

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

NO. 3490

2 June 2023

**HIGHER EDUCATION ACT (ACT 101 OF 1997, AS AMENDED)****REPORT OF THE INDEPENDENT ASSESSOR INTO THE AFFAIRS OF THE CENTRAL UNIVERSITY OF TECHNOLOGY, PROFESSOR NORMAN DUNCAN TO THE MINISTER OF HIGHER EDUCATION, SCIENCE AND INNOVATION, DR BE NZIMANDE**

I, **Dr BE Nzimande, MP**, Minister of Higher Education, Science and Innovation 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 Norman Duncan appointed under Sections 44 (1) of the same Act, on the investigation conducted into the affairs of the Central University of Technology, as set out in the Schedule.

**Dr BE Nzimande, MP****Minister of Higher Education, Science and Innovation****Date:** 18/05/2023

# Report of the Independent Assessor into the Affairs of the Central University of Technology, Free State (CUT)

**Independent Assessor:** Professor N Duncan

Assisted by: Mr B Mahlangu (Expert advisor on financial matters)  
Dr D Marais (Expert advisor on student administration and governance)

**Assessment conducted:** October 2022 to January 2023

## Table of contents

	<b>Page</b>
<i>Abstract</i>	3
<i>Terms of reference</i>	4
<i>Processes followed</i>	4
<i>Institutional background</i>	5
<b>The Assessment</b>	8
Precautionary suspension of the former Vice-Chancellor and Principal	8
University Governance and Executive Management	14
Financial management systems and practices	18
Human Resources: Structure, functioning, policies and practices	23
Office of the Registrar and the management of academic affairs	26
Other impediments to the optimal functioning of the university	30
Conclusion	33
<i>Acknowledgments</i>	34
<i>Consolidated list of recommendations</i>	35
<i>Addendum A</i>	39
<i>Addendum B</i>	47
<i>Addendum C</i>	52
<i>Addendum D</i>	74

## ABSTRACT

The assessment of the Central University of Technology, Free State (CUT) in respect of a brief provided in Government Notice No. 2609, Government Gazette No. 47281 of 10 October 2022 was conducted between 16 October and 16 January 2023. The assessment was sobering in many respects. In effect, it has revealed several weaknesses in the systems and functioning of the Central University of Technology, Free State. Student administration and governance and various facets financial management and governance at the University clearly show signs of weakness and in certain respects, dysfunction. In the main, the assessment has found that significant interventions will be required to strengthen administration and governance, as well as financial management and governance. The assessment has also found that the functioning and actions of the University Council has in recent years constituted the most significant impediment to the University's functioning and growth.

Given the above, this report proffers several recommendations, all aimed at strengthening the University's systems and growth. The key recommendations amongst these are as follows:

1. In view of the damage that the current Council has caused the functioning and reputation of the University since 2020, it is recommended that this Council should be disbanded and that an Administrator be appointed to assume the responsibilities of Council until the appointment of a completely reconstituted Council.
2. That the Administrator assists the newly appointed Vice-Chancellor and Principal of the University in the execution of her responsibilities.
3. While the performance of the University's Executive management has been markedly wanting in certain respects, particularly since the suspension of the former Vice-Chancellor and Principal, it is recommended that the current members of the University Executive Management serve out their current terms. The new Vice-Chancellor and Principal should, however, based on this report and her own assessment of the performance of her Executive members, determine whether they are offered any further terms in any positions on the University Executive Management team. It will be advisable for the new Vice-Chancellor to progressively build up a new Executive Management team with the support of the proposed Administrator and ultimately a new Council.
4. The appointment of a suitably qualified Chief Financial Officer and Procurement Manager should be expedited.
5. With respect to the identified potential wasteful expenditure relating to payments made to students and landlords in circumstances where these students may already have vacated their accommodation, further investigation is required.
6. The Planning, Finance and Resources Committee of Council should be restructured, so as to enhance its functioning and effectiveness.
7. Where policy allows, Council and the HRC of Council should seek the advice or guidance of the Senior Director: HR before any decisions about serious Human Resources and Employee Relations matters are made.
8. The Registrar's office should be restructured as a matter of urgency.
9. The reporting line of the Dean of Students should be changed so that she or he reports to another Executive member rather than the Registrar.
10. The finalisation of the current revision of the CUT Statute should be deferred until after the acceptance of the Independent Assessment, given that the latter may have implications for the revision of the Statute.

## TERMS OF REFERENCE

In October 2022, the Minister of Higher Education, Science and Innovation issued the following notice:

“The Minister of Higher Education, Science and Innovation, Dr BE Nzimande has appointed an Independent Assessor to conduct an investigation into the affairs of the Central University of Technology (CUT). The overall purpose of the investigation is to advise the Minister on the source and nature of problems; and measures required to restore good governance and management.

As per the terms of reference published in Government Notice No. 2609, Government Gazette No. 47281 of 10 October 2022, the Independent Assessor was requested to conduct an investigation that would cover the following:

1. The circumstances leading to the suspension of the former Vice-Chancellor to determine if there was any breach of the fiduciary duty on the part of the Council; the disciplinary processes and his departure from the University.
2. The financial management systems and practices of the institution and its business entities with a special focus on whether there are appropriate and adequate policies, and whether the policies are adequately applied; the internal audit processes; the procurement and tender processes; expenditure on legal fees; NSFAS funding management; the functioning of the financial aid office; and any specific allegations of financial irregularity that may be brought to the attention of the Independent Assessor.
3. The human resource policies and practices of the University, particularly in relation to enhancing organisational efficiency and employment relations at the University.
4. 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.
5. The operations of the Office of the Registrar in relation to the management of academic affairs, registration and certification matters and any other matters that the Independent Assessor believes warrant investigation.
6. The veracity of allegations and complaints received by the Minister; and any matters that, in the opinion of the Assessor, may impact on the effective functioning of the University.”

## PROCESSES FOLLOWED

### *Scrutiny of relevant documents*

The assessment started with close scrutiny of the documentation related to the ministerial brief sent to the Independent Assessor by the Department of Higher Education and Training (see Addendum A for the list of documents forwarded to the Independent Assessor) as well as by CUT (see Addendum B). Particular attention was paid to the following documents, due to their critical bearing on the assessment:

- ARC Sakhile Report. Forensic investigation into the recruitment and appointment process of an Institutional Registrar (December 2020).
- *Assessment of Vice-Chancellor and Principal's Performance in Terms of Section 53 of Central University of Technology (CUT) Institutional Statute as amended (2017)*. Submitted to the Council of the Central University of Technology (August 2021).
- Commission for Gender Equality (GCE) Report: An analysis with remedial actions (DCM 21/10/19b) (September 2021).
- Central University of Technology Academic Calendar 2022.
- Central University of Technology Disciplinary Code and Procedure (2014).
- Central University of Technology, Free State, Council submission to Dr BE Nzimande, Minister of Higher Education, Science and Innovation by Ms N Mokose on behalf of the University Council (21 December 2020).
- Charter of the Council of the Central University of Technology (2017).
- Higher Education Act 101 of 1997, Government Gazette, 18515.
- Julian Smith Report, *An investigation at the Central University of Technology, Free State* (May 2012).
- KLM Empowered Report, *CUT organisational culture survey* (2022).
- Lovius Block Report. *Ms G Winkler grievance outcome* (December 2020).
- Noland Report, *Investigation into student unrest and entity capture at the Central University of Technology, Free State* (April 2022).
- Ntanjana Report. Alleged conduct of Prof (HJ) de Jager, the Vice-Chancellor and Principal of CUT on allegations of sexual harassment levelled by Ms. Geralda Winkler against Dr. Gary Paul and the other related issues (March 2021).

- Peypers Forensics Report, *Investigation into allegations raised by NEHAWU* (22 June 2021)
- Statute of the Central University of Technology, Free State (April 2017).
- Suspension of CUT Vice-Chancellor and Deputy Vice-Chancellor: Resources and Operations and Resignation of Chairperson and Deputy Chairperson of Council (Letter from interim Chair of CUT's Council to the Department of Higher Education and Training, dated 6 November 2020).

*Invitations for submissions to the Independent Assessor:*

Following the notice to the CUT Council of the Independent Assessor's appointment to execute the aforementioned brief, invitations were sent to all CUT stakeholders on 10 and 20 October 2022 to make submissions to the Assessor of whatever information was deemed relevant to the Assessor's brief.

*Interviews with key informants:*

Shortly after his appointment the Independent Assessor, with the extensive assistance of staff attached to the Department of Higher Education and Training (particularly the Deputy Director: Governance Support, Ms T Ngwenya), arranged for a series of group and individual meetings with everyone identified as being in a position to provide the information that the Independent Assessor would require in order to execute his brief.

Interviews were conducted by the Independent Assessor as well as the two specialists appointed to assist him with this assessment, namely Mr Bulelani Mahlangu who was appointed as finance expert and Dr David Marais, who was appointed as student administration and governance expert.

In total, 108 interviews were conducted between 16 October and 16 January 2023. Nine of these interviews were group interviews aimed at the Independent Assessor introducing himself and his brief to various stakeholder groups and preparing the University community for the assessment. The first groups with whom the Independent Assessor met were the University Council, Executive Management, the Student Representative Council, the Senate Executive Committee and the Institutional Forum.

It can be noted that all the meetings scheduled were well attended. While there was a degree of reticence or caution on the part of some members of the University community (a small number, it should be added), staff generally were very cooperative, which facilitated the work of the Independent Assessor and the above-mentioned specialists significantly.

Interviews and meetings were held at the University's Bloemfontein Campus between 17 and 19 October, 31 October and 4 November, 14 and 22 November 2022, as well as 16 January 2023. Interviews and a site visit were also conducted at the University's Welkom Campus between 7 and 8 November 2022. In cases where the need for confidentiality was a priority, at PricewaterhouseCoopers and Southern Sun, close to the Bloemfontein Campus. One interview was conducted in Cape Town on 7 December 2022 with Professor HJ (Henk) de Jager, the former Vice-Chancellor and Principal of the University, who was in transit in Cape Town at the time. A small number of follow-up or preliminary interviews were conducted online on 8 November and between 8 and 14 December 2022. All meetings and interviews had an average duration of one hour.

## **INSTITUTIONAL BACKGROUND**

One of six universities of technology in South Africa, the Central University of Technology, Free State (CUT) was established in 1981 as Technikon Free State. Its total first intake consisted of 285 students, the majority of whom were enrolled in secretarial, art and design programmes.

With the restructuring of the higher education landscape in 2004, the institution, incorporating the Vista Campus in Welkom, was repositioned as University of Technology (UoT). The University has four faculties, namely the Faculty of Health and Environmental Sciences; the Faculty of Humanities; the Faculty of Engineering, Built Environment and Information Technology, and the Faculty of Management Sciences, offering certificates and diplomas at undergraduate level, as well as advanced diplomas, postgraduate diplomas at honours level, and master's and doctoral degrees. Collectively, these faculties had an enrolment of 21 000 students by 2021. The University currently has campuses in Bloemfontein and Welkom.

As is the case with other UoTs, CUT's focus is on innovation, research and career directed education primarily in the field of technology.

*University Executive:*

The University's leadership structure at the time of the assessment was as follows:

Vice-Chancellor and Principal (Professor A Ngowi, in an Acting capacity at the time of the assessment)  
 Deputy Vice-Chancellor: Teaching and Learning (Professor D Ngidi)  
 Deputy Vice-Chancellor: Research, Innovation and Engagement (Professor S Mashele, in an Acting capacity at the time of the assessment)  
 Deputy Vice-Chancellor: Resources and Operations (Dr G Paul)  
 Registrar (Dr S Dzingwa)  
 Chief Financial Officer (Mr M Nmutshilli, Acting Chief Financial Officer)

The size of the University Executive and the nature of the portfolios held by individual Executive members can be considered appropriate for the focus, student population and staff complement of the University.

*University Management Committee:*

According to the documentation provided as well as the interviews conducted, the University Executive is assisted in its work by the University Management Committee. The University website indicates that the main function of the Management Committee (or MANCOM) is "to advise on any matter referred to it by the Principal/Vice-Chancellor and on any matter referred to it by a member, in consultation with the Vice-Chancellor, as well as the management of projects". Members of the Executive are all full members of the Management Committee and Deans, and other senior management staff have 'attendance rights'. In the past, Deans were full members of the University Management Committee.

*Council:*

The University's Council at the time of the assessment consisted of the following members:

*External members of Council*

Mr SM Rantso (Chairperson)

Dr CN Mbileni-Morema (Deputy Chairperson of Council)

Mr SJ Njikelana

Ms U Exner

Ms LT Monyamane

Ms CM Moshao

Ms P Moshanyana

Mr GS Hlongwane

Mr ND Maweni

Mr LE Sebola

Prof (Dr). VM Mmbengwa

Ms NMMM Mokose

Dr MS Sefika

Mr DM Khoabane

Mr ME Frans (Alumni Association)

4 vacancies

*Internal Members of Council*

Prof. AB Ngowi (Acting Vice-Chancellor and Principal)

Deputy Vice-Chancellor: Research, Innovation and Engagement

Prof. DP Ngidi (Deputy Vice-Chancellor: Teaching and Learning)

Dr GW Paul (Deputy Vice-Chancellor: Resources and Operations)

Dr L van Straaten (Senate member)

Prof. F van der Walt (Senate member)

Mr TS Masoeu (Institutional Forum)

*Secretary of Council*

Dr SM Dzingwa

*Chancellor:*

Justice Mahube Molemela

In its most recent strategic plan, *Vision 2030*,<sup>1</sup> the University articulates its Vision, Mission and Core Values as follows:

*Vision:*

The University's vision is to be "a leading African University of Technology, shaping the future through innovation".

<sup>1</sup> <https://www.cut.ac.za/vision-2030>

**Mission:**

The University articulates its mission as follows: “In aspiring to fulfil its vision, the reimagined CUT, as a university of technology: (a) delivers high-quality, appropriate science, technology, engineering and mathematics (STEM) academic programmes, as well as those in management sciences, education and humanities, supported by applied research; (b) engages with the community for mutually beneficial development; (c) promotes access with success in attracting potentially successful students, and supporting them to become employable and job-creating graduates; (d) attracts and retains high-quality students and expert staff, and supports their development and well-being, and (e) forges strategic partnerships that are mutually beneficial”.

**Core values:**

The University expresses its core value as follows: “CUT remains committed to the core values of customer service, integrity, diversity, innovation, and excellence, as well as the institution’s transformation agenda”.

**Previous institution-wide assessment:****An investigation at the Central University of Technology, Free State (J Smith, 2012)**

By way of adding to the context provided earlier, it may be apposite to briefly reflect on the assessment conducted by Professor Julian Smith in 2012. In 2012, in the midst of a period in which the University was confronted by significant challenges, Professor J Smith was appointed by the Minister of Higher Education and Training as Independent Assessor with the following brief:

“In terms of Section 44 (1) (a) of the Higher education Act, the Minister of Higher education and Training will appoint an Independent Assessor to conduct an investigation into the affairs of Central University of Technology. The overall purpose of the investigation is to advise the Minister and the university council on: (a) The nature of problems facing the institution, including those relating to governance, financial management and procurement practices, administration matters, transformation programme and any other matter that may arise; (b) Measures required to resolve problems identified in all areas, and (c) Clear, short, medium and long-term recommendations  
“(Government Gazette No. 35333 of 28 February 2012).

The findings of the Smith Report (2012) which can be considered pertinent to the current assessment include:

“That Council has shown a poor adherence to good governance principles and an unsatisfactory level of fiduciary responsibility.”

“That the approach to and execution of financial management and oversight as embodied in the Chief Financial Officer as well as the Chairperson of the Audit Committee cause the university to be extremely vulnerable. Apart from the aloofness to the strategic management of the finances, ignorance of key financially significant activities and practices are matters of concern.”

“That while there are encouraging developments with regard to the improvement of the physical infrastructure on the Welkom campus, the general impression gained, is that it does not get consistent and ongoing attention in order for the effects of the merger to be mitigated and opportunities to be optimised.”

“The MANCOM, which the Vice-Chancellor chairs, is the key executive management structure and will be pivotal concerning strategic direction, institutional sustainability, human resources planning, etc. Therefore, instability at this level should be a cause for concern.”



## THE ASSESSMENT

The section of the report is divided into six substantive sub-sections, each addressing a key aspect of the Independent Assessor's brief. Firstly, however, a brief reflection on the thoughts that guided this assessment.

### Introductory remarks

Universities have long been recognized as a critical institutions in modern society. They play a vital role in shaping the future of our communities, our country and the world by fostering the intellectual, social and personal growth of students, producing knowledge and research, and providing a platform for innovative ideas and collaboration.

In today's rapidly changing and highly competitive world, universities (particularly universities of technology, it may be added) provide students with the skills, knowledge and networks necessary to succeed in the world of work. By providing a comprehensive education, universities help students to develop critical thinking, problem-solving and communication skills that are highly valued by twenty-first century employers. They are also becoming increasingly important for graduates wishing to follow entrepreneurial careers.

Moreover, universities should be at the forefront of knowledge production, with the responsibility of advancing our understanding of the world and addressing complex challenges facing society. Through research, innovation and increasingly through entrepreneurial endeavours, they provide new insights and discoveries in various fields, from engineering, information technology and health sciences to humanities and the social sciences. These discoveries often lead to new technologies, products and services that drive economic growth, create jobs and improve our quality of life.

Importantly, universities serve as a hub for ideas, creativity, collaboration and learning. They bring together people from different backgrounds and disciplines to engage in open dialogue, exchange and debate ideas and pursue common goals. This collaboration and diversity of perspectives engender an ethos of innovation, so vital to South Africa.

In summary, universities play an essential role in contemporary society. They provide students with the education, skills and networks necessary to succeed, advance our understanding of the world, and drive innovation and progress. In an increasingly complex and interconnected world, the value of universities will only continue to grow, making them vital foundations for our collective future.

In view of the above (and also given the current relatively low university participation rates in South Africa), it will become increasingly important for South African universities to function optimally. It is with this in mind that the current independent assessment was approached. The priority for this assessment was to identify the impediments compromising the functioning of the Central University of Technology so as to offer suggestions for addressing these problems. In other words, the priority was not problem-finding as an end in itself, but problem identification with the aim of finding solutions as a means of enhancing the functioning of the University.

As indicated in the introduction to this report, the brief assigned to the Independent Assessor includes an assessment of various aspects of the functioning of the Central University of Technology, Free State.

Given the impact of the former Vice-Chancellor's precautionary suspension on the University community as well as perceptions of the institution in South Africa and beyond following his suspension, this matter is dealt with first.

### 1. Precautionary suspension of the former Vice-Chancellor and Principal

1.1. On 2 November 2020, at a Special meeting, the Council of the Central University of Technology, Free State (CUT), took the fairly extraordinary decision to suspend the University Vice-Chancellor and Principal (hereafter, Vice-Chancellor), Professor HJ (Henk) de Jager, as well as the University's Deputy Vice-Chancellor: Resources and Operations, Dr Gary Paul. This decision can be considered extraordinary for the following two reasons. Firstly, South African universities generally follow extremely rigorous processes to assure qualifications, academic management and leadership abilities, competency, and ethical conduct in the appointment of Vice-Chancellors and Principals.

Consequently, following these rigorous processes, it is unusual for a VC to falter so egregiously in respect of ethical conduct and academic leadership and management to warrant as drastic a measure as suspension or precautionary suspension. Secondly, subsequent to the suspension of the Vice-Chancellor and Deputy Vice-Chancellor, questions were raised by several stakeholders in respect of the processes followed to arrive at this extraordinary outcome in respect of the Vice-Chancellor. Of course, it has to be emphasised here that the suspension of Vice-Chancellors is and should not be considered an impossibility. However, the interrelated questions that will be considered in this section of the Independent Assessor's report are: (a) Was the precautionary suspension of the Vice-Chancellor appropriate, and (b) Did the appropriate procedures precede this outcome?

- 1.2. The decision arrived at by the University Council followed an email by Ms Geralda Winkler, on 28 September 2020, to various members of Council (including the Chair of Council, Mr CM [Boysie] Phehlukwayo) containing a grievance lodged against the Vice-Chancellor for, *inter alia*, "interference with her disciplinary hearing and ... failure to act after she allegedly reported ... sexual harassment allegations to him allegedly committed by Dr Paul against her" (Ntanjana, 2021, p. 7).
- 1.3. Following close scrutiny of all the documentation provided to the Independent Assessor (as well as accounts provided by a range of role-players interviewed, the following is noted:
  - 1.3.1. At the time of forwarding her complaint against the Vice-Chancellor to various members of Council, Ms Winkler had been on suspension from CUT since 2019, pending the outcome of an investigation concerning her conduct. The investigation was initiated by the former Vice-Chancellor. In this regard, it should be noted that it is unusual for a grievance from a staff member to be entertained while an investigation or disciplinary process against the grievant is underway. Usually the first case is finalised before the new grievance is considered, particularly if the two are related.<sup>2</sup>
  - 1.3.2. Prior to the email submission to Council members, Ms Winkler had already lodged a similar complaint to the then Chair of Council, Mr CM Phehlukwayo, as per the University guidelines.<sup>3</sup>
  - 1.3.3. On receiving Ms Winkler's initial complaint, Mr Phehlukwayo immediately responded by informing the VC of the complaint and engaging Ms Winkler.
  - 1.3.4. Mr Phehlukwayo claims that in her initial engagements with him, Ms Winkler indicated that the desired resolution of her grievance was that "the whole disciplinary against her" should be discontinued.
  - 1.3.5. Following engagement with Ms Winkler and Professor De Jager, Mr Phehlukwayo, through the Employees Relations division of CUT's Human Resources Department (in accordance with the University Central University of Technology Disciplinary Code and Procedure, 2014), appointed Lovius Block Attorneys to investigate Ms Winkler's complaint.
  - 1.3.6. Lovius Block investigated the following three key issues contained in Ms Winkler's grievance:
    - (a) That she was victimised by Professor De Jager as a result of a dispute concerning the appointment of the CEO of the entity, Central University of Technology's Innovation Services (CUTis), in 2017.
    - (b) That the former Vice-Chancellor failed to act in a manner that appropriately addressed her continued sexual harassment by Dr Gary Paul.
    - (c) That the report prepared by PricewaterhouseCoopers (PWC) pertaining to the then pending disciplinary hearing of the complainant was biased in her regard ...
  - 1.3.7. Following their investigation of Ms Winkler's complaint, Lovius Block arrived at the following conclusions:
    - (a) There is "no evidence of any victimisation or anything that would create the perception of unfair or unjust treatment of the complainant by Prof. De Jager".

<sup>2</sup> Ms Winkler had been charged with "failure to ensure adherence to established CUT procurement policies and processes, alternatively established business, and procurement practices; fraud, theft and two charges of gross negligence (and found guilty on all these charges on 3 March 2021), in a disciplinary process requested by the former Vice-Chancellor in 2019.

<sup>3</sup> "During September 2020, an employee lodged a grievance against the Vice Chancellor. She addressed the grievance to me in my capacity as the Chairperson of Council" (letter by Mr Phehlukwayo to the Minister of Higher Education, Sciences and Technology, dated 4 December 2020)

- (b) Concerning Ms Winkler's complaint relating to "the alleged conduct of Dr. Paul and the omission by Prof. De Jager to act, it is found that there is no evidence to support this... Specifically, in the absence of a formal written complaint, a procedure with which the complainant was clearly familiar, there is no evidence to support [Ms Winkler's submission of a complaint to Professor De Jager] and [therefore] an omission in this regard [on the part of the latter]".
- (c) Concerning Ms Winkler's "grievance pertaining to the premise of her suspension. The matter is presently *sub judice* and relates directly to the pending disciplinary enquiry. As such this investigation neither should nor could rule on this aspect."

1.3.8. In the final analysis, therefore, Ms Winkler's grievance was not upheld.

1.3.9. Prior to this outcome, however, Ms Winkler had written to Council, as indicated in paragraph 1.3.1. above.

1.3.10. Council decided to entertain this grievance at its meeting of 2 November 2020 ("through rather forceful insistence from [some] Councillors", according to Mr Phehlukwayo), despite the matter not having been placed on the agenda five days prior to the meeting, as is ordinarily required, and despite the fact that Ms Winkler had disregarded the University's prescribed processes when she approached Council by way of her email. Additionally, as indicated earlier, Ms Winkler was at the time suspended pending the outcome of an investigation against her.

1.3.11. Council decided to suspend Professor De Jager before the Lovius Block preliminary investigation was finalised and without soliciting his views regarding Ms Winkler's allegations prior to the suspension, as is ordinarily the practice.

1.3.12. Professor De Jager was served with a letter of provisional suspension on 11 November 2020. Once again, deviating from practice at CUT, the letter did not provide him with an opportunity to provide reasons for why he should not be suspended.

1.3.13. Following the above-mentioned Council decision, which he considered not only premature and reckless, but also "the final straw in what [he] had observed as an emerging trend of inappropriate behaviour and questionable judgment by some Councillors", Mr Phehlukwayo resigned both as the Chair and as a member of the CUT Council on 3 November 2020.

1.3.14. The resignation of the Chair of Council was followed by that of the Deputy Chair of Council, Dr Garth van Gensen, on 3 November 2020.

1.3.15. Ms Nonie Mokose was elected to serve as the Interim Chairperson of Council on 5 November 2020.

1.3.16. Professor David Ngidi, the Deputy Vice-Chancellor: Teaching and Learning, was subsequently appointed as acting Vice-Chancellor and Principal.

1.3.17. Despite the Lovius Block investigation having reached an advanced stage (indeed, despite it having been close to completion), Council under the leadership of its interim Chair, Ms Nonie Mokose, decided to appoint Ntanjana Attorneys Inc., on 29 January 2021, to investigate the same matters investigated by Lovius Block. No clear reason for this decision was provided during the interviews. It was however intimated that Council believed that the processes initiated by the former Chair of Council was compromised.

1.3.18. Ntanjana Attorneys Inc. was not appointed via the ER division of HR; instead, they were appointed directly by Procurement.

1.3.19. Ntanjana's brief, in short, was "to conduct an investigation into the alleged conduct of Prof De Jager, the Vice Chancellor and Principal of CUT on allegations of sexual harassment levelled by Ms. Geralda Winkler ('the complainant') against Dr. Gary Paul ('Dr Paul') and the other related issues".

1.3.20. At the conclusion of the investigation, Ntanjana found, *inter alia*;

- (a) "The complainant might have been allegedly sexually harassed by Dr Paul around April and May 2018. She only reported to the VC in October 2018."
- (b) "She substantially followed CUT policies in reporting the complaints."

- (c) "She only filed a grievance against the VC (on 28 September 2020) after she had been charged with misconduct (14 months after her suspension)."
- (d) "There is a material factual dispute between the versions of the complainant and the VC with specific reference to the alleged reporting of the sexual harassment to the VC. Such a dispute cannot in the context of this matter be resolved by gathering of facts through only investigation."
- (e) "The majority of the key participants in this matter are presently facing (or in the past) internal disciplinary processes and/or are involved in some kind of legal proceedings against each other or against CUT to save their professional careers. Therefore, the chances and/or temptation of resorting to unethical or controversial means to protect their careers are high."

1.3.21. Of some relevance in regard to the above: the outcome of the disciplinary hearing of Dr Paul was 'not guilty' (Disciplinary hearing outcome submitted to CUT by BM Jones Honey Attorneys, dated 12 August 2021).

#### 1.4. Comments concerning the suspension of Professor Henk de Jager

It is puzzling why Council so precipitously suspended the Vice-Chancellor, despite the cautions raised by some within its own ranks (as reported by several interviewees), as well as the fact that there was an investigation underway to assess the merits or plausibility of the grievance lodged by Ms Winkler. In spite of the caution reportedly flagged by some of the members of Council, however, the majority supported the suspension of the Vice-Chancellor. The reason consistently provided by those who had supported this decision is captured in the following statement contained in a document by the former interim Chair of Council, Ms N Mokose, submitted on behalf of Council to the Minister of Higher Education, Science and Innovation:

"Councillors expressed serious concerns about the allegations pertaining to sexual harassment (gender-based violence), seriousness of the allegations and presence of the Executives on Campus during the investigations:

Gender-based violence in South Africa is currently at its height. The view was expressed that, if the media notices this matter and publishes it, all Councillors will be implicated. The media will refer to the CUT Council. CUT procedure is understood, but the opinion was expressed that, with regard to the amended Public Audit Act and other legislation, this this should be a Council decision, due to the magnitude thereof" (21 December 2020).

The following comments should not be misconstrued as a negation of the blight of gender-based violence. The appallingly high levels of gender-based violence in South Africa, including at institutions of higher education, cannot but be condemned in the strongest terms. However, the statement cited above leaves one wondering whether Council's concern in this instance was for justice in the case of the complainant and the Vice-Chancellor or whether its concern was for its own reputation. The latter concern appears to be paramount in the following segment of the statement above: "*The view was expressed that, if the media notices this matter and publishes it, all Councillors will be implicated. The media will refer to the CUT Council.*" Be that as it may, however, the question that should be interrogated here is whether Council acted in the best interests of the complainant, the Vice-Chancellor and the University. It can be argued that suspending the Vice-Chancellor simply could not have advanced the interests of the complainant by protecting her from undue pressure from the Vice-Chancellor if he remained on campus, as she was already on suspension due to the disciplinary case against her referred to earlier and was therefore not allowed on campus.

In whatever way one assesses this matter, suspending the Vice-Chancellor without giving him an opportunity to at least respond to the veracity of the allegations made against him cannot but be construed as substantively unfair. It is not argued here that allowing the Vice-Chancellor to respond to the allegations against him would have obviated his suspension if this was required. Rather, it is argued that it would only have been fair to him as well as the broader University community if he had been given this opportunity. Moreover, suspending employees without affording them the opportunity to respond to the charges against them is patently unprocedural (according to the University's policies) and not in keeping with custom and practice at the University. Indeed, prior to her being suspended while she was investigated for charges listed earlier, the complainant had been given the opportunity to respond to the charges against her.

