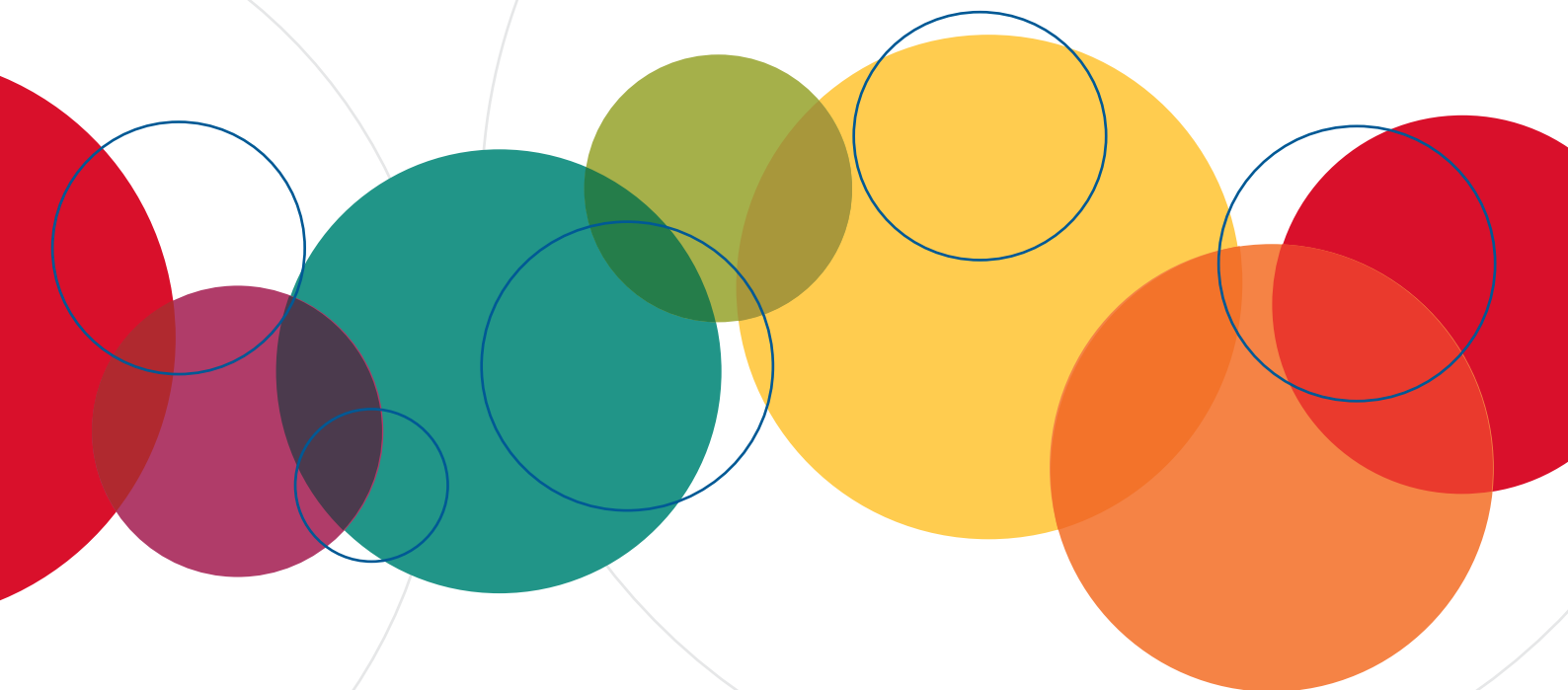Central University of
Technology, Free State

ANNUAL
REPORT

2016

CUT AT A GLANCE

Central University of Technology, Free State (CUT) is the foremost higher education institution in the heartland of South Africa. Located in Bloemfontein; the judicial capital of South Africa, and Welkom, a major gold mining sector in the country. The two campuses brings quality education and training in science, technology, engineering, maths (STEM); as well as management sciences, humanities and education to the central region.

