowledge

production, and a sharing of ideas, of civility, and an institution in the service of society entrusted with public resources to contribute to the nurturing of young minds, can operate effectively under such a cloud.

154. Procurement systems and operations, we have come to understand, are the instrument by which this collapse of an institution is being achieved. Evidently, nobody trusts anybody else at VUT. One just has to look after one's own interests. That means that the application of policy depends on the trustworthiness of the personnel, managers and directors. Everyone else looks away. At VUT there are far too many cases against senior executives and managers who have been charged for dishonest dealings, and many have even been under suspension for long periods. However, their matters never seem to get resolved. The result is that there is a system of "acting" appointments. When that happens it is to be expected that those who act believe themselves to be beholden to those who may have put them in such positions from which they derive benefit. Acting appointments are a product both of situations where staff are under suspension, but all in an institution where posts have been frozen, the institution appears to manage by acting appointments.
155. Below are just a few of the reports that have come to our attention. The details of the projects where questions have been raised and where considerable suspicions of malfeasance exist are set out neatly in the Motsepe/Kortjas Report attached (**Annexure 2**). All these Reports are ad idem about one thing, that there is reason for profound unease about the culture of dishonest dealings, corruption and theft of university resources at the VUT. Even more alarming, nobody has paid the price for this and measures have not been taken to bring this practice to an end. We have now come to the view that some drastic measures need to be taken as a matter of urgency.

9.9.1. PWC Audit 2016

156. The PWC Audit of 2016 on Infrastructure and Maintenance Expenditure made damning findings regarding the flouting of procurement policies, such as:
- a) Purchase orders split into multiple orders to purportedly circumvent the procurement process with supplier invoices issued in sequence;
 - b) Supplier invoices issued prior to the generation of purchase orders;
 - c) Purchase orders raised for work previously undertaken;
 - d) Individual purchase orders raised in favour of different suppliers to perform similar jobs;
 - e) Unrelated work of the same value undertaken by a single supplier;
 - f) Supplier irregularities identified on submitted quotations;

157. Recommendations were made including the updating of the 2009 Procurement Policy and identification of individual officers responsible for the findings. Indeed, the new improved Procurement Policy was approved on the 7 March 2014 by Council. The implementation of this new procurement policy did not improve matters. Similar irregularities identified in the implementation of the 2009 procurement policy persisted in the implementation of the 2014 policy. PWC concluded that the continuing anomalies were caused by circumvention of the Procurement Policy and Procedures. We have reason to believe that these anomalies still prevail in the many procurement issues that we learned about from our investigation.
158. PWC Internal audit progress report to the VUT Audit and Risk Committee: October, 2018. This report highlighted significant findings in several areas including HR Policy Review, Academic Enrolment Management; Emergency Response Planning; Supply Chain Management and Forensic Investigation Report on Student Allegations. Some of these are repeat findings. The weaknesses identified under the HR Review included the following:
- a) HR policies and procedures not approved
 - b) Lack of performance assessments (repeat finding)
 - c) Lack of evidence that induction was conducted for new employees (repeat finding)
 - d) Weaknesses noted with respect to the employee development process
 - e) Weaknesses noted with respect to the termination process.
159. On the Academic Enrolment Management, the following significant findings were made:
- a) Some students were registered without matric results on their records;
 - b) While some of the students who registered without meeting the criteria were de-registered, some of these students are still active on the system;
 - c) There were students that attended classes without registration at VUT, and they registered out of the defined registration cycles.
160. On Emergency Response Planning, the following significant findings were made:
- a) No occupational health and safety policy in place
 - b) No appointment letters issued to Emergency Response Committee members
 - c) Inadequate display of safety signs on campus and satellite campuses

d) No evidence that unsafe and unhealthy situations reported were ever investigated.

161. With regards to Supply Chain Management, the following significant findings were made:

a) Long outstanding orders on the ITS system: there were no reasons given by SCM officials for 80% of outstanding orders as evidence that they followed up with suppliers. The sample list of orders not followed up was worth more than a billion Rand (R 1,006,607.11)

b) The Outstanding Order Report also reflected 30% purchase orders for items that were already received and relevant Good Received Vouchers (GRVs) processed on the ITS system.

162. Aside from human error, or by intention or lack of capacity, the information above points to the technical challenges with the provision of reliable information regarding student data and management information. This is a very high risk at VUT for informing, planning and managing resources. This is what the strategic project by Prof CC Mjojo of Fundani Computer Center was contracted to help the university address this risk factor, to ensure that reliable and quality information regarding students and staff was utilized for planning. We were informed that this project was cancelled before it concluded, but no reasons were given. Fundani⁶ had been actively engaged in this project since 16 June 2016. Prof CC Mjojo, the Chief Enterprise Architect of Fundani reports that although the project was conceived by the former Vice Chancellor Prof IN Moutlana, upon assumption of office, however, Prof Gordon Zide showed no interest in the work. The project came to an end in December 2017 without formal completion. Prof Mjojo approached the Independent Assessors to seek assistance for the university to pay outstanding amounts. Following our intervention, the contractor was paid in full.

163. The importance of this project according to Mr Mpho Diago was that there was recognition that the university was at risk because of inefficient student information systems that meant that completion rates were not recorded and funds and subsidies due to the university were not claimed. Mr Diago informed us that part of the planned hand-over programme was to initiate Prof Zide to these projects.

9.9.2. KPMG Report to the Audit and Risk Committee 24 October, 2018

164. This report covered a much wider scope than the internal audits. It identified repeat findings and zeroed in on weaknesses related to the Management Information System. Examples include:

a) VAT incorrectly capitalized on air conditioners installed in the Disability and Africa Languages building;

⁶ Project Name: The Implementation of an institutional Systems Audit and Enhancement (T01/2016)

- b) Overstated insurance claim income;
 - c) Overstatement of revenue – Grant income;
 - d) Vacancies in the Council and council committees rendering non-compliance to the institutional statute. The report also indicated the reasons why committees such as the Audit and Risk committee did not meet as scheduled and therefore could not interrogate audit reports;
 - e) Approved Asset policy not implemented;
 - f) Council members' remuneration incorrectly calculated;
 - g) Procurement and SCM: The Bid process not complied with
 - h) Payroll income with ghost tax numbers
 - i) Incorrect overtime calculations
165. We did not find any evidence that the Management and the Audit and Risk Committee engaged with this report to find ways of improving the functionality of the institution. The issue of repeat findings indeed may indicate that Council did not appreciate the magnitude of the problems presented in these reports and may also indicate lack of management capacity to deal with them.

9.9.3 The SNG Forensic Investigation Report – December, 2018

166. The scope of the investigation involved many allegations around the following core areas: Finance, Human Resources, Student support services, Operations and Logistics, and Executive Management and the Vice Chancellor's office.
167. The serious findings in each of these areas are consistent with the testimonies we received from interviews and the documentation presented to us. These findings are not uniquely different from those of other audits and forensic reports already presented here. The biggest difference is that they cover a much wider scope and, in some cases, directly implicate both the VC and the Chairperson of Council. We received testimony from the Registrar, the former Executive Director in the office of the VC, former chairperson of the Governance Committee and the Deputy Chairperson of Council, and the SNG Grant Thornton Forensic Investigators.
168. The veracity of the findings was confirmed, and we were informed of the restrictions in how this report was made available to council to the point where not all members of council had access to it, let alone being given the opportunity to discuss it. When we enquired about progress made in

implementing the recommendations of the report, the VC informed us that they were still studying the report and had requested line managers of those implicated to provide responses. This meant to us that like all other investigations, they will acknowledge receipt, pay the invoices and forget about the report and allow the problems to simmer until they erupt again. At this point we questioned the role of the VC, EMC, Finance Committee and the Audit and Risk Committees regarding their oversight roles in these matters. We could not get satisfactory answers as to how the institution got here.

169. This is a matter of intense curiosity to us. The SNG Report was handled with such a high level of secrecy or confidentiality that it could not be discussed openly at Council or any other forum of the university. That members of Council, the governing body of the institution, should be allocated one hour to read the Report in the Office of the Vice Chancellor, and their cellphones taken away from them, and in the presence of the Vice Chancellor himself, was disrespectful and struck us as paranoid. Some members of Council rightly objected to being subjected to such a control mechanism, so that they never bothered to read the report.

9.9.4 Other investigations conducted at VUT

170. The Mahlutshana Investigation of November 2017 found two employees of the university guilty of not disclosing that one of them owned a company that was planning to do business with the university and the other one signed a MOU on behalf of the university without authorization. The recommendations were that both employees be disciplined but there is no evidence that the matter was ever taken up by Management.
171. Makoti MZ's Investigation of March 2017 investigated issues of nepotism, irregular translation of workers from temporary to permanent status, and irregular procurement of service providers. The investigation was able to unearth irregular appointments of family members, and the increase of salary of some. The investigation also found that one senior member of staff irregularly translated his wife's position from temporary to permanent. The recommendations were that the members of staff responsible for these activities be made to answer to the allegations, but there is no evidence indicating that the recommendations were implemented. More pertinently, however, the Report to a variety of lapses in the Human Resource Management System at the university and the extent to which supply chain management needed to be reviewed.
172. We dare not sign off on this matter of the handling of Procurement at the university without highlighting what must be the most egregious case of financial mismanagement, the so-called emergency refurbishment of student residences in July 2018. It appears that there had been some complaints from student formations about the state and safety of residences. The justification is that

for fear of a student uprising that had been threatened by the students, the University embarked upon a programme of refurbishment of residences that had to be completed before the students returned from vacations in June/July 2018.

173. The project was termed “emergency” so that it did not have to meet the tender requirements of university policy. We have raised questions as to whether such a project qualified as an “emergency” given that this was work that could have been planned and budgeted for. It was not like there was a hurricane or disaster that damaged property to such an extent that emergency measures were required to restore it to being habitable. An amount of R31 222 863,75 that had not been budgeted for was to be spent. A Mr. Lawrence Pule of Cabomate (Pty) Ltd was appointed Project Manager. How Mr Pule was identified and employed is also not transparent. Why this appointment on contract of an outside person was made when that Department is full of professional staff who could and perhaps should have done this was never been explained to us. There is no indication that any process was undertaken to do so and over the weekend of 13 July 2018 suppliers were procured. This entire project was signed off by the Vice Chancellor on the basis of the resolution of Executive Management apparently taken on 29 June 2018. The upshot of this is that first, unapproved variation orders were undertaken that cost the university a further R7m. Second, much of the work was signed off by Mr.L Pule even though some of the work was defective and others not even undertaken.
174. Subsequent to the supposed completion of the jobs, students had to deal with bad or poor workmanship, leaking pipes and incomplete brickwork. In their Audit Report, Infrastructure Project Procurement and Implementation Review dated May 2019, BDO Consulting conclude that “LSN Trading invoiced for inferior quality, inflated prices and unconfirmed quantities, for work for which there was no purchase order.” Mr. Jannie Morotolo, Director: Facilities and Utilities, who was responsible for project managing this contract denied that he was responsible for the price variations as claimed by the contractors. He said:
175. I thus unequivocally state that the decision to vary the job specification and work scope was done unilaterally by the suppliers, and should the VUT elect to pay them, it should do so on its own without imputing any liability on me. I stress the fact that such conduct will open flood gates for other claims of the like nature deliberately put in motion to siphon money from the VUT⁷.
176. Inevitably there were complaints lodged against the university from some contractors/suppliers who were not appointed, there were complaints from members of Council there was possible misconduct in the execution of this project namely, in the appointment of suppliers/contractors, the overrun of

⁷ Memorandum addressed to Prof Piet Swanepoel, Acting Executive Director: Infrastructure and Logistics, dated 16 April 2019. Mr. Morotolo was subsequently suspended.

the project and cost escalation. It was agreed that the supplier who had complained that he did receive instructions to exceed specifications for the contract. It was agreed that payment would be made. It was also agreed that the cost escalation would be condoned. In a Memorandum (undated) Mr Morotolo denied emphatically any of the charges laid against him of nepotism, corruption and unlawful authorization of cost escalation without authority. Notwithstanding his denial, Mr Morotolo was suspended and faces a disciplinary process.

9.10. Campus Security Contracting and Protection Services

177. Another vexed question at VUT is the question of procurement of security services. Evidently, security is a big issue at the university. This is apart from the ubiquitous presence of campus security at the main campus, raising questions as to the extent to which the campus has become over-secured, thus hampering free movement, effective learning and intellectual engagement among students and staff. On the other hand something needs to be done to manage the abuse of university facilities and processes, including the practice of multiple occupation of residences at times by people who are not enrolled at the university. That taken, we were not convinced that the security services at VUT were effective for the purpose for which they were hired. The reports we received, the extent of staff being suspected of theft and corruption suggests that the security presence is no deterrence to wrongdoing on campus. We fear that the fact that the security services on campus are part of the dominant union at the university means that there are often times when their loyalty is elsewhere when it is needed most.
178. In October 2017 the university awarded a contract worth R3 779 500,00 per month to Maduna Protection and Cleaning Services. It was agreed that the service would commence on 1 November 2017.
179. Matters, however, came to a head on 19 March 2018 when there was a strike at the university by Maduna employees. There is evidence from Ms B Simoyi of Maduna Protection Services that she was approached by Prof KP Dzimbo, then Deputy Vice Chancellor, accompanied by, in her words, "one of the ex-students who has history of extorting money from service providers..." It does not appear that this accusation was ever followed up. Maduna claims to have been aware of intelligence as far back as February 2017 that the Head of Security at the university was seen with the son of the owner of Phiriphiri Security Services cc. She therefore concluded that there was collusion between the university and Phiriphiri.
180. Ostensibly, in view of the handling of the strike, the university summarily and, probably unlawfully (a matter that may yet be tested) terminated its contract with Maduna as at 29 March 2018, and

employed Phiriphiri immediately, and at a far higher contract cost. This action then caused Maduna Protection Services to threaten to sue the University for Damages and lay a complaint with the Public Protector. A complaint was also submitted to the Minister. In fact, Maduna alleges corruption in the manner in which her services were terminated. Such a manner of decision-making is bound to haunt the university for years to come. It is not without interest that Phiriphiri contributed R100 000,00 to a fund to support students in 2018.

181. The question must be asked whether this manner of handling security services at the university had been in the best interests of the university and whether it does not pose risks to the institution both in terms of costs but more importantly whether the security and safety of the university plant facilities, staff and students could be guaranteed in this manner.. We think not. For one reason, the contract with Phiriphiri costs a lot more than the previous service provider⁸. Secondly, there is no irrefutable evidence that Maduna was not performing her services adequately. More worryingly, the allegations by Maduna of collusion with the Head of Security and the NEHAWU union and Prof Dzimbo and student extortionists needs to be investigated. It so happens that both the then Head of Security, Mr. Tsatsane and the Deputy Vice Chancellor, Prof KP Dzimbo, have since resigned.
182. It interests us that there is no Service Level Agreement with the security services providers, including Phiriphiri, and apparently there is no verification and oversight of services rendered. For which payment is made from what we could see as laypeople, we wondered whether the amount of security personnel deployed to the university was truly necessary or cost-effective.

9.11. The Role of NEHAWU

183. Staff at VUT are organized around two unions that have signed a recognition agreement with the university. The unions are NEHAWU and NTEU. NEHAWU is the larger and more popular and influential of the unions.

⁸ The resolution of the Executive Management Committee to award the campus security service and the manner in which it was done prompted two senior members of EMC, Dr TD Mokoena, Registrar and Mr. Mpho Diago, Director: Office of the Vice Chancellor to write to the Vice Chancellor a letter dated 23 May 2018 that they termed a "Minority Report". One presumes that they had expressed their disquiet at the EMC Meeting referred to but that they could not convince EMC to support their concerns. More seriously though the letter points out that the "Engagement of Phiriphiri without the approval of ExCo of Council as designated by Council to deal with the procurement of security services may have constituted not only a breach of Council directive but also a potential breach of the procurement policy." Mokoena and Diago also mention that members of EMC had been in "direct engagement" with the supplier, which act falls foul of the procurement policy. In his response to this note dated 25 May 2018, the Vice Chancellor is, understandably unhappy with his colleagues. He even mentions counsel he received from his son who is a lawyer, darkly mentions the reflection this has on him as Chairperson of EMC but he does not answer the concerns mentioned by his colleagues.