Of course, what is most puzzling about this case is that Council decided to suspend the former Vice-Chancellor without awaiting the outcome of the investigation by Lovius Block Attorneys Inc. initiated by the former Chair of Council, Mr CM Phehlukwayo, to assess the facts of the case against the former Vice-Chancellor. It is clear that Mr Phehlukwayo had followed the correct procedure and that on 29 October 2020 (according to the documentation provided) he had informed Council of the grievance lodged with him.

Indeed, instead of awaiting the outcome of the Lovius Block investigation, the University Council placed the former Vice-Chancellor on precautionary suspension and appointed another firm of attorneys (Ntanjana Attorneys) to also investigate the charges lodged by Ms Winkler against the Vice-Chancellor, at great financial expense to the University, it should be added.

Furthermore, it is suggested here that the former Registrar, who should have been familiar with the University's policies and the need for administrative justice did not acquit herself well during the course of the University Council's deliberations in respect of the Winkler matter. As Secretary of Council and as the custodian of the University's policies, she should have provided the appropriate guidance to Council in this instance.

The decision taken by Council manifestly had myriad adverse consequences for the University, some of which are listed below.

#### 1.5. Consequences of the provisional suspension of the former Vice-Chancellor

- 1.5.1. As indicated above, an immediate consequence of the decision by Council to suspend the former Vice-Chancellor in the manner that it did was the resignation of the Chair of Council, Mr CM Phehlukwayo, within a day of the termination of the Council meeting of 2 November 2020, which in the short term arguably impacted the integrity and functioning of Council. This impact was compounded by:
- 1.5.2. The resignation of the Deputy Chair of Council, Dr G van Gensen, later on the same day (3 November 2020).
- 1.5.3. Thus, within the space of one day the University had lost the active service of its appointed Vice-Chancellor as well as the Chair of its apex governance body, Council.
- 1.5.4. The suspension of the academic and administrative head of the University, according to the stakeholders interviewed, resulted in extraordinary levels of uncertainty and anxiety in the University community, which undoubtedly were heightened by the University Council (under the leadership of the then interim Chair, Ms N Mokose) not appropriately informing the University community of the former Vice-Chancellor's suspension.<sup>4</sup> (Note: For ease of reading all extracts from interviews are inserted in the footnotes in this report.)

Of course, the uncertainty or anxiety may have been less pronounced had the former Vice-Chancellor not acquitted himself effectively of his responsibilities as the academic and administrative head of the University. However, as the following excerpt from a peer assessment of his performance until shortly before his resignation indicates, he was performing admirably in most respects:

"The outcomes of the interviews [conducted as part of the peer assessment] were overwhelmingly positive in terms of the VC's manner of engagement, his responsiveness and his overall performance. There was a view that the VC's generosity in terms of his engagement was sometimes exploited, which then tested and questioned his decisiveness

---

<sup>4</sup> "And then he was suspended, and then we and MANCOM heard that he was suspended, but we never received official detailed information regarding what exactly was happening. To be quite honest, we got more detail from the newspapers than what we have received here in detail. So, it was very difficult for us as Deans to handle this within the Faculties because we were sometimes the last person to hear about it because we don't always read the newspapers and things" (Staff member).

"Ninety-five percent of the information on the suspension of Prof. de Jager is what I read in the press. I received very few communiques from our Executive Management or Council within the University to brief us on the facts" (Senate member).

on issues. ... It is clear that the VC has done major achievements during his tenure. His performance rating has been consistently above average. He has moved the university along the trajectory as promised in his 5-year strategy, aligned to the vision and mission of the university. He has kept Council informed on a regular basis of the state of the university. His line reports, those who provide oversight in terms of governance, and key stakeholders of the university have high regard for him, and rate him as an exceptional leader with high integrity.”

As should be evident from the statement above and as indicated by various interviewees, there were certainly blind spots and lacunae in the former Vice-Chancellor’s makeup as institutional leader. However, these appear to have been outweighed by the strengths that he brought to bear on his role as the Vice-Chancellor and Principal of CUT. It is therefore obvious why the University community would have responded with uncertainty and anxiety to his suspension and ultimately his departure from the University.

- 1.5.5. The events surrounding the Vice-Chancellor’s suspension unfortunately also generated a spate of negative media reports, which undoubtedly affected the University’s reputation or ‘brand’ decidedly adversely.
- 1.5.6. In the event, based on his perception that “the trust relationship between [himself] and the CUT Council, and in particular a number of [Council] members, has been breached to render continued employment intolerable and unfeasible”, Professor De Jager requested the termination of his appointment as Vice-Chancellor and Principal on 2 August 2021. His last day of service was on 30 September 2021.
- 1.5.7. Council members may argue that in the instance of the precautionary suspension they had acted in the best interests of the University. However, it is the opinion of the Independent Assessor that even in the event that Council can prove that it acted in the best interests of the University, it did not uphold the principles of fairness, care, accountability.

#### 1.6. Assessment concerning the suspension of Professor Henk de Jager:

Based on all the information contained in the documents provided and the interviews conducted, the Independent Assessor finds that:

- 1.6.1. Council had erred in disregarding the Lovius Block investigation that was underway and close to completion.
- 1.6.2. Council had erred egregiously and failed in its fiduciary responsibilities in not considering the potential impact of its premature decision to suspend the Vice-Chancellor. A more judicious or responsible course of action would have been to await the outcome of the Lovius Block investigation.
- 1.6.3. Council therefore has to take responsibility for reputational damage incurred by the University, due to its decision to suspend the former Vice-Chancellor.
- 1.6.4. Council had failed in its obligation to ensure fairness by not providing Professor De Jager the opportunity to respond to Ms Winkler’s allegations of lack of responsiveness or negligence on his part in respect of her claims of sexual harassment.
- 1.6.5. The former Registrar had been not advised Council appropriately as she was dutybound to do.
- 1.7. Recommendations
  - 1.7.1. CUT’s Human Resources department should urgently inform line managers of what procedure is to be followed in cases where employees lodge grievance cases against their line managers, while disciplinary proceedings against the former are in process.
  - 1.7.2. The rest of the recommendations relevant to this section are contained in Section 2 of this Report.

## 2. University Governance and Executive Management

### 2.1. University Council

The following is cited as context for the discussion in the rest of this section.

Paragraph 3.8 of the Charter for the Council of the Central University of Technology, Free State (2017), identifies the following competencies of Council, amongst several others:

“(b) Demonstrable ability to exercise fiduciary responsibilities without any self-interest ... (d) A sound understanding of strategy and of the difference between governance (the preserve of council) and management (the preserve of the vice-chancellor and his or her team)”.

Extending on paragraph 3.8 (d) above, Paragraph 9.3 states:

“Council members must exercise leadership, integrity and judgement in directing the Council to attain good and effective governance by embedding effective control and establishing legitimacy. It does this by acting in the best interest of the University while respecting the principles of transparency and accountability.”

In various ways, perceptions of the CUT Council's performance and conduct in recent years appear to contradict these guidelines or principles in significant ways.

#### 2.1.1. Consistent failure to act in accordance with the governance (as opposed to a management) role of Council.

During the course of the interviews conducted with stakeholders as well as scrutiny of the documentation provided, it became abundantly clear that the current CUT Council may well understand the distinction between governance and management (all the Council members interviewed declared that they do) and may appreciate the importance of Council being responsible for assuring good governance. However, the conduct of Council members, over the past three years at least, frequently did not appear to reflect any strong commitment to this important distinction.<sup>5</sup>

Council's tendency to focus not only on governance but increasingly also on operational matters has resulted in a range of difficulties for the University and Council itself. These include unnecessary delays in finalising certain operational matters (because of Council involvement), leading to significant levels of frustration for University staff, and Council meetings becoming increasingly drawn out and fraught. Indeed, it is noted that the number of Council meetings has escalated alarmingly over the past three years. For example, in 2020, Council had 68 meetings (inclusive of its committee meetings), in 2021, it had 85 meetings and in 2022 Council had 94 meetings, for which budgets of R637 260, R917 070 and R1 190 030 had to be allocated, respectively (See Appendix C for a breakdown). Frequently, meetings last in excess of eight hours and sometimes extend over more than one day.

It is important to emphasise here that the separation between governance and operations is important for a number of reasons, but particularly because the over-involvement of governance structures in operational matters invariably diminish institutional efficiency and productivity.

<sup>5</sup> “Then we've got a few Councillors – Councillor X, for example – who would write an email to Management and request just ridiculous information. Overreaching and disrupting” (Council Member).

“There are a few Councillors that consistently make life difficult for Management by virtue of this consistent, you know – just being... nit-picking on non-issues and making Management run around, circumventing the governance structures for dealing with issues properly” (Council Member).

“It's in our code of conduct that Councillors may not contact personnel, but they do contact personnel for things. It's like, the Chairperson has a problem with the protocol for events, and he wanted a meeting to discuss that, and it... He must just say to Management, guys, the protocol is not up to scratch, please pay attention to it, and leave it to Management to deal with it. Not to have meetings about it” (Council Member).

“So, there are instances where I have seen the current Chairperson being involved in operational matters which he is not supposed to do”

Governance structures should ensure that all of the institution's activities and processes are in line with the institution's vision, mission, values, goals and objectives. Operations should be to the specialists appointed by the institution to manage or execute the tasks for which they are appointed. As was seen earlier and will be seen later in this Report (particularly in Section 3, which deals with HR matters), when Council disregards the expertise of those that the University had appointed (under Council's oversight), counter-productive and sometimes damaging decisions and actions are inevitable.

#### 2.1.2. Worrying instances of disrespect towards the University Executive Management

On a number of occasions, interviewees referred to the disconcerting levels of disrespect shown by Council towards members of the University Executive Management through the former consistently encroaching on the operational responsibilities of that latter. This, as well as the following claims by the University Executive Management are contained in a submission to Council (dated 19 July 2022) as part of a stakeholder engagement process.

#### 2.1.3. Submission by the University Executive Management to Council

Firstly, in this submission the Executive accuses Council, or rather certain members of Council, of being responsible for leaking information to the media that has resulted in serious reputational damage to the University:

"It is concerning that a number of media articles have appeared, causing serious reputational damage to CUT. The articles can factually be referenced to Council discussions. This undermines a number of Council code of conduct provisions which should be our protective measure to curb such behaviour. The only logical conclusion that can be made, is that the Council-privileged information has been leaked at the instance of one or more CUT Councillors" (Executive Management, 2022).

It should be noted that several interviewees (including Council members) alluded to the alleged role of Council in information irregularly appearing in sensationalised form in the media.

Furthermore, in its submission to Council, the University Executive Management accuses Council of muzzling it, thereby limiting the capacity of Executive Management members to offer the leadership required by the institution:

"Section 9 of the CUT Statute outlines the composition of Council, and in particular differentiates between external and internal Council members. In this regard, members of Management, as contemplated in the Statute are indeed full Council members. It is therefore concerning that during the recent stakeholder engagements the Council would pronounce itself by stating that Management should not engage in that session as Management, but as Council members only. That assertion is simply impractical and designed to mute and undermine the cohesiveness amongst the Interim Executive Management. This is distorting the engagements in Council and needs to be corrected. On what basis does Council elect, on behalf of Management, who also happens to be full Council members, to assert themselves in a manner which is convenient to Council at any given time?" (Executive Management, 2022).

The University Executive Management in its submission also refers to the factionalism in Council which has effectively rendered not only its meetings but also the work environment of the University Executive Management difficult, if not toxic.

"Management has observed the hostile engagements amongst Councillors in Council meetings and the unacceptable conduct of certain Council members during meetings. The conduct of these Council members confirms the existence of deep divisions amongst Council members. This conduct unfortunately also strains Management's ability to operate effectively, with the requisite support from Council and consequently meeting their strategic objectives. Management is caught in-between the factionalised disposition of the CUT Council and being framed as being incompetent and untrustworthy."



This alleged factionalism too was echoed in the interviews of several other informants, including members of Council. Indeed, when this allegation was put to the members of Council interviewed it was not disputed.

Implicit in the University Executive Management's submission was also the allegation of the disregard for ordinary professional civilities on the part of Council members in their engagement with members of the Executive. Indeed, one member of Council, in one of the interviews conducted, described in detail an episode of such incivility towards Professor D Ngidi while he was Acting Vice-Chancellor as well as the former Vice-Chancellor.<sup>6</sup>

## **2.2. Management**

2.2.1. There can be no doubt that the CUT Council is viewed very negatively by virtually all informants, apart from a few Council members interviewed. Council is frequently depicted as intrusive, fractious and high-handed, even by those within its own ranks. However, there can also be no doubt that Executive Management is not seen as simply innocent bystanders or victims of Council's alleged machinations. Indeed, in the interviews conducted, the Executive Management was invariably described as responsible to a certain extent for Council operating beyond the bounds of its mandate, largely as a result of the former's inability often to provide Council with the information it requires (see, for example, paragraph 3.3.2(b) below), offer decisive leadership, and conduct themselves in ways that place them beyond reproach.<sup>7</sup> Indeed, as will be demonstrated later in this report, there are a number of instances where members of the Executive Management have been signally remiss in the execution of some of its responsibilities, including in respect of the assurance of the continuity of the academic programme in 2022, the optimal utilisation of the Department of Higher Education and Training grants to the University (see, for example, paragraph 3.12.5 below), inappropriate expenditure (see, for example, paragraph 3.12.6 below) and consequence management for their direct line reports (see paragraph 3.12.6 below).

## **2.3. Senate**

2.3.1. Based on the interviews conducted as well as scrutiny of Senate minutes, it is clear that Senate is acquitting itself appropriately of its role, namely to provide oversight to the University's academic programme.

## **2.4. Institutional Forum**

2.4.1. Based on the interviews conducted it is evident that the Institutional Forum (IF) is functioning in accordance with its current mandate. During the course of the interviews, however, the Forum has expressed concern about the University Council not responding in a timely manner and in writing to their recommendations.

---

<sup>6</sup> "Professor Ngidi was pushed to the point of wanting to resign because of literally obnoxious behaviour from the [...] – if I remember correctly, this happened in a [Planning, Finance and Resource Committee] meeting. The conduct of that [Planning, Finance and Resource Committee] was really out of order, and not only Professor Ngidi but also the then VC and other members of Council suffered under her conduct. The person is [Counsellor ...], and unfortunately, she was in that cluster of councillors who were under the influence of the erstwhile Registrar ... the Registrar was influencing all the female members of Council against the VC. [Counsellor ...] was clearly on the side of the Registrar and would speak disrespectfully to the VC and act in a generally unprofessional manner" (Council member).

<sup>7</sup> "I've seen that, yes. I've seen where there is a blurring of lines, and I've seen there has been a caution from Management in terms of that, how they feel. There are recent matters we can elaborate on, but I think what Council always pushes for would state that it is important that Council remain a governing body and Management is responsible for operations. Then in cases where Management will come with things that are supposed to be operational and wanting Council to be involved in those things, and Council will say no, you give us your view and then Council will follow up this aspect (Council member).

## **2.5. Recommendations**

- 2.5.1. In view of the damage that Council has caused the functioning and reputation of the University, it is recommended that this Council should be disbanded and that an Administrator be appointed to assume the responsibilities of Council until the appointment of a completely reconstituted Council.<sup>8</sup>
- 2.5.2. That the Administrator assists the newly appointed Vice-Chancellor and Principal of the University in the execution of her responsibilities.
- 2.5.3. While their performance has been markedly wanting, particularly since the suspension of the former Vice-Chancellor and Principal, it is recommended that the current members of the University Executive Management serve out their current terms. The Vice-Chancellor should, however, based on this report and her own assessment of the performance of her Executive members, determine whether they are offered any further terms in any positions on the University Executive Management team.<sup>9</sup> It will be advisable for the new Vice-Chancellor and Principal to progressively build up a new Executive Management team with the support of the proposed Administrator and ultimately a new Council.
- 2.5.4. Council should engage with the Institutional Forum in accordance with its mandate.
- 2.5.5. However, it will be in the interests to undertake an assessment of the Alumni Association, its relationship with the Alumni Office, and the active role it plays in core University activities, such as appointment processes.

### 3. FINANCIAL MANAGEMENT SYSTEMS AND PRACTICES<sup>10</sup>

An assessment of the University's management systems and practices indicates that:

- 3.1. The 2021 and 2022 internal audits of the activities of the Fees and Financial Aid Unit have revealed that there were a number of CUT financial policies and/or procedures which were last updated close to twenty years ago. In this regard, the Director: Fees and Financial Aid notes that, with the exception of the Student Financial Obligations Policy, which was last updated in 2002, the rest were no longer in use. There is no indication of any official processes being followed when financial policies or procedures are discontinued or rescinded.
- 3.2. The University does not have grants, and accounts payable policies in place.
- 3.3. Based on an assessment of the functioning of two of the University's key governance structures dealing with finance related matters (viz., the Planning, Finance and Resources Committee of Council and the Audit, Risk and Information Communication Technology Committee of Council) the following is noted:
  - 3.3.1. In respect of the Planning, Finance and Resources Committee of Council:
    - (a) The Committee appears to be paying due attention to issues of economic transformation, as evidenced by the submission of the Procurement Transformation, Broad-Based Black Economic Empowerment (BBBEE) and Small, Medium and Micro Enterprises (SMME) Report at every meeting of the Planning, Finance and Resources Committee. However,
    - (b) There is no indication of financial sustainability being a coherent focus of the committee.
    - (c) Judging by the (overly detailed) minutes of this committee's meetings, the meetings are generally unfocussed and therefore not particularly efficient.
    - (d) In part, due to a lack of focus, the committee has an inordinately large number of meetings per year, with many decisions arrived at by means of round-robin processes and myriads of emails (dealing with issues that should be dealt with in meetings) between the committee and management between meetings.
    - (e) There are various items that appear routinely on the meeting agendas of the Planning, Finance and Resources Committee that technically fall within the remit of the Audit, Risk and Information Communication Technology Committee.
    - (f) Members of the University's Management allege that the Planning, Finance and Resources Committee has become almost dysfunctional. In this regard, they cite the example of how recently a meeting had to be deferred thrice.
  - 3.3.2. In respect of the Audit, Risk and Information Communication Technology Committee of Council:
    - (a) The Committee consists of persons with qualifications and experience in the areas of information technology and engineering, internal audit, and accounting and finance. Three of the five members (including the Chair) have considerable experience in serving in governance structures.
    - (b) The general view is that the meetings of the Audit, Risk and Information Communication Technology Committee are well managed, productive and constructive.
    - (c) The Chair of the committee has indicated that some of the University Executive Management's submissions to the Committee have been sub-optimal, and as a result, required a lot of probing and follow-up enquiries. Based on their submissions to the Audit, Risk and Information Communication Technology Committee, she is not convinced that some of the current Management members have sufficient competence to meaningfully contribute to the work of the committee.
- 3.4. In 2021, the University adopted a supply chain management policy. This represents a fundamental shift from a narrow procurement perspective to an approach that deals with all aspects of the acquisition process. However, concern has been expressed about a lack of appropriate supply chain management knowledge and experience on the part of staff in this unit.
- 3.5. The University keeps a tender register and as at the end of November 2022, it was up to date.

<sup>10</sup> This section should ideally be read in conjunction with Addendum C.

- 3.6. The Finance Unit of the University has functioned without a substantive Chief Financial Officer since March 2019, that is, for almost four years.
- 3.7. The Chief Audit Executive reports functionally to the Audit, Risk and Information Communication Technology Committee, and administratively to the VC.
- 3.8. Currently, up to 75% of the Internal Audit commitments are outsourced.
- 3.9. The Chief Risk Officer reports functionally to the Audit, Risk and Information Communication Technology Committee, and administratively to the DVC: Resources and Operations.
- 3.10. An investigation report that pertains to losses incurred from a digitisation project, called CUT Stultified, and which was finalised before the end of 2021 has not yet been presented even to Management for consideration. The reason provided by the Chief Risk Officer was that he was awaiting certain data in order to finalise the report.
- 3.11. Business Entity – Central University of Technology's Innovation Services (CUTis):
- 3.11.1. CUTis has an Audit, Risk and Information Technology Committee, with its own terms of reference. The internal audit is outsourced. It reports to the Audit, Risk and Information Technology Committee, functionally, and the Chief Financial Officer, administratively.
- 3.11.2. The last audit was conducted in November 2022, and it did not reveal any material findings.
- 3.11.3. CUTis' operating model relies heavily on one key source of income (in this case, government business), which raises concern.
- 3.11.4. An assessment of the CUTis Procurement Policy indicates that it is not as robust as the University's regarding the segregation of duties in respect of tender management.
- 3.12. Financial concerns and irregularities:
- 3.12.1. Two investigations, both related to the CUT Services and Enterprise Trust (CSET) (the precursor to CUTis), were recently conducted by PricewaterhouseCoopers (PWC). The first investigation concerned failure on the part of an official to follow the appropriate procurement processes, acting outside their delegation, and invoices being paid while deliverables were still outstanding. This resulted in a disciplinary process with the employee involved being given a warning. The second investigation concerns a breach of procurement rules, duplicate payments, and payments made under circumstances which suggest that the officials irregularly benefited from this breach. Following a disciplinary process, the employee concerned was dismissed. The matter has also been reported to the National Prosecuting Authority.
- 3.12.2. Following whistle-blower reports to the University's Chief Risk Officer and the former Vice-Chancellor alleging that there were employees who had been telephoning students and asking for their "share" of the student allowance, the University appointed Nolands Advisory Services to investigate various aspects of the Fees and Financial Aid Unit. One of the investigations focussed on the ongoing student unrests and the other on fees and financial aid. The report of the Nolands investigation was presented twice at meetings of the Planning, Finances and Resources Committee. However, to date, the report has yet to serve at a full Council meeting.
- 3.12.3. Concerning the allegation of a scam reported on the whistle blower portal: According to the Director: Fees and Financial Aid, the University was migrating to a new feature in the software program, *ITS Enabler*, which allowed students to upload their banking details onto the University's system. Based on the interviews conducted with the relevant staff members, the scam allegedly worked as follows. Unknown parties at the University (allegedly staff members) sent an 'invitation' to students who were experiencing problems accessing their NSFAS funds to send their details (including their banking details) to a particular e-mail address. Fees and Financial Aid staff noted that, as they loaded payment files, the system would caution and indicate that the bank accounts that they were loading were linked to other student numbers as well and requested that they indicate whether the transactions should be authorised or rejected. According to the Director: Fees and Financial Aid, staff members initially authorised the transaction, resulting in payments that should not have been effected. While the exact amounts that were paid out in this manner could not be established, the Director suggests that

not more than R34 000 would have been lost through this manipulation. She was advised that the matter should be reported to the police. However, this was not done. What is of concern was that at the time the Chief Audit Executive was under the impression that the Chief Risk Officer was going follow up while the Chief Risk Officer, on the other hand, assumed that the Chief Audit Executive had included this matter in her audit plan. In short, there was significant fiduciary failure on the part of senior officials at the University.

- 3.12.4. Reports to the Planning, Finances and Resources Committee highlighted a number of areas where expenditure seemed to have increased considerably in recent years. Travel expenditure is one of these. In 2021 (i.e. a period overlapping with the national lockdown), the travel expenses of the University's management members amounted to R14 million (see Addendum C for details). Concern over the travel expenses of University management members also surfaced regularly in the interviews with staff and Council members.
- 3.12.5. A significant concern is the delayed pace of spending on the infrastructure grants awarded to the University in 2021. This seems to have frustrated members of the Planning, Finances and Resources Committee to a great degree, and they argue that this problem has persisted because there is no consequence management when senior University staff are remiss in the execution of their responsibilities. One of the results of the afore-mentioned delay is that the funds allocated by DHET in 2021 for six projects can now only fund five (see Addendum C).
- 3.12.6. In December 2020, Council decided that the University should pay for the accommodation of students in December 2020 and January 2021, rather than negotiating concessions with landlords, as recommended by the Department of Higher Education and Training during the COVID 19 period, and as other universities had done. Furthermore, Council decided that the amount of R67 million for accommodation should be obtained from unspent University funds to this end. More worryingly, the University's Fees and Financial Aid division erroneously ended up processing an amount of R33 million for February 2021 as well. This expenditure was subsequently ratified by a Council meeting on 16 April 2021. In total, therefore, the University paid R100 million for student accommodation for the period, December 2020 to February 2021, something that the Department of Higher Education and Training would not have approved. Moreover, it is alleged that some students had left their accommodation during the period for which the University had paid. Having gone through the available information, one cannot but conclude that, in this case, the University management failed significantly in their fiduciary responsibilities.
- 3.12.7. For some time, the University had been deliberating about the purchase of what is referred to as the Toyota Building in Bloemfontein by CUTis. Various role-players in the University had argued that the acquisition of the building would be advantageous for the University for the following reasons: (i) the building is ideally situated, as it is within walking distance of the Bloemfontein campus; (ii) the University is committed to contributing to the innovation ecosystem in Bloemfontein; (iv) in terms of its Shareholders Agreement with CUTis, the University had made a commitment to providing CUTis with a "fit for purpose structure"; and (v) two other CUT entities, namely the Centre for Rapid Prototyping and Manufacturing (CRPM) and the Production Development Technology Station (PTDS) had also been earmarked to occupy the building. There is a document trail that details the attempts to acquire the building. There is also evidence that, at some stage, the Department of Higher Education and Training had informed the University that it would not be permissible for it to provide surety for CUTis for the purpose of buying this building. Eventually, the building was acquired by another buyer for R26m through auction. Of concern, the University thereafter purchased the building for R44.85m (inclusive of VAT of R5.85m) from the new owner. This means that the building was purchased for almost twice the price paid at the auction shortly before the CUT purchase. Additionally, the building currently is not yet fit for purpose. Based on discussions with Management, it would appear that there had always been an understanding that the refurbishments would be required. The estimated cost of the proposed refurbishment totals R100 million. However, it is not clear whether the cost of the projected refurbishments was ever presented to the Planning, Finance and Resources Committee or Council.
- 3.12.8. Until 2021, the University was amassing excessively high bills for external legal services. This was due to several factors, including the following: (a) between 2011 and 2022, the University did not have a dedicated legal office (resulting in all legal matters having to be referred to an

external service provider); (b) according to the current Senior Director: Legal Services, in the past, employees, particularly line managers, did not want to assume all facets of their roles (including chairing disciplinary processes and taking other decisions associated with their roles), and would instead often call in external legal support to fulfil these functions; (c) external legal services providers often contracted by the University tended to use senior legal practitioners where the services of more junior practitioners would have sufficed. Of particular concern is the fact that the University's preferred legal services provider had been appointed on a retainer since 2011 without regular tender processes taking place since the initial appointment of this service provider. It can be noted that the recent contract appointment of the current Senior Director: Legal Services and the appointment of a panel of legal service providers (instead of one preferred provider) have seen a significant improvement in the situation.

- 3.12.9. In 2019, the Municipality had threatened to cut water and electricity and other service because it alleged that the University owed it R20.8 million for utilities. The University disputed the municipality's claims of unpaid bills. An amount of R20.8 million was paid over to a firm of lawyers that acts as Attorney of Records for the University (following the advice of Counsel), as an indication to the municipality that the University will be in a position to pay the outstanding amount should it lose the case that it has lodged against the municipality. The matter is due for a court hearing in March 2023. To date, the municipality has been paid interest of R3.75 million, supposedly on the R20.8 million owing. The net interest (after agency fee and administration costs) earned on the amount was R590 181. In essence, the afore-mentioned arrangement is costing the University R 3.17 million as a net interest expense.

Given the above, the following recommendations are made.

### **3.13. Recommendations**

#### *Substantive recommendations*

The following set of recommendations requires priority attention.

- 3.13.1. The appointment of a suitably qualified Chief Financial Officer and Procurement Manager should be expedited.
- 3.13.2. The finance system used by CUT has significant limitations. The difficulty in generating meaningful financial reports constitutes one of its more serious limitations. If the University wishes to acquire an alternative Enterprise Resource Planning (ERP) solution, which it is strongly recommended it should consider, it could leverage off the solutions currently utilised by other higher education institutions. At least one higher education institution has successfully implemented the fairly effective Systems Applications and Products (SAP) as their ERP solution. Obviously, attempting to implement SAP from scratch at CUT may prove to be expensive. Consequently, it is suggested that the University should approach any other institutions that may be using a flexible ERP solution, in order to leverage off their customised solutions.
- 3.13.3. The University should ensure the immediate recovery of the R257 million which NSFAS has acknowledged it owes the University. An effort to recover the remainder of the R720 million that CUT believes it is owed (see Addendum C) should be pursued thereafter.
- 3.13.4. The University should terminate the arrangement of depositing the funds it had set aside as 'surety' for the municipality into a trust account with its attorneys, and instead invest these funds itself.
- 3.13.5. With respect to the identified potential wasteful expenditure (see paragraph 3.12.6 above) relating to payments made to students and landlords in circumstances where these students may already have vacated their accommodation, urgent further investigation is required.
- 3.13.6. The alleged scam reported under 3.12.3 should be further investigated, and if required, disciplinary action should be taken against staff who were guilty of misconduct or who failed in their duties.