CUT (then still known as the Technikon Free State), opened its doors in 1981 with 285 students enrolled in mainly secretarial, art and design programmes. The institution boasts more than 15 500 students who have decided to make CUT their academic partner in earning a qualification and gaining appropriate work integrated learning to equip and prepare them for professional practice. With the restructuring of the higher education landscape a few years ago, CUT embraced its new status as a university of technology and thus positioned itself to succeed as such.

CUT delivers high quality higher education and training in applied sciences in the following four faculties:

- Engineering and Information Technology,
- Health and Environmental Sciences,
- Humanities, and
- Management Sciences.

Demand driven user-oriented programmes

As a new-generation institution, contributing to the development of the region and beyond, a career-focused, interdisciplinary curricula is needed. New programmes include:

Community Development Work | Design and Studio Art | Renewable Energy Technologies | Logistics and Transportation Management | Health Management | Hydrology and water Management | and Sustainable Energy Advising.

CUT offer programmes in the following fields

Civil Engineering and Built Environment | Electrical and Computer Systems Engineering | Mechanical Engineering and Applied Mathematics | Information Technology | Agriculture, Environmental Health | Biomedical Technology, Clinical Technology, Radiography, Dental Assisting | Somatology | Emergency Medical Care | Communications Sciences | Marketing, Business Administration, Human Resources Management, Project Management, Office Management and Technology | Accounting, Financial Information Systems | Cost and Management Accounting, Internal Auditing | Government Management | Tourism, Hospitality | Teacher Education.

Research and Innovation

As a university of technology, all research programmes are directed at solving problems in business, industry, government, and communities (this is known as the quad-helix approach), and are aimed at contributing to the socio-economic development of the region which is included in the Community Engagement strategy that is rolled-out via the curriculum.

Research Clusters

The cluster is based on a collection of related research programmes, based on the critical mass in a particular field of research, research outputs, completed qualifications and funding awarded.

Although these clusters build strength in areas of focus, the principle of multi-, inter- and trans-disciplinary research, amongst listed programmes, is strongly supported.

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CLUSTER	PROGRAMME
Industrial Design, Communication and Development	- New Product Development and Design - Evolvable Manufacturing, Automation and Vision- Systems - Sustainable Engineering - Water Resource Management - Information and Communication Technology
Quality of Health and Living	- Applied Food Safety and Biotechnology - Sustainable Farming Systems - Applied Health Technology - Environmental Assessment and Management - Biotechnology
People and Skills Development	- Socio-Economic Development Studies - Leisure Management - Education (sub-themes: Health Science Education, General Education, Service Learning, Academic & Professional Pedagogy, and Scholarship of Teaching and Learning) - Research Education

CUT also commands respect with its technology transfer research. Units/Centres such as the:
- Centre for Rapid Prototyping and Manufacturing (CRPM);
- Product Development Technology Station (PDTS);
- Unit for Applied Food Safety and Biotechnology (UAFSB);
- Seda Agricultural Mining and Tooling Incubator (SAMTI); and the newly established
- Unit for Lean Construction and Sustainability (ULCS);

Internationalisation

The university's vision is that, by 2020, 10% of its students should be international students from Africa and beyond. CUT has strategically positioned the International Office to enhance scholarships, research service and operations in the international education landscape. The institution are exploring opportunities for international and strategic partnerships.

VISION

In 2010, the Council of CUT approved the following Vision 2020:
By 2020, Central University of Technology, Free State shall be an engaged university that focuses on producing quality social and technological innovations for socio-economic development, primarily in the Central Region of South Africa.

MISSION STATEMENT

In aspiring to fulfil its vision, CUT:

• Delivers high-quality appropriate Science, Engineering and Technology (SET) academic programmes supported by applied research;
• Engages with the community for mutually beneficial development;
• Promotes access with success in attracting potentially successful students and supports them to become employable graduates;
• Attracts and retains expert staff and supports their development and wellbeing; and
• Forges strategic partnerships.