184. The common view in the institution is that NEHAWU has captured the Vice Chancellor, and NEHAWU has influence over the Chairperson of Council. The allegation is that NEHAWU is responsible for much of the corruption taking place at the university under the cover of protection by the Vice Chancellor and by the Chairperson of Council. A long-serving NEHAWU shop steward and current Chairperson of the VUT Branch of the union is Joseph Radebe. Mr. Radebe is substantively employed as a Manager in Social Justice and Transformation Directorate at the institution. Some of the allegations against NEHAWU come from previous officials of NEHAWU who were removed from office. We have taken care that the political contestation within NEHAWU must not cloud our judgment.
185. The much-touted view about Mr. Radebe is that he peddles influence, controls the union, sits on Council and in various Committees; that he has influence on who gets employed in the institution and indeed whose employment gets transferred to permanent. In interviews with us, Mr Radebe confirmed that as a member of the union he is very active in the institution and does indeed seek to influence policy and management according to the best interests of his members. He did, however, vehemently deny any involvement in wrongdoing. He attributed the reputation he carries to factionalism and jealousy in the institution. He denied favouritism, because if he was favoured he could have improved his own employment level at the institution. But that is not so.
186. He confirmed that he and his union are supporters of the Vice Chancellor. The union is always alert to certain forces at the institution that seek to subvert the efforts of the VC to clean up corruption. He confessed that he, as a person and the union he leads, have been at the forefront of ensuring that Prof Zide was appointed Vice Chancellor. The problem, though, in his view is not Prof Zide, but that the VC inherited a factionalised institution and an incompetent Management. In his opinion, Zide works with colleagues whose loyalties are with the previous dispensation, and he has no support either from Management or from Council. He believes that Zide is a Christian and he will never knowingly condone any wrongdoing.
187. Complaints about the appropriation of the NEHAWU agency fee for private purposes are denied. We did not regard this matter as relevant to our investigation. However, we raised questions with him about the role of the union at the university, especially as a disruptive influence; about the fact that the case against him was unceremoniously withdrawn when the VC stated, wrongly, that he did not have a feedback from his predecessor. He denied that he was receiving favourable treatment from the VC. His view was that, in any case, there was no case against him and that the charges were malicious.
188. Yes, the union was concerned, he confessed, about the extent to which local business and suppliers were being marginalized from tenders. He supported the protest from Vaal business demanding a

30% share of tenders. He indicated that the University was agreeable to in-sourcing a number of services, the first being Security, catering and the cafeteria and cleaning services. As in many other universities as a result of the #FeesMustFall protests, in May 2016 VUT agreed with the unions that service support staff would be in-sourced according to an agreed pattern. It was also realized that such in-sourcing would cause cost escalation on the university that it can't afford. The unions, however, are adamant that this Agreement must be implemented.

189. Mr. Radebe was vocal in decrying the state in which the university finds itself. The university had been bankrupted by rampant corruption. As a union they have tried to draw the attention of Management to wrongdoing in the institution, but that there was no appetite in the institution to deal with corruption decisively. For example, he argued that there was no justification for the university to hire private residences for students when the same money that was paid to private companies could be used to purchase the university-owned property. The only answer, for him for the continuation of such a senseless activity, is that landlords are in cahoots with Management and such were part of the corrupt activities underway at the institution.
190. In the light of that it is difficult to understand how the union could insist on in-sourcing knowing as they do that the finances of the university are at a precarious state; nor the recent strike where the union settled at 7.5% pay increment for this year – money that the university just does not have! The Settlement Agreement is dated 11 June 2019. Among the terms of the Agreement are the following:
- a) No work no pay principle will not apply
 - b) No leave deductions for the five days of the strike
 - c) Waiver of the charges made to employees for actions undertaken during or in pursuit of the strike.
191. That is a preferential Agreement in favour of the unions and to the disadvantage of the university.
192. The strike was conducted with considerable violence against those staff members who did not wish to go on strike. The Legal Counsel, Mr. N Bhula and his assistant were manhandled as they resisted participation in or supporting the strike. Mr. Bhula has made other complaints against Mr. Radebe to no avail. He believes that Mr. Radebe enjoys impunity within the institution to such an extent that it damages institutional values like those of mutual respect, honesty and integrity, and tolerance.
193. Mr Lemogang Medupe, a student at VUT, submitted a complaint to the Assessors about the conduct of the strike and the manner in which student life and studies were affected by this. He was especially scathing both about how the strikers took no care of the fact that the strike was affecting critical examination period. He went on to say that “VUT is leaderless and factions of management are

becoming visible each day. The reality is factions are not only killing the university but tempers with futures of innocent young people” (June 10, 2019). The students, he reported, had tried to reason with the unions and approached Management as well without success. In the event the strike continued for five working days.

194. From our observations it is fair to say that the union NEHAWU is involved in and believes itself entitled to co-managing the institution, thus crippling effective management of the institution and undermining good governance at the institution. It does not seem that the sympathetic relationship between the Vice Chancellor and the unions has benefited the VC in the management of the university. For example, the university has suffered disruptions through strike action in quick succession: in March 2019 and in May 2019, for example. There is no evidence that the unions are inclined to temper their radical stances in light of the fact that the unions (as is alleged and confirmed by Mr J Radebel!) have a hot line to the VC. All matters considered our conclusion is that there is substance to the accusation that the VC is biased towards NEHAWU to the prejudice of the university.

9.12. Situational Analysis: Towards a Social Analysis

195. During the course of our investigation we undertook a tour of the campus, and the residences at the main campus. We did a walk-about especially covering the spaces for teaching and learning. We spent time checking out the student centre and the cafeteria and the Goldfields Main Library. We were truly shocked at the poor state of the facilities at the university. The Library was overcrowded and the computer laboratory inadequate for the demand. We were also informed that there are often problems with the Wi-Fi access for students. The cafeteria was very poor and in need of maintenance. There were also people who appeared to be conducting informal trade at the corridors.
196. The Lecture Halls were in a poor state, and some of them appeared to be thoroughfares, causing disturbance during lectures. We had no sense that technology was widely in use. We asked questions from students and from those responsible for maintenance.
197. This was confirmed by Mr. Wandile Maluleke, the SRC President. He bemoaned the poor state of facilities at the university, residences and lecture auditoria in desperate need of maintenance, computers at the computer lab are very old and the Wi-Fi does not work. In his view at the heart of these problems is the “battle over tenders” in the institution that has sucked in the entirety of Management. The Dean of Students expressed concern that the budget for maintenance was being managed in the department of Infrastructure and Logistics and she had no control over it. We

understood this to mean that she has no say in the schedules of or the budget for maintenance in sections that fall within her responsibility.

198. In June 2019 the staff unions, NEHAWU and NTEU embarked on a strike over pay demands. During that time the strikers forbade access altogether to the university. That being the case, the examinations that were then underway had to be cancelled. One of the students Lemogang Medupe wrote to the Assessors expressing the frustration of the students at this action. And at this time. The students had appealed to both Management and the unions to settle the strike in the interests of the students without success. In the submission, Medupe explained the extent of the harm the strike was subjecting students to.

9.13. Concerns about Gender and Sexual Abuse at VUT

199. A matter of concern that has come to our attention from some of the women who bravely shared their experiences with us, is the culture of abuse of women in the institution. This comes by way of seeking sexual favours for employment and for promotions from senior managers at the institution. In practice it is practiced in the abuse of women when breakaways are organized seemingly in order to make women available to senior managers and Executives. We have decided not to name the members of staff who made the complaint to us for obvious reasons; nor have we mentioned the names of those against whom complaints were made. We have, however, mentioned this to the Administrator. Interestingly, in a conversation with the former Vice Chancellor, she mentioned that this was a matter that she had been dealing with at the institution. She was well aware of the practice.
200. There is a view (though it is hard to prove) that appointments and promotions at the university are achieved through the demand and provision of sexual favours. Staff members who objected to this practice were ostracized and marginalized. This is unfair labour practice but that the shame and ridicule that attaches to this is of such a nature that women are bound to be very reluctant to lay complaints. We could not probe this matter very much. We did, however, put it squarely to at least one of the persons whose name was mentioned and he denied it blankly. We also raised it with the VC, who was unaware that there was a problem of that nature at the university. The response from the most senior men at the university was cause for concern to us. We were not convinced that it is correct to deny and to know nothing. Accordingly they made no undertaking to address this matter. Our mandate also did not allow us to probe such matters deeply.
201. We mention it here just because it is deeply troubling. What is even more troubling is that the university does not have any appetite to deal with it. We mention it also because it is a symptom of an institution where morale is low and where gender relations are exploitative or maybe where

violence against women is of no consequence. It is also a symptom of an institutional breakdown or brokenness.

9.14. Towards a Social Analysis: Whither Moral Panic?

202. Finally, we tried to understand deeply how an institution can become so paralysed and destroyed by its own members and beneficiaries through industry-scale theft, looting and corruption. We tried to understand how it was that so many senior members of the staff have been suspended or placed under discipline for wrongdoing, dishonesty, ill-discipline and sheer incompetence. If that is the case how can there be no generalized breakdown in order and authority throughout the institution. We received testimony (that was denied) that the VC himself is seen to be in cahoots with some of these elements who meet under cover of darkness and anonymity. The result is that students and junior academic staff have no exemplar or mentors. A culture of nonchalance runs very deep throughout the institution.
203. In the community at large there is evidence that whatever esteem the University may have enjoyed once upon a time has been whittled away. The university has become synonymous with corruption, largely it seems, because there are student elements (long-stay students allowed to roam around the fringes of the university without being engaged in any serious study!) who survive by demanding kick-backs and extortion from suppliers of goods and service to the university. Stories are told of how such characters drive expensive cars even though they do not have gainful employment. They have the freedom of the institution and are able to threaten and cajole staff to deliver goods.
204. In the community and with the support of the union NEHAWU, some service providers demand that 30% of tenders be reserved for them. There is evidence that in many cases they do not offer good service. What we found truly astounding is that whereas many people articulate a protective attitude towards the university, there was no evidence of taking ownership of the institution, no passion or pride about its value to the community as a university. There was no significant love for the institution that we could point to. Instead one gets the phenomenon that for many they are in it for what they can get or see it as a milch cow.
205. Yet there are those who came before us who bemoan that the university is under the control of those who do not come from the Vaal Region, (those who come from Limpopo have been mentioned with resentment!) who have no loyalty to the socio-economic needs of the community, and have no understanding of the strategic value of the university in the development of the community not just in terms of jobs, but also in terms of the expertise that the university offers. While we heard this said but there is actually no backing for it. A check on the Integrated Development Programme of the Emfuleni District Municipality and the three District Municipalities, as well as Gauteng Provincial

Government make no mention of the significant partnership of the university in regional planning and development. It must therefore be a surprise that such a resource in the region is effectively being destroyed by those who expect to be the beneficiaries.

206. The obvious truth is that many of these elements, within and without the university, do not articulate the character of the university and its value in nurturing talent and skills, and generating knowledge. The university has been reduced to a place of work where resources can be looted. This is very sad.
207. However, we think that this has become so because the university has not been very strong in pronouncing its values and its ethics. We have not been aware of an articulation of a vision compelling enough as to generate a passion, loyalty and pride in the institution such that they will do nothing nor will they allow anybody to do anything that could cause their place of pride harm. That is the difference between VUT today and the College of Advanced Technology that was under the former dispensation. We became aware of no campaigns that sought to ground values within and without institutional life. We are also not aware that there is a serious conversation about institutional culture at VUT. That is contrary to what the VC advised us.
208. We tried to explore with many of those who came before us why it was that VUT was in such a poor state of relations within and without, and yet down the road, within 5 kms of the main VUT Campus, the Vanderbijlpark Campus of North West University is a modicum of calm and academic activity. And yet both institutions draw from the same environment and community although their missions may be different. We tested ideas as to whether the solution for VUT was not simply a merger with North West University and the establishment of a comprehensive university in the Vaal. We have withdrawn from that idea because we truly believe that a dedicated university of technology that is fully functional will best serve the interests of industry and the community.

9.15. Community Engagement

209. We are aware that the university has a statement on Community Engagement but we have seen only the report from the Faculty of Management Services on their Enactus Community Engagement Project. Notwithstanding the fact that the university has representatives from Local Government serving on Council, it does not appear that there are any links or partnerships with Local Government or with industry. The Vice Chancellor is hoping that the new Directorate on Resource Mobilisation and Fundraising could become the vehicle for such partnerships. It is therefore no wonder that the university does not have a positive image in the community.

210. There is evidence of a huge lack of collective vision and direction for the institution. The chaos emanating from the vacuum in leadership and the aggressively factionalised Council has definitely compromised both strategic and functional governance of the institution across the board. There is evidence of a total lack of coherence among the various structures and portfolios of the University, which ultimately renders the institution as a whole dysfunctional. Other portfolios which should be working closely together, such as the Research Office and the Technology Innovation Agency (TIA) - funded Science Park have no relationship whatsoever. Others such as the Institutional Forum seem to be neglected and exist in name only. The rest work in isolation.

10. CONCLUSIONS AND FINDINGS

211. In spite of the greatly negative picture that emerges, VUT has a good foundation as a UoT and needs a lot of support in terms of both strategic and functional governance. There are some pockets of excellence, as in the VUT Science Park in Sebokeng. Such potential may not be realized or even allowed to grow due to the crisis-ridden mode of operation, and frankly the deficit in visionary leadership currently prevailing at VUT. We are persuaded that many academics have the interest, dedication and passion to improve student success if only they can be supported by the institution in terms of proper infrastructure for both teaching and learning and also decent student governance and facilities, including having residences organized as centres of learning and appreciating the wholesome university experience.
212. An effective Information Management System is needed to support student administration including registrations and graduations. The use of technology in the form of smart learning spaces including lecture halls, laboratories, libraries and provision of Wi-Fi in residences for example are key to preparing the students to function in the knowledge economy. Effective governance of the university strategy and functionality are crucial for VUT to survive and thrive as a UoT.
213. Our approach to this assignment has been very clear. It is to try to get to the depths of the malaise in the institution, attend to the significant and deep-seated culture and problems of the university. The aim, as we mentioned to everyone who appeared before us, was to do everything in our capacity, to get to the root of the matter so that a radical solution, if need be, may be found. Our hope is that there may not be another breakdown of this magnitude at the institution in the foreseeable future.
214. We also wish to express our unease that because of the breakdown in trust, with poor leadership and governance over a protracted period, it has become quite common for just about everyone who is aggrieved to write to the Minister. That has to be stopped. It is very disruptive of the institutional

life and the authority of the Vice Chancellor. Besides, it too easily draws the Minister into interfering with the autonomy of the university, something that is guaranteed by the Act and by the Constitution.

215. We mentioned above the woeful lack of a jealous and protective hand towards the university making it vulnerable to the vultures that seek to exploit it into a bare carcass. That must not be allowed. To try to understand this phenomenon analytically we turn to the theory on sociology of a moral panic. It seems to us that there is no moral panic in society about the crass exploitation of a national resource to feed the greed of the few. We see no societal moral revulsion over an issue that clearly poses a danger to the future of our country, and the future of our children and the sustainability of our economy. We believe that there ought to be sufficient moral indignation by society as to make those hell-bent on the moral destruction of our common futures take stock. If this report can do one thing it will be to mobilise the societal conscience to what is going on at some of our universities. Universities must not be fertile ground for looting, to devalue it and divert it from its historic purpose.

216. Our principal findings are:

We therefore confirm that the university is at the precipice of a total collapse unless stringent measures are taken to rescue the situation. In our view as provided by s.45 (a), (b) and (c) of the Higher Education Act (Act 101 of 1997 as amended) this situation warrants the Minister's intervention.

We have found that Governance, Leadership and Management in the institution have failed to uphold good governance and institutional cohesion, and that Management has been unable to guide the institution to assure effective management of human and financial resources, as well as adherence to the mission of the university.

11. RECOMMENDATIONS

217. With the appointment of the Administrator and the remnant of the Council unable to function because of mass resignations, the Minister does need to attend to the manner in which university Councils are constituted. The stakeholder and consensus-seeking approach perhaps needs to be revisited, and a more transparent system of recruiting members of Council devised.