- 3.13.7. The Planning, Finance and Resources Committee of Council should be restructured, so as to enhance its functioning and effectiveness (See Addendum C).
- 3.13.8. The Audit, Risk, and ICT Governance Committee of Council should be restructured with a separate information and communication technology committee being established (See Addendum C).
- 3.13.9. It is strongly recommended that the University Council demonstrates a sense of urgency and ensure that recommended changes to Fees and Financial Aid (FFA) Unit are treated as a project.
- 3.13.10. Council must ensure that the Noland Report is dealt with as soon as possible.
- 3.13.11. The Audit, Risk, and ICT Governance Committee must ensure that they are informed of all investigations at the University that are related to matters falling within their remit.
- 3.13.12. Management must report all investigations that are being conducted to the Audit, Risk, and ICT Governance Committee, and follow up on them, in order to prevent a situation similar to the one where the NSFAS allowances investigation was not finalised, and the Audit, Risk, and ICT Governance Committee was not in a position to make enquiries in respect thereof. Regarding the payments for student accommodation made in December 2020 and January 2021, Council should never authorise any payments of this nature without written approval from the Department of Higher Education and Training. Furthermore, a further investigation should be conducted regarding the circumstances that led to a third payment for student accommodation being made for February 2021.
- 3.13.13. Council meetings and meetings of its committees should be better planned and managed, so as to limit the number of special meetings per year. Special meetings should be allowed only in exceptional circumstances.
- 3.13.14. The University Council and Management should ensure that an appropriate cap is placed on the permissible travelling expenditure per staff member.
- 3.13.15. The circumstances that led to a single legal services supplier being used for an uninterrupted period of more than ten years should be further investigated.
- 3.13.16. A thorough investigation of the purchase of the Toyota Building should be undertaken as soon as possible.
- 3.13.17. An asset management consultant should be appointed to do a risk and return assessment of the University's balance sheet, in order to determine optimal investment allocations. (Actuaries can advise on how to effectively deal with the University's post-retirement medical aid obligation, even though this does not amount to a significant liability.)

#### *Other recommendations*

While the following recommendations are less pressing than those listed above, they are nonetheless important, and should be treated as such.

- 3.13.18. In order to stabilise the Legal and Supply Chain Management Units, substantive appointments against vacancies and required posts must be made as soon as possible, and the Supply Chain Management employees must be taken through a structured Supply Chain Management training programme.
- 3.13.19. A grants policy should be developed and put in place as soon as possible.
- 3.13.20. Policies should be updated regularly (preferably every three years), and appropriate formal processes should be followed to expunge policies and procedures that are no longer in use.
- 3.13.21. A procurement deviation register should be put in place and presented to the University Management Committee on a regular basis.

- 3.13.22. Council and the University Executive Management should clarify and ensure the performance management of the Chief Audit Executive and Chief Risk Officer.
- 3.13.23. The University's risk register should include timelines for the implementation of risk mitigating interventions.
- 3.13.24. The Planning, Finance and Resources Committee of Council and Council should approve the utilisation of reserves only in instances where they are provided with calculations indicating the estimated cash equivalent of the reserves.
- 3.13.25. In keeping with the King IV Report recommendation that all members of audit committees, including chairs, should be independent, non-executive members of governing bodies, it is proposed that the Chair of the University's Audit, Risk, and ICT Governance Committee of Council should be someone with no official or formal association with the University (including Council).
- 3.13.26. Submissions to the Planning, Finance and Resources Committee's investment schedule should include investment rates and terms.
- 3.13.27. The Planning, Finance and Resources Committee of Council should monitor the grants age analysis and spending, reporting to Council on a regular basis.

#### **4. HUMAN RESOURCES: STRUCTURE, FUNCTIONING, POLICIES AND PRACTICES**

It is noted that:

- 4.1. The Human Resources (HR) Department currently has four divisions, namely HR Operations, HR Specialist Services, Employee Relations and Payroll. The remit of each of these divisions is as follows:
  - 4.1.1. HR Operations are responsible for day-to-day operational support to stakeholders, including the recruitment and placement of internal and external candidates, employment equity reporting, policy and procedure development, and implementation.
  - 4.1.2. HR Specialist Services are responsible for the roll-out of key projects such as Talent Management, Performance Management, Career path planning, Training and development, and Employee Wellness
  - 4.1.3. Employee Relations are responsible for good governance, providing guidance to the University in respect of legislation, management of disciplinary, grievance proceedings and investigations.
  - 4.1.4. Payroll is responsible for the monthly payroll administration and salary payments, which includes the timely processing of payments of salaries, overtime claims and allowances.
- 4.2. When she was appointed, the current Senior Director: HR identified the following as amongst the more significant challenges that HR had to deal with:
  - 4.2.1. Significant bottlenecks and delays in HR processes
  - 4.2.2. A lack of transparency and understanding of recruitment processes by the stakeholders involved in these processes.
  - 4.2.3. An over-reliance on external legal firms for Employee Relations matters, which resulted in significant additional costs to the University.
  - 4.2.4. Outdated HR policies and procedures needed to be addressed as a matter of urgency.
  - 4.2.5. The understaffing of the Employee Relations and Payroll divisions, resulting in inefficiencies and unnecessary delays in dealing with routine and urgent business.
  - 4.2.6. The repeated renewal of temporary or contract positions, which disadvantaged the incumbents considerably.
- 4.3. Since 2021 (i.e., since the appointment of the current Senior Director: HR) matters have been improving progressively in HR. Specifically:
  - 4.3.1. Since 2021, there has been an ongoing effort to monitor the implementation of all HR policies and procedures and to ensure compliance with these policies and procedures.
  - 4.3.2. The SAGE system was implemented in 2021/2022, with the payroll, employee self-service and performance management modules being automated. Further modules are scheduled to be rolled out in 2023/2024.
  - 4.3.3. A remuneration study was recently commissioned to establish equal pay for equal work. The findings of the project are to be implemented in 2023.



- 4.3.4. Additional staff members were appointed to the Employee Relations and Payroll divisions
- 4.3.5. A process aimed at identifying and upskilling presiding officers to chair the less complex Employee Relations cases has been implemented, in an effort to reduce the University's reliance on external legal firms
- 4.3.6. The implementation of regular bi-lateral meetings have been held with organised labour. This has assisted in expeditiously addressing burning or 'red-flag' issues.
- 4.3.7. A strategic workforce plan was developed and approved by Council in 2022.
- 4.4. There are several matters that have blighted the University's human resources management record in recent years. Three of these are briefly presented below. Before these matters are presented however it should be noted that the University's Human Resources department alone cannot be held responsible for what can only be described as gross administrative failures.
- 4.4.1. The Vice-Chancellor's suspension:
- a. See paragraph/section 1 above
- 4.4.2. Circumstances leading to the appointment of a new Registrar in 2021:
- a. The former Registrar's term came to an end at the end of December 2020, when she was due to retire.
- b. The position of Registrar was consequently advertised in March and April 2020.
- c. Three candidates were shortlisted for interviews.
- d. Following the interviews, the Human Resources Committee (HRC) of Council submitted its report to Council at its meeting of 9 October 2020 in which it recommended Dr KC Makhetha for appointment as Registrar, with DR SM Dzingwa as the second preferred candidate – i.e. if Dr Makhetha did not accept the University's offer, the position would be offered to Dr Dzingwa.
- e. Council supported this recommendation with a majority vote.
- f. The position was consequently offered to Dr Makhetha and she accepted it.
- g. Following the Council decision, the former interim Chair of Council, Ms N Mokose and six other councillors (namely, Counsellors VM Mojuto, GS Hlongwane, L Sebola, C Chabane, NR Shabangu and M Ntonyane) issued a dissenting opinion in respect of the Council decision, based on their argument that the former Vice-Chancellor, Professor H de Jager, who had participated in the appointment process had not declared a conflict of interest. It was argued that he had previously worked with Dr Makhetha and had not declared this at the time of the Council decision. Furthermore, Ms Mokose and the rest of the Council members who had issued this dissenting opinion argued that in their view:
- "The incumbent Registrar Dr. Pinky Mrwetyana should be retained on a contractual basis until a new process that is fair, transparent has been completed, and thorough handover and orientation has been effected."*
- h. The above occurred against the background of the former Registrar's ongoing efforts (according to the former Vice-Chancellor and staff members in HR) to have her term extended beyond her retirement age.
- i. It was subsequently confirmed that Professor De Jager had declared his previous work relationship with Dr Makhetha, and he was cleared of any wrongdoing in the ARC Sakhile Forensic Report on the investigation into the recruitment and appointment process of the Registrar commissioned by Council.
- j. The ARC Sakhile Forensic report indicates that the conduct of three other Council members during the course of the appointment process should in fact be further scrutinised, so as to ascertain whether disciplinary action is required. The names of the three Council members are identified in the ARC Sakhile Forensic report.
- k. When Dr Makhetha learnt of the Council's decision to suspend the former Vice-Chancellor, she withdrew her acceptance of the University's offer to appoint her as its Registrar.
- l. Dr Dzingwa was consequently appointed.
- m. The former Registrar's term was subsequently extended by six months with the understanding that she would do a handover to Dr Dzingwa.
- n. Dr Dzingwa confirmed that no formal handover took place.
- 4.4.3. CFO appointment:
- a. On 15 June 2022, Council considered an appointment into the vacant position of Chief Financial Officer (CFO), a position which had been vacant since 1 April 2020.
- b. The report presented to Council by the HRC of Council recommended the appointment one of six short-listed applicants, namely Ms OM Sauli.

- c. The report furthermore recommended that in the event of Ms Sauli not accepting the University's offer, the offer should be extended to a second applicant, namely Mr N Ndleve, who had also been found to be appointable.
- d. Council was then made aware by the Senior Director: Human Resources (HR) that the appointment of Ms Sauli would lead to potential problems, as her spouse, Mr F Sauli, who also works at the University as Creditors Manager, would fall under her line management – something that had been declared by Ms Sauli when she had applied for the position of CFO and which previously had been brought to the attention of the Selection Committee and the HRC of Council.
- e. For the (perplexing) reason quoted below, Council then requested the Senior Director: HR (Ms R Jacobs) and the Chair of the HRC (Mr L Hume) to meet with Mrs Sauli and her spouse, Mr Sauli:

*“As part of the appointment process, and in order to inform Council's final decision, the Chairperson of the Selection Committee and the Senior Director: HR must call a meeting with the Sauli family, to discuss mitigation strategies, for Council's consideration”* (Minutes of Council meeting dated 15 June 2022).
- f. Against the explicit advice of the Senior Director: HR, the meeting with Ms and Mr Sauli took place on 24 June 2022.
- g. Mrs Sauli in this meeting declared that should she be appointed her husband working in Finance would not lead to a conflict of interests.
- h. Based on the feedback from this meeting, Council, at a meeting on 1 July 2022, decided not to appoint Ms Sauli and to offer the position of CFO to Mr M Ndleve instead.
- i. Ms Sauli subsequently initiated legal proceedings against the University (these proceedings are ongoing).
- j. At its meeting of 17 August 2022, Council rescinded its decision to appoint Mr Ndleve because it was discovered that the latter had misrepresented his qualifications (this misrepresentation should have been detected earlier as the relevant information available to the Selection Committee and the HRC of Council from the beginning).
- k. Council subsequently decided to readvertise the position.

4.5. As should be evident from the above-mentioned accounts, if the University had erred in respect of the Vice-Chancellor, the Registrar, and the Chief Finance Officer, this was not as a result of any significant breaches or failures on the part of HR, but due to ill-considered Council decisions. It is worth noting here that the guidance and specialist expertise of HR was not sought by Council in the case of the former Vice-Chancellor's suspension, and HR's advice in respect of the interview with Ms and Mr Sauli was roundly disregarded.

4.6. In the main, it is evident that the HR department is functioning satisfactorily. As indicated, it is endeavouring to break down the silos in the HR function, it constantly reviews its policies, it endeavours to maintain constructive relationships with organised labour at the University, and it is developing an increasingly efficient and efficacious Employee Relations division.

#### **4.7. Recommendations**

The following recommendations are herewith submitted for consideration.

- 4.7.1. Where policy allows, Council and the HRC of Council should seek the advice or guidance of the Senior Director: HR before any decisions about serious Human Resources and Employee Relations matters are made.
- 4.7.2. HR should continue developing the internal capacity required to obviate an over-reliance on external legal firms.
- 4.7.3. HR should expedite the review of all outdated policies and procedures.
- 4.7.4. HR should ensure that all its substantive divisions are adequately staffed and resourced.

## **5. OFFICE OF THE REGISTRAR AND THE MANAGEMENT OF ACADEMIC AFFAIRS**

### **5.1. Registrars: Former and Current**

It is noted that:

- 5.1.1. Several staff members interviewed contend that the former Registrar (who retired in 2021) had a singularly deleterious relationship with student leaders, which resulted in concessions being made to the latter which were not in the best interest of the University or indeed of the general student body. Indeed, some staff in the former Registrar's office claim that it was the former Registrar's alleged habitual concessions to student leaders that created the perception that the institution is ruled (or 'captured') by students.<sup>11</sup> In the interviews conducted with her, however, the former Registrar denied any inappropriate involvement with students or the SRC during her term of office.
- 5.1.2. There cannot be any doubt that the fact that the Dean of Students reported to the former Registrar contributed significantly to the latter's perceived involvement with students in ways that manifestly conflicted with her obligation to ensure order and discipline on the University campuses, and specifically the observance of University policies, rules and regulations by all.
- 5.1.3. An opinion expressed repeatedly by interviewees (including the former Vice-Chancellor and members of Council) is that the former Registrar had a fraught and at times patently adversarial relationship with the former the former Vice-Chancellor. This frequently manifested in her alleged refusal to execute reasonable instructions given to her by the former Vice-Chancellor.<sup>12</sup>
- 5.1.4. The current Registrar confirms that the former Registrar did not do a comprehensive hand-over of responsibilities and information to her.
- 5.1.5. As previously indicated, the current Registrar has served for just more than a year, and despite the fact that she has inherited an office with significant problems, by all accounts, she is performing reasonably well in this role. It is evident from the documentation submitted as well as the interviews conducted with her that she has a comprehensive understanding of the importance of adherence to and regularly reviewing the institutional rules, regulations and policies that govern the University.
- 5.1.6. It is acknowledged that one of the vacant Deputy Registrar positions in the Registrar's Office will have to be filled as soon as possible and that the reporting lines between faculties and the senior staff attached to this office should be reviewed as a matter of urgency.

### **5.2. The academic calendar (yearbook) policies, rules and regulations**

It is noted that:

- 5.2.1. The University Calendar is a comprehensive, well-structured document. However, a few ambiguous rules were identified in the document, including the following disciplinary rules applying to students. Paragraph 6.1.1(a) reads: "The Central University of Technology, Free State (CUT) Council is the highest disciplinary authority at the University". Council's role as the apex governance body at the University cannot be disputed. However, making Council responsible specifically for student discipline may not be advisable. Paragraph 6.1.9 of the same document refers to the "Powers of suspension of the Vice-Chancellor (VC) and Principle". Again, the powers of the Vice-Chancellor and Principal is not disputed. However, this responsibility should ideally be delegated to the Registrar.
- 5.2.2. The University's Statute requires attention. It is for this reason that the current Registrar had appointed two consultants to review the Statute. The two consultants appointed for this review are

<sup>11</sup> The refrain that the University is 'captured' by students (however ill-advised and damaging this expression is) traverses several of the interviews conducted.

<sup>12</sup> "She [the former Registrar] ... did not obey or fulfil orders from him [the former Vice-Chancellor]. She was outright insubordinate. She never submitted her reports, she didn't engage in Executive meetings or discussions... So, she started also bringing in the student body to work against [the former Vice-Chancellor]. The students would crucify the VC, fully sponsored by the Registrar" (current Council member).

generally considered to be amongst the most knowledgeable in the higher education sector. However, the extensive work they have done on issues germane to the brief of the Independent Assessor may possibly have to be reconsidered, depending on the outcome of the Independent Assessment.

### **5.3. Legal Office**

It is noted that:

- 5.3.1. The recent establishment of a Legal Office reporting to the Registrar can be seen as a step in the right direction for the University, given the high costs incurred by the University through using only external service providers for legal matters over the past 10 years, as indicated earlier in this report.
- 5.3.2. A request was recently made to the Legal Office to work on disposing of all institutional policies that are no longer in use. However, this request to a professional staff member to simply discard policies (including academic policies) which do not appear to be in use entails significant risks for the academic project, particularly given that there currently does not exist any official guidelines for revoking University policies.

### **5.4. Student applications and enrolment**

It is noted that:

- 5.4.1. Currently, the University's information technology system is not appropriately configured for its needs. For example, the system is not calibrated to screen applications for admission, which means that support staff have to manually assess approximately 280,000 applications per annum to identify students who qualify for admission. This situation is indicative of an unacceptable level of inefficiency and entails significant risks for the University.
- 5.4.2. External providers have been appointed as system developers. For obvious reasons, this has resulted in inadequate internal capacity being developed and the University being much less agile than what the current context demands.
- 5.4.3. Largely due to the limitations of the current configuration of the University's information technology system, its support staff complement is too small for the large number of applications, and enrolment that have to be dealt with. Indeed, the support complement responsible for applications, admissions and enrolment, currently, are constantly overextended and overwhelmed.
- 5.4.4. Faculty and departmental administrators currently play a critical role in all facets of student administration (from application, to admission, to enrolment, to graduation etc.). However, their functional reporting lines to the Registrar's office are not clear. This has resulted in several cases of deadlines for student applications and admissions not being adhered to, problems with the delivery of institutional reports, and students attending lectures for extended periods of time without being registered, which obviously poses a significant risk to both students and the University.

### **5.5. Assessments and graduations**

It is noted that:

- 5.5.1. No training or business process manuals could be provided by the Registrar's Office for assessments and graduations processes. This means that a complement of twelve staff members attached to the Registrar's office, together with twenty-four faculty and departmental administrators, as well as several lecturing staff members capture assessment and graduation outcomes for approximately 20,000 students annually, without the benefit of training and a uniform approach to the administrative tasks associated with these important processes. The patent inadequacy of this system has resulted in countless reported cases of errors in the recording of grades and in graduation records.

## **5.6. Faculty and departmental administrators**

It is noted that:

- 5.6.1. There is an absence of regular meetings between the faculty and departmental administrators and the Registrar's office. This has resulted in disjointed and often contradictory communication between the Registrar's office and faculties and departments, a reliance on individual staff members' institutional knowledge and capabilities, fragmented service delivery and consequently, significant frustration for students.

## **5.7. Timetable office**

It is noted that:

- 5.7.1. The University's lecture timetables are currently generated under the aegis of the Data Management Unit, while institutional examination timetables are developed by the Registrar's Office. This separation between the functions of compiling lecture timetables and examination timetables is atypical. Usually these functions are located in the same office, given the overlap in competencies and knowledge required to ensure optimal performance and to avoid unnecessary duplication and timetable clashes. Under normal circumstances clashes in class timetables are invariably mirrored by clashes in examination timetables. It therefore stands to reason that the University would benefit from locating these two functions in the same office.

## **5.8. Secretariats of Senate and Council (Committee Services)**

It is noted that:

- 5.8.1. A perusal of Council and Senate documentation indicates that best practice in respect of minute taking and other administrative matters unfortunately is not followed. The staff members responsible for the Senate and Council meetings indicate that they are required to minute every remark made in these meetings (and not primarily resolutions, as is ordinarily the practice at other universities). Apart from imposing an unreasonable burden on the shoulders of the small Committee Services team, this practice also leads to other inefficiencies and protracted debates about the accuracy of the minutes in subsequent meetings before the minutes are eventually approved (for example, the minutes of one Council meeting minutes amount to 70 pages, with four to five pages consisting of virtually a verbatim transcription of discussions).

## **5.9. Dean of Students**

It is noted that:

- 5.9.1. The Dean of Student Affairs currently reports to the Registrar. This arrangement is the exception rather than the rule in the South African higher education landscape. The reason for this should be obvious. In keeping with good governance, the Registrar has to ensure that the University's rules, policies and regulations are followed by all as far as possible. A Dean of Students, on the other hand, has to respond to other imperatives, such as assisting and supporting students when they experience problems (including extra-curricular problems) during their studies. When a Dean of Students reports directly to the Registrar it is quite likely that various conflicts of interest may result.

The content of this section outlines some of the most significant risks facing the Central University of Technology at present. The risks have serious implications not only for governance and the academic project, but also for the success and well-being of students. It goes without saying that students will remain unhappy with service delivery (and will constantly protest) if the issues raised in this section are not addressed as a matter of urgency. In view of this, the following recommendations are proposed:

## **5.10. Recommendations**

- 5.10.1. The finalisation of the current revision of the CUT Statute should be deferred until after the acceptance of the Independent Assessment given that the latter may have implications for the revision of the Statute.

- 5.10.2. All institutional rules, regulations and policies should be reviewed at least once every three years, with the policy owners and the Registrar's Office being central to the process. Furthermore, the policy owners as well as the Registrar's Office must sign off on any changes to the policies, after ratification by the relevant governance bodies.
- 5.10.3. Measures should be put in place to ensure that academic rules and policies for each and every academic programme offered can only be changed with Senate approval and that the changes should be reflected in the University's Academic Calendar.
- 5.10.4. A formalised Senate-approved process should be followed to rescind redundant or obsolete academic policies. The process should involve the designated policy custodians and the Registrar's Office.
- 5.10.5. Internal IT support to the Registrar's Office must be strengthened, *inter alia*, through the Director of IT supporting the manager attached to the Registrar's office who is responsible for the development of student systems, by ensuring that the external IT service providers respond expeditiously to requests for system changes or recalibrations. Ideally, of course, internal capacity should be developed, so as to dispense of the sole reliance on external service provision.
- 5.10.6. Clear functional responsibility lines must be developed between the Registrar's Office and the staff members in faculties responsible for student administration.
- 5.10.7. The Deputy Registrar: Academic should ideally hold monthly meetings with administrative staff from each faculty, representatives from the Welkom campus, and the two Assistant Registrars, so as to ensure that functional competence responsibilities are established at institutional level.
- 5.10.8. The Deputy Registrar: Academic must ensure that training manuals and training are available for all student and academic administrative processes managed by faculty and departmental administrators.
- 5.10.9. All Deans must ensure that all staff involved with student and academic administration processes undergo training or retraining if required.
- 5.10.10. All training manuals for business processes in the office of the Registrar must be updated regularly to reflect current policy decisions and changes. These training manuals must be used to provide regular training to all new as well as current student and academic administration staff.
- 5.10.11. The Registrar's office must develop business process manuals that can be used for training or retraining of all staff allowed to work on assessment and graduation records systems.
- 5.10.12. The business process manager in the Registrar's Office together with the Assistant Registrar responsible for assessments and graduations must ensure the digitalisation of all processes associated with the administration of assessments and graduations.
- 5.10.13. The information technology system for student administration must be structured in such a manner that only authorised individuals can access the system. The system should also have the capacity to track and record any changes made to records. The paper trail used currently is outdated and inefficient.
- 5.10.14. The faculty and departmental administrators should ideally be grouped in a single office near the Dean's office.
- 5.10.15. The Deputy Registrar: Academic should meet regularly with the Registrar for to discuss any governance and/or management matters that require attention.
- 5.10.16. The Deputy Registrar: Academic must meet once a month with every Dean to ensure all functional responsibilities between her or his office and the faculty administration receives the necessary attention.

- 5.10.17. The Deputy Registrar: Academic must take completion responsibility for all student and academic administrative matters for the full student life cycle (i.e., from application to graduation).
- 5.10.18. The Deputy Registrar must take responsibility for ensuring that the Secretariat of Senate, in consultation with the Faculty Administrators and Deans, signs off on all agendas and minutes of Faculty Board meetings.
- 5.10.19. The Deputy Registrar must ensure that all Senate resolutions pertaining to academic programmes are addressed at faculty level. This will include resolutions related to admission policies, assessment policies, calendar changes, and timetables.
- 5.10.20. The reporting line of the Dean of Students should be changed so that she or he reports to another Executive member rather than the Registrar. (Given the current configuration of the Executive, it would make sense to have the Dean of Students reporting to the Deputy Vice-Chancellor: Teaching and Learning.)
- 5.10.21. The functions pertaining to the lecture and examination timetables should be located in a single office. The person heading this office, must have a sound knowledge and understanding of data management. In the interest of good governance, this office should report to the Registrar's Office.
- 5.10.22. The restructuring of the Registrar's office is of the utmost importance for the University<sup>13</sup>. If the CUT strategy is to deliver excellent services to students, attention should be given to changing reporting lines and focussing on good governance.
- 5.10.23. Only the Deputy Registrar, Legal office, Timetable office, and the Head of Committee Services should report to the Registrar.

## 6. OTHER IMPEDIMENTS TO THE OPTIMAL FUNCTIONING OF THE UNIVERSITY

Various other impediments to the optimal functioning of University were identified during the course of the desktop research and interviews conducted. Five of the most prominent of these are listed below.

### 6.1. Culture of fear and uncertainty

The following is noted:

- 6.1.1. A persistent message emanating from many of the interviews conducted is that a culture of fear predominates at the University – specifically, fear of victimisation, disciplinary hearings, loss of employment, restriction of career progress and student aggression. Coincidentally, this notion of a pervasive fear that appears to characterise the institution had also been alluded to in the Smith Report, following the institutional assessment at the University conducted in 2012.
- 6.1.2. Nonetheless, when interviewees were asked what this fear was based on, very few concrete details were provided, apart from incidents involving alleged student aggression (which was described in some detail by some of the interviewees). The lack of concrete details provided could be because interviewees might have felt that if they provided examples of processes or incidents on which their fears are based they may be identified, or it may simply be that the culture of fear alluded to in the Smith Report could have become part of the institutional narrative over the years. This, of course, does not mean that this abiding sense of pervasive threat and fear alluded to by interviewees is not real or is not experienced as real and that it does not have an impact on the institution's functioning. Indeed:
- 6.1.3. In a study on the organisational culture of the University conducted by KLM Empowered (2022) in July 2022, at the request of the University Council, it is reported that:

---

<sup>13</sup> Suggestions for the restructuring of the Registrar's office are presented in Addendum D.

“Participants expressed concern that the culture of fear and distrust is having a negative impact on organisational velocity and institutional progress. They highlighted that, based on fear of excessive reprisal for mistakes, decision making is slow and most decisions are only made with legal<sup>14</sup> or policy backing or by a committee which ensures a strong base of support. In addition, innovation is stifled by low risk tolerance and a fear of ‘sticking one’s neck out’” (p. 19).

- 6.1.4. The afore-mentioned study also found that uncertainty was another dominant feature of staff members’ experience of the University currently. Specifically, KLM Empowered (2022) notes:

“[Another] ... key aspect that became prevalent during the leadership conversations and focus groups is the current uncertainty and anxiety that exists across the institution. For the most part, this was ascribed to the departure of the previous Vice-Chancellor and the number of acting roles at present, but it was also ascribed to the tense relationship between the Student Representative Council and Management as well as between unions (specifically NEHAWU) and management” (p. 20).

## **6.2. Under-representation of women in permanent senior positions**

The following is noted:

- 6.2.1. While not explicitly mentioned in the interviews conducted, the findings of the afore-mentioned report in respect of women in the workplace should be noted. KLM Empowered (2022) points out:

“There is an overall underrepresentation of females at senior management level... Although a commitment to gender transformation has been clearly articulated [in the leadership conversations and focus group discussions], CUT community members agreed that definitive plans need to be put into place and that resources need to be allocated to ensure that the achievement of the stated objectives is not left to chance” (p. 70).

- 6.2.2. The afore-mentioned observation notwithstanding, it should be mentioned that the University has recently started focussing on the appointment of women in senior positions. Indeed, three of the most senior appointments made at the University were women. However, there is still much room for improvement.

## **6.3. Student disruptions and threats against University staff**

The following is noted that:

- 6.3.1. Following a complaint by NEHAWU addressed to the former Vice-Chancellor about the “threats and ill-treatment” of University staff by students and more specifically student leaders, the University appointed Peyper Forensics to conduct a preliminary investigation to assess whether the alleged misconduct on the part of students merit further investigation and intervention.

- 6.3.2. During the course of the Peyper Forensics investigation, staff reported:

“Various instances where students disrupt classes and lecturers feel threatened by students and specifically student leadership. These include instances where female lecturers felt physically threatened by [an SRC member] ... various threats and intimidation of other students and lecturers on social media, including Facebook and WhatsApp. Confusion ... in terms of where to report these threats and class disruptions and the investigation procedures which should follow after a complaint. ... the process relating to investigations and subsequent action taken is too long and the staff members do not receive any feedback on the matters” (pp. 86-87).

- 6.3.3. Additionally, the failure of the former Registrar to ensure action against students in breach of the University’s code of conduct featured prominently in the Peyper Forensics investigation.

---

<sup>14</sup> See 3.13.8.



6.3.4. Student disruptions and threats directed against University staff also figured repeatedly in the interviews conducted by the Independent Assessor.<sup>15</sup>

6.3.5. The Peyper Forensics investigation proposed the following recommendations, amongst others, at the conclusion of their investigation:

(a) The University should “implement an electronic case management system on which CUT employees can lodge their formal complaints whereby the complaint is routed against the correct reporting line. The benefit of such system is: (i) Complaints can be easily monitored. (ii) The centralised data management system allows remote access. Thus, employees and investigators working from home have access to the system. (iii) Complaints [do not] get lost in email communication. (iv) [The] status and outcomes of complaints can easily be monitored. (v) Employees can receive real-time updates and [have] quick access to information. (vi) [It can ensure that] all complaints made by CUT employees are addressed and effectively handled. (vii) The system ensures efficient resolutions of cases through effective collaboration from all parties involved. (viii) Responsible officials can easily be identified and their progress on cases can be monitored. (ix) Action can be taken more effectively and the documents and/or evidence is in one place. (x) Employees will have to trust the transparency of the process. (xi) Audit trails and documents are readily available to effectively report and provide information for external investigators of lawyers” (pp. 87-88).

(b) The University should “implement a compulsory electronic learning program for all students that deals with the CUT Calendar to create awareness of the code of conduct of students, disciplinary measures that can be initiated etc. The benefit for such training is: ... When students are made aware of rules and regulations of the CUT and the actions that can be taken against them it is likely that their actions will be reconsidered.” (p. 88).

(e) The University should “provide training to Student Services on their roles and responsibilities in respect of disciplinary matters” (p. 88).