CORE VALUES

• Customer service
• Integrity
• Diversity
• Innovation
• Excellence

CUT LEADERSHIP CHARTER

Excellent, quality and inspirational leadership is the cornerstone of any successful organisation. This value-based leadership charter sets out areas in which managers should lead by example and demonstrate appropriate behaviour to the rest of CUT community. At all times, it is expected of all managers to live by institutional and progressive societal values and exhibit the expected behaviours when discharging their duties.

I shall:

- provide vision and direction;
- manage the unit or division I am responsible for;
- develop my unit or division;
- manage performance of my subordinates;
- develop people and subordinates;
- develop students;
- engage with internal and external communities;
- communicate regularly and effectively.

This leadership charter should be read and practiced in conjunction with CUT's motto, vision and mission and its core values as reflected above.

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MANAGEMENT

MESSAGE FROM THE CHAIRPERSON OF THE COUNCIL

It gives me great pleasure to give an overview of CUT's performance during the course of 2016 which records the achievements of the university against our mission. During the year under review, Council was able to provide an important governance oversight role amidst adversities which confronted the university. Through the support of staff and students, the university succeeded in attaining most of its planned activities.

We have witnessed remarkable strides towards the operational efficiency at CUT. The University continued with the filling of key positions in the approved organisational structure with shrewd eye on employment equity and representation. The two executive posts will be filled by early next year. We have witnessed greater improvement in the financial management of the university budget, and understanding from staff when we decided to introduce cost-saving measures that would allow CUT to maintain its financial health.

In terms of our facilities, Council is committed to creating world class infrastructure for the university. Developments around the two campuses bear testament to that commitment with tangible improvement of quality academic life of our students and academic staff alike. New buildings which were completed over the past few years needed to be named and internal stakeholders were invited to submit suggestions to Council. Wonderful submissions such as the Bethuel Setai Library and Information Services Building were received, honouring the CUT stalwart who made indelible contributions to the University.

It is with pride that I discharge, on behalf of Council, part of Council's statutory duty to account for Council's actions and achievements in the governance of CUT for 2016. In making decisions, Council took into consideration the articulated mission, objectives, strategies and plans of CUT. This is an integrated report that conveys adequate information about the operations of CUT, its sustainability and financial reporting. However, detailed accounts are provided in this report.

On behalf of Council, let me take this opportunity to reiterate our gratitude to all our partners, stakeholders, students and staff members who are supportive to the aspiration of the University. I also would like to thank Vice-Chancellor and Principal, management, staff and students for their commitment to improving our targets. This report sets out the unqualified audited financial statements in respect of CUT for this financial year. In this regard, we are grateful for the work of all parties in compiling these statements.

Mike Mohohlo
CHAIRPERSON OF COUNCIL

MESSAGE FROM THE VICE-CHANCELLOR AND PRINCIPAL

CUT had another successful year in 2016 as far as the academic project, human project, and partnerships and engagements were concerned. Institutional governance and proper management practices were very high on our agenda, in order to ensure that the academic project continues without fail and in an environment conducive to success. Towards this end, the University has assessed its structures and Council procedures and, where appropriate, aligned these to the relevant recommendations of the King III Report. Our goal was to work towards the development of an enhanced institutional culture and climate, where leadership at all levels of the University was developed, strengthened and highlighted as a strategic priority.

During 2016, the University remained steadfast on its quest to monitor its performance on the implementation of the IOP, and the objectives that were set for 2016, were mostly achieved. The targets for enrolment and graduation rates were met, and the Transformation Plan was successfully rolled out across all operations of the University.

Although the seven-week period from 19 September 2016 to 4 November 2016 was extremely challenging for the University, it was also very rewarding, as it was proven to the public that the CUT community embraces constructive dialogue, and that common purpose can be achieved by all stakeholders when critically required to save the academic year. The developments on both campuses put tremendous pressure on the Management Team in their efforts to ensure that the normal University activities continued, and that agreed-upon objectives for 2016 were still achieved.

Furthermore, a number of urgent matters had to be dealt with during the year, which matters were addressed by the Management Team, in collaboration with Council. Through their hard work and dedication, most of these outstanding matters were dealt with, or will be concluded during the next year (2017).

Despite the fact that the transition or acting period did not commence under "normal" circumstances, the University managed to continue in a fairly stable manner during the fourth term.