218. The current Vice Chancellor, Prof GN Zide's employment contract is still extant and it is tenable until 2022. Our view is that the VC has been incapable of giving strategic leadership to the university, to offer credible and effective management and to guide governance in the institution. The Vice Chancellor has not provided the university with any compelling vision to be pursued. The future of the Vice Chancellor's employment at the university needs to be re-assessed.

219. Our considered opinion is that the current crop of leadership at Post Level 1-3 must be retired or redeployed, and new critical leadership be found to guide the university into the future. Perhaps one way of undertaking this is to review each of the members of the senior Executive Management and Executive Managers and Executive Deans to test their contribution to the university and whether they have a vision consonant with the future of the university.
220. All management personnel in Post Levels 1-4 and the Executive Deans must be subjected to an annual Lifestyle Audit and declaration of conflicts of interest.
221. With the experiences of this period consistent since about 2006, the selection of a new Council must be undertaken with care. Membership of Council must be vetted, with due diligence as well as probity undertaken in order to weed out opportunistic elements from the university. We believe that this process must be undertaken by both internal and external members.
222. It is our view that the Council must be as lean as possible probably limiting membership of Council to 20, by removing in particular those who join Council in a representative capacity and decreasing Council membership from internal staff of the university. The commanding presence of internal members of Council never benefits the proper running of Council affairs Fiduciary responsibility is not the culture of this institution. The proposal then is that the internal membership be confined only to the Institutional Forum that is already a representative body, Senate, Vice Chancellor and one other DVC. The Minister's nominees should also be reduced in number except that one of the Ministerial nominees should serve as Chairperson. This will require a change in the Statute.
223. We strongly recommend that in this case the Administrator seeks the assistance of the SIU to investigate at some depth the activities of a number of university officials such as the Vice Chancellor and Deputy Vice Chancellors, any who have been involved in supply chain management, Infrastructure and Logistics, as well as in Student Services and Security and Campus Protection, and former student leaders over a long period of time.
224. A new Institutional Statute be drafted such that accountability measures are clarified, especially clarifying the roles of structures, not least the role of The Registrar. The Institutional Statute must also design a new method of recruiting the Vice Chancellor of the university such as to minimize both the opportunity for politicizing the appointment of the VC and to protect it from capture by vested interests.
225. That a supply chain management policy must provide that any supplier that is engaged in any corrupt activities or found to have been so engaged in previous years, will not only be disqualified and blacklisted at VUT but also from all universities in South Africa, AND reported to the police in terms of the Prevention of Corrupt Practices Act.

226. It shall no longer be business as usual at the Vaal University of Technology. Given our Finding that this lamentable state had become possible through large-scale collusion between some criminal elements within the university and many of the suppliers of goods and services to the university, we recommend that every supplier who won a tender to the university be required to make a Declaration of their participation in shady dealings against the university. Any who were awarded tenders will be required to cease operations and be removed from the List of Suppliers. Thereafter, a Warning should be inserted in all conditions of tender that should it be found that a tender was won by unlawful or irregular means, or by participation in any scheme the effect of which would be to corruptly and unjustly cost the university more than what it would otherwise would cost to undertake the service, or have participated in kickbacks or in forms of unjust enrichment at the expense of the university.
227. That an Office of the University Ombudsman be established. That the University Ombudsman should be independent. That should such an office be established the Department should not entertain any complaints from staff and students at the university and rather insist that all internal remedies be exhausted.
228. That a Whistleblower Fraud Hotline be established as a matter of urgency.
229. That Management must undertake a regular barometer on institutional culture at the university, as well as establish an Ethics Directorate.

Ends.

ANNEXURE 1 LIST OF INDIVIDUALS INTERVIEWED

Date	Interviewed	Position
10-Jun-19	Prof. Gordon Zide	Vice-Chancellor
10-Jun-19	Dr Dan Mokoena	Registrar
11-Jun-19	Mr Athol Graham Rhoda	Acting CFO
11-Jun-19	Prof. Pieter Swanepoel	Acting Project Manager Operations and Logistics
11-Jun-19	Prof. Roy Dhurup	Acting DVC: Operations and Resources:
11-Jun-19	Mr Lesley Coetzee	Former CFO (on suspension)
11-Jun-19	Prof. Riana van der Bank	Acting DVC: Academic & Research
11-Jun-19	Dr Patrick Radebe (A/Professor)	Executive Director: HR
12-Jun-19	Mr Wandile Maluleke	SRC President
12-Jun-19	Mr Joseph Radebe	NEHAWU President
12-Jun-19	Ms Alisha Himchli	NTEU Member
12-Jun-19	Ms Gapenyane Motswana	Executive Secretary in the VC's Office
12-Jun-19	Ms Nonkululeko Xuza	Executive Secretary in the VC's Office also serving as Assistant to the VC since
19-Jun-19	Adv Tebogo Hlapolosa	Chair of Council
20-Jun-19	Ms Mabel Ndlovu	Current Auditors: Ngubane & Company
20-Jun-19	Tsitsi Chatambarara and Tawanda Manai	SNG Grant Thornton Forensic Investigators:
21-Jun-19	Ms Ulandi Exner	Former Council Member
21-Jun-19	Ms Busiswa Simoyi	Maduna Protection Services:
21-Jun-19	Mr Mpho Diago	Former Director: Office of the VC
1-Jul-19	Dr Mafu Rakometsi	CEO: Umalusi and resigned member of Council
1-Jul-19	Mr Jerry Molutsi	Resigned Acting Director: Student Residences
1-Jul-19	Ms Ntaoleng Nteo	Convocation Officer
1-Jul-19	Mr Jan Jooste	Director of Innovation and Acting DVC: RIC
1-Jul-19	Ms Selma Sayed	Executive Administrator to the VC
1-Jul-19	Ms Nondumiso Lufele	Director in the VC's Office
2-Jul-19	Mr Mapale Kgaphola	Suspended Employee

2-Jul-19	Sr Maria Phondo, HoD & Mr Papi Nyakale,	Campus Clinic Staff
2-Jul-19	Mr Thabiso Lehloo	Manager: Supply Chain Management
2-Jul-19	Mr Ikaneng Maphalane	Convocation members
3-Jul-19	Prof Maurice Ndege	Executive Dean, Faculty of Engineering & Technology
3-Jul-19	Mr Willem Pienaar	Head of Electronic Engineering
3-Jul-19	Prof. Peter Mendonidis	Head of Metallurgical Engineering
3-Jul-19	Prof. Leonard Masu	Research Professor
3-Jul-19	Mr Sefako Marweshe	Former Director: HR Operations
3-Jul-19	Mr David Ramasodi	Executive Director IT
3-Jul-19	Mr Joseph Radebe	NEHAWU President
4-Jul-19	Ms Busi Radebe	Dean of Students
4-Jul-19	Dr Dan Mokoena	Registrar
4-Jul-19	Adv Tebogo Hlapolosa	Chair of Council
4-Jul-19	Advocate Nkosinathi Bhula	University Legal Advisor
4-Jul-19	Prof. Gordon Zide	Vice-Chancellor
5-Jul-19	Dr Joe Molete	Executive Director : VUT Science Park
9-Jul-19	Dr Segopane Seroka	SSS suspended
9-Jul-19	Prof Crosslyn Mjojo and Lucy Mjojo	Fundani Computer Institute
11-Jul-19	Mr Joseph Radebe	NEHAWU President/ General Secretary
17-Jul-19	Vido Kungune Dr Josias Viljoen	Acting Campus Principal, Ekurhuleni Acting Campus principal, Secunda
25-Jul-19	Mr Brian Mahlangu	Deputy Chair of VUT Council & Chair of HRC
25-Jul-19	Dr Dan Mokoena	Registrar
25-Jul-19	Dr Tau Motsepe	Financial Expert on Independent Assessment
2-Aug-19	Dr Pauline Machika	ED: Centre for Academic Development (CAD)
2-Aug-19	Mr Garreth Tembo	Act ED: Operations and Logistics
2-Aug-19	Mr Jannie Morotolo	Former Chairperson: Finance and Audit Committee

2-Aug-19	Mr Keith Jacobs (Video Conference)	Director: Utilities – Operations and Logistics
27-Aug-19	Mr Gozwana Mlilwana	Former Project Manager for Building and Infrastructure
27-Aug-19	Mr P Zingitwa	Former ED: Operations and Logistics
27-Aug-19	Ms Maureen Motsukunyane	Director: HIV/AIDS programme
27-Aug-19	Mr Thapelo Kgakatsi	HIV/AIDS programme staff
27-Aug-19	Dr Simphiwe Nelana	Director: Research Office
5-Sep-19	Ms Nonkululeko Gobodo	
Site Visits		
5-Jul-19	VUT Science Park	
17-Jul-19	VUT satellite Campuses	
The Independent Assessors proposed interviews with the following with no response :		
<ul style="list-style-type: none"> • Ngubane and Company, • KPMG and , • The Vaal CCMA office 		

ANNEXURE 2: REPORT TO THE INDEPENDENT ASSESSORS ON THE FINANCIAL STATUS OF THE UNIVERSITY

Tau K. Motsepe. PhD
Barbara Kortjass.CA(SA)

22 July 2019

TABLE OF ACRONYMS

ACRONYM	NAME
AFS	Annual Financial Statements
BOQ	Bills of Quantities
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CIPC	Companies and intellectual Property
ED	Executive Director
EFT	Electronic Funds Transfer
EMC	Executive Management Committee
N/A	Not Available
PURCO	Purchasing Consortium Southern Africa
RFQ	Request for Quotations
SABS	South African Bureau of Standards
SANAS	South African National Accreditation System
SARS	South African Revenue Services
SCM	Supply Chain Management
SLA	Service Level Agreement
T/A	Trading As
VC	Vice Chancellor
VUT	Vaal University of Technology / The University

1. EXECUTIVE SUMMARY

1.1 The Independent Assessor was appointed by the Minister of Higher Education and Training in terms of Section 44 (1) (a) of the Higher Education Act, to conduct an investigation into the affairs of Vaal University of Technology. The overall purpose of the investigation is meant to advise the Minister on:

- a. The source and nature of problems facing the University, including those relating to governance, management, financial management and procurement practices, human resource matters, administration matters, and any other matters that may arise.
- b. Measures required to restore good governance and management at Vaal University of Technology.

1.2 The TOR with regards the finance stream of the Independent Assessor teams were as follows;

Review, assessment and recommendations on the financial status of the University,

- 1.2.1 Conduct a site visit to the university to obtain required documentation;
- 1.2.2 Conduct interviews with relevant (former and/or current) university staff members;
- 1.2.3 Identify and analyse the expenditure items with reference to point (1.2.5) below, which may be contributing to excessive expenditure and investigate if alternative models (e.g. Security, Rental of equipment, lease agreements, etc.) could not have been followed;
- 1.2.4 Review and analyse financial policies and standard operating procedures of the university with specific reference to point (1.2.5) below;
- 1.2.5 Identify instances of financial maladministration with specific reference to the allegations made below;
 - 1.2.5.1 32 million stolen at the residences/ spent on renovations at residences on split tenders in order to avoid compliance with the Procurement Policy,
 - 1.2.5.2 The missing university car that was never reported stolen. (I have the registration of the car, and I know the person who was responsible for the car),
 - 1.2.5.3 Documents of the chairperson of the union changing Agency fee account to his personal account and evidence of email that we reported this matter to the VC and a fraud case that we opened at police station,
 - 1.2.5.4 Appointment of Phiri Phiri Protection Services,
 - 1.2.5.5 I can produce evidence of the company paid 4 million for a ghost tender and I can provide evidence of the people who benefited in this tender;
 - 1.2.5.6 More than 10 million of the university money paid to a lawyer whose wife is working in the VCs office,

- 1.2.5.7 Conflict of interest and bias by the VC in sourcing legal services which allegedly runs into about R2m,
- 1.2.6 Make recommendations to the assessor on corrective measures to be implemented in improving the university's financial status in the form of a comprehensive written report.
- 1.3 During our ten days assignment, we spent a total of five days stationed at the Vaal University of Technology interviewing the affected people as per our terms of reference and the allegations made. We were further provided access to policies and documents that assisted us to perform our duties and undertook site inspections to gain firsthand knowledge and experience of the renovations and restorations programme at the heart of the Ministerial proclamation.
- 1.4 Although it is against the norm, we have decided to divert and paint / lift the environmental universe that we found and realised that it permeated within the VUT environment and it is derailing its progress to advance positively.
- 1.5 Our detailed conclusions and findings we explain that a contract to the excess value of R32 Million was undertaken on the back of a threat of a potential riot by the students in the event that it was not pursued. This catapulted the University Council to give a verbal approval, the EMC to give its approval without a proper and solid business case. Poor drafting of bills of quantities to the suppliers to provide pricing. Suppliers providing their own pricing which would not be interrogated but taken as a valid reason for contracting and this was the basis for the budget. Deviation from tendering without a valid reason. Illegal disqualification of suppliers.
- Illegal and irregular procurement processes. Irregular appointment of a project manager who signed and approved payment certificates and marked them as complete when work had not been completed. Payment in full for incomplete work. Poor or no quality assurance. Scope increase without approval. Deviation from policy to pay suppliers within seven or less days upon receipt of statement. We have recommended that the matter be referred to the South African Police Services for further investigations and possible prosecution.
- 1.6 We further assessed other allegations and determined that one of the biggest risks reside in the security environment where Phiri Phiri Protection Services has been on the premises on a month to month contract. We have recommended that a tender process be initiated urgently to remedy this defect.

- 1.7 The picture painted above gives an indication of plundering with impunity and it has been suggested that a second phase of the project would need to be approved to remedy the shoddy work that had been done.
- 1.8 Our investigation does not constitute an audit in terms of the Statements of South African Auditing Standards, nor was it required to do so, although by virtue of our audit and financial accounting background and expertise, we may have used the auditing techniques and principles of **Accuracy, Completeness and Validity** in testing the allegations made and to draw conclusions from the technical tests thereof.

2. BACKGROUND

- 2.1 Vaal University of Technology (VUT) is a higher education and training institution governed by the Higher Education Act (101 of 1997). Its office and registered domicile is the following: The Vaal University of Technology Vanderbijl Park, Andries Potgieter Boulevard, 1900.

3. SCOPE AND METHODOLOGY

- 3.1. Our approach included, but was not limited to the following:
- 3.2.1 We followed a multi-pronged approach that included selected interviews with individuals who were considered important to provide vital information to the investigation, reviewing of historic documentation and performing desktop research.
- 3.2.2 During our ten days assignment, we spent a total of five days at the VUT and interviewed the following people as included in Table 1 below:

TABLE 1: A LIST OF PEOPLE INTERVIEWED

Person	Title
Mr Vuyo Nasemuntu Dokoza	Committee Administrator
Mr Nkosinathi Bhula	Legal Advisor: Vice Chancellors Office
Professor Ndodomzi Zide	Vice Chancellor and Principal
Mr Tebogo Pascal Makou	Senior State Accountant
Mr Thabiso Mattheson Lehloo	Director: Supply Chain Management
Mr Yusuf Ahmend	Acting Executive Director: Finance
Mr Neo Masudubele	Acting Executive Director: Finance

Mr Mahlatse Kgapola	Janitor / Acting Maintenance Manager
Mr Dan Mokone	Plumbing
Mr Aubrey Ramakaba	Project Manager
Mr Phehello	Civil Engineering
Mr Moses	Project Manager
Professor Pieter Swanepoel	Project Manager: Operations and Logistics
Mr Rajendran Moodley	Director: Control Systems Management / Acting Security Manager
Mr Thabang Machobane	HoD: Fleet Manager
Mr Gareth Tembo	Acting Executive Director: Operations and Logistics / Quantity Surveyor
Mr Les Coetzee	Former / Chief Financial Officer

3.2.3 We obtained and reviewed the following information and documents:

- VUT Procurement policy and procedures manual
- VUT Asset policy and procedures manual
- VUT Policy on cash shortages and cash surpluses
- VUT 2019 Approved budget
- VUT Supplier packs on the payment of R31,222,863.75
- VUT Supplier database
- VUT SRC Constitution,
- Representations from the VC, Legal Advisor, Professor Pieter Swanepoel,
- VUT 2016, 2017 AFS and 2018 Un-audited Financial Statements
- VUT CIPC Supplier dump and database

4. LIMITATIONS

4.1. The visit to the University was conducted during the school recess period and so most of the staff members were unavailable for interviews or provision had to be made for extended waiting periods to secure their audience,

4.2. A period of ten days for the commencement to completion of the project, based on the limitation above, the amount of information gleaned from the interviews was insufficient, and

4.3. There was a general distrust and apprehension from all the staff members that were interviewed.

5. OPERATIONAL UNIVERSE OF THE VAAL UNIVERSITY OF TECHNOLOGY

In our brief assignment at the Vaal University of Technology, we discerned an organisation operating from a level of fear, rumour mongering, lack of leadership, both cohesive and operational and we further observed a deep seated sense of distrust and vindictiveness among staff members.