6.3.6. Whilst decrying the alleged student aggression and violence reported by staff and NEHAWU, most interviewees were also sympathetic to the plight of students, many of whom battle financially and in many cases are ‘short-changed’ by the University.<sup>16</sup> Interviewees were also of the conviction that it is a minority of students that generally make themselves guilty of the afore-mentioned transgressions.<sup>17</sup>

#### **6.4. Prolonged suspension of contact classes during 2022 and quality of the academic programmes**

It is noted that:

6.4.1. During the first semester of 2022, when most other South African universities had started resuming contact classes, CUT maintained remote instruction for the entire semester, because students were allegedly unwilling to return to campus. Of course, this is regrettable because it deprived students of the full value of enrolment at a contact University. To further compound matters, some students refused to participate in invigilated in-person examinations. Indeed, it was reported that only 5 percent of students at the University’s Welkom Campus sat for the invigilated mid-year

<sup>15</sup> “So, the academic programme at the time was completely disrupted by the students, to a point where the lecturers in the classrooms were treated unfairly, they were intimidated; they were scared. The students would threaten the academics. Really, it was horrible (Senate member).

“I was personally attacked by students” (Senior Support Staff member).

“They allowed the students to hold us ransom as staff members. That for me was not acceptable. If they had the interest of students at heart, we could not have reached the state where every time the students would just be undisciplined and rowdy and, you know, take charge of the University” (Support staff member).

<sup>16</sup> “These are some of the things that have to be sorted, and we are on our way to trying to sort out these kinds of issues so that you don’t have any students striking because they have issues with their marks (Senior staff member).

<sup>17</sup> “A few of the students, not all students, were the ones punishing the majority” (Senior staff member).

examinations, while 95 percent of students at the Bloemfontein Campus sat for these examinations. This state of affairs will undoubtedly affect the overall student success rates at the University very adversely. What is most regrettable is that it will most likely be those students who can ill afford to extend their studies by even one additional semester who will be affected most detrimentally.

- 6.4.2. It is difficult to understand why the University Executive did not do more to ensure that the many students at the University who wanted to attend contact classes were not given the opportunity to do so. On the surface, it appears that students at CUT were deprived of an opportunity afforded to most of their peers at other universities.
- 6.4.3. In view of the recent Council for Higher Education institutional audit conducted at the University, this assessment did examine the quality assurance processes of the University in respect of its teaching and learning and research programmes. The outcome of the institutional audit was not yet available at the time of the assessment. What is evident though (and this has to be stated with a level of caution, given that this was not a focus of this assessment) is that programmes appeared to have been reviewed regularly over the past four years.

### **6.5. Functioning of the Alumni Association**

- 6.5.1. CUT's Alumni Association appears to be very active and visible within the University community. However, apart from its role in various activities, several concerns were raised in respect of this association. As the Independent Assessor was unable to put these concerns to the association, they will not be listed here. However, it will be in the interests to undertake an assessment of the Alumni Association, its relationship with the Alumni Office, and the active role it plays in core University activities, such as appointment processes.

### **6.6. Recommendations**

The following recommendations are proposed in respect of the impediments to the institution's functioning reflected in this section.

- 6.6.1. A fully-fledged investigation to assess the full extent of the 'culture of fear' that interviewees suggest prevail at the University as well as its impact on the functioning of the University.
- 6.6.2. The Peyper Forensics investigation was a preliminary investigation and it is recommended that this investigation should be broadened. For obvious reasons, the University community will benefit from this investigation. In the meantime, however, the recommendations suggested by Peyper Forensics should be considered for immediate implementation.
- 6.6.3. The University should urgently develop alternative strategies to proceed with the academic programme in the case of disruptions rather than suspended contact teaching and learning as it did in 2022.
- 6.6.4. The University should attend to the recommendations for further improving gender representivity in senior positions flowing from the KLM Empowered report.
- 6.6.5. The University should undertake an assessment of the Alumni Association, its relationship with the Alumni Office, and the active role it plays in core University activities, such as appointment processes.

### **CONCLUSION**

I take this opportunity to thank all CUT stakeholders for their contributions to this assessment. As indicated earlier, the assessment was sobering in many respects. In effect, it has revealed several weaknesses in the systems and functioning of the Central University of Technology, Free State. Student administration and governance and various facets financial management and governance at the University clearly show signs of weakness and in certain respects, dysfunction. In the main, the assessment has found that significant interventions will be required to strengthen administration and governance, as well as financial management and governance. The assessment has also found that the functioning and actions of the University Council constitute the most significant impediment to the University's functioning and growth.

Given the above, this report proffers several recommendations, all aimed at strengthening the University's systems and growth. These recommendations are consolidated in the list presented on page 41. The key recommendations amongst these are as follows:

- In view of the damage that the current Council has caused the functioning and reputation of the University since 2020, it is recommended that this Council should be disbanded and that an Administrator be appointed to assume the responsibilities of Council until the appointment of a completely reconstituted Council.
- That the Administrator assists the newly appointed Vice-Chancellor and Principal of the University in the execution of her responsibilities.
- While the performance of the University's Executive management has been markedly wanting in certain respects, particularly since the suspension of the former Vice-Chancellor and Principal, it is recommended that the current members of the University Executive Management serve out their current terms. The new Vice-Chancellor and Principal should, however, based on this report and her own assessment of the performance of her Executive members, determine whether they are offered any further terms in any positions on the University Executive Management team. It will be advisable for the new Vice-Chancellor to progressively build up a new Executive Management team with the support of the proposed Administrator and ultimately a new Council.
- The appointment of a suitably qualified Chief Financial Officer and Procurement Manager should be expedited.
- With respect to the identified potential wasteful expenditure relating to payments made to students and landlords in circumstances where these students may already have vacated their accommodation, further investigation is required.
- The Planning, Finance and Resources Committee of Council should be restructured, so as to enhance its functioning and effectiveness.
- Where policy allows, Council and the HRC of Council should seek the advice or guidance of the Senior Director: HR before any decisions about serious Human Resources and Employee Relations matters are made.
- The Registrar's office should be restructured as a matter of urgency.
- The reporting line of the Dean of Students should be changed so that she or he reports to another Executive member rather than the Registrar.
- The finalisation of the current revision of the CUT Statute should be deferred until after the acceptance of the Independent Assessment, given that the latter may have implications for the revision of the Statute.

Finally, it should be noted that despite the weaknesses pointed out in this report, the University does possess several strengths, one of which is the clear commitment shown by several staff members to contributing to the growth of the University.



Professor Norman Duncan  
*Professor Emeritus, University of Pretoria*  
Independent Assessor

### **Acknowledgments**

I thank the following colleagues for their invaluable contributions to this assessment:  
Mr Bulelani Mahlangu (Expert advisor on in respect of all financial matters reported)  
Dr David Marais (Expert advisor in respect of all student administration and governance matters)  
Ms Tintswalo Ngwenya (Deputy Director: Governance Support)

## CONSOLIDATED LIST OF RECOMMENDATIONS

### Council and Management

1. In view of the damage that Council has caused the functioning and reputation of the University, it is recommended that this Council should be disbanded and that an Administrator be appointed to assume the responsibilities of Council until the appointment of a completely reconstituted Council.
2. That the Administrator assists the newly appointed Vice-Chancellor and Principal of the University in the execution of her responsibilities.
3. While their performance has been markedly wanting, particularly since the suspension of the former Vice-Chancellor and Principal, it is recommended that the current members of the University Executive Management serve out their current terms. The new Vice-Chancellor and Principal should, however, based on this report and her own assessment of the performance of her Executive members, determine whether they are offered any further terms in any positions on the University Executive Management team. It will be advisable for the new Vice-Chancellor to progressively build up a new Executive Management team with the support of the proposed Administrator and ultimately a new Council.
4. Council should engage with the Institutional Forum in accordance with its mandate.

### Finances

1. The appointment of a suitably qualified Chief Financial Officer and Procurement Manager should be expedited.
2. The finance system used by CUT has significant limitations. The difficulty in generating meaningful financial reports constitutes one of its more serious limitations. If the University wishes to acquire an alternative Enterprise Resource Planning (ERP) solution, which it is strongly recommended it should consider, it could leverage off the solutions currently utilised by other higher education institutions. At least one higher education institution has successfully implemented the fairly effective Systems Applications and Products (SAP) as their ERP solution. Obviously, attempting to implement SAP from scratch at CUT may prove to be expensive. Consequently, it is suggested that the University should approach any other institutions that may be using a flexible ERP solution, in order to leverage off their customised solutions.
3. The University should ensure the immediate recovery of the R257 million which NSFAS has acknowledged it owes the University. An effort to recover the remainder of the R720 million that CUT believes it is owed should be pursued thereafter.
4. The University should terminate the arrangement of depositing the funds it had set aside as 'surety' for the municipality into a trust account with its attorneys, and instead invest these funds itself.
5. With respect to the identified potential wasteful expenditure (see paragraph 3.12.6 above) relating to payments made to students and landlords in circumstances where these students may already have vacated their accommodation, further investigation is required.
6. The alleged scam reported under 3.12.3 should be further investigated, and if required, disciplinary action should be taken against staff who were guilty of misconduct or who failed in their duties.
7. The Planning, Finance and Resources Committee of Council should be restructured, so as to enhance its functioning and effectiveness.
8. The Audit, Risk, and ICT Governance Committee of Council should be restructured with a separate information and communication technology committee being establishing.
9. It is strongly recommended that the University Council demonstrates a sense of urgency and ensure that recommended changes to Fees and Financial Aid (FFA) Unit are treated as a project.
10. Council must ensure that the Noland Report is dealt with as soon as possible.
11. The Audit, Risk, and ICT Governance Committee must ensure that they are informed of all investigations at the University that are related to matters falling within their remit.
12. Management must report all investigations that are being conducted to the Audit, Risk, and ICT Governance Committee, and follow up on them, in order to prevent a situation similar to the one where the NSFAS allowances investigation was not finalised, and the Audit, Risk, and ICT Governance Committee was not in a position to make enquiries in respect thereof. Regarding the payments for student accommodation made in December 2020 and January 2021, Council should never authorise any payments of this nature without written approval from DHET. Furthermore, a further investigation should be conducted regarding the circumstances that led to a third payment for student accommodation being made for February 2021.
13. Council meetings and meetings of its committees should be better planned and managed, so as to limit the number of special meetings per year. Special meetings should be allowed only in exceptional circumstances.

14. The University Council and Management should ensure that an appropriate cap is placed on the permissible travelling expenditure per staff member.
15. It is recommended that the circumstances that led to a single legal services supplier being used for an uninterrupted period of more than ten years should be further investigated.
16. It is recommended that a thorough investigation of the purchase of the Toyota Building should be undertaken as soon as possible.
17. It is recommended that an asset management consultant should be appointed to do a risk and return assessment of the University's balance sheet, in order to determine optimal investment allocations. (Actuaries can advise on how to effectively deal with the University's post-retirement medical aid obligation, even though this does not amount to a significant liability.)
18. In order to stabilise the Legal and Supply Chain Management Units, substantive appointments against vacancies and required posts must be made as soon as possible, and the Supply Chain Management employees must be taken through a structured Supply Chain Management training programme.
19. A grants policy should be developed and put in place as soon as possible.
20. Policies should be updated regularly (preferably every three years), and appropriate formal processes should be followed to expunge policies and procedures that are no longer in use.
21. A procurement deviation register should be put in place and presented to the University Management Committee on a regular basis.
22. Council and the University Executive Management should clarify and ensure the performance management of the Chief Audit Executive and Chief Risk Officer.
23. The University's risk register should include timelines for the implementation of risk mitigating interventions.
24. The Planning, Finance and Resources Committee of Council and Council should approve the utilisation of reserves only in instances where they are provided with calculations indicating the estimated cash equivalent of the reserves.
25. In keeping with the King IV Report recommendation that all members of audit committees, including chairs, should be independent, non-executive members of governing bodies, it is proposed that the Chair of the University's Audit, Risk, and ICT Governance Committee of Council should be someone with no official or formal association with the University (including Council).
26. Submissions to the Planning, Finance and Resources Committee's investment schedule should include investment rates and terms.
27. The Planning, Finance and Resources Committee of Council should monitor the grants age analysis and spending, reporting to Council on a regular basis.

#### **Human Resources**

1. HR should urgently inform line managers of what procedure is to be followed in cases where employees lodge grievance cases against their line managers, while disciplinary proceedings against the former are in process.
2. Where policy allows, Council and the HRC of Council should seek the advice or guidance of the Senior Director: HR before any decisions about serious Human Resources and Employee Relations matters are made.
3. HR should continue developing the internal capacity required to obviate an over-reliance on external legal firms.
4. HR should expedite the review of all outdated policies and procedures.
5. HR Should ensure that all its substantive divisions are adequately staffed and resourced.

#### **Registrar's Office and Student Administration**

1. The finalisation of the current revision of the CUT Statute should be deferred until after the acceptance of the Independent Assessment given that the latter may have implications for the revision of the Statute.
2. All institutional rules, regulations and policies should be reviewed at least every three years, with the policy owners and the Registrar's Office being central to the process. Furthermore, the policy owners as well as the Registrar's Office must sign off on any changes to the policies, after ratification by the relevant governance bodies.
3. Measures should be put in place to ensure that academic rules and policies for each and every academic programme offered can only be changed with Senate approval and that the changes should be reflected in the University's Academic Calendar.
4. A formalised Senate-approved process should be followed to rescind redundant or obsolete academic policies. The process should involve the designated policy custodians and the Registrar's Office.
5. Internal IT support to the Registrar's Office must be strengthened, *inter alia*, through the Director of IT supporting the manager attached to the Registrar's office who is responsible for the development of student systems, by ensuring that the external IT service providers respond expeditiously to requests

for system changes or recalibrations. Ideally, of course, internal capacity should be developed so as to dispense of the reliance on external service provision.

6. Clear functional responsibility lines must be developed between the Registrar's Office and the staff members in faculties responsible for student administration.
7. The Deputy Registrar: Academic should ideally hold monthly meetings with administrative staff from each faculty, representatives from the Welkom campus, and the two Assistant Registrars, so as to ensure that functional competence responsibilities are established at institutional level.
8. The Deputy Registrar: Academic must ensure that training manuals and training are available for all student and academic administrative processes managed by faculty and departmental administrators.
9. All Deans must ensure that all staff involved with student and academic administration processes undergo training or retraining if required.
10. All training manuals for business processes in the office of the Registrar must be updated regularly to reflect current policy decisions and changes. These training manuals must be used to provide regular training to all new as well as current student and academic administration staff.
11. The Registrar's office must develop business process manuals that can be used for training or retraining of all staff allowed to work on assessment and graduation records systems.
12. The business process manager in the Registrar's Office together with the Assistant Registrar responsible for assessments and graduations must ensure the digitalisation of all processes associated with the administration of assessments and graduations.
13. The information technology system for student administration must be structured in such a manner that only authorised individuals can access the system. The system should also have the capacity to track and record any changes made to records. The paper trail used currently is outdated.
14. The faculty and departmental administrators should ideally be grouped in a single office near the Dean's office.
15. The Deputy Registrar: Academic should meet regularly with the Registrar for to discuss any governance and/or management matters that require attention.
16. The Deputy Registrar: Academic must meet once a month with every Dean to ensure all functional responsibilities between her or his office and the faculty administration receives the necessary attention.
17. The Deputy Registrar: Academic must take completion responsibility for all student and academic administrative matters for the full student life cycle (i.e., from application to graduation).
18. The Deputy Registrar must take responsibility for ensuring that the Secretariat of Senate in consultation with the Faculty Administrators and Deans signs off on all agendas and minutes of Faculty Board meetings.
19. The Deputy Registrar must ensure that all Senate resolutions pertaining to academic programmes are addressed at faculty level. This will include resolutions related to admission policies, assessment policies, calendar changes, and timetables.
20. The reporting line of the Dean of Students should be changed so that she or he reports to another Executive member rather than the Registrar. (Given the current configuration of the Executive, it would make sense to have the Dean of Students reporting to the Deputy Vice Chancellor: Teaching and Learning.)
21. The functions pertaining to the lecture and examination timetables should be located in a single office. The person heading this office, must have a sound knowledge and understanding of data management. In the interest of good governance, this office should report to the Registrar's Office.
22. The Registrar's office should be restructured as a matter of urgency. If the CUT strategy is to deliver excellent services to students, attention should be given to change reporting lines and focus on good governance.
23. Only the Deputy Registrar, Legal office, Timetable office, and the Head of Committee Services should report to the Registrar.

#### **Other**

1. A fully-fledged investigation to assess the full extent of the 'culture of fear' that interviewees suggest prevail at the University as well as its impact on the functioning of the University should be undertaken.
2. The Peyper Forensics investigation was a preliminary investigation, and it is recommended that this investigation should be broadened. For obvious reasons, the University community will benefit from this investigation. In the meantime, however, the recommendations suggested by Peyper Forensics should be considered for immediate implementation.
3. The University should urgently develop alternative strategies to proceed with the academic programme in the case of disruptions rather than suspended contact teaching and learning as it did in 2022.

4. The University should attend to the recommendations for further improving gender representivity in senior positions flowing from the KLM Empowered report.
5. The University should undertake an assessment of the Alumni Association, its relationship with the Alumni Office, and the active it plays in core University activities, such as appointment processes.

## Addendum A

### DOCUMENTS PROVIDED BY DHET INDEX OF DOCUMENTATION

Annexure	Contents
	<b>Correspondence received following the resignation of the Council Chairperson and Deputy Chairperson; and the suspension of the VC and DVC</b>
<b>A1</b>	Letter dated 4 November 2020 from the then Registrar, Dr Nothemba Mrtwetyana to the Minister regarding the resignation of the then Council Chairperson (Mr Boysie Phehlukwayo) and the Deputy Chairperson (Dr Garth van Gensen)
<b>A2</b>	Letter dated 4 Nov 2020 from the National Tertiary Education Union (NTEU) requesting the Minister to intervene
<b>A3</b>	SASCO Statement dated 4 November 2020
<b>A4</b>	Letter dated 6 November 2020 from the newly elected Interim Chairperson, Ms Nonie Mokose to the Minister regarding the precautionary suspension of Professor Henk De Jager and Dr Paul.
<b>A5</b>	A Media Statement on 11 November 2020 released by the Minister
<b>A6</b>	Letter dated 13 November 2020 from the Interim Chairperson, Ms Nonie Mokose to the Minister
<b>A7</b>	Letter dated 4 December 2020 from the former Chairperson, Mr Phehlukwayo to the Minister
<b>A8</b>	Mr Phehlukwayo's Statement to the forensic investigators in the matter relating to the appointment of the Registrar
	<b>Correspondence received by the Department from the former Vice-Chancellor, Prof Henk de Jager</b>
<b>B1</b>	Letter dated 24 November 2020 from Prof de Jager to the Minister about the suspension
<b>B2</b>	The grievance lodged by Ms Winkler to the then Chairperson, Mr Phehlukwayo
<b>B3</b>	The response of the VC to the allegations made by Ms Winkler
<b>B4</b>	A statement by Prof de Jager's Legal team refuting the allegations
<b>B5</b>	Prof de Jager's Statement to the forensic investigators in the matter relating to the appointment of the Registrar
<b>B6</b>	Letter dated 2 February 2021 from Prof de Jager to the Minister regarding the prolonged suspension accompanied by the documents Annexed B7-B10
<b>B7</b>	Letter of suspension dated 6 November 2020 from the Interim Chairperson, Ms Mokose to Prof de Jager
<b>B8</b>	Letter dated 27 January 2021 from Blair Attorneys representing Prof de Jager to the Interim Chairperson and Members of the Council Executive Committee (Exco)
<b>B9</b>	The response letter dated 29 January 2021 from Ntanjana Attorneys on behalf of the Interim Chairperson of Council to Blair Attorneys
<b>B10</b>	The CUT Disciplinary Procedures
<b>B11</b>	A letter dated 22 March 2021 from Blair Attorneys to the CUT Council
	<b>Correspondence received by the Department from the Deputy Vice-Chancellor, Dr Gary Paul</b>
<b>C1</b>	Letter dated 20 November 2020 from the Attorneys representing Dr Paul (Van der Merwe and Sorour Attorneys) to the Interim Chairperson challenging the suspension.
<b>C2</b>	A follow-up letter dated 27 November 2020 from the Attorneys to the CUT Council Interim Chair.
<b>C3</b>	A follow-up letter dated 15 January 2021 from the Attorneys to the CUT Council Interim Chair.



- C4** A follow-up letter dated 5 February 2021 from the Attorneys to the CUT Council Interim Chair.
- C5** A follow-up letter dated 19 March 2021 from the Attorneys to the CUT Council Interim Chair

**Minister's Engagement with the Council following the suspension of the VC and DVC**

- D1** Letter 21 December 2020 from the Minister dated to the Council Chairperson
- D2** Council Chairperson's Response to the Minister accompanied by Annexures D3-D12
- D3** Council self-assessment governance Scorecard for the 2019 academic year
- D4** CUT Institutional Statute published in Government Gazette No 40772 of 7 April 2017
- D5** CUT Council Charter of 2017
- D6** CUT Grievance Procedures
- D7** CUT Disciplinary Procedures (also annexed as B10)
- D8** CUT Disciplinary Rules
- D9** Dissenting views by some Council Members to the Council's Resolution in the Appointment of the Registrar – 20 October 2020
- D10** Response of the then Chairperson, Mr B Phehlukwayo to the dissenting view – 26 October 2020
- D11** Declaration of Conflict of Interest by Prof de Jager in the Selection and Recruitment Process of the Registrar
- D12** Correspondence dated 27 October 2020 from Councillor Mbileni-Morema requesting a Special Council Meeting
- D13** Letter dated 12 March 2021 from the Interim Council Chair, Ms N Mokose to the Minister regarding the return of Prof de Jager to work
- D14** Letter dated 31 March 2021 from the Interim Council Chair, Ms N Mokose to the Minister regarding the outcome of the investigation
- D15** Letters dated 31 March 2021 from the Interim Council Chair, Ms N Mokose to Prof de Jager and Dr Paul regarding the outcome of the investigation
- D16** The investigation report by Ntanjana Attorneys into alleged conduct of Prof de Jager on allegations of sexual harassment levelled by Ms Geralda Winkler against Dr Gary Paul and the other related issues (The Ntanjana Report)
- D17** Letter dated 1 April 2021 from the Registrar to the Minister about the election of new Council Chairperson
- D18** Letter dated 22 September 2021 informing the Minister of the Mutual Separation Agreement
- D19** Letter dated 22 September 2021 requesting a meeting with the Minister

**Appearance of CUT before the Portfolio Committee on 9 February 2022**

- E1** Presentation of the Department to the Portfolio Committee on CUT
- E2** Presentation by the SRC of the CUT Bloemfontein Campus
- E3** Presentation by the SRC of the CUT Welkom Campus
- E4** Presentation by NEHAWU of CUT
- E5** Presentation by NTEU of CUT
- E6** Presentation by the CUT Institutional Forum
- E7** Presentation by the CUT Council
- E8** Presentation by the CUT Executive Management
- E9** Proceedings of PC Meeting with CUT
- E10** Request of additional documents by the Portfolio Committee to CUT
- E11** Response of the Chairperson to the CUT on the documents

- E12** Report of the Council on Human Resources Matters
- E12a** Institutional Succession Planning Implementation Strategy
- E12b** Institutional Succession Planning Timelines
- E12c** Succession Planning Procedure
- E12d** CUT Employee Wellness Programme 4<sup>th</sup> Quarterly Report (1 Oct to 31 Dec 2021)
- E12e** CUT Next Generation Women in Leadership (nGenWiL) Programme 4<sup>th</sup> Quarterly Report (1 Oct to 31 Dec 2021)
- E12f** CUT Policy on Harassment Sexual Harassment and Gender-Based Violence
- E12g** Breakdown of expenditure on internal legal costs for 2020 2021
- E12h** Breakdown of Expenditure on litigations for 2020 & 2021
- E13** Role of Higher health in providing wellness services to CUT
- E14** Support provided to victims of sexual harassment by the university
- E15** Filling of vacancies on Council – Finance and Education portfolios
- E16** Council Report on allegations of sexual harrassment against the DVC: ResOps, Dr Gary Paul; and the Mutual separation of the former VC, Prof Henk de Jager
- E16a** Council report on its investigation into the allegations of sexual harassment against Dr Paul
- E16b** Minutes of Council Special Meeting of 23 March 2021
- E16c** Report of the investigation into a grievance lodged by Ms Winkler (The Lovius Block Report)
- E16d** *The Ntanjana Report (also annexed D16)*
- E16e** *Letters dated 31 March 2021 from the Interim Council Chair, Ms N Mokose to Dr Paul regarding the outcome of the investigation (also annexed D15)*
- E16f** Letters dated 31 March 2021 from the Interim Council Chair, Ms N Mokose to Ms Laura Botha (Prof de Jager’s PA) regarding the outcome of the investigation
- E16g** *Letters dated 31 March 2021 from the Interim Council Chair, Ms N Mokose to Prof de Jager regarding the outcome of the investigation (also annexed D15)*
- E16h** The Charge Sheet for Dr Paul, Prof de Jager and Ms Botha
- E16i** Report on the disciplinary hearing of Dr Paul, Prof de Jager and Ms Botha - 28 July 2021
- E16j** Disciplinary Hearing Outcome for Dr Paul - 12 August 2021
- E16k** Representations by Dr Paul following the Disciplinary Hearing - 29 September 2021
- E16l** Legal Opinion on the Representations by Dr Paul - 28 October 2021
- E16m** Letter dated 30 November 2021 from the Council Chair to Dr Paul responding to his representation
- E16n** Details of the Mutual Separation Agreement between the former VC and the University
- E16o** Letter dated 2 August 2021 from Prof de Jager to Council Chair
- E16p** Settlement Agreement Proposal for Council’s consideration 18 August 2021
- E16q** Report of the HRC to Council regarding the Initiation of the Review of the VC’s Contact for Possible Renewal
- E16r** The Mutual Settlement Agreement between the Council and VC – 29 September 2021
- E17** Council’s Report on the Language Policy and its Implementation
- E17a** The CUT Language Policy (English)
- E17b** The CUT Language Policy (Sesotho)

- E17c** The CUT Language Policy (Afrikaans)
- E17d** The Language Policy Implementation Plans (2021 – 2025)
- E18** Council's Report on the Process of Accrediting off-campus Residences
- E18a** PUR 5500/10- Privately Owned Student Accommodation (POSA) Accreditation Report for the Bloemfontein and Welkom Campuses of the CUT – December 2020
- E18b** PUR 5500/10- Privately Owned Student Accommodation (POSA) Accreditation Follow-up Report for the Bloemfontein and Welkom Campuses of the CUT- October 2021
- E19** Diversity Profile of the Council and Executive Management in terms of race and gender
- E20** Information on the number of students and staff with disabilities
- E21** Council's Report on Mega and Refurbishment Projects
- E21a** Details of Mega Projects
- E21b** Details of Infrastructure Refurbishment Projects
- E22** Council's Report on Finance Matters

#### **Complaint by Ms Nonie Mokose to the Minister**

- F1** Letter dated 18 August 2021 from Ms Nonie Mokose, the former interim Council Chair to the Minister (*The correspondence was vague and made reference to a correspondence the Department had no knowledge of; so she was advised that in order for the Department to bring the letter to the Minister's attention as per her request, relevant information should be provided*).
- F2** Second correspondence dated 20 August from Ms Mokose to the Minister accompanied by several documentation
- F3** Email exchanges between her and Mr Rantso (17 August 2021)
- F4** Email from Ms Mokose to the Registrar on the appointment of the Director: Procurement as the Acting CFO
- F5** Communique dated 22 April 2021 from Mr Rantso apprising Council members of the investigation into the appointment of the Registrar
- F6** Ms Mokose's comments on the Chairperson of council's communiqué to council Appraisal on the forensic investigation into the appointment of the institutional registrar matter of 22 April 2021
- F7** Letter dated 2 August 2021 from Prof de Jager to Council Chair
- F8** Email exchanges with Mr Rantso where Ms Mokose alleges that Prof de Jager in his letter made defamatory statements against her and Ms Ntanjana of Ntanjana Attorneys
- F9** 2 July 2021 Report of the Audit, Risk and ICT Governance Committee (ARIC) to the Planning Finance and Resources Committee's (PFRC) on the financial soundness of CUTis
- F10** Email exchanges where Ms accuses the Office of the Registrar and the ARIC Chairperson of not taking the work of the PFRC seriously
- F11** Henley Business School report on university governance titled "Universities Governance: A Risk of Imminent Collapse"
- F12** Response letter dated 4 October 2021 from the Minister to Ms Mokose
- F13** Letter from the Minister dated 5 May 2022 from the Minister to Council Chair (*the letter appeared not to have been sent given the lapse of time and it coincided with the notice for the IA appointment*)

#### **Correspondence received by the Department on allegations of mismanagement**

- G1** Letter dated 5 July 2021 from the Public Protector requesting the Minister to respond to allegations of improper conduct and maladministration against the CUT
- G2** Allegations received by the Department on 6 April 2022 from one Amos Mkhize ([amosforce8@gmail.com](mailto:amosforce8@gmail.com))
- G2a** Unsigned document titled "CUT a breeding ground for corruption and on the verge of collapse because of capture by individuals not in good standing"