A culture of spurious allegations and mud throwing is the order of the day and these are made to anyone who can listen. These are made against various people with the hope that they will stick but most importantly to cast aspersions on their persons.

Our key and paramount observation was the deep seated level of factionalism that permeated throughout the VUT. To the extent that the deep seated sense of factionalism exists, anything that is uttered whether positive or negative is assumed to be a construction of the other faction and could “never have happened mistakenly or through an accident or vis major or casus fortuitous”.

In our interviews and request for information, we were met with skepticism and distrust and above it all; all sides believed that we had been sent by the other faction.

Our key observation during the five days we spent at the VUT was also that of plundering with impunity and without any remorse and or consequences so far as to say that the most severe consequences could be suspension with full pay for an undefined amount of time.

6. DETAILED FINDINGS AND CONCLUSIONS

During our assessment, we interrogated the motivations for undertaking such an extensive project with limited planning based on a probability and perceived threat that a strike may ensue if such renovations were not undertaken. Our conclusion is that the entire process does not meet the emergency and urgency tests based on the following reasons:

- 6.1 The quantum and value of the entire contract required an open tender process as per Procurement Policy 5.7.1.2,
- 6.2 The reason that student threatened to go on strike if the renovations had not been done could have been mitigated by demonstrating that a tender process was underway to respond to their needs and/or enhanced security could have been deployed to the University to mitigate those threats. To date the living conditions are not as far improved from when this process started and yet there hasn't been any riots,
- 6.3 Section 5.6.4 of the VUT's Procurement Policy states that the reasons for emergency procurement and for dispensing of competitive bids should be clearly recorded, motivated and approved by the

EMC. In the current case, reasons stated are insufficient to justify the amount spent, i.e. to avoid riots.

- 6.4 The emergency procurement decision was based on possible riots taking place and this motivated for the refurbishment project to be completed within 3 weeks during the period when the schools would be on a recess.
- 6.5 Request for quotations instead of adhering to an open tender process – a pool of experienced companies with the requisite skills and competencies could have been given an opportunity to present their proposals fairly and openly competed.
- 6.6 There have been wide scale and incomplete projects associated with the R32 million renovation/restoration and value for money cannot be gleaned from the entire process.
- 6.7 Quotation sourcing process
 - 6.7.1 Most of the suppliers were disqualified for frivolous and illegal reasons such as lack of CIDB certificate (whilst it was not necessary for that particular purpose). It would seem that there was a pre-determined list of suppliers to undertake the project,
 - 6.7.2 There was an inconsistent application of the rules. In one instance, a supplier was disqualified for bringing an expired CIDB certificate, six days later the same supplier was re-invited to quote with a valid CIDB certificate and was subsequently awarded the order/work,
 - 6.7.3 Some of the suppliers had been disqualified on the basis that three weeks would be a shorter period for them to execute the work, yet all projects exceeded the mandatory three weeks and the suppliers were allowed to continue and were paid accordingly in full for incomplete work,
 - 6.7.4 Some suppliers were awarded work in excess of R1 million without being VAT registered (which is a legal requirement),
 - 6.7.5 In all instances, pricing was set by suppliers and it was not competitive hence it would have been impractical to ascertain value for money, e.g. requests for quotations would have been sourced from three suppliers and in all instances two suppliers were disqualified giving one supplier the contract,
 - 6.7.6 The process from initiation to completion of the project was severely rushed and without the requisite skills and expertise.
 - 6.7.7 Most of the suppliers who were sent RFQs and BOQs, are not specialists in delivering those services, e.g. Human Capital's core business is human resources yet they were tasked with the delivery/restoration of street lights,
 - 6.7.8 Some of the BOQs had to be completed by the service providers and priced by them accordingly,
 - 6.7.9 Some orders were issued on the day before the approval took place, i.e. the order was issued on the 12th of July 2018 and yet approval was granted on the 13th of July 2018.

6.8 The Bills of Quantities (BOQ) – sent out for pricing proposals to different suppliers had inaccurate measurements which could explain some of the incomplete work,

6.8.1 Submission of BOQ was matched by an issue of an order which served as a contract for work to commence. The BOQ itself was not signed by the supplier nor was it acknowledged by an authorised VUT official.

6.9 Service Provider/Contractor Payment Certificate

6.9.1 An external project manager whose appointment process cannot be validated was brought in to manage the project and act as a quality assurance mechanism between VUT and the suppliers,

6.9.1 Some of the certificates were not completed yet were used as a basis for payment.

6.10 Payment process

6.10.1 Standard practice is to pay within 30 days from receipt of supplier statement. In the current situation, a special deviation/dispensation was approved by Director: Mr Morotolo, which was illegal to pay suppliers within 7 days of receipt of invoices/statements.

6.10.2 Most of the certificates indicated that the work had been excellent or good whereas the work was incomplete, sub-standard, poorly executed and yet total contract price was paid.

6.10.3 Although we were required to investigate the contract amount of R31 222 863.75, upon the completion of our work, the total amount paid was R37,014,901.69.

6.11 Other allegations made and assessed

6.11.1 The missing university car that was never reported stolen

In our assessment, our finding is that the missing University car, VW Polo registration number: WJX 479 GP was reported stolen and de-registered by the University. There was a time lag of thirteen days between the theft and reporting thereof, but based on the period when this occurred, we cannot infer that the process of whistle blowing activated the urgent reporting of the case to the police. Our conclusion is that a case of negligence on the part of the University has not been made.

6.11.2 Documents of the chairperson of the union changing Agency fee account to his personal account

The allegation has been recycled for many years and the account used is the NEHAWU VUT Branch account. We have found that the allegation cannot be substantiated and conclude to recommend that it be dismissed.

6.11.3 Appointment of Phiri Phiri Protection Services,

Our finding is that the appointment of Phiri Phiri Security Company CC met the emergency and urgency test of the Procurement Policy of VUT, although their continued presence at the University on a month to month contract is irregular and needs to be remedied urgently.

6.11.4 Payment of R 4 million for a ghost tender

Our finding is that the allegation of a payment of a R4 million for a ghost tender cannot be substantiated and we recommend that it be dismissed,

6.11.5 Conflict of interests in the Vice Chancellor's office and payment of legal fees

Our finding is that the allegation of R 2 million and 10 million paid in legal fees cannot be substantiated by concomitant facts and is unsubstantiated. Secondly, the allegation of a conflict of interests in the office of the Vice chancellor is also not substantiated by valid facts.

6.12 Financial health of VUT

The number of months that the University can continue to operate should all income streams come to an end is currently sitting at 0,49 months as per the unaudited financial statements of 2018. This means that the University is sitting on the brink of collapse financially. The University may be unable to handle any unexpected financial shocks.

6.12.1 The University's budget process is unreliable and by their own admission, concern has been expressed that a culture of forecasting or monthly or periodic cost meetings is non-existent thus a lack of understanding and potential for mis-budgeting exists year on year. (Limited or no reliance may be placed on the budget or process thereof).

6.12.2 Solvency/going concern measure - The number of months the VUT can continue to operate should all income streams come to an end has consistently decreased from 12,7 months (2015), 1,1 months (2016 & 2017) and 0,49 months (2018). This means that VUT must re-look their revenue streams

and cost-drivers as a matter of urgency. This could lead to an unenviable position of potentially bankruptcy which could lead to government intervention by a bail-out

6.12.3 A lower amount of deficit has been budgeted for irrespective of the actual trend (2018 – budget R39, 5million – Actual R98mil) (2019 Budget R17.5mill). This under budgeting has the potential to expose the University to last minute liquidity challenges.

6.12.4 The salaries to income percentage have been slightly decreasing as follows: 2016 (68%), 2017 (65%), 2018 (60%- unaudited) and a budgeted 57% for 2019. However, such a percentage is unnatural and could result in the ultimate unintended consequences of the University paying more towards staff and administration costs than to its core mandate of providing educational programs.

7. RECOMMENDATIONS

7.1 Governance and Management

The general operational universe of the VUT is such that management structures and processes must be revisited to create a culture of responsibility and accountability. Most of the current posts are either vacant and or have acting appointments. The relationship between the VUT Council, the Vice Chancellor and the management team needs to be reviewed. The absence of proper functioning governance structures lends itself to the Vice Chancellor and Principal getting involved in all and insignificant operational matters which some could be delegated to other officials, thereby allowing the Vice Chancellor and Principal to focus on strategic matters affecting the life of the University.

7.2 R32 Million stolen at the residence / spent on renovations at residences on split tenders in order to avoid compliance with the procurement policy

Although Mr Jannie Morotolo (Director: Projects and Services) has been suspended due to extending the scope of the project without following the necessary and prescribed policy parameters, as seen in the detailed findings above, the entire project is littered with financial irregularities, maladministration and pure collapse of governance at all levels.

Such blatant disregard of processes by the project Manager Mr Teboho Pule (Project Manager – Cabomate (PTY) LTD) who completed the service provider / contractor payment certificate falsely, which then served as a trigger for payment should not go unpunished.

Members of Council and EMC failed to hold those reporting to them accountable and by so doing, failed in the execution of their fiduciary duties by among others approving through a verbal presentation of the R32million project.

There is a prima facie case of fraud and corruption and we recommend that the matter be referred to the South African Police Services and the justice criminal system for further investigations and prosecution.

7.3 Security Services

Although the appointment of Phiri Phiri Protection Services met all the requirements of emergency procurement (as per S5.6 of VUT procurement policy), the fact that a year later, they are still at the premises without VUT having gone to tender, needs to be revisited. The VUT has consistently indicated that they are going through an in-sourcing process needless to say; the in-sourcing process is protracted and does not have an end date.

An equally pertinent point to note is that the current security officials at VUT are 574 (five hundred and seventy four) and in the current circumstances where it seems that there is a total collapse of management, we need to inquire as to the feasibility of the University absorbing an additional 574 staff members.

We therefore recommend the following;

- Reviewing the business case (if available) for the in-sourcing of security services based on both the financial and management capabilities of VUT, and
- The commencement of a tender process as a matter of urgency to appoint a security company.

7.4 Governance and Management

The payment of ghost employees, the loss of a car and payment of legal fees as well as a conflict of interests in the office of the Vice Chancellor

Although we recommended that the above allegations should be dismissed because they do not have merit, we note that these allegations are systemic of the absence of governance, distrust and the operational universe within which VUT operates, we therefore recommend that upon resolving management challenges alluded to above, the University Council should urgently act to take staff on a team building and integration exercise.

Some of the issues to look into are the review and redesign of the organisational culture and the core competencies required in advancing the University.

8. DETAILED PROCEDURES PERFORMED AND SPECIFIC ALLEGATIONS

8.1 ALLEGATION 1

R32 Million stolen at the residences / spent on renovations at residences on split tenders in order to avoid compliance with the procurement policy

8.1.1 Background

Moving from a proviso that all of the contracts within the renovations budget were each in excess of R1 million, according to the Procurement Policy approved by Council on 17 June 2016, an open tender process had to be adhered to.

According to para 5.7.1.2 of the Procurement Policy, “open tenders must be published in the national newspapers with a response time comprising a minimum period of 14 days from the date of publication.” However, in this case, a deviation from normal tender processes was sought due to the required goods/services being identified as those of an emergency nature.

Management’s reasons for not pursuing an open tender process in the R32 Million procurement:

Definition of emergency: **Emergency case** – immediate action is necessary in order to avoid a dangerous or risky situation or misery.

Definition of urgency: **Urgent case** – early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical (**however, a lack of proper planning should not be constituted as an urgent case**).

According to VUT Management, “The Student Representative Council (SRC) informed the Executive Management Committee (EMC) formally, before the vacation period, that should the conditions (repairs and maintenance) at the Residences not be rectified during the vacation, the students returning from vacation will have a massive strike, that will close down the University until all works have been done. This information became known to the Council also, and the Council and VC instructed that identified repairs and refurbishments be completed during the vacation time.”

8.1.2 Procedures performed

According to para 3.1.1 of the Procurement Policy, “Proper and successful VUT procurement rests upon certain core principles of behaviour, namely the Five Pillars of Procurement. They are best described as pillars because if any of them is broken, the procurement system fails.”

4 of the 5 pillars will be used to test the validity, accuracy and completeness of this transaction or overarching contract:

TABLE 2: Pillars for procurement

Pillars	Minimum standards	Were the minimum standards met with respect to the contract of R32 million
Value for money	<p>Value for money is an essential test against which VUT must justify a procurement outcome. Price alone is often not a reliable indicator and VUT will not necessarily obtain the best value for money by accepting the lowest price offer that meets mandatory requirements.</p> <p>Best value for money means the best available outcome when all relevant costs and benefits over the procurement cycle are considered.</p> <p>The procurement function itself must also provide value for money and must be carried out in a cost-effective way. The Procurement Department should:</p> <ul style="list-style-type: none"> • Avoid any unnecessary costs and delays for themselves or suppliers; • Monitor the supply arrangements and reconsider them if they cease to provide the expected benefits; and • Ensure continuous improvement in the efficiency of internal processes and systems. 	<p>Value for money cannot be ascertained due to the fact that an open tender process was not pursued. This was going to ensure a competitive bidding process.</p> <p>Consequently, three or less companies were selected to submit their quotations and in most cases, only one supplier will be adjudicated whilst others will be disqualified (in some instances unfairly so – see below from 8.1.3.1 to 8.1.3.13 for a detailed analysis in each case).</p> <p>As a result, the cheapest supplier selected or the only supplier who would have been adjudicated in a particular category, e.g. bathrooms renovations or street lights restorations, could not have translated to an efficient indicator for value for money.</p> <p>Other than issuing the quotations to suppliers, the Supply Chain Unit did not exercise oversight as required by Policy in terms of monitoring the services provided by the supplier and reconsider the decision (where necessary) if it is clear that those</p>

		<p>services are not providing expected benefits.</p> <p>It is our view that value for money, as a minimum standard test as per Policy, was not met.</p> <p>In fact, most of the services provided under this contract were rigged with carelessness and negligence on both parties, i.e. VUT (for failure to manage, monitor and assess the completion of work performed in order to vouch for final payment to be effected) and individual suppliers (for failure to provide a meticulous service.</p> <p>The suppliers who have provided sub-standard services should actually be blacklisted and never be allowed to do business with either the University or with government in general.</p> <p>The unintended consequences of these slovenly services will lead to the following:</p> <ul style="list-style-type: none"> • Additional suppliers would have to sourced at additional costs to complete the work that was not done or not done properly at all. • The initial cost which was recorded in VUT's financial books as Capex will have to be discounted/impaired accordingly when a valuation test is performed at year end, which will result in VUT recording losses which will reduce the income/profits.
Open and effective communication	<p>This requires:</p> <ul style="list-style-type: none"> • A framework of procurement laws, policies, practices and procedures that is transparent, i.e. they must be 	<p>A lot of suppliers potentially lost out in participating on this contract due to the fact that an open tender process was not considered as per Policy. As</p>

	<p>readily accessible to all parties;</p> <ul style="list-style-type: none"> • Openness in the procurement process; • Encouragement of effective competition through procurement methods suited to market circumstances; and • Observance of the provisions of the Preferential Procurement Policy Framework Act (5 of 2000). • VUT needs to apply effort and research to get the best possible outcome from the market by ensuring that: • Potential suppliers have reasonable access to procurement opportunities; • Where market circumstances limit competition, VUT recognise that fact and use procurement methods that take account of it; • Adequate and timely information is provided to suppliers to enable them to bid; • Bias and favouritism are eliminated; • The costs of bidding for opportunities do not deter competent suppliers; and • Costs incurred in promoting competition are at least commensurate with the benefits received. 	<p>a result, there was no effective competition through this process.</p> <p>The suppliers were not provided with adequate time to apply their minds to the quotations received and provide their accurate quotations accordingly, e.g. A request for quotations were sent to various suppliers on the 3rd of July 2018 and the suppliers were expected to have submitted the completed BOQs together with completion of other mandatory forms and supporting certificates by the 4th of July 2018 at 9:00 a.m.</p> <p>In some cases, it would appear that there was some bias and/or favouritism as one supplier would be disqualified for providing an expired CIDB certificate on the 3rd of July 2018 (bearing in mind this request was closing on the 4th of July 2018). The very same supplier was afforded an opportunity to submit the quotation for similar services on the 9th of July 2018, this time with a valid CIDB certificate and will subsequently be awarded the contract.</p>
Ethics and fair dealings	<p>In procurement, if all parties comply with ethical standards they can:</p> <ul style="list-style-type: none"> • Deal with each other on a basis of mutual trust and respect; and • Conduct their business in a fair and reasonable manner and with integrity. <p>All VUT staff members are required to:</p> <ul style="list-style-type: none"> • Recognise and deal with conflicts of interest or the potential therefore; • Deal with suppliers even-handedly; • Ensure they do not comprise the 	<p>Most of the processes followed by VUT in sourcing different services under this contract would be deemed unethical and were not undertaken in good faith as prescribed by the Policy, e.g.</p> <p>one supplier would be disqualified for providing an expired CIDB certificate on the 3rd of July 2018 (bearing in mind this request was closing on the 4th of July 2018). The very same supplier was afforded an opportunity to submit the quotation for similar services on the 9th of July 2018, this</p>

	<p>standing of the VUT through acceptance of gifts or hospitality unless it is declared. Failure to declare will be seen as a transgression of this policy;</p> <ul style="list-style-type: none"> • Be scrupulous in their use of VUT property; and • Provide assistance in the elimination of fraud and corruption. <p>Any person within VUT who has any private or business interest in any matter relating to procuring of goods and services shall disclose such interest at the time of appointment and annually thereafter. The onus rests on such persons to make such declarations. If a person fails to declare such business and it is discovered prior to or after any such transaction, then such person will face sanction in terms of VUT's internal disciplinary rules.</p> <p>Similarly, any organisation or bidder shall be required to advise VUT of any such relationship, which may be reasonably construed as a conflict of interest. A clause to this effect should be included in all purchase order documents issued by VUT.</p> <p>No goods and/or services shall be procured from employees, relatives of employees, employees who have left the employ of the VUT in the past 12 months, or any other person who may have a conflict of interest in the VUT.</p> <p>In the event of such need arising due to exceptional reasons, EMC approval will be required.</p> <p>VUT employees shall not use the institution's name, purchase documents or credit facilities to procure goods and services for personal use.</p>	<p>time with a valid CIDB certificate and will subsequently be awarded the contract.</p> <p>There may be instances of possible interrelated parties' transactions between either employees/certain members of the EMC or Council in relation to this contract through the use of sub-contracted suppliers (these were 22 in total). This notion would require further investigation as we only tested the suppliers who directly contracted with VUT through the use of CIPC and SARS processes. VUT also lack processes to manage, assess and accredit sub-contractors as their output has direct consequences to the final product or service being sourced by VUT.</p>
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<p>Accountability and reporting</p>	<p>Accountability and reporting involves ensuring that individuals and departments/divisions/faculties are answerable for their plans, actions and outcomes.</p> <p>Openness and transparency in administration, by external scrutiny through public and other reporting is an essential element of accountability.</p> <p>Within the procurement framework:</p> <ul style="list-style-type: none"> • The Vice-Chancellor and Principal is accountable to the Council for the overall management of procurement activities; and • Head of Procurement and senior procurement directors and managers are accountable to heads of departments/ divisions/ faculties for various high-level management and co-ordination activities; • Individual procurement officers are accountable to Head of Procurement and to their clients, for the services they provide; and • All people exercising procurement functions must have regard to these guidelines and are accountable to Management. 	<p>There was lack of oversight across all structures who were obliged to manage this contract. This ranges from the end user, the Procurement Unit, Finance Unit, EMC, and Council. The following examples attest to this:</p> <ul style="list-style-type: none"> • Procurement unit only involved only at the beginning stage where quotations are issued to suppliers • Procurement Unit advising the end user and EMC that this transaction does not meet the definition of emergency nor urgent procurement • EMC approving a transaction without applying their minds to the written submissions instead they considered and approved a verbal submission with no qualitative and quantitative factors being presented. • Finance Unit using incomplete supplier/contractor payment certificates. • Finance Unit failing to highlighting that certain service providers were in fact contravening the VAT Act by not being VAT registered yet were participating in transactions in excess of R1 million.
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We have further used the elements of the SCM model to ensure that all the steps were applied as stipulated in the Policy (para 3.2.1):

TABLE 3: ELEMENTS OF SCM

	Elements	Summary	Was the element applied?
1	Demand management	<p>This is the beginning of the supply chain where:</p> <ul style="list-style-type: none"> • A needs assessment to ensure that goods or services are acquired in order to deliver the agreed service is done; 	<p>Needs assessment:</p> <p>There was no evidence of a needs analysis exercise being done to determine the legitimate needs/requirements for VUT that led to a R32 million contracts.</p>

		<ul style="list-style-type: none"> • Specifications are precisely determined; • Requirements are linked to the budget; and • The supplying industry has been analysed. <p>This phase will bring the supply chain practitioner close to the end user, to ensure that value for money is achieved.</p>	<p>Precise specifications: The specifications in the form of BOQ's are not clear in some instances, it is not clear how the suppliers could complete such and still be provided with clarifications (if any) within a day, e.g. some RFQs were issued on the 3rd of July and closed on the 4th of July 2018 at 9:00 am.</p> <p>The BOQ did not represent the "accepted standards as required by SABS or an authority recognised by SANAS with which the required equipment or materials or workmanship should comply." Hence, VUT does not have any recourse on any contract that was not honoured as per expectation.</p> <p>Requirements linked to the budget: The budget for this transaction was shifted from Infrastructure funding for 2015/16, 2016/17, 2017/18 which was not going to be spent (according to a motivation signed on 28 June 2018) during the financial year 2018. The question then becomes why was this transaction not initially budgeted for and what happens to the infrastructural projects whose budgets were shifted in favour of this contract? We could not be provided with an adequate response due to the fact that everyone interviewed made reference to the fact that Mr Morotolo (who was in charge of the Unit managing this contract) is on suspension.</p> <p>Analysis of supplying industry: This was not effectively performed as there was no open tender initiated and there were not enough suppliers on the database to provide services in</p>
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			<p>any given specific category as per the identified needs, hence placing other potential suppliers at a disadvantage.</p> <p>Was there value for money?: This could not be ascertained, as highlighted above (Table 2: Pillars for Procurement). Due to a rushed manner in which this process was conducted, there could not have been any sensible mechanisms applied to detect any variances early enough and possibly rectifying them timeously.</p>
2	Acquisition management	<p>Traditionally, almost all the focus of procurement activity has been given to this stage (to the almost exclusion of the other aspects of SCM). The management, rather than purely procedural considerations is to:</p> <ul style="list-style-type: none"> • Decide on the manner in which the market will be approached; • Establish the total cost of ownership of a particular type of asset; • Ensure that the bid documentation is complete, including evaluation criteria; • Evaluate bids in accordance with published criteria; and • Ensure that proper contract Documents are signed. 	<p>Based on the rushed manner in which this contract was initiated and concluded, the following necessary elements expected to be considered as per Policy were not considered:</p> <ul style="list-style-type: none"> • Benchmarking – had this process could have been undertaken, chances are VUT could have, for instance, not have concluded that the supplier of the heat pumps was a single source supplier, as it is the case on this contract. • Total cost of ownership (cost drivers) - this element was externally driven in that the budget was based on what the suppliers provided which was not tested against what the real cost could have been had VUT pursued an open tender process. • Industry analysis • Market characteristics in terms of expenditure analysis <p>Most of the elements could not be tested due to the fact that an open tender process was not pursued.</p>

			This transaction did not meet the requirements of an emergency and/or urgent acquisition, as prescribed in the Policy.
3	Logistics management	<p>This aspect addresses:</p> <ul style="list-style-type: none"> Receiving and distribution of material; and Review of vendor performance. <p>From these processes, the financial system should be activated to generate payments.</p>	<p>The performance of suppliers were not monitored as prescribed in the Policy in terms of ensuring that:</p> <ul style="list-style-type: none"> the delivery timelines (merely stating that “3 weeks, which was the agreed timeline, was not enough” is not an acceptable reason as this was the basis in which such suppliers were brought on board due to the purported “emergency nature” of the transaction, the quality of the end product (e.g. incomplete tiling or sloppy plastering of walls yet the job was rated as satisfactory) and the quantity of the product (e.g. kitchens which were not renovated or curtains which were not installed) are adhered to. <p>As per Policy, “once delivery is complete and the payment is confirmed, the end-user must provide a written report to The Procurement Department in terms of the service delivered indicating, whether the delivery periods were adhered to; quality of the product, works or service; problems encountered, if any. This critical step was not performed and as a result these suppliers are still reflected on VUT’s suppliers as potential suppliers. VUT then runs the risk of using them again despite of not attaining value for money or expected service.</p>
4	Supply chain management performance	This is a monitoring process, undertaking a retrospective analysis to determine whether the proper processes have been	This element was not considered at all after the transaction had taken place, which may lead to continuous poor management of

	<p>followed and whether the desired objectives were achieved. Some of the issues that may be reviewed are:</p> <ul style="list-style-type: none"> • Compliance to norms and standards; • Cost efficiency of SCM process, i.e. the cost of the process itself; and • Whether supply chain practices are consistent with VUT's policy focus. 	such critical processes in future transactions.
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Our view is that these transactions represent induced emergency procurement as a result of lack of adequate planning and possible intent of flouting relevant procurement processes based on the following:

- It would have been impossible for thirty six (36) contractors to be on the same site to meet a tight deadline of three weeks.
- Evidently, most of the suppliers attested to not meeting the deadline due to the fact that 3 weeks was not enough.
- Some suppliers were afforded repeated submissions to accommodate their conversion of initial non-compliance to compliance status.
- The rushed completion of BOQ's internally as well as suppliers having to complete such within a day of receipt of the quotations together with all other supporting documentation.

8.1.3.1 Analysis of contract 1: Supply and installation of curtains on main residences

1. FREDOCK T/A SEDGARS SPORT R1 322 619.40 (Full payment)							
Scope of work: Supply, delivery and installation of curtains on main residences							
RFQ Number and Description: The RFQ issued could not be produced nor verified							
Subcontractors:							
1. MCD Painters							
2. Hage Projects							
3. Turnstar							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
26/03/18 09/04/18	12/06/18	06/07/18	06/08/18	17/08/18	17/08/18	21/08/18	05/09/18
Reason for not completing on time	Missing rails on certain buildings which VUT is responsible for.						
Final assessment	Excellent (i.e. Work exceeded expectations and the service was of the highest standard)						
Detailed Findings	<ul style="list-style-type: none"> • Although approvals for emergency procurement were made in March and April 2018, the same motivation was used to incorporate the curtain project into the overall estimated R32 million project, i.e. An extract of minutes of urgent EMC meeting held on 26 March and 09 April 2018 was used to contract work on the 6th of July 2018 as an emergency procurement without going on open tender. 						

	<ul style="list-style-type: none"> The service provider awarded the contract relied on 3 subcontractors to do the work. These subcontracted were not validated by VUT and the Procurement Policy is silent in terms of management of sub-contractors. The time lapse between approval given by the EMC and the actual work commenced is a clear demonstration of the fact that there was no real emergency as previously reported. The project manager assessed the work as “<i>of highest standards and having exceeded expectation</i>” yet the work was not completed, e.g. as per admission by the supplier that they couldn’t complete installing the curtains due to missing rails which were the responsibility of VUT. The work was not completed and yet full payment was effected. Payment was effected 5 days from statement date, contrary to the Procurement Policy, which clearly states that payment can only be effected 30 days from supplier’s statement date, upon which satisfactory quality checks were performed. Upon detailed inspection of the premises, a distinct case of lack of curtains in most residences was evident. Some residences still had newspapers covering the windows.
Conclusion	<ul style="list-style-type: none"> The reasons provided to motivate for an emergency procurement did not meet the definition of “emergency procurement” as outlined in the Procurement Policy. More than 2 months lapsed from the time the approval was granted until the request for quotation, which was ample time to initiate and finalise the open tender process. It is evident from reliance upon 3 sub-contractors that the main service provider was not a specialist in this field and based on the nature of goods required, 3 service providers could not have produced a standardized product. On average, VUT paid R2 010 per drop for all 658 curtains, which translates to each room costing R4 020 per window as each window was fitted with 2 drops. We could not test for value for money as this would have required us to source quotations from different suppliers for similar square metres. However, this amount could have adjudicated differently had a fair open tender process been pursued. The project management process was poorly conducted yet the contracted project manager was paid in full. The Procurement Policy was not adhered to in terms of payment terms to the suppliers as suppliers were paid outside approved timelines. This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. The transaction is incomplete because not all curtains were delivered, nor were they installed according to specification. The transaction was inaccurate as the supplier was paid for the work not done.

8.1.3.2 Analysis of contract 2: Kitchen refurbishment

2. LS NHLAPO TRANSPORT R2 395 794.25 (Full payment)							
Scope of work: Kitchen Refurbishments							
RFQ Number and Description: QR16/2018 – Kitchen refurbishment at VUT Campus							
Subcontractor:							
<ul style="list-style-type: none"> Edge to Edge 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	N/A	12/07/18	N/A	N/A	N/A	21/08/18	04/09/18
Reason for not completing on time	3 weeks was not sufficient						

Final assessment	Satisfactory (i.e. Work met minimum standards exceeded the time frame)
Detailed Findings	<ul style="list-style-type: none"> • The service provider awarded the contract relied on 1 subcontractor to do the work. This subcontractor was not validated by VUT and the Procurement Policy is silent in terms of management of sub-contractors. • The supplier's registered (by CIPC) core business is transport services yet this supplier was awarded work to provide kitchen refurbishment services which was not his specialized area. • This supplier was a sub-contractor to another contract within the R32million overall contract, i.e. contract 11:T20/2017 (Restore functionality at residence (plumbing)). The supplier couldn't have completed his awarded contract within three weeks nor within those three weeks could he have taken more work under a similar tight deadline. • The order was issued a day before an approval was granted. • This service provider was the only one considered for the work to be undertaken as the 2 service providers who submitted the quotations under this category were disqualified on the basis of not agreeing with the bid validity timeline and the other having not submitted a tax clearance certificate. Notwithstanding that the latter was already recorded on the system and could have been easily verified for compliance/non-compliance. • The date of commencement, scheduled completion date and actual completion date was not indicated on the Service Provider/Contractor Payment Certificate but the project manager indicated that the work was not completed on time due to agreed timeframe (i.e. 3 weeks) being insufficient. • The project manager assessed the work as having met minimum standards yet to date some kitchens have not been refurbished. • The project management process was poorly conducted yet the contracted project manager was paid in full. • The work was not completed and yet full payment was made. • Payment was effected 5 days from statement date contrary to the Procurement Policy, which clearly states that payment can only be effected 30 days from supplier's statement date, upon which satisfactory quality checks were performed. •
Conclusion	<ul style="list-style-type: none"> • The reasons provided to motivate for an emergency procurement did not meet the definition of "emergency procurement" as outlined in the Procurement Policy. It would have been impractical and impossible for the work to be completed before the students came back from recess as the sourcing of quotations and approvals took place a week or two before the students could come back from recess. • It is evident from reliance upon a sub-contractor that the main service provider was either not a specialist in this field nor did they have adequate resources to complete the work at hand. As a result, the work could not be completed on time more so because the same supplier served as a sub-contractor for another order within the same estimated R32 million contracts. • It is inconceivable that a transport service company could render services of specialized nature such as kitchen refurbishment. • The project management process was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. • The Procurement Policy was not adhered to in terms of payment terms to the suppliers as suppliers were paid outside approved timelines. • This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. The transaction is incomplete because not all kitchens were refurbished. The transaction was inaccurate as the supplier was paid for the work not completed.