- G2b** City Press Article of 3 November 2019 titled “Ace Magashule, Aaron Motsoaledi named in murder trial”
- G2c** PwC Report into the Investigation of a Security Tender - 15 April 2019
- G2d** Draft Minutes of the Special IF Meeting - 29 July 2020
- G2e** The Revised Selection Committee Report into the Appointment of Registrar - 25 August 2020
- G2f** The Planning, Finance and Resources Committee (PFRC) recommendation to Council on the Purchase of the Toyota Building
- G2g** The Ntanjana Report (also annexed in D16; E16d)
- G2h** Letter dated 12 July 2021 from the Public Protector to the Council Chairperson requesting a response to allegations of improper conduct and maladministration against the CUT
- G3** Email from Mr Amos Radebe ([amos63radebe@gmail.com](mailto:amos63radebe@gmail.com)) to the Department of 9 June 2022
- G3a** Emails between Mr Radebe and the Registrar about the tender specs 13-14 Sep 2017
- G3b** Newspaper Tender Advert 20 Sep 2017
- G3c** Signed Service Level Agreement between the University and Defensor Security 6 June 2018
- G3d** Memo from Mr Radebe to Dr Paul on the monthly fees due to Defensor Security and Alarm System – 26 June 2018
- G3e** Memorandum from Dr Paul to MANCOM about the Security Tender
- G3f** Legal Memo on the initiation of disciplinary proceedings against Ms Adams for leaking confidential information to Defensor Security Services – 27 August 2018
- G3g** PwC Engagement Letter dated 12 October 2018 on the Forensic Investigation into the Security Tender
- G3h** PwC Engagement Letter dated 12 November 2018 on the Change of Services
- G3i** Ms Rantsane Interview by PwC 5 November 2018
- G3j** Affidavit by Ms Daphline Ewertse, Deputy Director: Financial Operations - 14 March 2019
- G3k** A report on an investigation conducted into allegations of poor management, unethical conduct and ill-treatment of protection services by Mr. Amos Radebe
- G3l** PwC Report into the Investigation of a Security Tender 15 April 2019 (also annexed as G2c)
- G3m** CUT Disciplinary Procedures (also annexed as B10; D7)
- G3n** Sanction of Disciplinary Hearing against Mr A Radebe 7 July 2020
- G3o** Parco Letter to Security Companies 4 August 2020
- G3p** Sunday Times Article titled “Blunders in Bloem shame a varsity” dated 08 November 2020 – by Prega Govender
- G3q** Memo dated 7 October 2021 to the Council about irregularity of the Security Tender
- G3r** G3r- Transcript of a Recording - Security Tender
- Minister’s consultation with the Council on the appointment of an Independent Assessor**
- H1** Letter to Chair of Council dated 12 May 2022 issuing a Notice for the Appointment of an Independent Assessor
- H2** Response of the Council to the Notice – 14 June 2022
- H3** Documents attached relating to the suspension of the VC
- H3a** The Lovius Block Report (also annexed as E16c)
- H3b** The Ntanjana Report (also annexed as D16; E16d; G2g)
- H3c** Letters dated 31 March 2021 from the Interim Council Chair, Ms N Mokose to Prof de Jager regarding the outcome of the investigation (also annexed as D15, E16g)

- H3d** Details of the Mutual Separation Agreement between the former VC and the University (also annexed as E16n)
- H3e** Report on the disciplinary hearing of Dr Paul, Prof de Jager and Ms Botha 28 July 2021 (also annexed as E16i)
- H3f** Report of the HRC to Council regarding the Initiation of the Review of the VC's Contact for Possible Renewal (also annexed as E16q)
- H3g** Settlement Agreement Proposal for Council's consideration 18 August 2021 (also annexed as E16p)
- H3h** The Mutual Settlement Agreement between the Council and VC – 29 September 2021
- H4** Documents attached on the Council's resolution to pay for the accommodation of NSFAS students in December 2020 and January 2021 from the University's savings
- H4a** Estimated Future Expenditure 31 December 2020
- H4b** SAUS Statement following the Announcement by the Minister of Higher Education 27 November 2020
- H4c** Investment Report as of 31 March 2021
- H4d** PFRC Recommendation to Council: Extended Allowance for the Period 1 December 2020 to 31 January 2021
- H4e** Joint ARIC and PFRC Recommendation to Council: Going Concern Assessment June 2021
- H4f** Management Financial Report to Council for the period 1 January – 31 December 2020
- H4g** Management Report on the Consolidated Annual Financial Statements of CUT for the year ending December 2020
- H4h** Management Report on the Payment of student accommodation allowances for February 2021
- H4i** Investment Report as of 31 December 2020
- H5** Documents attached on the situation of the University governance and executive management structures
- H5a** CUT Policy on acting in the place of the absent employees
- H5b** Revised Recruitment Selection Procedure (Dec 2021)
- H5c** Succession Planning Procedure
- H5d** Career Path Planning Procedures
- H5e** 2017 Integrated Talent Management Policy
- H5f** Terms of reference - Social and Ethics Committee
- H5g** Facilitator's Report regarding CUT Council Workshop held on 28- 29 January 2022
- H6** Documents attached on the operations of the Office of the Registrar
- H6a** CUT Workshop Summary by AdaptIT 07 APRIL 2022
- H6b** Progress Report on Applications, Admissions and Registration May 2022
- H6c** Report on Registration Challenges May 2022
- H6d** Resolutions of the Senate Executive Committee on Applications, Admission and Registrations Challenges- 21 January 2020
- H6e** List of 2020 - 2021 Meetings of Council and its Committees
- H6f** List of 2020 - 2021 Meetings of other Institutional Structures (Excluding Senate)
- H6g** List of 2020 and 2021 Meetings of Senate and its Committees
- H7** Documents attached on the current state of management including policies and procedures pertaining to financial management, supply chain management and human resources
- H7a** CUT Student Debt Policy 2017
- H7b** CUT Asset management Policy 2018

- H7c** CUT Asset management Procedures 2018
- H7d** CUT Biological asset management procedure 2021
- H7e** CUT 2018 Debt collection procedure
- H7f** CUT Corporate Credit Card Policy 2020
- H7g** CUT Banking Policy
- H7h** CUT Budget Policy
- H7i** CUT Petty Cash Policy
- H7j** CUT Investment Policy
- H7k** CUT SCM Policy
- H7l** CUT SCM Procedures
- H7m** CUT Global Engagement Strategy 2020 - 2024
- H7n** CUT Engagement Strategy 2021-2025
- H8** Documents attached on the financial policies and procedures of the University and its business entities
- H8a** CUTis Asset management policy
- H8b** CUTis Cash management policy
- H8c** CUTis Internal Audit Plan for the period 1 January 2022 – 31 December 2024
- H8d** CUTis Financial Management Policy
- H8e** CUTis Procurement Management Policy V5
- H8f** Irregular Expenditure Q1 Report - 31 April 2021
- H8g** PwC Report of a Forensic Investigation into alleged conflict of Interest between CUT Procurement Official and Supplier 19 November 2020
- H8h** PwC Forensic Report of the investigation into PDL Trading 10 May 2021
- H8i** PHA Legal Memo on whether CUT may proceed with initiating disciplinary proceedings against Mr Thabiso Loate
- H8j** Internal Investigation Report into Estate and Infrastructure
- H9** Investigation Into Allegations of Embezzlement of Funds from the NSFAS Accommodation Allowances at CUT – *in response to allegations of financial maladministration at the University's financial aid office*
- CUT Annual Reports**
- I1** 2017 Annual Report
- I1a** 2017 Consolidated Annual Financial Statements
- I1b** 2017 Signed Financial Data Submission Report (SNG)
- I2** 2018 Annual Report
- I2a** 2018 Consolidated Annual Financial Statements
- I2b** 2018 SNG Audit Report on Consolidated AFS
- I2c** 2018 Signed Financial Data Submission Report (SNG)
- I2d** 2018 Supplementary Financial Data
- I3** 2019 Annual Report
- I3a** 2019 Consolidated Annual Financial Statements
- I3b** 2019 SNG Audit Report on Consolidated AFS
- I3c** 2019 Signed Financial Data Submission Report (SNG)

- I3d 2019 Supplementary Financial Data
- I4 2020 Annual Report
- I4a 2020 Consolidated Annual Financial Statements
- I4b 2020 Signed Financial Data Submission Report (SNG)
- I4c 2020 Supplementary Financial Data
- I5 2020 Annual Report
- I5a 2020 Consolidated Annual Financial Statements
- I5b 2020 Financial Data
- I5c 2020 Signed Financial Data Submission Report (SNG)
- I5d 2020 Supplementary Financial Data

**Council Self-assessments in terms of the DHET Governance Scorecard**

- J1 2017 CUT Council Self-Assessment
- J2 2018 CUT Council Self-Assessment
- J3 2019 CUT Council Self-Assessment
- J4 2020 CUT Council Self-Assessment
- J5 2021 CUT Council Self-Assessment

## Addendum B

### DOCUMENTS SUBMITTED BY THE CUT COMMUNITY INDEX OF DOCUMENTATION REPORTS

1. Report by Peyper Forensic
2. Julian Smith Report
3. Mbali Report
4. Silverrocket Report
5. Lovius Block Report – Grievance Ms Geralda Winkler
6. Report: Feenix/ First Rand Funding to Release Graduate Certificates
7. Lwengo - Registration Process Automation Assessment Report
8. SNG Report - Draft Report to the Management of Central University of Technology, Free State for the Year Ending 31 December 2021
9. ARC Sakhile – Central University of Technology, Free State – Forensic investigation into the recruitment and appointment process of an Institutional Registrar Report
10. Ntanjana Attorneys: Investigation Report - Alleged conduct of Prof de Jager, the vice chancellor and principal of cut on allegations of sexual harassment levelled by Ms. Geralda Winkler against Dr. Gary Paul and the other related issues
11. Report – Alumni Association Executive Committee Third Constitutional Meeting – 3 September 2022
12. Investigation into the alleged acts of misrepresentation and/or dishonesty, misuse of the CUT Financial Resources and Dereliction of duty at the Central University of Technology (Bloemfontein Campus)
13. CUT – Council Performance Evaluation Report, 11 August 2021
14. Facilitator’s Report regarding Central University of Technology, Free State (CUT) Council Workshop
15. Institute of Directors South Africa – CUT Customised Board Development Proposal
16. SNG Grant Thornton – Report of Factual Findings CUT National Research Foundation (NRF) 01 Jan 2021 – 31 Dec 2021
17. Nolands Advisory Services – Final Report: Investigation into allegations of embezzlement of funds from the NSFAS accommodation allowances at the Central University of Technology, Free State
18. Central University of Technology, Free State - Ad hoc Forensic Investigation – PDL Trading CC, Rekgonne Projects (Pty) Ltd & Makut 27 Services and Projects (Pty) Ltd, Draft Report 10 May 2021
19. Central University of Technology, Free State – Internal Audit Report: High Level Risk Maturity Assessment
20. Enterprise Risk Management Maturity Close-out Report
21. Report on CUT Organisational Culture Structure
22. Investment Reports 2018 - 2022
23. Management Financial Report 2019 - 2022
24. Final Investigation Report into the Allegation that a junior Human Resources official was instructed to effect an alteration on the ITS system pertaining to the reason of the termination of the contract of employment of Professor Henk de Jager, the former Vice-Chancellor & Principal
25. CUT Special Review – Phase 1(Part A) Applications to Admissions 2020 - 2021
26. Standard Operating procedures for the New Generation of Academics Programme (nGAP) - With effect from January 2021



**INTERNAL AUDIT REPORTS**

27. Central University of Technology, Free State - Internal Audit: FFA System and Process Analysis Audit
28. Central University of Technology, Free State - Internal Audit, Human Resources: Training and Development
29. Central University of Technology, Free State - Internal Audit, Human Resources: Payroll
30. Central University of Technology, Free State - Internal Audit, Human Resources: Recruitment (Full Time & Part Time)
31. Central University of Technology, Free State - Internal Audit, Prior year Internal Audit and External Audit findings Year 2021
32. Central University of Technology, Free State - Internal Audit Unit, Internal Audit Charter
33. CUT Services and Enterprises Trust (CSET) and Central University of Technology Innovation Services (CUTis) – 2017 CSET Audit Report and Management Letter
34. 2018 – 2021 CSET Annual Financial Statements, Audit Report and Management Letter
35. 2019 – 2021 CUTis Annual Financial Statements, Audit Report and Management Letter
36. 2022 CUTis Financial Report as at 30 September
37. Resolution of Prior Year CUTis Internal Audit Findings
38. CUTis Risk Register
39. Shareholders' Compact Agreement between CUT and CUTis

**POLICIES & PROCEDURES**

40. Student Debt Policy
41. Asset Management Policy
42. Asset Management Procedure
43. Debt Collection Procedure
44. Biological Asset Management Procedure
45. Corporate Credit Card Policy
46. Revised Supply Chain Management Policy
47. Revised Supply Chain Management Procedures
48. Banking Policy
49. Petty Cash Policy
50. Petty Cash Procedures
51. Policy on external councillors' expenses
52. Procedure on external councillors' expenses
53. Review of Sexual Harassment Policy
54. Review of Disciplinary Code
55. Vaccination Policy and Procedure
56. Admission Procedure 2022
57. Assessment Procedure 2022
58. Enterprise Risk Management Framework
59. Enterprise Risk Management Policy
60. Internal Audit Function Policy 2022
61. Internal Audit Procedure Manual 2022

62. Policy on recruitment and appointment of executives and Senior Managers
63. Business Process Analysis Study Transition to a Digital Campus
64. Procedure for the recruitment and appointment of Executive and Senior Managers
65. 2017 Council Charter
66. 2017 Standard Rules of Order
67. Policy on Student Disciplinary Hearing
68. Alumni Association Code of Conduct

**INFORMATION OF MS GERALDA WINKLER'S GRIEVANCE & TERMINATION OF  
EMPLOYMENT OF PROFESSOR HENK DE JAGER**

69. Notice of intention to suspend – G Winkler
70. Charges of Ms Winkler
71. Ms Laura Botha confirmed that Draft Statement was sent
72. Employment Contract of Laura Botha
73. Ms Laura Botha confirmed that she sent doc
74. Notice to attend the DC hearing & Charge sheet on 27 May 2021
75. Affidavit to Hawks
76. Report by Ms Laura Botha
77. Request by Eugene Attorneys for a Settlement by Winkler – 03 September 2020
78. Translation of some sections of the Report by Ms Laura Botha – 12 Nov 2020
79. Timeline report on the disciplinary hearing of Ms Winkler – 19 April
80. PHA Progress Report into Geralda Winkler Disciplinary Hearing
81. Grievance lodged by Ms Winkler against VC – 28 Sept 2020
82. Disciplinary procedure – Copy used to Council
83. CUT 2014 Procedure for addressing a grievance by an employee
84. Winkler Grievance – Further Response by Prof HJ de Jager, 08 December 2020
85. E-mail by Ms Winkler to the Chairperson of Council – 30 September 2020
86. Letter to Chairperson of Council – 27 Jan 2021
87. E-mail sent by Ms Winkler on 06 October 2020
88. E-mail sent by Mr Moses Ntonyane on 19 & 20 October 2020
89. Feedback from CUT Legal Team – de Jager – 29 Jan 2020
90. Dissenting view to Council Resolution – Appointment of CUT Institutional Registrar
91. Signed Supporting affidavit – Dr Garth van Gensen
92. VC Response to Chairperson of Council – 21 October 2020
93. Signed Supporting Affidavit – Mr Boysie Phehlukwayo
94. Media enquiry from The Citizen Newspaper & Response – 29 Oct 2020
95. Letter by Bruce to CUT – 18 Feb 2021
96. Letter by Mr Bruce Blair to Ntanjana Attorneys – 11 March 2021
97. Letter by Ntanjana Attorneys – 19 Feb 2021
98. Agenda of Special Council Meeting – 02 November 2020

99. Outcome of DC of Winkler
100. Draft Minutes of Special Council Meeting of 02 November 2020
101. Sanction of DC of Winkler
102. First Communication of Suspension by Chairperson of Council – 02 Nov 2020
103. Outcome of CUT Order Case – 6292021 – de Jager
104. Ms Laura Botha contacted the VC – Whatsapp of screenshot
105. Draft Response to Sunday Times Newspaper
106. Chairperson of Council released a communique to the CUT Community
107. Governance Concerns – NTEU Memo to Executive Management
108. E-mail conversation between Councillors on content of Communique
109. Precautionary Suspension Letter – Prof de Jager, 06 November 2020
110. Letter by Bruce Blair to Chairperson of Council – 22 March 2021
111. 2020-11-06 – Letter to the Minister by Interim Chair of Council
112. E-mail conversations between Chairperson & VC, 6-10 April 2021
113. Mpho Rasenyalo – Whatsapp 07 Nov 2022
114. Investigation Report conducted by Ntanjana Attorneys
115. Facebook screenshot of Mpho Rasenyalo
116. Letter by Ms N Mokose to Minister of HEIS – 31 March 2021
117. Addendum to Suspension Letter
118. Voice note by Ms Desiree Duvenage
119. Some achievements during tenure as VC
120. Focus areas for CUT for the next five years
121. Special assignment in the Academic & Research Portfolio
122. Final statement by Prof HJ de Jager – Appointment process of Institutional Registrar
123. Ms Shabangu – Letter to the Council of CUT, April 2021

**DOCUMENTS RECEIVED FROM THE OFFICE OF THE REGISTRAR, HUMAN RESOURCES & FINANCE**

124. Governance Risk Profile 2021 & 2022
125. Council Meeting Minutes – Toyota Building
126. Faculty Board Meeting Minutes 2021
127. Management Committee Minutes 2021
128. Organogram of the Registrar's Division
129. Council Honoraria 2021 & 2022
130. CUT Master Plan
131. Travel and Accommodation 2020 - 2022
132. CFO Recruitment Process
133. Student Disciplinary Hearings 2018 - 2022
134. Records of Student Employability
135. Revised Academic Calendar

136. Student Pass rates
137. Litigation Costs of University 2018 - 2022
138. Legal fees and investigation summary 2017 - 2022
139. List of Staff Suspensions from 2015 - 2022
140. Council Subcommittee Charters
141. HR Organogram
142. Settlement Agreement Amount 2017 - 2022
143. Central University of Technology, Free State - Principles and Criteria for Appointing Experts into Council
144. Review Process of the CUT Statute
145. Council Minutes 2018 - 2022
146. PFRC Minutes 2018 - 2021
147. ARIC Meeting Minutes 2018 - 2022
148. Senate Meeting Minutes 2018-2022
149. Approved Tender Register
150. CUT Appointment Letters of PHA
151. High Court – CUT vs Mangaung Metropolitan Municipality
152. Notice of termination of Service Agreement - PHA
153. Service level agreement between CUT and Phasoane Hennie Attorneys, 2021
154. Appointment of preferred service providers as a panel to render legal services at central University of Technology, Free State (CUT) for a period of three (3) years with an option to extend for two (2) years based on annual performance - PHA
155. ICT Budget for student systems

## Addendum C

### Report of Financial Expert

#### Terms of Reference for the Financial Expert assisting the Independent Assessor: Central University of Technology, Free State (CUT)

The Independent Assessor (IA) has decided to co-opt additional expertise specifically to pursue all matters relating to the financial affairs of the University. The terms of reference of the Financial Expert are as follows:

1. Advise the IA on all financial aspects of the IA's terms of reference, in particular, terms of reference (a) and (b) in the attached.
2. Accordingly conduct the following:
  - 2.1. A detailed analysis of the state of CUT's governance and management of policies and procedures pertaining to financial management and supply chain management.
  - 2.2. An investigation of the financial policies and procedures of CUT and its business entities, 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 IA.
3. Consider all financial documentation relevant to the above investigation, in particular the briefing pack provided to the IA by DHET (including the Smith and Noland Reports as well as CUT Council's response to the Minister's decision to appoint an IA, which are all appended), as well as all Annual Financial Statements of CUT since 2017.
4. Interview, in consultation with the IA, all relevant stakeholders who may be able to assist with the above investigation, in particular the Vice-Chancellor and Chief Financial Officer of CUT.
5. Provide an opinion on the following matters:
  - 5.1. Allegations of maladministration in the Financial Aid Office, involving, inter alia, the alteration of student banking details to divert NSFAS student allowances.
  - 5.2. Council's 2020 decision to pay for the December 2020 and January 2021 accommodation of NSFAS students from the University's savings – rather than adopting the approach of other universities to negotiate with landlords.
  - 5.3. Allegations of procurement irregularities.
  - 5.4. University expenditure on litigation between 2017 and 2022.
  - 5.5. University expenditure on employment termination settlements between 2017 and 2022.
  - 5.6. The appropriateness of the University's fees and finance policies (some policies introduced decades ago do not appear to have been reviewed in recent years).

#### High-level procedures performed

1. Reviewed the minutes of the meetings of the Planning, Finance and Resources Committee of Council and the Audit, Risk and Information Communication Technology Committee of Council for 2021 and 2022.
2. Reviewed Management's submissions for 2022 to the Planning, Finance and Resources Committee of Council and the Audit, Risk and Information Communication Technology Committee of Council meetings, and information pertaining to policies and procedures.
3. Interviewed the Chairpersons of the Planning, Finance and Resources and the Audit, Risk and Information Communication Technology Committees of Council and other Council Members, as well as the Acting VC, DVC: Resources and Operations, Acting Chief Financial Officer, Chief Audit Executive, Chief Risk Officer, Director: Financial Reporting, Acting Deputy Director: Procurement, Director: Fees and Financial Aid, Senior Director: Human Resources, Senior Director: Legal Services, and the CUTIS CEO and CFO.
4. Listened to one recording of a meeting of the Planning, Finance and Resources Committee of Council.
5. Reviewed the Annual Financial Statements of Central University of Technology and Central University of Technology Innovation Services (CUTis) for the period 2017 to 2021.
6. Discussed with NSFAS officials the amounts that are said to be owed to CUT by NSFAS.
7. Reviewed some of the internal audit and forensic investigation reports.
8. Reviewed several pieces of information submitted and reports, including those submitted by external parties such as auditors and service providers.
9. Interviewed the following CUT personnel: the Acting Vice-Chancellor, Deputy Vice-Chancellor: Resources and Operations, Acting Chief Financial Officer, Chief Audit Executive, Chief Risk Officer, Director: Financial Reporting, Acting Deputy Director Procurement, Director: Fees and Financial Aid,

Senior Director: Human Resources, Senior Director Legal Services, and the Chief Executive Officer and Chief Financial Officer of CUTis.

**1. An analysis of the state of the University's governance and management regarding policies and procedures pertaining to financial management and supply chain management**

**1.1 Policies, procedures and delegation of authority**

Element	Status	Review Date
Accounts Payable Policy	Not in place	
Asset Management Policy	Sighted	18-Sep-21
Asset Management Procedure	Sighted	18-Sep-21
Banking Policy	Sighted	No indication
Budget Policy	Sighted	26-Jun-23
Credit Card Policy	Sighted	26-Jun-23
Debt Collection Procedure	Sighted	15-Jun-21
Grants Policy	Not in place	
Investment Policy	Sighted	24-Nov-21
Student Debt Policy	Sighted	25-Nov-20
Supply Chain Policy	Sighted	18-Sep-23

The Director: Financial Reporting indicated that CUT is currently reviewing the Investment Policy and will be designing new General Debt and Inventory Management Policies soon. The internal audit of the activities of the Fees and Financial Aid Unit for the years 2021 and 2022 had revealed that there were several policies/procedures which were last updated close to twenty years ago. The Director: Fees and Financial Aid has indicated that except for the Student Financial Obligations Policy, which was last updated in 2002, the rest were no longer in use. There is no indication of any processes being followed when these policies/procedures are discontinued or rescinded.

We noted that the University does not have Grants, and Accounts Payable Policies in place.

It is gleaned from the information above that some of the policies have not been reviewed by the intended review date. We sighted various documents relating to the delegations of authority and did not note any material shortcoming.

**1.2 Two governance structures dealing with finance-related matters: the Planning, Finance and Resources Committee (PFRC) and the Audit, Risk and Information Communication Technology Committee (ARICTC)**

**1.2.1 Planning, Finance and Resources Committee**

We reviewed the minutes of the meetings that took place during 2021 and 2022. The Committee has its own Terms of Reference, and the most recent was adopted in September 2021.

Discussions during the meetings covered several substantive issues to be expected in a typical meeting of a committee of this nature. The Chair of the PFRC described the Committee's meetings as intense and robust. He acknowledges that in an effort to allow space for debate, the quality and management of the meetings have been compromised. Our assessment is that, because the Committee itself has not determined what is critical, every input at the meetings is treated as important and therefore the meetings tend to lose focus.

It was encouraging to note that the University is paying attention to issues of economic transformation, as evidenced by the submission of the Procurement Transformation, Broad-Based Black Economic Empowerment (BBBEE) and Small, Medium and Micro Enterprises (SMME) Report at every meeting of the PFRC.

Members have qualifications and experience in the areas of science and innovation, agriculture, project management of engineering projects, and developmental studies. The mix seems appropriate from a technical expertise point of view. As gleaned from the curricula vitae reviewed, two of the five members

have considerable experience in serving in governance structures, whereas there is no indication of the Chair having served in any governance structure.

We also noted the following:

- a. There was no indication that financial sustainability was discussed in a coherent manner.
- b. The minutes are too detailed, which can result in the meeting spending too much time on matters arising alone. The Chair of the PFRC did not see the style of writing the minutes as a challenge.
- c. There seems to be too many meetings taking place, and this is partly reflected on the schedule under 1.2.3. There were also a number of round robin decisions, and there seemed to be many questions or issues (usually sent via e-mail) forwarded to Management which required attention outside the normal meeting.
- d. We also noted that there were items on the agenda of the Planning, Finance and Resources Committee that should be dealt with by the Audit, Risk and Information Communication Technology Committee. The Chair of the PFRC raised the same concern. Two examples were the expectation of a presentation at the meeting on how the external audit findings were being dealt with, and the Chief Audit Executive having to present her Unit's Capacity Development Plan. We observed the same challenge with the ARICTC, albeit to a lesser extent, in the sense that the Asset Managers had been asked to present at this Committee meeting despite them already presenting at the meetings of the PFRC.

During our discussion with the Registrar, she identified weaknesses in the management of the PFRC and she agrees that minutes are bulky. She says that she has made certain recommendations to Council in an effort to improve the situation.

The interviews with some of the Council Members and the Planning, Finance and Resources Committee Chair revealed mixed views on the extent to which Management has assisted this Committee. Some feel that some members of Management make impressive submissions and presentations but fail to deliver, and that there is consequence management. They add that this has been the case for a long time.

As far as some members of Management are concerned, the Planning, Finance and Resources Committee has become almost dysfunctional. They cite the example of how recently a meeting had to be deferred three times.

In response to whether the Committee may perhaps be dealing with too many issues (finance, planning, performance management, etc) and whether the mix in the Committee is appropriate, the Chair of the Planning, Finance and Resources Committee is of the view that capacity is not a problem, but that there might be scope for having a committee that deals solely with finance matters, provided this does not put pressure on the Registrar's Office.

### **1.2.2 Audit, Risk and Information Communication Technology Committee**

We reviewed the minutes of the meetings that took place during 2021 and 2022. The Committee has its own Terms of Reference. The most recent was adopted in March 2021.

The Committee consists of persons with qualifications and experience in the areas of information technology and engineering, internal audit, and accounting and finance. Three of the five members have considerable experience in serving in governance structures. One of these is the Chair.

According to the Chair of the Audit, Risk and Information Communication Technology Committee, the previous Terms of Reference allowed for three members. The committee performed the annual review of its Terms of Reference and the Chair recommended to Council that two additional independent members who were not necessarily part of Council be added (one for risk, one for audit).

The general view is that the meetings of the Audit, Risk and Information Communication Technology Committee are well managed and constructive. The Chief Audit Executive shares this view although she feels that the Chair might handle audit specific issues better. Based on the minutes read, matters were dealt with effectively by this Committee.

The following are some of our observations:

- a. The contract of the external auditors had to be extended because CUT had not run a proper process on time. Although the appointment of external auditors is one of the key functions of the Audit, Risk and Information Communication Technology Committee, there was no clarity about whether the

Committee, or Management, was responsible for the process. The new service provider was eventually appointed.

- b. The issue of the Internal Audit (including the performance management of the outsourced function) does not seem to have been tightly managed. At some stage the Chief Audit Executive had eleven interns at the same time, all reporting to her.

We note the Audit, Risk and Information Communication Technology Committee and Council's diligence in ensuring that members are equipped to execute their responsibilities, as evidenced by the committee members being given the opportunity to attend a Technology and Information Governance Workshop conducted by the IoD (Institute of Directors). Our observation is that information and communication technology has become a highly specialised yet over-arching field from systems, innovation and security points of view. It is reassuring to note that the Audit, Risk and Information Communication Technology Committee possesses the competencies required to deal with the complexities of this field.

The Chair of the Audit, Risk and Information Communication Technology Committee has indicated that some Management submissions to the Committee have been sub-optimal, and as a result, required a lot of probing and follow ups. Based on their submissions she has doubts over the competence of some current Management members to meaningfully contribute to the Committee.

### 1.2.3 Overall number of meetings

	2022 #	2021	2020
Council - Normal	4	5	3
Workshops/Emergency/Special	7	12	7
	11	17	10
Exco - Normal	7	5	4
Workshops/Emergency/Special	5	3	3
	12	8	7
PFRC - Normal	9	7	4
Workshops/Emergency/Special	6	3	4
	15	10	8
ARIC - Normal	6	4	4
Workshops/Emergency/Special	1	2	3
	7	6	7
HR - Normal	4	3	4
Overall costs for Council and its Committees	R1 190 030	R917 070	R637 260

# - 2022 excludes the honoraria for meetings that took place in the fourth quarter. As can be seen from the table above, there is a preponderance of special meetings, except in the cases of the Audit, Risk and Information Communication Technology Committee and the Human Resources Committee of Council.

The Registrar voiced her concern about the rising costs of having so many meetings. She has brought this to the attention of Council.

### 1.2.4 Supply Chain Management

In 2021 CUT adopted a Supply Chain Management policy. This represented a fundamental shift from a narrow procurement perspective to an approach that deals with all aspects of the acquisition process.

### 1.2.5 Stability of the Finance Unit leadership

The Finance Unit has been without a substantive Chief Financial Officer (CFO) since March 2019, i.e., for almost four years. Management argues that the location of CUT, i.e., Bloemfontein, makes it difficult to attract the right calibre of people. We also learnt that this year's recruitment process had to be abandoned following failure by CUT to properly manage a conflict-of-interest matter regarding one of the applicants. Stable leadership is important in order to have a long-term view and to modernise the Unit. The University has also functioned without a Procurement Manager for close to two years.

On the positive side, the CFO's reporting lines changed with effect from 1 October 2021. The CFO is now part of the Management Committee and no longer reports to the DVC: Resources and Operations.



Our assessment is that the Finance Unit is technically strong, as evidenced by good audit outcomes and the quality of Management Reports submitted to the Planning, Finance and Resources Committee. Its grasp of modern supply chain practices is also good.

We were informed that a recruitment process had taken place in respect of the CFO position but, due to a process shortcoming, could not be finalised. Human Resources has advised that there has been a relook at the CFO position's job profile, and it is their intention to give the incoming VC a chance to review it as well. The Audit, Risk and Information Communication Technology Committee has also been given an opportunity to comment on the profile. It is reported that a company has been identified to formalise the profile and research appropriate qualifications and experience for this position.

HR made us appreciate the difficulty of attracting good candidates to the University.

The Chair of the Audit, Risk and Information Communication Technology Committee indicated that the Committee has raised the delayed appointment of a CFO as a key risk.

**Conclusions:** Based on the above, the following are our conclusions:

- a. There is a strong policy environment with respect to financial management and supply chain, though some policies were not updated on time.
- b. The Audit, Risk and Information Communication Technology Committee is competent, but a few basic governance issues need attention. We are also of the view that it can be more effective if it is relieved of the responsibility for IT processes, systems and governance issues.
- c. The Planning, Finance and Resources Committee is not efficient and effective.
- d. There are too many governance meetings.
- e. A Supply Chain Management policy framework and processes are in place. We note, however, the Acting Deputy Director: Procurement's concern about lack of relevant knowledge and experience among supply chain management staff.
- f. The need to appoint a CFO is urgent.

**2. Examination of the University's financial policies and procedures and its business entities, with a specific focus on internal audit processes, procurement and tender procedures, and any specific allegations of financial irregularity**

**2.1 CUT Internal Audit and Risk Management**

**2.1.1. Internal Audit**

Internal Audit is headed by a Chief Audit Executive. There is a strong policy framework and practice as evidenced by the presence of Internal Audit Function Policy, Internal Audit Procedure Manual, and Internal Audit Charter.

The Chief Audit Executive reports functionally to the Audit, Risk and Information Communication Technology Committee, and administratively to the VC. This is common practice.

Currently, up to 75% of the Internal Audit is outsourced. The issue of capacity seems to have presented a few challenges. As reported above, at some stage the Unit had eleven interns.

The Chief Audit Executive is of the view that she did not always get the support she expected from the Chair of the Audit, Risk and Information Communication Technology Committee, and that the latter treats Management with kid gloves when it comes to holding them responsible for not addressing the findings.

She also mentions one audit where she felt that Management was unwilling to have the audit report presented to the Audit, Risk and Information Communication Technology Committee, presumably because of its serious findings. The Senior Manager: Human Resources whose Unit was audited says that the Chief Audit Executive was not being reasonable. She felt that the Unit's comments were not taken into consideration and said that items regarded as closed were still appearing on the report.

The Chief Audit Executive was encouraged when a member of the Audit, Risk and Information Communication Technology Committee indicated that there should be no circumstances that prevent the Chief Audit Executive from presenting their findings to the Committee. Without watering down the views of the Chief Audit Executive, the impression gained was that the Audit, Risk and Information Communication Technology Committee, through its Chair, took positive steps to ensure that the Chief Audit Executive is capacitated and attains the relevant qualification.

The unusual but commonly accepted arrangement of a Chief Audit Executive reporting to a Council Committee comes with the complication of how best to do their performance management. The Chair of the Audit, Risk and Information Communication Technology Committee says that at CUT they assess the performance of the Chief Audit Executive through an annual questionnaire sent to the members of the Audit, Risk and Information Communication Technology Committee for their input on how the Chief Audit Executive and the internal audit function have performed. The challenge with this process is that the questionnaire may not speak to the key performance indicators that the Chief Audit Executive agreed on with the VC or Acting VC. According to the Chief Audit Executive, she was at the receiving end of a possible disjuncture in the two processes, where the overall outcome of the assessment differed. The Chair of the Audit, Risk and Information Communication Technology Committee has acknowledged that the system is not yet sufficiently robust.

On 12 December 2022 we received a communication from the Chief Audit Executive to the effect that her contract had been terminated. She is of the view that this is victimisation and reprisal, in part because of her findings on HR-related matters. She regards the process of termination as unfair. We engaged the Chair of the Audit, Risk and Information Communication Technology Committee to establish the role which the Committee played, if any, in the termination of the Chief Audit Executive's service. The Chair indicated that she was not opposed to the termination as this decision was taken in line with the Human Resources policies of the University. What is worrying is the Chair's apparent lack of concern that such a termination took place without a full briefing to, or involvement of, the committee who appointed the Chief Audit Executive. Whether the Chair may feel that there is substance to the reasons for the termination is another debate.

### **2.1.3 Risk Management**

The Chief Risk Officer reports functionally to the Audit, Risk and Information Communication Technology Committee, and administratively to the DVC: Resources and Operations. The Chief Risk Officer reporting to this Committee is uncommon, but does not necessarily pose a risk, provided that the governance structures do not micro-manage.

There is a strong framework as evidenced by the Enterprise Risk Management (ERM) Framework and the ERM Policy. We also sighted the Maturity Level Assessment conducted by PWC, which evaluated CUT at Level 3 (i.e., the level of a mature entity). An examination of CUT's risk register indicates that it is sufficiently comprehensive. However, it lacks timelines.

The performance management of the Chief Risk Officer is done by the DVC: Resources and Operations. The Chair of the Audit, Risk and Information Communication Technology Committee has indicated that an approach similar to the one followed for the Chief Audit Executive may have to be considered for the Chief Risk Officer, given the fact that both the latter and the Chief Audit Executive report to the Audit, Risk and Information Communication Technology Committee.

Regarding Risk Management, we were concerned to learn that an investigation report on losses incurred flowing from a digitisation project called CUT Stultified, and which was finalised before year-end 2021 according to the Chief Risk Officer, had not been presented even to Management for consideration. The reason provided by the Chief Risk Officer was that he was awaiting certain data to finalise the report. The concern has been raised with the Acting VC.

### **2.1.4 Procurement and tender procedures**

As indicated earlier, a new supply chain management policy was adopted in 2021. It introduced, amongst other things, the critical element of the segregation of duties in as far as the management of tenders is concerned, i.e. scoping, evaluation and adjudication are now done by different structures. In the past, much activity was concentrated within the Tender Committee, with Management Committee involvement in the adjudication of tenders.

According to the Acting Deputy Director: Procurement all suppliers are required to be registered on the Central Supplier Database.

The University keeps a tender register and at the end of November 2022 it was up to date. For estimated cost of above R2,5 million CUT goes on tender, and with the approval of the Bids Adjudication Committee uses the Purchasing Consortium Southern Africa (PURCO) to manage the tender administrative requirements. He also indicated that, in order to assist with the management of the tenders, each unit is supposed to prepare a procurement plan. However, the response thus far has not been that positive. He

has expressed concern about the level of understanding of supply chain management processes within the Procurement Unit. As part of risk management processes the Senior Director: Legal Services participates in the tender processes. However, she acknowledges that this is a very specialised field.

## 2.2 Business Entity – CUTis

### 2.2.1 Internal Audit and Risk Management

CUTis has an Audit, Risk and Information Technology Committee with its own terms of reference. The internal audit is outsourced. It reports to the Audit, Risk and Information Technology Committee, functionally, and the Chief Financial Officer, administratively.

The Committee consists of four members, three of whom are independent of both CUT and CUTis. The Chair of the Committee is an independent non-executive board member of CUTis.

The governance framework is strong, as evidenced by the presence of an Internal Audit Charter, Risk Management Framework, Risk Management Policy, and Fraud Prevention Plan.

We also had sight of the CUTis risk register, and it appears to be up to date.

The relationship between CUT and CUTis is regulated by a Shareholder Compact, which allows for CUT internal auditors to do certain audit tests on CUTis activities. The last audit was conducted in November 2022 and did not reveal any material findings. The Committee's internal audit reports are submitted to CUT's Audit, Risk and Information Communication Technology Committee for review.

### 2.2.2 CUTIS financial performance

	Management Accounts Sep 2022	Audited 2021	Audited 2020
	R'000	R'000	R'000
Revenue	13 129	15 751	7 595
Net Income After Tax	- 11 423	1 152	- 0,147
Cash Generated By Operations		1 030	- 5 851

CUTis attained an unqualified audit at end of December 2021 and made an after-tax profit of over R1 million (6.5% of turnover). For the nine-month period ending in September 2022 the loss was R11,424 million. The CEO says this is due largely to one public entity not paying R39 million due to CUTis, due to some dispute. We are informed that with the help of the Government Technical Advisory Centre (a National Treasury Unit), the dispute has now been resolved.

He has indicated that they are projecting to generate revenue of R100 million and profit after tax of 15% by year 2025. Comparing this with similar entities, net income after tax of 10% on revenue seems to be the norm. It is projected that 60% of this will come from government business.

We have our doubts about an operating model that heavily relies on one key source of income (in this case, government business). In the context of determining whether CUTis is financially sound, the Audit, Risk and Information Communication Technology Committee has concluded that CUTis is financially sustainable, but that they should operate as a start-up, with a very lean cost structure.

### 2.2.3 Procurement and tender processes

We sighted CUTis' Procurement Policy. It is not as robust as CUT's when it comes to the segregation of duties in respect of tender management (operating in the private sector requires nimbleness). We did note, though, that it expressly prohibits the members of the Board from being involved in tender processes. Efficiency is key for them.

The tender threshold for CUTis is R500 000.

## 2.3 Business Entity – CUT Services and Enterprise Trust (CSET)

CUT Services and Enterprise Trust (CSET) was a precursor to CUTis, and Council had taken a decision for it to be dissolved. Per discussion with the Company Secretary at CUTis, the Master of the Court is awaiting the audit opinion regarding whether CSET's assets have been properly transferred to CUT, and whether all its obligations have been honoured. He has indicated that the auditors are busy, and their audit opinion should be released at any time.

## 2.4 Business Entity - GEAR (Pty) Ltd (GEAR)

GEAR was a subsidiary of CSET, and with the decision to wind down CSET, GEAR's operations were transferred back to CUT.

## 2.5 Any financial irregularities

There are two investigations conducted by PWC and they both relate to CUT Services and Enterprise Trust (CSET).

One investigation relates to failure to follow the appropriate procurement process, officials acting outside their delegations, and invoices being paid even where the output was still outstanding.

According to the Acting VC the employee involved has been through a discipline process and was given a warning. No embezzlement of funds was discovered in this case.

The other investigation also concerns a breach of procurement rules, duplicate payments, and payments made under circumstances which suggest that the officials unduly benefited from this breach. According to the Acting VC, the matter is currently with the NPA. He indicates that Council has instructed everyone involved, including the External Investigator, to co-operate with the NPA. The employee concerned went through a disciplinary process and has since been dismissed.

**Conclusions:** Based on the above, the following are our conclusions:

- a. Both CUT and CUTis have strong governance frameworks to regulate internal audit and procurement.
- b. However, CUT's Internal Audit Unit requires capacitation as soon as it is possible.
- c. It is also noted that the performance management process by the Audit, Risk and Information Communication Technology Committee of both the CAE and CRO is not sufficiently robust.

**3 Consider all financial documentation relevant to the above investigation, in particular the briefing pack provided to the IA by DHET (including the Smith and Noland Reports as well as cut Council's response to the minister's decision to appoint an IA, which are all appended), as well as all Annual Financial Statements of CUT since 2017**

### 3.1 The status of high-level finance issues raised in the John Smith Report of 2012

2012	2022
1 CUT was financially healthy, but the reserves were beginning to decline	1 Our assessment is that CUT's financial position is healthy, as evidenced by the Cash Equivalent of Reserves we did.
2 Increase in legal and consulting fees	2 Legal fees increase was still a problem, however the decline in 2022 seems to indicate that the University is keen to control this line item.
3 Intention to house commercial activities in a Trust (CSET)	The activities of the trust were migrated to a PTY in 2019. The process of winding down of CSET is almost complete.
4 Travel: a) questionable upgrades, b) R245 976 spent on MANCO overseas trip, c) a grant was not properly used	4 The highest expense was R135 000, but this was for the ticket only.
5 Grant not properly used	5 For the purposes of Dec 2021, there were not material findings raised with respect to use of grants

### 3.2 Noland Reports

#### 3.2.1 Noland Report (on student unrest) that was furnished to DHET

The following table contains issues raised in the Noland Report, with Management's responses alongside:

<b>Noland Report Findings</b>	<b>Management's Response</b>
NSFAS payments not made on time has resulted in students being evicted, some had to sleep at police stations or on the streets	According to the ACFO, during the period he has been acting, i.e., from July 2021, CUT made payments to Accredited Accommodation Landlords and direct payments to the students for accommodation allowances on time, there was no delays.
Students complained that some of their documentation was not sent to NSFAS timeously, leaving them unfunded	The ACFO says the templates (Reg and Results) for period 2018 - 2020 were not processed 100% by NSFAS system, that delayed the generation of NBAs and left many students not funded. That's why the list of unfunded students rise from year 2018 to 2020. These are part of the current reconciliations with NSFAS. This problem was not experienced in 2022 because the process is now under control.
Some students complained that they did not receive data on time and therefore battled to connect online.	Students did receive data allowances for the year 2020, 2021 and till 31 August 2022. The ACFO says that for the time he has been acting, these have been paid on time.
Some students complained about connectivity problems in certain areas	The issue of poor connectivity in the remote area seems to be linked to weak connectivity in general in certain areas, perhaps because of lack of sufficient infrastructure.

Following whistle blower reports to the Chief Risk Officer and the former VC alleging that some employees had phoned students and asked for their "share" of the student allowance, Noland was appointed to investigate various aspects of the Fees and Financial Aid Unit. Two investigations, one on student unrest and the other on Fees and Financial Aid were started at the same time.

The Fees and Financial Aid project was initiated by the office of the Chief Risk Officer but was later handed over to Internal Audit.

Several findings were made by Noland, including that between R17 million and R44 million may have been lost between 2019 and 2020 due to misrepresentations by some students regarding whether or not they stay within 40 km of the CUT Campus.

We interviewed Council members, the Chairpersons of the Planning, Finances and Resources Committee and the Audit, Risk and Information Communication Technology Committee, the Acting CFO and Acting VC, the Chief Audit Executive and the Director: Fees, Financial Aid regarding the Noland Report. We established that the report was presented twice at meetings of the Planning, Finances and Resources Committee. The draft was presented early in the year and the final version was presented in November 2022. The Noland matter has not been discussed at Council yet.

The discussion with current and former members of the Planning, Finances and Resources Committee, revealed that the Committee viewed the report as not helpful, as it seemed to conclude that the maladministration was due to mistakes and weak controls, but that there was no intention to embezzle funds. They further indicated that the report also suggested that pressure was exerted by Management on FFA employees to pay the students. The Chair of the Committee indicated that they had expected solid recommendations regarding responsible parties, so that consequence management could be effected. The Committee appears to have taken the view that if no action is taken, Council would be perceived as not holding Management accountable for such "transgressions".

On the other hand, Management has cited a number of reasons for the lapse, the primary one being what they referred to as the lack of the segregation of duties. The Acting CFO suggests that structure was part of the problem in that when the new position Director: Fees and Financial Aid was created, there was no

attention paid to the structure below this position, with the result that the segregation of duties was compromised.

The Acting VC explained that Management has decided to go ahead with the implementation of certain controls, even though there was no finalisation regarding the Noland Report. He shared some of the current initiatives, including a process of separating Fees from Financial Aid. The Acting CFO has indicated that a new structure is being recommended to Council, and that some interventions were already being implemented, including the digitisation of the travel and tender processes, and of certain elements of fees and financial aid. In terms of the operational model, he indicated that he would like to introduce the concept of business partnering in Finance, and also get somebody on board who specialises in VAT.

The following was a common response on the part of Management to some of Noland's recommendations, as shared by the Acting VC: *"In 2022 the institution put in place the system of verification of addresses, the students are very creative, and they go as far as to visit other towns / villages to get the Councillor's Stamps for getting a Residential Stamp"*. We do not want to suggest that this matter is easy to address, but we find this response too casual, and not inspiring confidence that Management can deal with this and other similar problems.

At the time when Noland started its investigations on fees and financial aid, an audit on fees and financial aid had already been initiated by the Internal Audit Unit. Following many years of the same findings and recommendations, Internal Audit recommended doing a fully-fledged review. This was approved by the Audit, Risk and Information Communication Technology Committee. The audit conducted by Internal Audit was quite extensive and revealed several significant findings.

The Chief Audit Executive has indicated that in line with the Internal Audit's Post-Management Intervention Plan, they are already doing follow-up audits in order to establish whether Management is making any progress in as far as Noland's Report and their findings are concerned. Her view is that nothing much has happened yet in terms of resolving the issues.

The following are some of Chair of the Audit, Risk and Information Communication Technology Committee's comments: *"the IA [Internal Audit] work on [fees and financial aid] was approved by ARIC [Audit, Risk and Information Communication Technology Committee] following many years of the same findings. IA recommended doing a fully-fledged review and ARIC approved in order to make recommendations that would help FFA [Fees and Financial Aid Unit] solve deeper control issues. The FFA is a point of discussion at each ARIC meetings, with specific concerns voiced out"*.

She noted that the Audit, Risk and Information Communication Technology Committee believed that part of the solution includes utilising the right technology, implementing effective controls and ensuring the right people work there. She indicated that a consultant had been engaged to make improvements, but they are still of the view that the University does not have the finance leadership required to diagnose the challenges and implement the relevant interventions.

Concerning her views on the findings related to fees and financial aid, the Director: Fees and Financial Aid has raised concerns related to staff shortages, which in turn compromise the segregation-of-duties principle. She laments the fact that her unit does not have a Manager (Deputy Director position). She has also raised the challenge of inadequate protection from Management when the Fees and Financial Aid Unit is being pressurised by the students. She feels that, for a change, the current Acting CFO has afforded her such protection.

Part of the challenge is that this was the 'final' report as far as Noland was concerned, and this has been confirmed by the Chief Audit Executive. She also indicates that this was a difficult project for Noland, as getting to interview people proved to be very difficult.

### 3.3 Council's response to the Minister's decision

Assertions	Assurance
The allowance paid in Dec 2020 and Jan 2021 did not cause a financial strain given surplus of R326m at end of December 2020	It appears that Council based its decision partly on what the Chair of PFRC presented as potential savings in certain line items based on underspending as at that time. The schedule I was presented with, did isolate the potential underspend of R67m.
R949m account receivable had accumulated as a result of how CUT managed NSFAS account before.	We can confirm that CUT has changed its approach, and it funds on the basis of actual commitments by NSFAS and not projected ones. Based on our discussions with NSFAS Management, CUT Management has diligently dealt with issues pertaining to monies owed by NSFAS. We can just add that at the time the communication was sent by CUT to DHET, NSFAS had not made any commitments regarding how much of the R949m was due to CUT.
CUT how they had dealt with procurement irregularities.	The Chief Risk Officer also shared with me the investigations done and what was presented to D HET can be supported by the reports.
CUT was in the process of starting a lifestyle audit.	The CAE indicates that there has been resistance to this process throughout. She says that progress is very slow.

### 3.4 High-level analysis of CUT's Annual Financial Statements of 2017 – 2021

		2021	2020	2019	2018	2017
	Note	R'000	R'000	R'000	R'000	R'000
Net Surplus/(Deficit)		470 170	123 455	372 185	190 851	76 541
Cash Generated from Operating Activities		247 267	102 229	289 569	661 901	53 791

The surplus for 2021 was much bigger than in other years and the explanation given by the Director: Financial Reporting is that, during 2020, there were large amounts expended compared to prior years in the form of bad debt provision, bad debts written off, leave accrual (for the first time), etc. She adds that a portion of the tuition fees charged was also postponed to 2021 due to the extended academic year.

The audit reports were unqualified throughout 2017 to 2021 and based on the Auditors' Management Reports, there were no material findings pointing to weaknesses in the internal control system.

### 3.4.1 Income Statement

#### Travel expenses and budgeting process

The management reports to the Planning, Finances and Resources Committee highlighted a number of areas where expenditure seemed to have gone up considerably, and travel was one of them. It also came out in some of the interviews that this expenditure line item had increased significantly.

Below is an extract of the Management Committee's travel expenses.

Employee	International - cost of ticket only	Total
Acting VC	90 145	223 343
DVC T&L	80 205	251 343
Registrar ##	104 817	175 492
DVC: Resops	135 799	303 726
ADVC (RIE)		45 830
ACFO		86 222
Dean - FMS		84 292
Dean - FEBIT		92 785
Dean - FHES		94 899
Dean - FHUM		247 024
		<b>R1 604 956</b>
<b>Total travel budget for 2021</b>		<b>R14 000 000</b>
## - actual travel will take place in 2013		

Due to the information being captured differently by the two travel agencies, it was not always easy to pick up whether an expense was for a flight or something else. We would also have liked to analyse the number of trips. According to AVC all local travels of the VC are approved by Council Chair and overseas travel by members of the Executive.

The budgeted amount for 2022 was R14 million. By end of September, the actual was R9.3 million. There were commitments of R7 million or so. Director: Financial Reporting indicates that not the entire R7 million are legitimate commitments and for that reason the situation at the end of the year could still end up at break-even. While it is true that overseas travel is not cheap, the expenditure on the ten employees is more than 11.5% of the budget.

The Director: Financial Reporting has explained that budget holders do provide an indicative projection of how their budget allocation is going to be apportioned. However, according to her, within the current situation, there is nothing preventing a unit from, for example, spending budget initially intended for stationery on travel funds.

Given the limitations of the current financial system, the only control available is that the system will not issue a Purchase Order where the requested transaction exceeds the available budget.

#### 3.4.2 Balance Sheet

Compared to many similar institutions, CUT is in a relatively strong position, as it does not have long-term loans. Depending on whether the interest is fixed or not, the cost of servicing such debt can be high.

The only form of long-term commitment the University has is a post-retirement medical aid obligation to the tune of R29 million as of 31 December 2021.

#### Grants

A significant concern is the slow pace of spending on infrastructure. This seems to have frustrated members of the Planning, Finances and Resources Committee greatly, and they argue that this weakness has persisted because there is no consequence management.

We requested the audit reports (agreed upon procedures) for 2021 relating to the government grants and we noted that there were no material issues raised.

The DVC: Resources and Operations cites the following as having been responsible for the delays:

- The unavailability of the previous SD: Estates and Infrastructure due to ill health.
- The COVID-19 restrictions.



- c. His suspension.
- d. The delay in approving the Sol Plaatje Framework Agreements.

He has indicated that Council has approved a panel of four construction entities. He says that the Project Management Office is now in place, and a Project Manager and an infrastructure procurement specialist have been appointed.

Part of the consequences of the delay mentioned above is that the money that was allocated to fund the six projects can now only fund five, according to the DVC: Resources and Operations. With time, money has lost its purchasing power.

#### **Trade and other receivables – the amounts owed by the NSFAS component**

The ACFOs has managed to retrieve R230 million from NSFAS in 2021 and has put CUT in a position to potentially recover an additional R720 million, as outlined below. We can confirm that, had it not been for his sharp focus on cash management, the University would have lost at least R487 million (R230 million being what NSFAS paid last year, and the R257 million included in the table below, which NSFAS has acknowledge to be its debt to CUT).

NSFAS has also confirms that CUT Management has been strongly engaged with respect to outstanding monies.

Below is a reconciliation between NSFAS and CUT balances. The Acting CFO explains that the challenge that CUT had in the past was to manage monies due from NSFAS on the basis of expected payments rather than amounts approved by NSFAS. This approach was fundamentally incorrect.

<b>CUT calculations</b>				
<b>Year</b>	<b>CUT Total Records</b>	<b>NSFAS Total Records</b>	<b>CUT on NSFAS</b>	<b>Difference</b>
2017	10 023	10 014	- 44 329 348	10 150 084
2018	11 403	11 343	46 728 083	15 836 374
2019	12 946	12 716	261 990 570	42 074 023
2020	14 560	13 833	455 870 519	44 266 541
<b>Total</b>	<b>48 932</b>	<b>47 906</b>	<b>R720 259 824</b>	<b>R112 327 022</b>
<b>Reconciliation</b>				
Differences with NSFAS			124 956 396	
Per workings received from NSFAS in Dec 2022			257 015 181	
Missing students per NSFAS			338 288 247	
			<b>R720 259 824</b>	

Whether the institution owes or is owed by NSFAS is a complex situation that has resulted in extensive reconciliations being done. The reconciliation project is referred to as the Close Out Project (COP). Many factors have given rise to the reconciliation items, but one that often comes up is that of the University and NSFAS systems not talking to each other. As at end of June 2022, NSFAS had indicated that from their standpoint, they are able to confirm R257 million of the R720 million invoiced by CUT. The figures above are not final. However, there exists a real risk that CUT may lose as much as R463 million (R720 million - R257 million).

During the interview with the Independent Assessor, the Acting CFO alluded to lacunae in the control environment and felt that part of the R455 million paid out as outlined above, should not have been paid. His argument is that, given the COVID lockdown, payment towards residence should have been minimal. Put differently, it was fruitless and wasteful expenditure. He says that this emerged when the University got involved in the NSFAS COP process. He also indicates that the matter of this potential loss was brought to the attention of the Planning, Finance and Resources Committee.

We share the Acting CFO's concern about the lack of control, though our approach to calculating the potential loss is different.

CUTs 2020 claim per workings above	455 870 519
Portion of R257m confirmed by NSFAS	-175 977 210
	279 893 309
Less: Tuition (approximately 52%)	- 145 544 521
Paid to landlords and students	R134 348 788

#### **Potential fruitless and wasteful expenditure**

Considering that the University would keep the tuition fees and the fact that it will recover at least R257 million, in our assessment the maximum potential loss would not exceed R134 million.

The figures above, including the reference to the R455 million is restricted only to those students where there are reconciling issues with NSFAS, i.e., the University funded out of its own reserves.

We were able to establish from the Director: Fees and Financial Aid that the total amount paid to students and landlords for the period April to December 2020 was approximately R550 million. This amount is made up of the R134 million, and the balance relates to those whose funding from NSFAS had been received by CUT. The Director: Financial Reporting (she was Acting CFO at the time) and the Director: Fees and Financial Aid maintain that the students never left the residences during that period, hence the payments had to be made. They do acknowledge though that some students did leave the accommodation. The control deficit we have identified is that there were no records kept regarding how many students remained in the residences. In other words, if, say 20% of students had left the accommodation, then as much as R110 million (20% of R550 million) may have been lost.

There is no indication based on the minutes of the Planning, Finance and Resources Committee that this matter was ever explored during that period, nor is there any indication that once brought to their attention, any official was held accountable for this.

#### **3.4.3 Toyota Building**

The common understanding and view is that it was a strategic move to acquire this building. Various parties have articulated the point that the building is well situated, it is within walking distance of CUT, and its acquisition also allows CUT to contribute to the innovation eco-system in Bloemfontein. CUT had made a commitment in terms of the Shareholders' Agreement, and in order to facilitate the commercialisation process, to providing CUTis with a "fit for purpose structure". Two other entities have been earmarked to occupy the building, namely CRRN (Prototyping) and PTDS.

There is document history that details the attempts to acquire the building, and at some stage the Department of Higher Education and Training had to inform CUT that the latter is not allowed to stand surety for CUTis for the purpose of buying this building. Eventually the building was acquired by someone through auction, for R26 million. After several negotiations, the building was eventually acquired by CUT for R44,85 million (inclusive of VAT of R5,85 million) from the new owner. The massive difference in purchase price seems to have unsettled a number of people, and some strongly feel that CUT overpaid. They cannot accept that, within a short space of time, the building was purchased for almost twice the price paid at the auction.

The other challenge is that the building is not yet fit for purpose. Based on discussions with Management, it seems that there was always the understanding that refurbishments would be required. We were not able to see any indication that the cost of the projected refurbishments was ever presented to the Planning, Finance and Resources Committee or Council. Having said that, there is a view that building from scratch would have cost the university much more.

We did not observe any submission regarding how the R44,85 million was to be financed. The minutes merely reflected that Management had assured Council that there was money to cater for this acquisition. There are also reports to the effect that a further request for funding of more than R100 million has been presented to the Planning, Finance and Resources Committee, in order to make the building fit for purpose.

**Conclusions:** Based on the above, the following are our conclusions:

- a. As partly evidenced by the calculation in 11 (Value Add), the situation is better now than it was when the Julian Smith Report was issued.
- b. The Planning, Finance and Resources Committee has understandably taken a hard stance on the Noland Report Fees and Financial Aid findings, but not much progress has been made because the matter was not elevated to Council soon enough, and as a result Council has not done the necessary follow-ups.
- c. Management seems to have made an effort to address some of the concerns the students had raised as recorded in the Noland Report (student unrests).
- d. Council's response to the *Minister of Higher Education, Science and Innovation* was, to the extent that it concerns the finances, a credible presentation.
- e. Some of the travelling seems excessive.
- f. There is a risk of CUT missing out on additional infrastructure grants if there is no improvement in its delivery.
- g. There are strong views that CUT overpaid for the Toyota building.
- h. Efforts to recover money from NSFAS are commendable. However, the risks of not recovering a substantial part of the R440 million are real. CUT can be more aggressive in terms of cash collection. The annual interest that may be lost on R257 million (the least amount agreed upon by both NSFAS and CUT), assuming an interest rate of 7% is R18 million.
- i. There is evidence of potential wasteful expenditure amounting to more than R110 million.

**4. Allegations of maladministration of financial aid office, involving, inter alia, the alteration of student banking details to divert NSFAS student allowances.**

According to the Director: Fees and Financial Aid, the University was migrating to a new feature in ITS Enabler. The facility allowed the students to upload their banking details. From what we gather, the manner in which the scam worked was: there was an 'invitation' to students who were having problems accessing their money to send their details to a particular e-mail, and this included their banking details.