8.1.3.3 Analysis of contract 3: Supply of heat pumps

3. EMS Holdings R1 718 732.50 (Full payment)							
Scope of work: Supply of heat pumps							
No RFQ issued – Supply of heat pumps for Nkandla Residences							
Subcontractor:							
<ul style="list-style-type: none"> None – single source supplier 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	09/07/18	12/07/18	06/08/18 (per initial job card from the supplier)	Not Identified Per service Provider/ Contractor Payment Certificate	10/08/18, 17/08/18, 24/08/18, 28/08/18, 05/09/18, 08/09/18, 12/09/18, 14/09/18, 21/09/18 (job card from the supplier)	N/A	26/09/18
Reason for not completing on time	Not stated						
Final assessment	Excellent (i.e. Work exceeded expectations and the service was of highest standard)						
Detailed Findings	<ul style="list-style-type: none"> This supplier was considered as a single source supplier as per motivation and letter from the supplier confirming this assertion/claim in writing (as required by the Procurement Policy) dated 03 July 2018. This however, could not be verified as an open tender process was not pursued as this process would have given VUT the opportunity to ascertain whether indeed there was no other supplier for the product in question. An order was issued a day before an approval was granted and the price was not interrogated because there was an agreement that it was a single source supplier. The completion date as per the various job cards exceeded the 3 weeks agreed upon and yet no reason for exceeding the agreed upon timeline was provided, instead the project manager assessed the work as “<i>excellent</i>”. VUT will not have recourse on any shoddy workmanship in the absence of a signed SLA. Payment was effected before 4 days before the statement was received which was contrary to the Procurement Policy, which clearly states that payment can only be effected 30 days from supplier’s statement date, upon which satisfactory quality checks were performed. Service Provider/Contractor Payment certificate was incomplete yet it was used as a basis for payment. The project management process was poorly conducted yet the contracted project 						

	manager was paid in full.
Conclusion	<ul style="list-style-type: none"> In the absence of an open tender process which is deemed fair, the assertion/claim that this supplier was the only one in the country who could provide the service of this nature could not be ascertained. The order was issued illegally as it was generated a day before the approval from an authorized personnel was granted. This transaction was therefore invalid due to the fact that the order was issued before approval was granted. Furthermore, the payment was effected contrary to Procurement Policy. There is clear case of weaknesses in controls governing the processing of payments and/or creditors.

8.1.3.4 Analysis of contract 4: Renovations and restoration of ceilings and tiling

4. Fastvents R1 455 670 (Full payment)							
Scope of work: Renovations and restoration of ceilings and tiling							
RFQ Number and Description: RFQ 19/2018 – Khomanani, Kutlwanong and Meloding tiling and ceiling at VUT Campus							
Subcontractors:							
<ul style="list-style-type: none"> Tefo Mothebethi Consulting 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	10/07/18	12/07/18	13/07/18	03/08/18	21/08/18	21/08/18	04/09/18
Reason for not completing on time	3 weeks was not sufficient						
Final assessment	Satisfactory (i.e. Work met minimum standards and exceeded timeframe)						
Detailed findings	<ul style="list-style-type: none"> This was the only service provider that submitted a quotation which gives it an unfair advantage to other potential service providers who could have participated in a fair open tender process. This supplier details could not be found on the approved supplier database yet all quotations were claimed to have been sourced from the already existed and approved database. The service provider awarded the contract relied on 1 subcontractor to do the work. This subcontractor was not validated by VUT and the Procurement Policy is silent in terms of management of sub-contractors. The order was issued a day before an approval was granted. The contracted project manager indicated that the work was not completed on time due to agreed timeframe (i.e. 3 weeks) being insufficient. VUT did not have any recourse since there was no signed SLA, e.g. penalising the said contractor for not meeting said deadlines or for work not performed according to agreed specifications. The contracted project manager assessed the work as having met minimum standards yet some areas do not have tiles and in some areas some ceilings are sagging. The quality assurance process was poorly conducted yet the contracted project manager was paid in full. The work was not completed and demonstrated poor workmanship and yet full payment was made. Payment was effected 21 days from statement date contrary to the Procurement Policy, which clearly states that payment can only be effected 30 days from supplier's statement date, upon which satisfactory quality checks were performed. 						

Conclusion	<ul style="list-style-type: none"> • • The reasons provided to motivate for an emergency procurement did not meet the definition of “emergency procurement” as outlined in the Procurement Policy. It would have been impractical and impossible for the work to be completed before the students came back from recess as the sourcing of quotations and approvals took place a week or two before the students could come back from recess. • The order was issued illegal as it was generated a day before the approval from an authorized personnel was granted. This rendered the transaction invalid. • There is clear case of weaknesses in controls governing the processing of payments and/or creditors. • The quality assurance was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. • The Procurement Policy was not adhered to in terms of payment terms to the suppliers as this service provider was paid outside the approved payment terms. • This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. The transaction is incomplete because of some areas note being fitted with tiles and poor workmanship. The transaction did not meet the completeness test as the supplier was paid for the work not completed or not performed according to agreed specification.
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8.1.3.5 Analysis of contract 5: Refurbishment of cafeteria, parking area and SRC offices

5. Gatebe Traders R3 486 107.87 (Full payment)							
Scope of work: Secunda refurbishment – Student cafeteria, parking area and SRC Offices							
RFQ Number and Description: QR 22/2018 – Secunda Refurbishment							
Subcontractors:							
<ul style="list-style-type: none"> • None 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	N/A	13/07/18	16/07/18	30/09/18	08/10/18	17/10/18	08/11/18
Reason for not completing on time	Not stated						
Final assessment	Excellent (i.e. Work exceeded expectations and the service was of a high standard)						
Detailed Findings	<ul style="list-style-type: none"> • The statement was issued 4 days before the work was completed and 13 days before the work was assessed, hence it is rendered void as it cannot be used as the basis to calculate 30 days payment terms. Payment in this case was therefore effected 22 days from the final assessment date. • 3 companies submitted quotations and met all mandatory requirements. Kgalala however was scored 0 (zero) for BBBEE points yet was scored 10 (BBBEE points) for painting of all internal areas at R4 730 122.50 • The contracted project manager did not indicate the reasons why the work could not be completed on time. VUT did not have any recourse since there was no signed SLA, e.g. penalizing the said contractor for not meeting set deadlines or for work not performed according to agreed specifications. • The contracted project manager assessed as excellent yet it was not completed on time and no substantive reasons could be provided. • The project management process was poorly conducted yet the contracted project manager was paid in full. 						

	<ul style="list-style-type: none"> Under this submission, it was claimed that 3 companies submitted quotations and met all mandatory requirements. However, one service provider was (namely, Kgalala) was scored 0 (zero) for BBBEE points yet was scored 10 (BBBEE points) for painting contract of all internal areas at R4 730 122.50 which was awarded to them.
Conclusion	<ul style="list-style-type: none"> The reasons provided to motivate for an emergency procurement did not meet the definition of “emergency procurement” as outlined in the Procurement Policy. It would have been impractical and impossible for the work to be completed before the students came back from recess as the sourcing of quotations and approvals took place a week or two before the students could come back from recess. The project management process was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. There is clear case of weaknesses in controls governing the processing of payments and/or creditors. The Procurement Policy was not adhered to in terms of payment terms to the suppliers as this service provider was paid outside the approved payment terms. This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency.

8.1.3.6 Analysis of contract 6: Painting of entire internal walls in all residences

6. Kgalala Trading and Projects R4 730 122.50 (Full payment)							
Scope of work: Painting of entire Res walls							
RFQ Number and Description: QR 21/2018 – Painting of internal areas at the VUT Campus							
Subcontractors:							
<ul style="list-style-type: none"> Disade Trading Cornelius Vincent Building Fani Buwa Projects Kopano M Consulting Kholet Enterprise and Projects Stormy B Thato ya Botshelo Masikge Catering Projects and Trading 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	N/A	12/07/18	13/07/18	03/08/18	08/10/18	21/08/18	31/08/18
Reason for not completing on time	3 weeks was not sufficient						
Final assessment	Satisfactory (i.e. Work met minimum standards and exceeded timeframe)						
Detailed Findings	<ul style="list-style-type: none"> The service provider awarded the contract relied on 8 subcontractors to perform the work. These subcontractors were not validated by VUT and the Procurement Policy is silent in terms of management of sub-contractors. It is inconceivable that so many service providers could produce a standardized product which is why there were so many inconsistencies and poor quality paint on some of the painted walls, e.g. in some instances, the wall would not have been properly plastered or leveled before paint was applied and in some instances the paint would be chipping off the walls. The order was issued a day before approval was granted. The contracted project manager cited the time period provided as being short as a reason 						

	<p>for not completing the work on time. VUT did not have any recourse since there was no signed SLA, e.g. penalizing the said contractor for not meeting said deadlines or for work not performed according to agreed specifications.</p> <ul style="list-style-type: none"> • The project manager assessed the work as having met minimum standards yet to date some of the walls are poorly painted or there is no evidence on some parts of the walls having been recently painted at all. • The project management process was poorly conducted yet the contracted project manager was paid in full. • The work was not completed and/or was performed in a sloppy manner and yet full payment was made. • Payment was effected on the same day as the supplier's statement was received which was contrary to the Procurement Policy, which clearly states that payment can only be effected 30 days from supplier's statement date, upon which satisfactory quality checks had been performed. • This service provider was scored 0 (zero) for BBEE points under contract QR22/2018 yet was scored 10 for BBEE points under this contract. •
Conclusion	<ul style="list-style-type: none"> • The reasons provided to motivate for an emergency procurement did not meet the definition of "emergency procurement" as outlined in the Procurement Policy. It would have been impractical and impossible for the work to be completed before the students came back from recess as the sourcing of quotations and approvals took place a week or two before the students could come back from recess. • It is evident from reliance upon so many sub-contractors that the main service provider was either not a specialist in this field nor did they have adequate resources to complete the work at hand. As a result, the end product was sub-standard. • It is inconceivable that a catering subcontractor will be brought on board for a painting project. This points to lack of or non-existence of appropriate processes/mechanisms within VUT to manage the process of appointing sub-contractors. • The project management process was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. • The Procurement Policy was not adhered to in terms of payment terms to the suppliers as suppliers were paid outside approved timelines. • This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. The transaction is incomplete because not all areas were painted nor painted satisfactorily. The transaction was inaccurate as the supplier was paid for the work not completed. •

8.1.3.7 Analysis of contract 7: Upgrade and restoration of street lights

7. Classic Human Capital Solutions R1 499 048 (Full payment)							
Scope of work: Upgrade and restore external lights							
RFQ Number and Description: QR 15/2018 – Street lights restoration at the VUT Campus							
Subcontractors:							
<ul style="list-style-type: none"> • None 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	N/A	12/07/18	13/07/18	03/08/18	03/08/18	21/08/18	04/09/18
Reason for not	N/A						

completing on time	
Final assessment	Satisfactory (i.e. Work met minimum standards and exceeded timeframe)
Detailed Findings	<ul style="list-style-type: none"> • • The supplier's registered (by CIPC) core business is solely the provision of human resources services yet this supplier was awarded work to upgrade and restore street lights. • The order was issued a day before approval was granted. • The contracted project manager did not provide the reason for the work not completed on time. VUT did not have any recourse since there was no signed SLA, e.g. penalizing the said contractor for not meeting said deadlines or for work not performed according to agreed specifications. • The project manager assessed the work as having met minimum standards yet some street lights are covered in rust and on some it is evident that they were just painted over using a grey paint which in some parts is also wearing out. • The project management process was poorly conducted yet the contracted project manager was paid in full. • The work was performed in a sloppy manner and yet full payment was made. • The statement was issued 18 days before the work was assessed and as a result we cannot even compare the statement date to the payment date as the statement was invalid in any case. •
Conclusion	<ul style="list-style-type: none"> • The reasons provided to motivate for an emergency procurement did not meet the definition of "emergency procurement" as outlined in the Procurement Policy. It would have been impractical and impossible for the work to be completed before the students came back from recess as the sourcing of quotations and approvals took place a week or two before the students could come back from recess. • Sub-standard work performed is evident to the fact that the service provider who was selected was clearly not a specialist in this area or did not have necessary experience in this area. Yet the service provider was selected to the exclusion of other deserving and competent potential service providers who could have participated in a fair open tender process. • It is inconceivable that a human resources company could be brought on board for a specialized skill such as upgrading of street lights. This points to lack of or non-existence of appropriate processes/mechanisms within VUT to conduct reference checks. • The project management process was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. • The Procurement Policy was not adhered to in terms of payment terms to the suppliers as suppliers were paid outside approved timelines. • This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. The transaction is incomplete because not all street lights were upgraded or restored satisfactorily. The transaction was inaccurate as the supplier was paid for the work not completed satisfactorily.

8.1.3.7 Analysis of contract 8: Khayaletu renovations

8. Elvato Projects R4 426 002.13 (Full payment)
Scope of work: Khayaletu Renovations
RFQ Number and Description: QR 14/2018 – Khayaletu Renovations
Subcontractors: <ul style="list-style-type: none"> • Kgakgarapa Projects • Chesane Trading • Bahlaoing Trading

<ul style="list-style-type: none"> • 4Mzansi Electricity • Khoya Projects • Dariowiz 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	N/A	13/07/18	13/07/18	03/08/18	17/08/18	21/08/18	31/08/18
Reason for not completing on time	3 weeks was not sufficient						
Final assessment	Satisfactory (i.e. Work met minimum standards and exceeded timeframe)						
Detailed Findings	<ul style="list-style-type: none"> • The service provider awarded the contract relied on 6 subcontractors to perform the work. These subcontractors were not validated by VUT and the Procurement Policy is silent in terms of management of sub-contractors. It is inconceivable that so many service providers could produce a standardized product. Furthermore, in the absence of a clear and detailed SLA, it is ordinarily evident that the final product would be sub-standard, e.g. some windows to date are still cracked and not fixed, the taps still look old and rusty, etc. • This service provider was initially disqualified when the RFQ was sent to service providers on the 3rd of July 2018, on the basis of submitting a CIDB certificate which had expired. The same RFQ number (QR14/2018) was sent out on the 9th of July 2018 and the same service provider who was previously disqualified was subsequently awarded the contract. This is a classic case of unethical and unfair practice. • The contracted project manager cited the time period provided as being short as a reason for not completing the work on time. VUT did not have any recourse since there was no signed SLA, e.g. penalising the said contractor for not meeting said deadlines or for work not performed according to agreed specifications. • The project manager assessed the work as having met minimum standards yet some of the areas as cited above remain incomplete. • The project management process was poorly conducted yet the contracted project manager was paid in full. • The work was not completed and/or was performed in a sloppy manner and yet full payment was made. • Payment was effected on the same day as the supplier's statement was received which was contrary to the Procurement Policy, which clearly states that payment can only be effected 30 days from supplier's statement date, upon which satisfactory quality checks had been performed. 						
Conclusion	<ul style="list-style-type: none"> • The reasons provided to motivate for an emergency procurement did not meet the definition of "emergency procurement" as outlined in the Procurement Policy. It would have been impractical and impossible for the work to be completed before the students came back from recess as the sourcing of quotations and approvals took place a week or two before the students could come back from recess. • Sub-standard work performed is evident to the fact that the service provider who was selected was clearly not a specialist in this area or did not have necessary experience in this area. Yet the service provider was selected to the exclusion of other deserving and competent potential service providers who could have participated in a fair open tender process. • There was clear lack of oversight from the EMC as they should have queried the same RFQ being issued twice in one month with similar service provider/s. • With such tight deadlines and 36 service providers on site, it is inconceivable that so many sub-contractors could have been able to work seamlessly without negatively impacting on other service providers. This points to lack of or non-existence of appropriate processes/mechanisms within VUT to conduct reference checks as well as lack of policy around management of sub-contractors. 						