What became noticeable as Fees and Financial Aid staff were loading payment files is that the system would caution and say that the bank account is linked to more than one student number and proceed to ask them whether the transactions should be authorised or rejected. The Director stated that initially staff members would press 'authorise'. As a consequence, money was paid out that should not have been. We have not seen any calculations, but the Director suggests that not more than R34 000 would have been lost through this manipulation.

She says that the matter was referred to the Chief Risk Officer, whose office had proceeded to interview certain people. She indicates that the investigator subsequently came back to her to say that perhaps she should report the matter to the police, as this would enable them to have access to certain bank accounts. The matter was never reported to police, and the reason provided by the Director is that other events took place around that time (including student uprisings) which resulted in the matter not being followed up.

What is a matter of concern to us is that the Chief Audit Executive was under the impression that the Chief Risk Officer was doing the investigation, and on the other hand the Chief Risk Officer thought that the Chief Audit Executive had included this area as part of her audit plan. In short, there was significant fiduciary failure on the part of the University.

**Conclusion:** The investigation on student allowances was not followed up sufficiently, and as a result the matter was not closed properly.

**5. Council's decision in 2020 to pay for the accommodation of students in December 2020 and January 2021 from the university's savings – rather than adopting the approach of other universities to negotiate with landlords.**

Based on the minutes of the Council round-robin process held from 4th to 9th of December 2020, the issue of the DHET directive not to pay the landlords had been considered. It also appears that Council Members had asked some questions regarding how this directive was to be understood based on what Management had said. It seems as if ultimately the dominant narrative that payments should be processed was informed by the articulation of the then Acting VC as outlined below:

"The Acting Vice-Chancellor and Principal clarified that the 05 October 2020 Government Gazette covers students staying in university accredited and registered private accommodation. According to section 6 of the Gazette, universities are not supposed to pay accommodation for the December and January extended

academic year for students staying in that accommodation. The challenge is that some of CUT's students are staying in university non-accredited and non-registered private accommodation, thus not covered by the Gazette. That is why the university pays for their December 2020 and January 2021 extended academic year" (Extract from Council minutes of the meeting of the 9 December 2020).

We communicated with the then Acting VC regarding the minutes referred to above. He confirms that there was intensive engagement with Dr Diane Parker, the former Deputy Director General at the Department of Higher Education and Training regarding this issue. When CUT suggested that the gazette may not apply to instances where the accommodation was not accredited, it appears that Dr Parker had responded that there should not be non-accredited residences in the first place (and that would explain why the gazette had made no distinction between accredited and non-accredited). Her response had been that accommodation should be managed in line with the Government Gazette and the Universities will be expected to assist by engaging with private accommodation providers where necessary.

The then Acting VC explains that Council was made aware of DHET's stance, and of the challenge of students in non-accredited accommodation. He says that Council could not wait for Management to discuss the matter with the SRC on 01 December 2020, and after consulting internally and with NSFAS, a decision was finally taken to pay.

The Council approval process was also preceded by an engagement between the then Acting CFO (Director: Financial Reporting) and the then Chair of Planning, Finance and Resources Committee. The former indicates that she was asked by the latter to present certain figures to her, as she (the Chair) knew where the savings to fund the required student allowance would come from. I sighted a document prepared by Director: Financial Reporting, which indicates how the R67 million was to be derived. Essentially, it meant redirecting unspent funds to towards this commitment. She had also presented figures which indicated the potential surplus for the 2020 year. She says that these documents were given to the Chair of the Planning, Finance and Resources Committee, but the Director: Financial Reporting was not invited to the meeting where the presentation was to other Council Members took place. Apparently, that meeting included certain members of Council, but it was not a formal Council meeting. An amount of R67 million was approved.

A related aspect to this matter is that Fees and Financial Aid ended up processing an amount of R33 million for February as well. Based on the e-mails exchanged between the Director: Financial Reporting and Director: Fees and Financial Aid, we were left with the impression that this was indeed a genuine mistake that flowed from a misunderstanding of a communication from NSFAS.

The Council meeting of 16 April 2021 ratified this as well, and the reason provided was that the students should be prioritised. It also recommended that the R33 million should be funded from the University's surplus. An extract from the minutes of that meeting: "Council resolved that the Chief Audit Executive should look into the matter from an audit perspective, because it had been an irregular expenditure, and there are deep-rooted underlying issues. So, before Council pre-empts and does consequence management, the Chief Audit Executive should provide Council with a clear report of what exactly had transpired, so that Council can decide what to do. The Chairperson of Council will brief the Chief Audit Executive to look into the matter from a governance perspective, to determine if governance principles had been transgressed, or not".

The Chief Audit Executive has indicated that she met with the Chair of Council regarding this matter, but indicates that the Chair suggested that the Council was not so much concerned about the payment of R33 million per se, but about the reasons why there were delays in payments. She says that this matter was considered when the Fees and Financial Aid audit was being scoped. Comprehensive as the Fees and Financial Aid audit was, I did not see findings in this regard. The Director: Fees and Financial Aid has also confirmed that she was never interviewed by anyone in respect of the R33 million payment.

It appears that Council decided to take a corrective approach rather than a punitive one. One of the people we interviewed complained that this has been the Council's downfall, i.e. not holding Management to account.

In total, R100 million was paid out under the circumstances outlined above.

**Conclusions:** Based on the above, the following are our conclusions:

- a. The Council made an effort to ensure that the allowances were paid out of surplus funds.
- b. The indication is that Council did not simply ignore the instruction from the *Minister of Higher Education, Science and Innovation*, however it acted without care, diligence and skill in going ahead with the payment without the DHET's permission.

## **6. Allegations of procurement irregularities**

The Acting Deputy Director: Procurement has raised a concern that there are some significant deviations that seem to always come from a particular Unit. Having reviewed some of the transactions, I agree with the Acting Deputy Director that those particular transactions presented did not constitute an emergency. The DVC: Resources and Operations says that part of the problem was that, in the past, maintenance was done on a reactive basis and hence the pressure at end of December.

We also saw e-mails where the Acting CFO indicated that the deviations were not going to be approved.

I asked the Chairs of the Audit, Risk and Information Communication Technology Committee and Planning, Finance and Resources Committee, and the Chief Risk Officer and Chief Audit Executive if they were aware of any procurement irregularities like a compromised tender process, and their response was that they were not aware of any.

According to the Chief Risk Officer the Whistle-blowers report is received by the VC, Registrar, Chief Risk Officer and Senior Director: HR. As far as he is concerned, there is no procurement irregularity that has not been investigated.

The DVC: Resources and Operations indicates that an intervention has been put in place in terms of which the Deputy Director: Procurement must first determine whether a transaction is an emergency, before it can be treated as such. He also indicates that there is now a maintenance plan in place.

**Conclusions:** Based on the above, we conclude that there is no material procurement irregularity, if any, that has knowingly been ignored.

## 7. University expenditure on litigation between 2017 and 2022

	2017	2018	2019	2020	2021	2022
						<b>10 Months</b>
Settlements - entities		1 625 000			650 000	
Settlements - employees					2 398 579	
Other legal firms and services	302 974	120 333	601 101	727 087	4 359 803	4 891 855
Biggest single legal firm expense	9 385 786	4 601 882	2015 506	2 953 444	6 432 951	1 897 035
Retainer paid to the single firm	2 233 376	2 248 069	2 252 967	2 252 967	1 314 229	
Deposit at municipality			20828596			
Membership fees - various					823 333	697 951
Forensics expenditure			1 378 070	587 516	808 732	316 394
Whistleblower subscription	13 509	58 895	54 510	54 510	54 510	31 797
Institute of Directors (IOD)					144 900	
<b>Total</b>	<b>R11 935 645</b>	<b>R8 654 179</b>	<b>R2713070</b>	<b>R6575 524</b>	<b>R16 987 037</b>	<b>R7835032</b>
Litigation component of the total	R5 228 079	R3 079 593	R1179 227	R1599 584	R2 046 172	R1021180

Based on the minutes of the Planning, Finance and Resources Committee, the issue of what was perceived to be high legal fees was raised very sharply. In certain instances, the Acting CFO was instructed to do certain procurement-related investigations. Council was also concerned. Following a tender process, and with effect from July 2021, a new panel of lawyers is in place.

Judging by the figures, there is a noticeable difference between 2022 and the previous years. CUT appointed the Senior Director: Legal Services towards end of last year. According to her, in the past employees did not want to assume their responsibilities, and they would regularly ask for lawyers' opinions, even when not necessary. She explains that by vetting the contracts, initiating the process of disciplining students, doing investigations and completing the process, this has had a huge impact. According to her there is currently no active litigation, except for a few cases of interdict. The Senior Director also says that she has been reviewing the invoices and has noted various instances of overcharging or where a senior person is used instead of a junior official. The examples she provides are: (a) where a law firm uses a Senior Counsel in a matter which she thinks a junior advocate would have been just as appropriate, and (b) R40 000 having been charged for a legal opinion where other firms had charged between R14 000 and R20 000 for similar opinions.

In terms of the current design, legal matters pertaining to HR and labour relations are channelled directly by HR to the lawyers on panel, partly due to lack of labour-related legal expertise within CUT. The Registrar agrees that this is not an optimal arrangement, and in the long run it is the intention that even HR or Labour relations matters should first be considered by the SDLS before going out to lawyers. In terms of the envisaged restructuring, the Legal Unit will also include Compliance and Judicial Officers.

It is unbelievable that the tender process that took place last year, happened almost ten years after the previous tender process was run. The 2011 tender process requirements indicated that it was being done on a retainer basis. We were not able to interview the Acting DVC: Resources and Operations who was in charge at the time. A Service Level Agreement which we saw did not specify the end date of the service. According to the explanation given, the University had adopted this approach in order to manage its overall cost. It has also been indicated that certain information needed to be provided in order to justify the payment. I was presented with the time-sheets but they were not accompanied by any costing. The tender process allows an entity to negotiate the costs, and in our view the official who initiated this retainer arrangement did not act in the interest of the University.

In 2019 the Municipality had threatened to cut water and electricity supply. An amount of R20,8 million was paid over to the lawyers following the advice of the Counsel, as a gesture to the municipality that CUT will be in position to pay the outstanding amount should it lose the case. The matter is due for a court hearing in March 2023. The amount was deposited with a firm of lawyers that acts as Attorney of Records for the University. We were provided with the trust's audited financial statements of the firm, but we could not tie the CUT balance to anything because we did not get a breakdown of the trust monies.

The fact that this matter is *sub judice* has not prevented the municipality from continuing to threaten the university with cuts. The attorneys concur that there is no reason why the University should be paying the interest over to the municipality.

It was brought to our attention by the DFR that CUT has paid to the municipality to date R3,75 million as interest, supposedly on the R20,8 million owing. The net interest (after agency fee and admin costs) earned on the amount was R590 181,00. In other words, this is costing CUT R3,17 million as a net interest expense. The matter has been raised with the Acting VC. The Director: Financial Reporting is of the view that the R3,75 million is not lost, in the sense that depending on the outcome of the court case, this will be offset against the amount owing. Given the high interest rates in the market, CUT may be losing up to 8% p.a. interest on this interest money paid over to the Municipality.

#### Conclusions:

Based on the above our conclusions are as follows:

- CUT took an important and appropriate decision of running a tender process for legal services last year, with no provision for retainers.
- One firm got a major portion of the work, which made it a single supplier for all intents and purposes.
- The presence of the SDLS has made a noticeable difference in terms of lowering the legal costs.
- CUT has not managed the interest aspects of the R20,8 million deposit robustly, resulting in it losing interests and paying interest on a matter that is *sub judice*.
- The Legal Services Unit needs to be strengthened by employing on a substantive basis a Senior Director: Legal Services (as opposed to the one-year development appointment as is currently the position), and the intention to employ the Compliance and Judicial Officer is a step in the right direction, and needs to be speeded up.

#### 8. University expenditure on employment termination settlements between 2017 and 2022

	2017	2018	2019	2020	2021	2022	TOTAL
Total settlement amount	R2 318 807	R2 508 736	-	-	R2 386 985	R515 839	R7 730 367
Number of employees involved	8	3			4	2	17

Of the seventeen cases mentioned above, according to Management sixteen of these were resolved through courts or CCMA. There is often a lag between the time when an employ leaves an entity and when the matter is finally heard by the CCMA. The above does not represent the total cost, as it excludes the legal expenses associated with such disputes.

**Conclusion:** Based on the above, our conclusion is that compared to four to five years ago, the settlements seem to have stabilised.

#### 9. The appropriateness of the University's fees and finance policies (some policies introduced decades ago appear to not have been reviewed in recent years)

The Director: Financial Reporting has indicated that there is currently no policy in place to regulate the process of determining the fees. She explains that the groundwork is done by the Fees Committee, which consist of the representatives from the Faculties, Student body leadership, and Finance people. The recommendations of the Committee are taken to Management, and ultimately to Council.

She also indicates that CUT's fee determination has been guided by the DHETs' Fee Compact, as can be seen below:

	2019	2020	2021	2022
CUT				
Tuition	5.3%	5.4%	4.7%	4.0%
Accommodation	7.0%	7.4%	6.7%	6.0%
Compact on Fees - D HET				
Tuition - CPI Linked		Max : 5.4%	Max: 4.7%	Max: 4.23%
Accommodation - CPI + 2%		Max: 7.4%	Max: 6.7%	Max: 6.23%

**Conclusions:** Based on the above detail, our conclusion is that CUT's annual increases seem fair and are in line with the Fee Compact's recommendations.

### 10. General observation about the recruitment practices, in the context of stabilising Units

In a matter that involved certain aspects of conflict of interest not being managed optimally, it has been brought to our attention that the Senior Director: HR and Chair of HR Committee of Council were mandated by Council to speak to a person who had been interviewed, to establish how they would manage conflict if they were appointed. It was our view that this was not proper, and that Council failed to act with duty and care. It would appear that the Senior Director: HR had argued prior to that, that the perceived conflict of interest could not be mitigated.

We also came across instances that suggest that the psychometric results were not used consistently by CUT. The Senior Director: HR has conceded to the inconsistencies and has given the assurance that there is now clarity. She has indicated that in many instances these results should be used to determine what type of support the candidate will require once they are employed. The same assurance was given by the Acting VC, namely that there is now clarity regarding this matter.

**Conclusions:** Based on the above we conclude that there will be no confusion going forward regarding the use of psychometric results.

### 11. Value Add

*One approach to calculating the reserves that are available for use*

From time to time the Planning, Finance and Resources Committee and Council will be asked to approval the funding of certain projects. It is our view that it is not sufficient for Management to assure Council that there are funds. There should be calculations to support that assertion.

Below we have constructed a suggested template.

<b>Computation of Cash Reserves Equivalent</b>	
<b>using 31 December 2021 as the basis</b>	
	<b>R'000</b>
Investments - long term	179 456
Investments - short term	927 227
Inventories	9 911
Trade and Receivables	1 067 079
Cash and Cash Equivalents	116 413
<b>LESS:</b>	2 120 630
	1 129 916
Deferred Balance less PPE component	595 058
Trade Creditors	436 015
Provisions	64 767
Retirement Obligations	29 773
Restricted Use of Funds	4 303
	990 714
LESS: Items requiring prudence	
Assume only 70% of the Trade Receivables is recovered	
1067 079 *30%	320 124
	670 590

As can be seen from the above, only R179 million of CUT's funds were invested in long-term investments. Given the potential cash surplus of R670 million as shown above, and depending on the risk appetite, CUT can make a further R335 million (50% of R670 million) available for long-term investments or cash instruments.



## 12. Recommendations

### *Minor recommendations*

1. The Grants Policy is key as it regulates how funder's monies are to be used, and therefore should be put in place as soon as possible. Policies should be updated timeously, and a proper process should be followed to delete policies and procedures that are no longer in use.
2. The processes of filling the CFO and Procurement Manager positions should be accelerated. In order to stabilise the Legal and SCM Units, substantive appointments must be made as soon as possible, and the SCM employees must be taken through a structured SCM-related training programme.
3. A procurement deviation register should be presented at MANCO.
4. ARIC needs to clarify the performance management process involving the CAE and CRO.
5. The risk register should also reflect timelines in respect of when an intervention is to be put in place.
6. PFRC and Council should approve the utilisation of reserves only in instances where they are provided with workings indicating the estimated cash equivalent of the reserves.
7. There is no provision in the Higher Education Act of 1997 that prevents a member of Council from also being a member of the ARC. The King IV Report recommends that all members of the Audit Committee, including the Chair, be independent, non-executive members of the governing body. Chair of ARIC perhaps should be somebody independent of the University, in other words, not a member of Council.
8. Submission to the PFRC investment schedule should include investment rates and terms.
9. PFRC should monitor the Grants Age Analysis and spending, and report to Council.

### *Substantive recommendations*

1. The finance or enterprise resource planning (ERP) system used by CUT (as by many institutions in the sector) has serious limitations and getting a meaningful finance report can be a huge challenge. . The leading enterprise resource planning software is SAP (Systems Applications and Products in Data Processing). Attempting to implement SAP from standard, whether industry solution or vanilla, is expensive. Another higher education institution has configured, customised and successfully implemented SAP as their ERP. CUT could approach that institution to leverage their solution. While CUT would need to buy SAP licences and the institution may want to recover some of their costs, this would be far cheaper than attempting a green field implementation.
2. The Acting Chief Financial Officer should push for the immediate payment of the R257m which NSFAS has admitted to owing. In other words, he does not have to pursue the full amount of R720 million at once.
3. CUT should cease the arrangement of having the money put in a trust account with the Attorneys and invest it themselves.
4. With respect to the potential wasteful expenditure (where a potential loss of R110 million was computed for illustration purposes) relating to payments made to students and landlords in circumstances where the students may already have vacated their accommodation, further investigation is required.
5. Restructure the PFRC, including appointing a new Chair.
6. Consider having a separate Committee for ITC instead of dealing with this within the ARIC.
7. No termination of a CAE's contract should take place without the ARIC being either involved and, to the extent possible, this should be dealt with in the ARIC Terms of Reference.
8. Council should demonstrate a sense of urgency and manage the FA and FFA Unit changes as a project.
9. Delays in dealing with the Noland Report point to the expectation that Council must play an active role when there are investigations (including forensic ones), and demand answers from its governance structures to make sure that there are no unnecessary delays.
10. ARIC must put processes in place to make sure that they are made aware of all investigations that are taking place at CUT, in order to prevent a situation where an investigation report is not presented to ARIC, even a year after the report was finalised.
11. Management must report to ARIC all investigations that are being conducted, follow up on them, in order to prevent a situation similar to the one where the investigation into the NSFAS allowances died, and ARIC was not put in a position to make enquiries in respect thereof.
12. Regarding the payments made in December 2020 and January 2021, Council should never authorise any payment of that nature without a written confirmation from DHET. Further investigation should be done regarding the circumstances that led to a third payment being made (over and above the two that were not permitted by DHET) as it appears the Council did not ensure that the investigation takes place.
13. Limit the number of special meetings per year, e.g. only in exceptional cases can they be more than the number of normal meetings permitted in a year.
14. Put a cap on traveling expenditure per person as a short-term measure.

15. Circumstances around what seems to have been a single legal services supplier for a period of about ten years, point to a need for further investigation.
16. The circumstances leading to the purchase of the Toyota building, and the subsequent events related thereto, require further investigation.
17. Appoint an asset management consultant (it does not have to be an actuary) to do a risk and return assessment of CUT's balance sheet in order to determine the optimal investment allocation. Actuaries can advise on how to effectively deal with the Post-Retirement Medical Aid obligation, even though it is not a significant liability.

**Report prepared and submitted by:**

Bulelani Mahlangu

January 2023

## **Addendum D**

### **Report of University Student Administration and Governance Expert**

**The terms of reference of the expert advisor responsible for this section of the report are as follows:**

1. Advise the IA on all aspects of the IA terms of reference related to the Office of the Registrar, in particular, the terms of reference (d) and (e) in the attached.
2. Accordingly:
  - 2.1. Conduct a detailed analysis of the operations of the Office of the Registrar in relation to the management of enrolments, examination processes, graduations, student governance and any other related matters that warrant investigation.
  - 2.2. Conduct a detailed assessment of all policies for which the Registrar's Office is responsible.
3. Consider all financial documentation relevant to the above investigation, in particular, the briefing pack provided to the IA by DHET (including the Smith and Noland Reports as well as CUT Council's response to the Minister's decision to appoint an IA).
4. Interview, in consultation with the IA, all relevant stakeholders who may be able to assist with the above investigation, in particular the Vice-Chancellor and University Registrar.
5. Provide an opinion on the following matters:
  - 5.1. Allegations of regular errors in the capturing of assessment grades
  - 5.2. Allegations of regular errors in graduations lists
6. Provide a report to the IA on the above matters, together with any further relevant views, by no later than 2 December 2022.

#### **1. INTRODUCTION**

In the Government Gazette of 10 October 2022 (No 47281), the Minister of Higher Education and Training appointed an Independent Assessor to investigate the affairs of the Central University of Technology.

In the terms of reference issued by the Minister in the Government Gazette par. 2(e), but not excluding par. 2(d) and (f), it is required that the Assessor investigates the functioning of the Registrar's Office, focusing on the governance aspects thereof, but in particular, the academic and student administrative matters for which this office is responsible. Since the Registrar also serves on the Executive Committee, the functionality of the office has a huge impact on Executive management processes. In this regard, the decision-making bodies, namely Senate and Council, are managed by this office. The role of the Registrar, as the chief administrative officer of the institution, must be evaluated in this regard.

The focus of this report will be on these areas with reference to the past and current situation at the institutional level. The importance of changes to the current situation will receive attention at all levels for which this office is taking responsibility. Clear and substantive recommendations will be made to bring the institutional functioning on par with the norms and standards for a good University.

For ease of reading, the factual information is indicated as briefly as possible in the report without losing the importance of context. This report must, however, be read in context with the factual information of the main report compiled by the Independent Assessor.

#### **2. PAST AND CURRENT FUNCTIONALITY OF THE REGISTRAR'S OFFICE**

##### **2.1 Former Registrar**

From the interviews with the former Registrar and several other staff members of her office at the time, it appeared that she did not understand the importance of sound management principles required by institutional rules, policies and procedures. She refrained from taking any responsible action required of her and then either blamed people reporting to her or other Executives. She appears to have avoided taking responsibility for any institutional action. The interviews with both her and her colleagues confirmed this observation.

Several staff members indicated that she had an unhealthy relationship with student leaders, thereby creating a situation where students could demand anything, and it would be granted by the Registrar. Some staff members in her office are even of the opinion that it created situation where it appeared that the institution was ruled by the students. She, however, denied any involvement with students or the

SRC.

In summary, with all the information available, the impression is created that she did not execute the new institutional requirements imposed on the Registrar's Office. In this way, she created a situation at institutional level where students and even academic staff members could live and demand actions outside the general rules and regulations. This created a serious lack of discipline, which may have led to bad habits that are presently visible at the institutional level. Late admissions of students to academic programmes, changing of marks at random, late submission of marks and admission of students without the minimum requirements are some of the activities that began on her watch and still prevail.

From interviews with Executive members as well as the previous Vice-Chancellor, it was clear that the Registrar seldom acted strictly according to institutional policies and procedures. She never stepped in when incorrect procedures were followed, nor did she act in a way that promoted the well-being of the University when it was required.

The following extract from the Peyper Forensics report, page 87, par 8.1(a)(ii), confirms the above observation:

"Advise on whether any disciplinary action should be taken against [the former Registrar] considering her contract lapsed 30 June 2021 for failing to monitor her direct reports in acting against SRC members".

The reporting line of the Dean of Students to her office assisted her in liaising with students instead of fulfilling her governance role to ensure order and discipline on campus. This reporting line should be reviewed and reconsidered.

## **2.2 Current Registrar: Dr Sally Ndingwa**

The current Registrar has served for just over a year. However, during the interview with her, she demonstrated a clear understanding of what is required of her. She understands the importance of the institutional rules, regulations and policies that govern CUT. The fact that she has inherited an office without discipline brings about its own difficulties.

Her present responsibilities, which include the Dean of Students' office reporting to her, were discussed thoroughly. It is clear that this line function should not report to the Registrar since this may lead to a conflict of interest, and it might even have been one of the reasons for the dysfunction of the previous Registrar. To ensure good governance and discipline at the institutional level, it is important for the Registrar to have a firm grip on all institutional rules, regulations and policies and not to act outside of them.

It was also noted in discussions with the Registrar and staff involved with student and academic administrative matters that there are confusing reporting lines. At present, the two Assistant Registrars at the Bloemfontein Campus report to the Deputy Registrar, whose office is on the Welkom Campus, and he reports back to the Registrar on all academic and student administrative matters. It is also noted that one of the Deputy Registrar positions at the Bloemfontein Campus has been vacant for a prolonged period. This not only leads to confusion in reporting lines but brings about serious completion competence issues that must be addressed.

## **2.3 Changes required**

Several recommendations are made later in this part of the report. The recommendations include proposed organograms of what the Registrar's Office should look like. The number of support staff looking after the core business of the institution and line and functional responsibility matters are also addressed in the proposed organograms. These changes need to be addressed as a matter of urgency (refer to Annexures A-E).

Given the circumstances the present Registrar finds herself in, it might be important for her to be assisted by an experienced coach with sound knowledge of the Registrar's Office. The suggested period for this coaching intervention is a full academic cycle of two years since the implementation of all the recommendations will take time and will need firm management. Actions taken by her office could address most, if not all, of the present problems, as indicated in the Minister's request for investigation pertaining to good governance for student and academic administrative matters.

### 3. THE ACADEMIC CALENDAR (YEARBOOK) POLICIES, RULES AND REGULATIONS

#### 3.1 Current situation

For this part of the report, the focus will be on all the applicable policies, rules and regulations for students and academic programmes. This will also cover general good governance regarding student and academic administration.

The opinion of the Investigating Panel is that most of the rules, regulations and policies are in place to ensure general good governance. The problem lies mainly in the way these are implemented and the fact that some policies have not been revised regularly and hence may have become outdated.

It was clear in several interviews with support staff that they live in fear of the reactions of students (and, in some cases, Unions) when they do their work properly and according to the rules. Several examples were mentioned where they were “forced” to act outside the rules and regulations. It seems this situation was created during the time of the former Registrar, but it still exists. This situation could place the University at risk in the long term.

#### 3.2 Changes required

The University Calendar is a comprehensive document. However, a few questionable rules were identified. An example is the disciplinary rules for students, par 6.1.1(a), which read as follows: “The Central University of Technology, Free State (CUT) Council is the highest disciplinary authority at the University”. There is no doubt that Council has a governance responsibility for University matters, but to make them responsible for student discipline specifically is questionable. Paragraph 6.1.9 of the same document refers to “Powers of suspension of the Vice-Chancellor (VC) and Principal”. Again, the powers of the Vice-Chancellor and Principal are not in doubt, but in this regard, they should be delegated to the Registrar.

The CUT Statute also needs serious attention. Coincidentally, the Assessment Panel was informed that the Registrar has appointed two consultants to indeed review the CUT Statute. The opinion of the panel is that the two consultants appointed for this review are the best available in the higher education sector. However, the present situation at the institution may “force” them to accommodate some clauses, which may lead to a de facto continuation of bad practices. In this regard, there are three main areas to be taken care of, namely the powers of Council and the powers of the Alumni Association, specifically, as well as the role and function of the Institutional Forum.

#### Note:

All recommendations related to structural changes in the Registrar’s domain can be tested against the background of a strategy to strengthen good governance and best practices from an organisational perspective.

#### 3.3 Recommendations

- 3.3.1 The general rules and regulations are fair and in place but need revision. The above serves as an example, but there are many other semantic and role clarifications that need attention.
- 3.3.2 Line managers implementing specific rules, regulations and policies pertaining to student and academic administrative matters can be used to bring attention to issues that need to be addressed. The Legal Office must review all the policies that the business owners identify for attention. The Legal Office must ensure that this process does not conflict with existing rules and regulations.
- 3.3.3 It is good Institutional policy to review all rules, regulations and policies in a cycle of three years, where the policy owner and the Legal Office both sign off on any changes or approval of the existing policy.
- 3.3.4 It is taken for granted that academic administrative rules (academic programmes) and policies (admission policies) for every programme offered can only be changed with Senate approval and, as such, must be reflected in the Academic Calendar of the University.
- 3.3.5 The Registrar remains the institutional compliance officer in this regard and, as such, reports to the Council and receives no intervention from Council. However, Council may request that a policy be reviewed if they feel it is not in the best interest of the University.
- 3.3.6 The changes to the CUT Statute must accommodate the proposals in this report to the Minister of Higher Education and Training and only be sent to Parliament for approval after the Minister has sanctioned the implementation of proposals by the Independent Assessor. If this procedure is not followed, de facto bad practices may remain.

## **4. LEGAL OFFICE**

### **4.1 Current situation**

The recent implementation of a Legal Office reporting to the Registrar can be seen as a step in the right direction. Since 2017, the University has spent R77,8 million on legal costs, of which one law firm received approximately R61 million.

An interview was scheduled with this firm of attorneys. However, the firm's representatives declined disclosing any information to the panel, citing attorney-client privilege. It took a week to reconvene another meeting with them, after the University had officially waived the confidentiality requirement for the duration of the assessment.

### **4.2 Changes required**

The fact that CUT has spent large sums of money on legal services creates the impression that management at the senior and executive levels did not do their work as required. Furthermore, it was noticed that even Council has been responsible for some of these expenses and has never taken action to prevent them. This money could be of much better use to strengthen the academic environment and support services.

In the interview with the newly appointed Senior Director of Legal Services, it was obvious that she is positive about her role at the institutional level and is already involved in numerous aspects of legal advice at that level. One of the requests from the Registrar's Office was that some of the institutional policies be discarded. This might lead to gaps in competence completion for some line managers and business process owners.

The present incumbent can play a significant role in establishing stability. However, the discarding of policies must be reconsidered, and a process of revision should rather be followed.

### **4.3 Recommendations**

- 4.3.1** It is recommended that no policies should be discarded but that they should be reviewed in total. Specific senior staff members who are the custodians of these policies must play an important role in the reviewing process, and only when a policy proves to be redundant must it be discarded.
- 4.3.2** A forensic investigation into the prolonged appointment of one firm of attorneys over many years should be considered.

## **5. STUDENT APPLICATIONS AND ENROLMENT**

### **5.1 Current situation**

During interviews with the responsible Assistant Registrar and other members of staff from the Bloemfontein and Welkom campuses, it has become clear that three factors play a significant role in their daily work. The three factors are information technology systems, the total number of applications received at the institutional level, and the role and function of staff members reporting to Deans and heads of academic departments.

#### **5.1.1 ITS system**

CUT makes use of an ITS system (ERP) which is used at various South African universities. This has both a positive and negative impact on system development. The positive impact is that the sub-systems in use by the various institutions may be built on best practices that can also be utilised by CUT. However, most sub-systems in use will be determined by University's own policies and, more specifically in this regard, the CUT admission policies. The present system must provide rules for every academic programme offered since they deal with different requirements. If these requirements are not built into the system, they will require individual attention from support staff. For most postgraduate programmes, this will be the de facto situation.

At present, the ITS system does not support sound practices in this regard. Applicants who do not qualify according to admission policies are not eliminated by the system. This results in the manual processing of 200 000 applications annually at the Bloemfontein Campus and 80 000 at the Welkom Campus. This is untenable, and attention to system development to prevent this should enjoy priority.

Another problematic situation is that the system developers are external resources and not part of the University. Hence, the University is completely dependent on the service provider for these actions. This may, and indeed has, played a significant role in delays in the of a particular programme. The academic environment is ever-changing, with constant rule changes according to programme content and entry

requirements. The staff member responsible for ITS business rules in the Registrar's Office made it clear that business requirements (read admission requirements) often fall outside the standards of the service provider. Thus, the system sometimes lacks agility and flexibility.

It is important to note that the Registrar's Office is the largest business environment critical to good business processes at the institutional level. Present institutional IT support levels do not seem to be in place.

### **5.1.2 Support staff numbers**

The total number of support staff at both campuses dealing with admissions and enrolment is also a cause for concern. It was indicated that approximately 280 000 applications are received annually. Since the institution not only deals with applicants within the normal Matriculation exemption requirements but also other professional body requirements, the admission processes are very complex. This also complicates the IT system support, as indicated above.

Currently, the number of applications handled per staff member in the enrolment and registration unit reflects a ratio of 1:25 000. Mistakes become inevitable because of work pressure due to cut-off dates.

### **5.1.3 Faculty support staff**

The third important factor at this office is administrators at the faculty level reporting to Deans/Heads of academic departments. In interviews with support staff at various job levels reporting to the Assistant Registrar, it became clear that Faculty Administrators and Departmental Administrators play a significant role in student admission and enrolment. This is not abnormal for an institution of higher learning; however, the absence of functional reporting lines is a problem. During interviews with two Deans, it became evident that such reporting lines should exist, but they seem to be almost, if not completely, absent at CUT. The Registrar's Office generally pays no attention to this and has never done so. No functional responsibility lines have been established. No decentralised policy is in place.

## **5.2 Changes required**

As a result of the above situation, there are numerous cases where dates for applications and admissions are not compliant. This, in turn, has led to serious problems regarding the delivery of institutional reports. For instance, the University may suffer subsidy losses if HEMIS records are not correct and in cases where there are students attending classes without being registered, students receiving assessment outcomes outside final dates of submission, incorrect graduation records, etc. The present mistakes cannot be attributed to these staff members only. Academic staff members also play a role in the admission of students, particularly where postgraduate students are concerned. Hence, they must also be thoroughly trained in system requirements, as well as the importance of strict adherence to delivery dates, as published annually by the Registrar's Office.

## **5.3 Recommendations**

- 5.3.1** Internal IT support must be strengthened to support the Registrar's Office. The present manager for student systems development at the Registrar's Office needs the Director of IT to support her in alerting the external service provider of the importance of timeous delivery of required systems or system changes.
- 5.3.2** At the institutional level, the rules regarding the functional student system should not be changed unless it is necessary. However, if changes to rules, regulations and policies are necessary, there must be a rigorous process in place to inform how the IT department will support their timely implementation.
- 5.3.3** The support staff numbers must be reviewed in both Assistant Registrars' Offices on the Bloemfontein Campus and in the office on the Welkom Campus. Job levels also need to be reviewed. The attached organogram provides more detail in relation to this recommendation (Annexures A–E).
- 5.3.4** Clear functional responsibility lines must be developed between the Registrar's Office and faculty staff involved in student applications and admissions. All policies pertaining to this environment must be treated in a uniform manner at the institutional level.
- 5.3.5** It is suggested that the Deputy Registrar: Academic should hold monthly meetings with representatives from each faculty, representatives from the Welkom Campus and the two Assistant Registrars to make sure functional competence responsibilities are established at the institutional level. Currently, this might be the most serious aspect to be addressed. The attached organogram provides more detail in relation to this recommendation (Annexures A–E).

**5.3.6** All training manuals for business processes in the Registrar's Office that dictate student admission and enrolment must be updated to reflect present policy decisions. These training manuals must be used annually to train all new and present staff members (also referring to academics and faculty and departmental administrators who use the student application/enrolment system). The Deputy Registrar: Academic must take full responsibility for the implementation of all the above recommendations at the institutional level. For this, he/she needs the full support of the Registrar. He/she must also visit every Dean monthly, making sure functional responsibility levels are in place. Any student or academic administrative matter between Dean and Deputy Registrar must be attended to during this meeting. Any shortfall must be addressed by the Deputy Registrar after such a meeting.

**5.3.7** The Deputy Registrar must ensure that training manuals and training are available for all business processes pertaining to student and academic administrative processes that are handled by faculty and departmental administrators. The Dean of every faculty must ensure that all of his/her support staff involved with these processes undergo training or retraining if required.

## **6. ASSESSMENT AND GRADUATION**

### **6.1 Current situation**

As far as functional reporting lines are concerned, the same problematic situation exists (as highlighted above) when it comes to assessment and graduation processes. The Assistant Registrar (Bloemfontein Campus) and her small unit are the business process owners for assessment and graduation but are not the only staff working on student records. All lecturing staff and faculty and departmental administrators are involved in this process. On request, no training or business process manuals could be provided from the Registrar's Office regarding these very important actions. A central office of 12 people taking responsibility for 20 000 student records, together with 24 faculty and departmental administrators and numerous lecturing staff, capture assessment outcomes without clear business processes or training manuals. The only physical evidence of record-keeping that could be found was a very cumbersome paper record required from the faculties when marks needed to be adjusted.

### **6.2 Changes required**

This manual process should be replaced by a clearly defined electronic record-keeping process for which training must be provided. However, the implementation of this system can only happen with a good ITS system supporting such an action. At present, it is either absent or lacking in all the faculties where it is required.

The support from the institutional ITS department must be more prominent but led by the business owner (Registrar's Office) to produce a sound record-keeping system for the benefit of the academic and faculty staff involved in this process.

When record-keeping poses a problem, as at present, it is inevitable that graduations will also be affected. A degree completion process is very complex since each academic programme requires completion subjects and credits. Changes mandated by Senate during a student's studies must be described by good business protocol issued by the Registrar's Office. However, once built into a sound electronic system, it should provide the University with a platform of good conduct. Again, support from the internal ITS department and the outside service provider is of the utmost importance.

### **6.3 Recommendations**

**6.3.1** The Registrar's Office must develop business process manuals for the above purpose. These can also be used for training/retraining of all staff who are allowed to work on the system for assessment records and graduations.

**6.3.2** The business process manager in the Registrar's Office, together with the Assistant Registrar responsible for assessments and graduations, must develop thorough ITS capabilities in this regard. Manuals and aligned training should be implemented as soon as possible at all levels, but more so at faculties than at the central office. For this purpose, the central office must take clear functional responsibility (Annexure D).

**6.3.3** The ITS system must provide the functionality to determine who is allowed to use the system, as well as a record of any changes and who has a mandate for that purpose. The paper trail used at present is outdated.



## **7. FACULTY AND DEPARTMENTAL ADMINISTRATORS**

### **7.1 Current situation**

After several meetings with staff members at various job levels in the Registrar's Office, academic staff members and faculty and departmental administrators, it has become evident that a serious communication gap exists between the Registrar's Office and faculties. In most cases, this is the reason for the problems students experience at the start of the academic year with applications and registrations and during the year with assessments and record-keeping. The current reporting lines, even in faculties, are fragmented and depend entirely on the knowledge and capability of the support staff member in question. As mentioned previously, no training manuals for business processes exist, no functional efficiency meetings take place, and only a partially supportive ITS system exists. This is the greatest risk for the University at present. Students will remain unhappy with the quality of service-delivery if this situation is not addressed as a matter of urgency.

### **7.2 Changes required**

At present, there are 20 support staff members at the Bloemfontein Campus available to the Registrar to attend to applications, enrolment, and assessments and graduations. There are six support staff members at the Welkom Campus. It should be noted that there are 24 faculty and departmental administrators at the Bloemfontein Campus and five at the Welkom Campus. These staff members – as pointed out previously – have a great influence on student and academic administration. In total, there are enough support staff available, but they are fragmented, with no functional lines established from the Registrar's Office. This creates a serious limitation with regard to the functioning of the University as a whole. If the situation persists, more student unrest may be expected in the future. It is of the utmost importance that the current Registrar should liaise with the respective Deans, so as to come to an agreement on sound, decentralised management procedures and the functional grouping of support staff at the faculty level.

### **7.3 Recommendations**

- 7.3.1** The faculty administrator and departmental administrators should be regrouped into one office near the Dean's office.
- 7.3.2** The faculty administrator should become the de facto line manager of the office, as indicated in par 6.3.1 (For these purposes, he/she reports to the Dean, but for functional purposes – student and academic administrative matters – he/she reports to the relevant business owner at the Registrar's Office.).
- 7.3.3** The Deputy Registrar should organise an official monthly meeting between himself as chairperson, the faculty administrators, and the Assistant Registrars (All business processes should be discussed during these meetings, as well as ITS support required. Any other support staff members, like the ITS Business Process Manager and Timetable Office, should also attend.).
- 7.3.4** The Deputy Registrar should report back to the Registrar during an official weekly meeting regarding any governance and/or management actions that need to be taken for sound and good administration.
- 7.3.5** The Deputy Registrar should meet officially with every Dean once a month to ensure all functional responsibilities between his office and the faculty administration receive the necessary attention.
- 7.3.6** The Deputy Registrar should take official completion responsibility for all student and academic administrative matters at the institutional level for the full student life cycle from application to graduation (For this purpose, business process manuals and/or training manuals must be made available and updated on an annual basis.).
- 7.3.7** For the purposes of academic administration, the Deputy Registrar should ensure that the Secretariat of Senate, the Faculty Administrator, and the Dean sign off on all agendas and minutes of faculty board meetings (This will ensure that changes to the ITS system are made in a timely manner when academic programme changes occur.); and
- 7.3.8** The Deputy Registrar should also ensure that all Senate resolutions pertaining to academic programme matters for administrative purposes are addressed at the faculty level. This will include but is not limited to the following: admission policies, assessment policies, calendar changes, and timetable provisions.

## **8. TIMETABLE OFFICE**

### **8.1 Current situation**

Currently, the annual lecture timetable is compiled under the guidance of the Data Management Unit, while the examination timetable is compiled by the Registrar's Office. This may lead to a situation where the same problem (for instance, subject substitution or course changes in academic programmes) is attended to from different perspectives. It might also lead to a situation where best practices are not consistently followed. It has already been indicated that the ITS system does not reliably provide the information or the facility to compile an important product, such as a timetable for classes or examinations. To remedy this, sound knowledge from a systems perspective and expertise in academic offerings are needed.

### **8.2 Changes required**

It is almost unthinkable that a separation exists between the responsibilities for class timetables and examination timetables. Under normal circumstances, clashes in class timetables will lead to clashes in examination timetables. Instead of addressing this problematic situation twice annually, it can be changed by regrouping the people responsible into one office. It must also be noted that the person responsible for the examination timetable did not respond to enquiries on several occasions. Sound knowledge of data management would change the environment of this office, which reports to the Registrar.

### **8.3 Recommendation**

The University must regroup the two staff members who attend to the timetables into one office. The person who leads this office must have a sound knowledge and understanding of data management. For good governance, this office should report to the Registrar's Office (refer to Annexure A).

## **9. SECRETARIAT/COMMITTEE SERVICES OFFICE**

### **9.1 Current situation**

It was clear from the perusal of Council and Senate minutes that the content does not reflect sound practices or the administrative law principles of good minute-taking. Both the staff members responsible for the Senate and Council pointed out that they are required to minute every remark from the meetings. This practice leads to long discussions during the follow-up meeting to approve minutes. The minutes of a recent Council meeting contain 70 pages, with four to five pages consisting of members' verbatim discussions. This is a bad practice and should not be allowed by the respective Chairs of these meetings. The minutes of these two bodies (Senate reflecting all academic decisions and Council reflecting governance oversight) must only reflect resolutions. Currently, this is not the case for these two very important CUT bodies.

### **9.2 Changes required**

It is clear that problematic habits have developed in the past. It is the Registrar's responsibility to address these matters. The Secretariat, with reference to meeting administration, cannot enforce the correct principles without an explicit directive from the Registrar. If this changes, it may positively impact on meeting management, which currently does not exist.

## **10. Recommendations**

**10.1.1** The Chairs of Council and Senate must both be made aware that only resolutions should be minuted. No further deliberations of any member should appear in the minutes, since every member must abide by the resolution approved by the meeting, no matter what individual opinions were presented.

**10.1.2** Resolutions are implemented at the institutional level, and therefore, the Chairpersons of these meetings must provide discipline in this regard. They should not allow any demand from any official representative that their views/opinions be minuted. Their views and opinions only shape a final decision, and that decision will reflect in the resolution without any reference to a person or persons. It is not necessary to minute the "proposed" and "seconded" since the resolution is the final decision of the meeting – either unanimously or by majority vote. The secretariats of both bodies must only record resolutions.

## **11. DEAN OF STUDENTS**

### **11.1 Current situation**

This position, called Dean of Student Affairs at CUT, currently reports to the Registrar. In comparison to other institutions of higher education in South Africa, this is unusual. The reason for this is obvious: The position of the Registrar demands that rules, policies, and regulations be followed during the student life cycle as far as good governance is required. On the other hand, a Dean of Students must listen to students when they experience extra-curricular problems during their studies. This obviously creates a conflict of interest when the reporting lines are to the same Executive member. The current position may have created and may still create the impression that “students rule the University” when their demands are met indiscriminately, even outside policy guidelines. The previous Registrar did indeed create this de facto situation, which persists at the institutional level. This should not be allowed, since it interferes with the good governance which must be ensured by the Registrar’s Office.

### **11.2 Changes required**

A complete reconfiguration of the Registrar’s Office is imperative. The reporting line of the Dean of Students must change to facilitate better discipline at the institutional level. If the status quo is maintained, many of the current problems will continue. The Registrar’s Office must focus on sound official service delivery to students, for example, timeous and correct admissions; effective record-keeping; aligned timetables (class and examination); error-free and well-organised graduation ceremonies; and good governance by managing Senate and Council meetings with discipline.

The Dean of Students, in a changed reporting line, must ‘hear’ the students and have an understanding of their extra-curricular activities. When students experience academic difficulties, these difficulties must be addressed by the Deans.

### **11.3 Recommendations**

**11.3.1** The reporting line of the Dean of Students must be changed to report to another Executive member. If the present structure of the Executive is considered, the most appropriate position for the Dean of Students to report to may be the Deputy Vice-Chancellor responsible for Teaching and Learning.

**11.3.2** The only senior staff member to report to the Registrar should be the Deputy Registrar and three Assistant Registrars, the Secretariat, the Legal Office, the Timetable Office, and the functional line of faculty administrators. These principles are clearly indicated in Annexures A to E. Other recommendations concerning the Registrar’s Office are also reflected in these annexures.

### **Conclusion**

In my opinion that if most of the above recommendations are implemented, CUT will benefit significantly. Many of the current problems will be resolved, and that will lead to satisfied students and staff, which is a requirement for a successful institution where good discipline prevails.

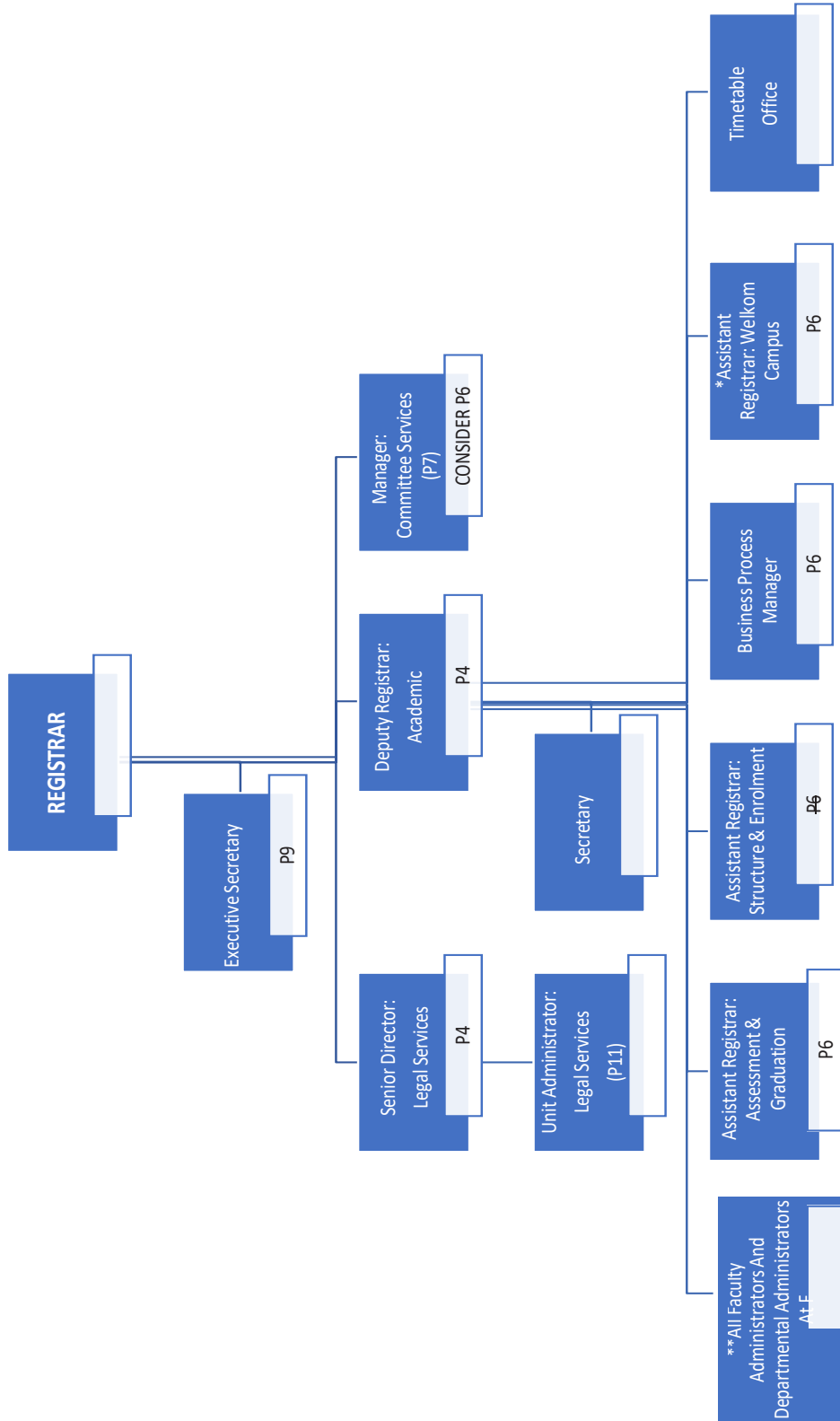
I am grateful for the opportunity to contribute to the community of higher education. My wish is that the Central University of Technology contributes to the success and growth of our country through the keen and successful young people graduating from CUT.

### **Report prepared and submitted by:**

Dr David D. Marais  
January 2023

ORGANOGRAMS

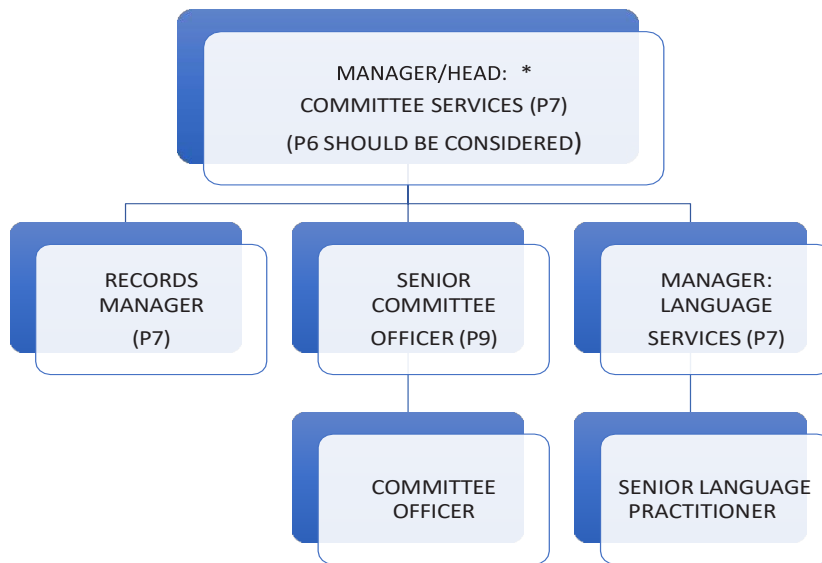
Annexure A



**Remarks**

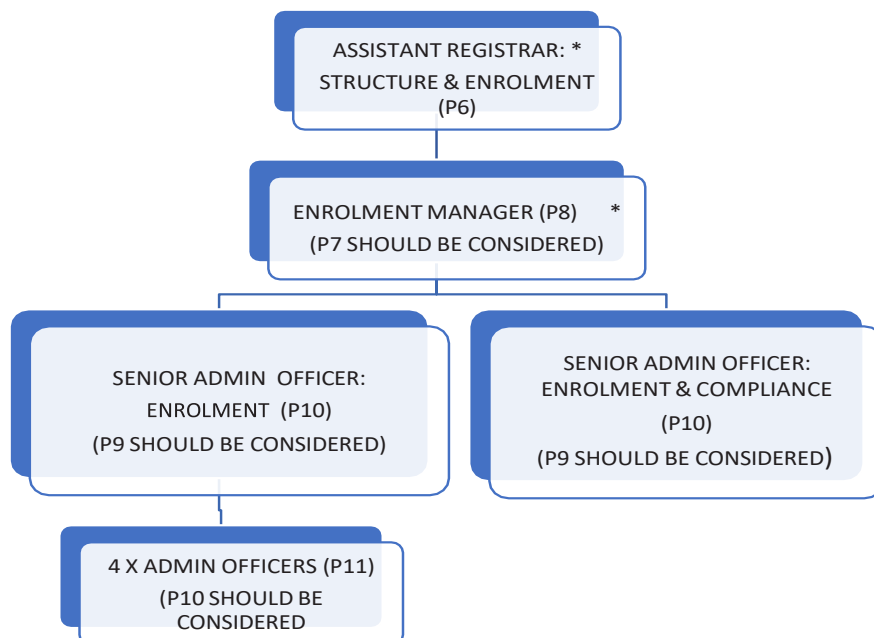
\* The present Deputy Registrar, who is based at the Welkom Campus, should be moved to the Bloemfontein Campus as indicated on the organogram. A new Assistant Registrar should be appointed at the Welkom Campus, taking care of the full component of Assessment and Graduations, as well as Structure and Enrolment. This person must report to the Deputy Registrar in Bloemfontein. Completion competence must be agreed on for a fully functional responsibility at the Welkom Campus.

\*\* Agreement between the Registrar's Office and Deans of Faculties should be reached so that functional responsibility can be taken care of for all academic administrative matters handled by these administrators pertaining to assessment records, faculty board meetings, and general student administration.

**Annexure B****NOTE:**

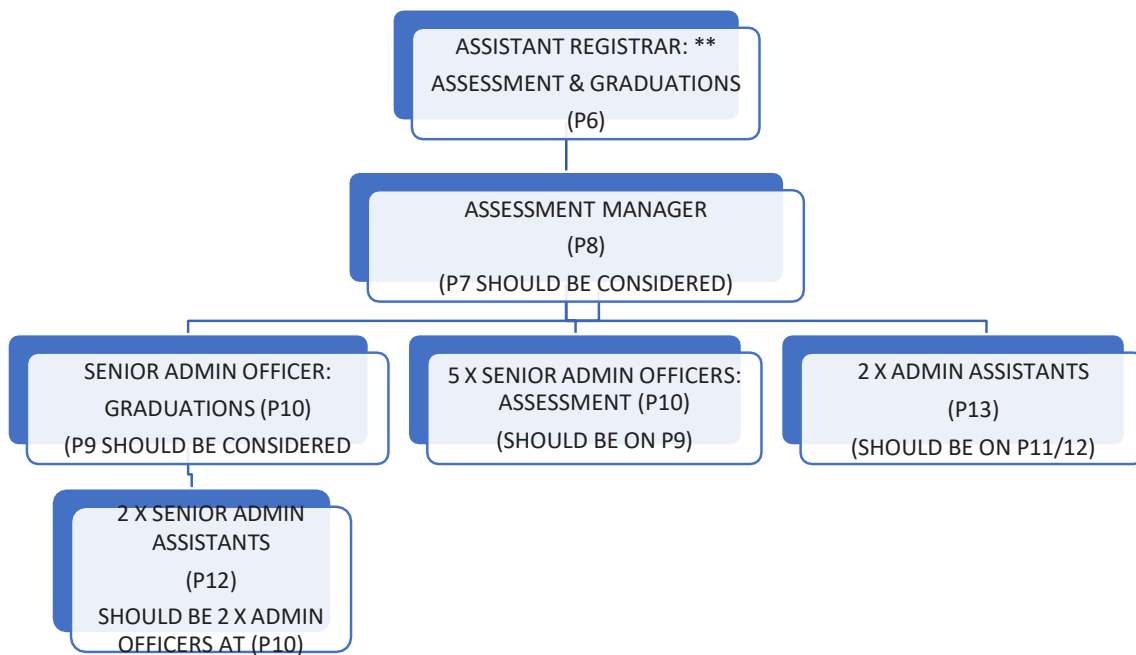
If faculty board agendas and minutes are done by faculty administrators (which is not a problem), these agendas and minutes must first be approved by the Manager/Head of Committee Services.

\*Take note of the suggested name change of this position.

**Annexure C**

\*For a student body of 20 000+ students and with CUT's Bloemfontein Campus receiving more than 200 000 applications, this office is seriously under-staffed. The ratio should be 10 000 applications per staff member. At present, it is 25 000 applicants per staff member.

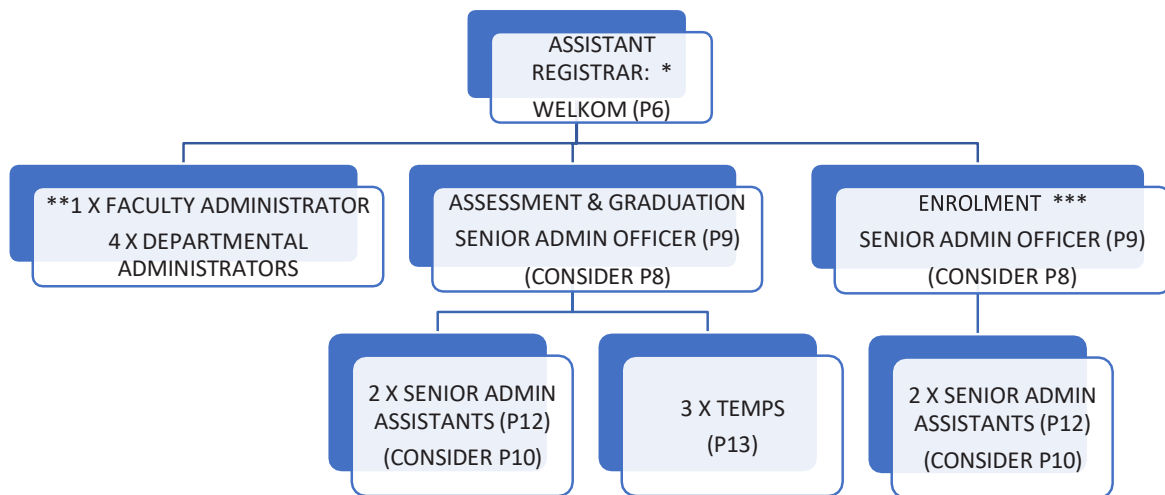
## Annexure D



\* The support staff at this unit also do not reflect a fair representation for a student body of 20 000 students. The staff-student ratio should be closer to 600 per staff member. (At present, it is 1 600 per staff member.)

\*\* The Assistant Registrar, in close collaboration with the Deputy Registrar and the Dean's office, must develop clear functional responsibility lines. Training is a given for all staff – including academic staff – who use the assessment and record-keeping system.

## Annexure E



\* Refers to the recommendation as indicated on the Registrar's organogram. All staff should be grouped together to foster mutual support in crossline functionality. It will also add to staff development in a multi-functional environment.

\*\* Refers to the recommendation to imbed functional responsibility at the faculty level (a serious problem at both campuses, but especially Welkom).

\*\*\* With annual applications numbering around 80 000 for this campus, three staff members are not sufficient to support this function.