	<ul style="list-style-type: none"> The project management process was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. The Procurement Policy was not adhered to in terms of payment terms to the suppliers as suppliers were paid outside approved timelines. This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. The transaction is incomplete because some of the work was not completed. The transaction was inaccurate as the supplier was paid for the work not completed satisfactorily.
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8.1.3.8 Analysis of contract 9: Upgrading of the residence main gate

9. VBX Investments R1 878 283.50 (Full payment)							
Scope of work: Residence entrance upgrading main gate							
RFQ Number and Description: QR 17/2018 – Residence entrance upgrading							
Subcontractors:							
<ul style="list-style-type: none"> Fani Buwa Projects 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	N/A	12/07/18	13/07/18	03/08/18	11/09/18	13/09/18	14/09/18
Reason for not completing on time	3 weeks was not sufficient						
Final assessment	Good (i.e. Work was good and met all specified standards within the expected timeframe)						
Detailed Findings	<ul style="list-style-type: none"> The service provider awarded the contract relied on 1 subcontractor to perform the work. This subcontractor was not validated by VUT and the Procurement Policy is silent in terms of management of sub-contractors. The order was issued a day before approval was granted. The contracted project manager cited that 3 weeks was not sufficient as the reason for the work not completed on time. VUT did not have any recourse since there was no signed SLA, e.g. penalising the said contractor for not meeting said deadlines or for work not performed according to agreed specifications. The project manager assessed the work as good (i.e. work was good and met all specified standards within the expected timeframe) which is contradicting the statement he made under <i>the reasons for not completing on time</i>. It was noted in some residences that the gates were left open and the biometric system appeared to be non-functional. Hence it defeats the purpose of safety which was cited as an emergency. The project management process was poorly conducted yet the contracted project manager was paid in full. The work was performed in a sloppy manner and yet full payment was made. Payment was effected three (3) days from the supplier's statement date which was contrary to the Procurement Policy, which clearly states that payment can only be effected 30 days from supplier's statement date, upon which satisfactory quality checks had been performed No motivation to the EMC was attached on the payment pack that we received. Statement sent reflects the details for VOX yet the banking details reflect VBX Investments. 						
Conclusion	<ul style="list-style-type: none"> The reasons provided to motivate for an emergency procurement did not meet the definition of "emergency procurement" as outlined in the Procurement Policy. It would have been impractical and impossible for the work to be completed before the students came back from recess as the sourcing of quotations and approvals took place a week or two before the students could come back from recess. 						

	<ul style="list-style-type: none"> • The project management process was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. • The Procurement Policy was not adhered to in terms of payment terms to the suppliers as suppliers were paid outside approved timelines. • This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. The transaction is incomplete because not all gates are functional as per the specification. •
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8.1.3.9 Analysis of contract 10: Restore functionality at the residences (plumbing)

10. Craven Koena Trading R1 309 337.99 (Full payment)							
Scope of work: Restore functionality at residence (plumbing)							
RFQ Number and Description: T20/2017 – Galvanised pipes at the residences							
Subcontractor:							
<ul style="list-style-type: none"> • L.S. Nhlapo Transport 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
13/12/17	N/A	01/08/18	N/A	N/A	N/A	N/A	30/10/18
Reason for not completing on time	N/A						
Final assessment	N/A						
Detailed Findings	<ul style="list-style-type: none"> • The main service provider awarded the contract relied on 1 subcontractor to do the work. This subcontractor was not validated by VUT and the Procurement Policy is silent in terms of management of sub-contractors. This sub-contractor was in turn executing on his main contract within the tight deadline of 3 weeks. As a result, the work delivered under this contract as well as under his main contract (QR16/2018) was shockingly sub-standard. • The Payment Certificate was hardly completed yet was used as a basis for payment. • The tender T20/2017 was initially cancelled as the amount of the successful bidder exceeded the 80:20 threshold of R1 million. This transaction was then converted into an emergency procurement. However, a new open tender process could have been initiated, considering it took the institution 7 months to issue an order and for work to resume. As a result, other potential companies who could have participated on the new tender were disadvantaged. 						
Conclusion	<ul style="list-style-type: none"> • The reasons provided to motivate for an emergency procurement did not meet the definition of “emergency procurement” as outlined in the Procurement Policy. The students were already back from recess when the work by this service provider had begun. • The project management process was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. • The Procurement Policy was not adhered to in terms of payment terms to the suppliers as suppliers were paid outside approved timelines. • This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. The transaction is incomplete because of the shoddy work that was done by either the main service provider and/or the contractor. 						

8.1.3.10 Analysis of contract 11: Refurbishment of bathrooms

11. CRG Trading and Projects R4 169 359.50 (Full payment)							
Scope of work: Refurbishments of bathrooms							
RFQ number and description: QR18/2018 – Refurbishment – Bathrooms at the VUT Campus							
Subcontractors:							
<ul style="list-style-type: none"> Alsandro 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	N/A	12/07/18	13/07/18	03/08/18	21/08/18	21/08/18	31/08/18
Reason for not completing on time	3 weeks was not sufficient						
Final assessment	Satisfactory (i.e. work met minimum standards and exceeded the time frame)						
Detailed Findings	<ul style="list-style-type: none"> The service provider awarded the contract relied on 1 subcontractor to perform the work. This subcontractor was not validated by VUT and the Procurement Policy is silent in terms of management of sub-contractors. The order was issued a day before approval was granted. The contracted project manager cited that 3 weeks was not sufficient as the reason for the work not completed on time. VUT did not have any recourse since there was no signed SLA, e.g. penalising the said contractor for not meeting said deadlines or for work not performed according to agreed specifications. The project manager assessed the work as having met minimum standards and yet the work was shockingly sub-standard, instead he cited that 3 weeks was not sufficient as the reason <i>for not completing on time</i>. The state in which the bathrooms are in is shocking considering that money was dispatched as payment for work supposedly done let alone completed. The project management process was poorly conducted yet the contracted project manager was paid in full. The work was performed in a sloppy manner and yet full payment was made. The statement was issued 7 days before the completion and assessment date hence we will not be testing whether payment was made within the prescribed timelines. 						
Conclusion	<ul style="list-style-type: none"> The reasons provided to motivate for an emergency procurement did not meet the definition of “emergency procurement” as outlined in the Procurement Policy. It would have been impractical and impossible for the work to be completed before the students came back from recess as the sourcing of quotations and approvals took place a week or two before the students could come back from recess. Sub-standard work performed is evident to the fact that the service provider who was selected was clearly not a specialist in this area or did not have necessary expertise in this area. Yet the service provider was selected to the exclusion of other deserving and competent potential 						

	<p>service providers who could have participated in a fair open tender process.</p> <ul style="list-style-type: none"> • It is clear that this process was rushed and as a result VUT couldn't have had a chance to perform checks on references. • The project management process was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. • The Procurement Policy was not adhered to in terms of payment terms to the suppliers as suppliers were paid outside approved timelines. • This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. The transaction is incomplete because bathrooms to date still remains in dire state. The transaction was inaccurate as the supplier was paid for the work not completed satisfactorily.
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8.1.3.11 Analysis of contract 12: Waterproofing at the VUT Residences

12. GQS Solutions R1 118 135.60 (Full payment)							
Scope of work: Residence waterproofing							
RFQ number and description: QR20/2018 – Waterproofing at the VUT Campus							
Subcontractors:							
<ul style="list-style-type: none"> • None 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	N/A	12/07/18	13/07/18	03/08/18	02/09/18	21/08/18	31/08/18
Reason for not completing on time	3 weeks was not sufficient						
Final assessment	Satisfactory (i.e. work met minimum standards and exceeded the time frame)						
Detailed Findings	<ul style="list-style-type: none"> • Supplier not registered for VAT which is a mandatory requirement by SARS for contracts for contracts exceeding R1 million. • The work was assessed and invoiced before it was completed. However, payment was effected 10 days after it was assessed. • The order was issued a day before approval was granted. • The contracted project manager cited that 3 weeks was not sufficient as the reason for the work not completed on time. VUT did not have any recourse since there was no signed SLA, e.g. penalising the said contractor for not meeting said deadlines or for work not performed according to agreed specifications. • The project manager assessed the work as having met minimum standards and yet traces of water and waters are evident on either the wall and/or ceilings; instead he cited that 3 weeks was not sufficient as the reason <i>for not completing on time</i>. • The project management process was poorly conducted yet the contracted project manager was paid in full. • The work was performed in an unsatisfactory manner and yet full payment was made. 						
Conclusion	<ul style="list-style-type: none"> • The reasons provided to motivate for an emergency procurement did not meet the definition of "emergency procurement" as outlined in the Procurement Policy. It would have been impractical and impossible for the work to be completed before the students came back from recess as the sourcing of quotations and approvals took place a week or two before the students could come back from recess. • The state in which the overall place is in shocking in relation to waterproofing. • It is clear that this process was rushed and as a result VUT couldn't have had a chance to 						

	<p>perform checks on references.</p> <ul style="list-style-type: none"> • The project management process was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. • The Procurement Policy was not adhered to in terms of payment terms to the suppliers as suppliers were paid outside approved timelines. • This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. The transaction was inaccurate as the supplier was paid for the work not completed satisfactorily.
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8.1.3.12 Analysis of contract 13: Upgrading of all residences DBs

13. Lumnio Technologies t/a Lemas R2 961 340.40 (Full payment)							
Scope of work: Upgrading of all residences DBs							
RFQ number and description: QR23/2018 – Upgrading of all residences DBs							
Subcontractors:							
<ul style="list-style-type: none"> • None 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
29/06/18	N/A	27/08/18	13/07/18	03/08/18	20/08/18	13/09/18	14/09/18
Reason for not completing on time	There were overlapping of contractors, so they had to wait for others to finish						
Final assessment	Good (i.e. work was good and met all specified standards within the expected timeframe)						
Detailed Findings	<ul style="list-style-type: none"> • Supplier not registered for VAT which is a mandatory requirement by SARS for contracts for contracts exceeding R1 million. • The contracted project manager cited that 3 weeks overlapping of services as a reason for the work not completed on time. VUT did not have any recourse since there was no signed SLA, e.g. penalising the said contractor for not meeting said deadlines or for work not performed according to agreed specifications. • The project manager assessed the work as having met all specified standards and within the expected timeframe yet the work was not completed on time. • The project management process was poorly conducted yet the contracted project manager was paid in full. • Payment was effected 3 days from the supplier's statement date which was contrary to the Procurement Policy, which clearly states that payment can only be effected 30 days from supplier's statement date, upon which satisfactory quality checks had been performed. 						
Conclusion	<ul style="list-style-type: none"> • The reasons provided to motivate for an emergency procurement did not meet the definition of "emergency procurement" as outlined in the Procurement Policy. It would have been impractical and impossible for the work to be completed before the students came back from recess as the sourcing of quotations and approvals took place a week or two before the students could come back from recess. • It is clear that this process was rushed and as a result VUT couldn't have had a chance to perform checks on references. • The project management process was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. • The Procurement Policy was not adhered to in terms of payment terms to the suppliers as suppliers were paid outside approved timelines. • This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. 						

8.1.3.13 Analysis of contract 14: Installation of Clearvu fence

14. Emalini Enterprises t/a ITEC Northern Cape R4 544 348.05 (Full payment)							
Scope of work: Clearvu fence (Student Town Girls, New res south, Dinaleding and old res)							
RFQ number and description:							
Subcontractors:							
<ul style="list-style-type: none"> None 							
Approval date	Date of quotation	Date of order	Date work commenced	Scheduled completion date	Actual completion date	Final assessment date	Payment date
28/06/18	N/A	09/07/18	N/A	N/A	N/A	N/A	N/A
Reason for not completing on time	N/A						
Final assessment	N/A						
Detailed Findings	<ul style="list-style-type: none"> Fencing of female residences with access control through the student card system, yet to date not even one appear to be functional, instead the gates are either wide opened or the turnstile is used. The payment was based on invoices submitted and the internal authorized signatories signing on the invoices without using the standard Service Provider/Contractor Payment Certificate. With the absence of the payment certificate, it is not possible to ascertain whether the work was assessed and if the project was completed within the agreed timelines. 						
Conclusion	<ul style="list-style-type: none"> The reasons provided to motivate for an emergency procurement did not meet the definition of "emergency procurement" as outlined in the Procurement Policy. It would have been impractical and impossible for the work to be completed before the students came back from recess as the sourcing of quotations and approvals took place a week or two before the students could come back from recess. It is clear that this process was rushed and as a result VUT couldn't have had a chance to perform checks on references. The project management process was poorly conducted yet the contracted project manager was paid in full. The absence of a signed SLA has rendered VUT being unable to exercise any recourse whatsoever. The Procurement Policy was not adhered to in terms of payment terms to the suppliers as suppliers were paid outside approved timelines. This transaction was therefore invalid, incomplete and inaccurate. The transaction should not have been considered as that of an emergency. 						

8.2 ALLEGATION 2

The missing University car that was never reported stolen. (I have the registration of the car and I know the person who was responsible for the car)

8.2.1 Background

On Friday the 5th July and Monday the 08th July 2019, we interviewed the whistleblower who provided a picture of blue VW Polo with the registration number WJX 479 GP as the stolen vehicle. Although he asserted that the car on the picture was the stolen vehicle, that statement was proved to be false.

We convened a meeting with Mr Thabang Machobane who holds the position of fleet manager at VUT and whose responsibility the car under discussion resided.

Mr Thabang Machobane confirmed that the vehicle under discussion had been reported stolen on the 14th August 2018 and he subsequently provided the following documents to substantiate that;

- (i). Certificate of registration documents dated 2007/09/19,
- (ii). Motor Vehicle licence documents dated 2017/12/05,
- (iii). Police statement with case number: 239/08/2018, dated 27 August 2018,
- (iv). Certificate of De-registration dated 2018/08/27 effective 2018/08/14, and
- (v). Tracker report indicating that the last contact with the vehicle had been on the 14th August 2018 and no further contact could be established with the car.

Mr Thabang Machobane had explained that the car had been under the care of Mr Sphiwe Tshabalala who had parked it outside his flat, as was required and there was nothing untoward about that.

Mr Tshabalala had informed the VUT that the car had been stolen overnight and the necessary processes were followed to report the car to the relevant authorities to try to locate it.

8.2.2 Discussion

The VUT Asset Policy and Procedures Manual as approved by Council on 23 June 2017 is silent on the procedures to follow upon the loss of VUT assets due to theft.

Notwithstanding the above and although the police statement indicated the reporting date for the loss of the vehicle to have been the 14th August 2018, the document was stamped the 27th August 2018. Such a discrepancy could not be explained so far to say that police stamp cannot be backdated,

The same date of the 27th August reappears as the date which the vehicle had been de-registered at the Traffic Department, which raises our interest. The importance of the time lapse between the 14th August and the 27th August in both the reporting of the stolen vehicle and its de-registration could not be established so far to infer and deduce that necessary steps were taken to regularise the loss of this vehicle when sufficient noise was made as to its disappearance

8.2.3 Conclusion

The Whistleblower indicated that the vehicle had been missing and was never reported stolen. As at the appointment of the Independent Assessor Team, the said vehicle had been reported stolen and de-registered. We do not know whether the insurance company of VUT had reimbursed the University of its loss as that fell outside the scope of our mandate, although we persisted in our quest to understand the time lapse between the 14th August and the 27th August (13 days), such an endeavour proved to be trite.

We therefore confirm that to the extent that we have examined all documents relating to the loss/ theft of the VW Polo registration number WJX 479 GP and interviewed The Fleet Manager concerned, we can confirm that the allegation made was without legal basis and should be dismissed.

We also recommend that the VUT asset policy and procedures manual should be revisited to include procedures and processes to be undertaken during the loss of assets due to theft and have consequence measures attached thereto.

8.3 ALLEGATION 3

Documents of the Chairperson of the union (NEHAWU) changing agency fee account to his personal account and evidence of the email that this matter was reported to the VC and a fraud case that was opened at the police station

8.3.1 Background

The allegation had been recycled after it had been initially reported and investigated by SNG Grant Thornton in a report dated 07 December 2018 under specific sections 6.318 – 6.325. Although we have the letter of instruction issued under its VUT Branch Treasury Office, we did not follow the same processes as the SNG Grant Thornton Investigators as our assertion was that the matter had been investigated thoroughly and we could place reliance upon the conclusions reached then.

It is worth noting that the stated ABSA Bank Account number: 93 0173 6464, as at reporting date, had been in existence for more than three years and the NEHAWU VUT Branch have accepted and are using the account as their primary means of transacting.

We have interviewed the Whistleblower about his persistence in pursuing this matter without evidence to substantiate the allegations.

In concurring and placing reliance on the SNG Grant Thornton report section 6.325 which dealt with this matter, we further add that the scope of our mandate was limited to the affairs of the VUT and not NEHAWU.

8.3.2 Conclusion

We can further safely conclude that with the passage of three years that NEHAWU as a Union has been using the said account and the change procedures fully supported by NEHAWU, if the account was a personal account; successive committees would have reported the account.

8.4 ALLEGATION 4

Appointment of Phiri Phiri Protection Services Company which was irregular

8.4.1 Background

According to a report drafted by Mr Thabiso Lehloo (Supply Chain Manager) dated the 08 August 2018 and corroborated by Mr Rajendran Moodley (Director: Control Systems Management), the staff of Maduna Security had been on an unprotected strike from the 19th March 2018. As a consequence of the strike, all entrances and operations of the VUT had been halted and the situation had to be returned to normality as soon as possible.

The nature of the strike was purportedly a salary dispute between Maduna Security Services CC (Maduna) and its employees which led to the staff of Maduna shutting down all access points to the University, thereby bringing the entire life of the University to a halt. An urgent EMC meeting was convened at the Quest Conference Centre on the 19th of March 2018 to explore alternative measures to restore the operations of the University and it was decided to approach a security company to bring the situation to normality (Riot squad). Section 5 of the procurement policy of the VUT and in particular, Subsection 5.6 below dealing with emergency and urgent acquisition was invoked;

5.6 Urgent and emergency acquisition

5.6.1 In urgent and emergency cases, VUT may dispense with the invitation of bids and may obtain the required goods, works or services by shortening the normal tender periods and/or by means of quotations by preferably making use of the database of prospective suppliers, otherwise in any manner to the best interest of VUT.

5.6.2 Urgent cases are cases where early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical. (However, a lack of proper planning should not be constituted as an urgent case.)

5.6.3 Emergency cases are cases where immediate action is necessary in order to avoid a dangerous or risky situation or misery.

5.6.4 The reasons for the urgency / emergency and for dispensing of competitive bids should be clearly recorded, motivated and approved by the EMC.

8.4.2 Methodology

In assessing the case for the illegal procurement of the services of Phiri Phiri Protection Services, it is common cause that there was a strike by the employees of Maduna Security services CC and emergency meetings were held on the 19th, 26th, 27th and 29th March 2018,

It is also common cause that the strike rendered the VUT without security and its operations had been interrupted,

An immediate solution was required to bring the life of the University to normality, thus pursuant to Section 5.6 of the VUT procurement policy; the following processes were immediately embarked upon;

8.4.2.1 Emergency EMC meetings were held at the Quest Hotel on the 19th, 26th, 27th and 29th March 2018,

8.4.2.2 The meeting resolved to go through an emergency procurement process for the Riot unit for the 19 to 21 March 2019,

8.4.2.3 The Suppliers had to be selected from the VUT database, (Resolution: EMC 190318/01),

8.4.2.4 The EMC unanimously agreed to appoint Phiri Phiri Protection Services (Riot team) as a matter of urgency, (Resolution: EMC 190318/02),

8.4.3 Discussion

Although VUT could have just selected one company, they chose to use the supplier database and invited four companies to submit proposals to return the situation to normality. The five companies were the following;

- (i) Phiri Phiri Protection Services
- (ii) Maxi Phumelele
- (iii) Wenzile Phaphama
- (vi) Diligence Security Group
- (v) Billy and Son's

Three companies provided quotations for the immediate provision of services as had been required, namely;

- (i) Phiri Phiri Protection Services
- (ii) Fidelity
- (iii) Diligence Security Group

Following the acquisition of quotations from the three companies above, Phiri Phiri Protection Services, which was the cheapest of the quotations received, was appointed by the EMC as per Resolution EMC190318/02.

8.4.4 Procurement process for the appointment of Phiri Phiri Protection Services on a month-to-month basis

According to the update and presentation to EMC, on the 26 March 2018, following the assessment of the security situation on campus and the continued stalemate between Maduna and its employees, the EMC took a decision to follow an emergency procurement process for the appointment of a security company on a month-to-month basis to replace Maduna Protection Services.

Five companies that participated in the previous tender were selected and invited to submit quotations for the provision of security services on a month to month basis. These companies were:

- (i) Phiri Phiri Protection Services
- (ii) Maxi Phumelele
- (iii) Wenzile Phaphama
- (iv) Diligence Security Group
- (v) Billy and Son's

On the closing of the quotation four quotations were received from four companies, namely:

- (i) Phiri Phiri Protection Services
- (ii) Maxi Phumelele
- (iii) Wenzile Phaphama
- (iv) Diligence Security Group

Billy and Son's did not respond to the invitation and did not submit its quotation for the requirement.

Following this, Phiri Phiri Protection Services was once more appointed to provide full guarding and security services with effect from 01 April 2018 on a month to month basis. Maduna Protection Services was notified of the termination of its contract and instructed to serve its months' notice off site as their guards were still on strike.

8.4.5 Observations and Conclusion

We are of the view that the procurement of the services of Phiri Phiri Protection Services CC met all the requirements of section 5.6 of the VUT procurement policy and in our interviews with members of the EMC, who had been involved in the matter, all could attest to the dire need to invoke the policy parameters to normalise the situation.

8.4.6 Phiri Phiri Protection Services to date

As of our assessment date, Phiri Phiri Protection Services was still providing month to month security services to the University. The fact that VUT had not gone on tender is cause for concern which fuels speculation that Phiri Phiri Protection Services had been favoured by some members of management who stand to benefit from its continued presence at VUT.

Management had given us assurance that they had been involved in the processes of in sourcing security services and such processes are both laborious and time consuming which needs to be undertaken with the utmost sensitivity and circumspection. The services of Maduna Security Services CC were terminated on the 29th March 2018 and the fact that as at the 30th June 2019, VUT had not gone to tender to select an appropriate security company is cause for concern and needs to be rectified as a matter of urgency.

8.4.7 Recommendation

Evidence at our disposal suggests that the appointment of Phiri Phiri Protection Services was above board and met all the requirements of emergency procurement processes as documented in the Supply Chain Management Policy of VUT thus we recommend that the allegation that such procurement was irregular be dismissed as unsubstantiated.

8.5 ALLEGATION 5

I can produce evidence of the company paid R4million for a ghost tender and i can provide evidence of the people who benefited from the tender

8.5.1 Background and Discussion

We conducted an interview with the Whistleblower on Friday the 05th July and subsequently undertook a site inspection to verify his assertions.

As part of the interview, The Whistleblower gave us the following two names to interrogate, Mphambuke Consultants and or Kambuke Consultants. We requested a copy of the VUT supplier database and equally requested both the finance Department of the University and the Supply Chain Management Units respectively to cross-reference the two names and provide us with all the transactions based on the two suppliers.

The two names do not exist on the University data-base and the payment history of the finance Division. On Tuesday the 09th and Friday the 12th of July, we reverted to the Whistle-blower requesting further details and or more information that could assist us to investigate this matter with no success. Although the Whistleblower had not given us time-frames within which this payment/s could have been made, we looked at the totality of the supplier database for the financial year 2018 and 2019 year to date.

8.5.2 Conclusion

With the information at our disposal, the two names namely; Mphambuke Consultants CC and or Kambuke Consultants CC are not on the Supplier database of the University and their payments have not been processed (paid) by the University.

We can therefore conclude that the allegation made was without merit and substance and we can recommend that the allegation should be dismissed as it is without substance and merit.

8.6 ALLEGATION 6 & 7

More than R10 Million of the University money paid to a lawyer whose wife is working in the VC's office

Based on TABLE 5 below, the above allegation is unsubstantiated and must be dismissed.

- Conflict of interest and bias by the Vice-Chancellor in sourcing legal services which allegedly runs into about R2 million

8.6.1 Methodology

We requested the University Department to provide their financial transactions for the following periods, 2018 financial year and for January 2019 to the 30 June 2019, referenced below

LEGAL FEES PAID FOR THE VAAL UNIVERSITY OF TECHNOLOGY FOR THE DATES 01 JANUARY 2018 TO 30 JUNE 2019

Date	Legal Services						Vice Chancellor Principal					
	Hogan Lovells	Adv Vuyo Peac	O' Connel	Rafique Baba	Mahlutsh ana	Pule Attorneys	TOTAL	Hogan Lovells	Adv Vuyo Peac	O' Connel	Rafique Baba	TOTAL
Jan-18	495,791	103,620	160,133	147,904			907,447					-
Jan-18	(495,791)						(495,791)					-
Feb-18	104,618		357,109	(1,685)			460,043					-
Mar-18	(50,836)		105,682	67,388			122,233					-
Mar-18	(53,782)			(67,388)			(121,170)					-
Apr-18		94,739	194,301	(27,656)	933		262,317			28,115		28,115
May-18	1,532,922						1,532,922					-
Jun-18			85,209				85,209					-
Jul-18			(41,253)				(41,253)					-
Aug-18							-					-
Sep-18			133,487	206,437		167,296	507,220					-
Sep-18				(83,118)			(83,118)					-
Oct-18	404,094					30,417	434,511					-
Nov-18	32,711						32,711					-
Dec-18							-					-
Jan-19							-					-
Feb-19	495,791		25,146			99,168	620,105					-
Mar-19	50,836					67,388	118,225					-
Apr-19							-			887,871		887,871
May-19							-					-
Jun-19							-					-
	2,516,355	198,359	1,019,814	241,882	933	364,270	4,341,613	-	-	-	915,986	915,986

Table 5

8.6.2 Legal Fees Paid

The total legal fees paid as evidenced above for the financial year 2018 amounted to R4,341,613 and an amount of R241,882 was paid to Rafique Baba Attorneys. For the 2019 financial year to date, an amount of R915,986. The argument that legal services running to an amount of R2Million has been paid to this particular legal firm is unsubstantiated and should be dismissed.

8.6.3 Conflict of Interest – Sourcing and Selection of Legal Services

We interviewed Mr Nkosinathi Bhula, who also acts as the Legal Advisor for the University on the procurement processes followed by the University in sourcing companies to provide legal services to the University. The response received is that Rafique Baba Attorneys had a historical relationship with the

University prior to his appointment but he sought to expand the database by adding three more law firms which he allocates work to, based on the matter at hand and the required skills set, as evidenced in Table 5 above

8.6.4 Conflict of Interest – Work given to Rafique Baba by virtue of his wife’s employment in the VC’s office

What constitutes a conflict of interests – In the current context, we would refer to a conflict of interests as a situation where the Vice Chancellor gives instructions to Rafique Baba Attorneys based on his proximity between the Vice Chancellor and Selma Sayed in his Office.

We interviewed Mr Nkosinathi Bhula and Professor Ndodomzi Zide (Vice Chancellor) about the relationship between Rafique Baba Attorneys and the VUT. In their background explanation, it became clear that the VUT relationship with this particular law firm predates the two of them in particular, Mr Bhula indicated that when he joined VUT in 2012, Rafique Baba Attorneys had been with VUT for more than ten years and so the issues of both of them acquiring the services of Rafique Baba Attorneys as a preferential treatment to the advantage of his wife who is in the employ of the Vice Chancellor’s office could not be a contributing factor.

It was also explained to us during the interviews that most of the policies and matters predating both Mr Bhula and the Vice Chancellor were drafted and handled by Rafique Baba Attorneys thus they hold a lot of institutional knowledge to guide most matters.

The Vice Chancellor confirmed that Ms Selma Sayed who serves in the capacity of Executive Secretary in his office is the wife of Mr Rafique Baba. He further confirmed that Ms Selma Sayed was employed in his office when he previously occupied the post of Deputy Vice Chancellor and upon his return as Vice Chancellor, he managed to establish that Ms Selma Sayed was not gainfully employed and he accordingly requested the Human Resources Division to transfer her into his office whilst also benchmarking her salary with those holding senior positions and seniority.

Although it would be difficult to prove that the Vice Chancellor utilised the services of Rafique Baba Attorneys for his personal matters at the cost of VUT, the Vice Chancellor refuted the claims. We did not inquire with Rafique Baba Attorneys due to the fact that it would be implausible for anyone to implicate themselves and his wife in wrong doing.

8.6.5 Conclusion

More than R10 Million of the University money paid to a lawyer whose wife is working in the VC's office

Based on TABLE 5 above, the above allegation is unsubstantiated and must be dismissed.

Conflict of interest and bias by the Vice-Chancellor in sourcing legal services which allegedly runs into about R2 million

Most of the legal fees bar one urgent matter are sourced and paid from the office of the Legal Advisor in the office of the Vice-Chancellor, Mr Nkosinathi Bhula and the fact that there is a supplier database which gives the different and various legal firms an equal opportunity to receive instructions, cannot substantiate the allegation.

The allegation that there is conflict of interest in the awarding of matters to Rafique Baba Attorneys is also unsubstantiated and we recommend that it be dismissed.

9. HIGH LEVEL OVERVIEW OF THE FINANCIAL HEALTH OF VUT

9.1 Background

It will be remiss of us not to provide a high level overview of the financial health of VUT.

From a budget perspective, we have reviewed the approved budget for 2019 and we can highlight the following:

9.1.1 The University has budgeted to receive an increase in government subsidy revenue of 19.6% (from R632 million in 2018 to R756.1 million in 2019). The 19.6% increase is substantially high and cannot be substantiated since the government has been complaining about constrained financial resources and competing interests.

9.1.2 Tuition and registration fees have been budgeted at a reduction of 4.1 % (from R370 million in 2018 to R354 million in 2019). This is cause for concern,

9.1.3 A projected increase of 78.7% (from R151 million in 2018 to R270 million in 2019) in residence income, there is no demonstrable evidence that this will be achieved in 2019 as there is no evidence of complete or new residences that have been occupied,

9.1.4 A decrease of 14.1% (from R167 million to in 2018 to R143 million in 2019) in Ad-hoc Income,

9.1.5 A lower amount of deficit has been budgeted for irrespective of the actual trend (2018 – budget R39, 5million – Actual R98million) (2019 Budget R17.5million). This under budgeting has the potential to expose the University to last minute liquidity challenges.

We did not test or verify the factors that informed such assumptions that move against the actual situation. The fact that the University is budgeting for a deficit without looking for alternative and sustainable funding sources is cause for concern.

9.1.6 Of serious concern is also the high percentage of salaries to income, i.e. In 2016 (68%), 2017 (65%), 2018 (60%- unaudited) and a budgeted 57% for 2019. This expenditure line item is exacerbated by employees being on suspension for prolonged periods on full pay and sourcing consultants to oversee their responsibilities (e.g. contract CFO) as well as a number of acting positions at critical levels.

It would appear that the salary bill for the University is bloated and unsustainable with the current income which is increasing at a nominal rate. The envisaged insourcing of Phiri Phiri Protection Services will also have a negative impact on these numbers. The ultimate unintended consequences of this move is that the University will end up paying more towards staff and administration costs than to its core mandate of providing educational programs.

9.2 Recommendations

9.2.1 In the approved budget of the VUT 2019 (Page 8), an express statement has been made that a culture of forecasting or monthly or periodic cost meetings is non-existent thus a lack of understanding and potential for mis-budgeting exists year on year.

The statement above gives an impression that because the budgeting systems and processes are inefficient, therefore reliance cannot be placed on the budget amounts produced and submitted,

9.2.2 The University must therefore, as a matter of urgency move towards finalising the disciplinary processes for those staff members on suspension so that they can either return to work or be terminated. The University must as a matter of urgency charge staff members who are on suspension or if not, request them to return to work.

9.3 Financial analysis performed

We will therefore consider two financial indicators to measure the performance of the VUT:

9.3.1 Solvency/going concern measure (i.e. measuring VUT's ability to meet its debt obligations to assess or indicate whether the institution's cash flow will be sufficient to meet its short-and long-term liabilities.

Will the University continue as a going concern for the foreseeable future? The fact that the University has investments that can be converted into liquid cash as and when the need arises, makes it a going concern. The question is how sustainable that would be with the increasing annual deficit. That means that the University will continuously have to access –its long-term cash reserves to meet its short-term financial requirements.

- liquidity measure (i.e. the University's ability to meet and pay off its short-term financial obligations)

9.3.3 We have performed analytical procedures to determine whether the financial status of the University is either satisfactory or in dire condition:

Below is the number of months the VUT can continue to operate should all income streams come to an end,

Financial Year	Months
2015	12,7
2016	1,1
2017	1.1
2018	0,49

The consistency in which the reduction is occurring is a serious cause for concern and it places the University in an unenviable position of potential bankruptcy which could lead to government intervention by a bail-out.