The University remains committed to deliver quality academic and research programmes and services to our students through a well-qualified and committed staff complement.
In 2016, the CUT Team, in collaboration with the University Council, continued to work together in promoting positive dialogue to enhance student support, thereby ensuring success in their studies; to enable staff members to reach their full potential; to grow our University as the leading university of technology in the country; and to enhance the financial sustainability of the University for generations to come.

Prof. Henk de Jager
Vice-Chancellor and Principal

STRATEGIC DIRECTION FOR CUT

The activities of the Central University of Technology for the year 2016 were guided by the university's Vision 2020 as well as the Strategic Plan 2016-2020. To support the Vision and strategic plan, the university put together three strategic sets, per Table 1 below. These define the interconnected dimensions of the university's strategic development path towards the achievement of its vision and mission. To give direction on the achievement of the vision and strategic plan, five strategic goals were developed, namely:

1. Institutional advancement;
2. Teaching & Learning;
3. Research Innovation;
4. University life; and
5. Ensuring financial sustainability.

The relationship between the strategic sets and goals is depicted in the table below.

STRATEGIC SETS AND GOALS

Three strategic sets were developed as follows for the Strategic Plan 2010-2015 and 2016-2020:

Strategic Set 1 **(SS1)** (2010 – 2013):   Building Foundations to ensure CUT is fit for its purpose.

Strategic Set 2 **(SS2)** (2014 – 2017):   Innovating on the academic project, especially in STEM.

Strategic Set 3 **(SS3)** 2018 – 2020):   Building strategic partnerships, in order to realise internal, regional, national and international goals, especially socio-economic development, through regional innovation.

Below is a table depicting the link between the strategic sets and the strategic goals of the university. From the table it can be established that despite the fact that the strategic sets are assigned periods, these strategic sets have been set to be focused for a particular period, but remain relevant for the life of the strategic plan.

Strategic sets (SS)	Defining characteristic of Vision 2020 (from the previous plan)	Link to the strategic goals (2016 – 2020)
SS1	• New values, ethos, attitudes, behaviours and relations. • New organisational design, function and structure aligned with Vision 2020. • State-of-the-art facilities. • Developing high-level skills and competencies amongst staff, especially younger members and designated groups. • Pre-university programmes for learners in Science, Engineering and Technology (SET).	Goal 1: Institutional advancement Goal 2: Teaching and learning Goal 4: University life Goal 5: Financial sustainability
SS2	• Academic, research and innovation programmes. • Niche areas and centres. • Learner-centred methodologies and facilities. • Emancipating, empowering and supportive engagements and transactions between students and staff and amongst staff.	Goal 1: Institutional advancement Goal 2: Teaching and learning Goal 3: Research Goal 4: University life
SS3	• Focusing on innovation for industrial and • socio-economic development. • Incubation platforms for small-, medium- and micro-sized enterprises (SMMEs) in the manufacturing and agricultural sector. • Strong links with business and industry through public and private partnerships (PPPs) and other mechanisms.	Goal 1: Institutional advancement Goal 3: Research

Table 1: Defining characteristics of Vision 2020

PERFORMANCE MONITORING

Targets were set for each strategic objective, as set out in Table 2 above, for the year 2020 as well as annual targets for the year under review, 2016. The targets for each strategic objective form part of the Annual Performance Plan (APP) and Institutional and Operational Plan (IOP). Each executive was assigned responsibility for the achievement of specific set objectives and targets. This assignment was formalised by being captured as part of the Key Performance Indicators (KPIs) of

each relevant executive member accordingly to ensure accountability at that level. Progress towards the achievement of the objectives and targets was monitored at divisional level through the continuous staff performance evaluation and feedback. The monitoring of each division was done at MANCOM level where formal submissions were made and representations made to MANCOM by all executives. In engaging the performance status, reports achieved were celebrated and unmet targets discussed with a view to understanding the cause of the non-achievement of the targets, the impact (risk, etc.) of the non-achievement for the university, whether this was permanent or temporary, as well as the way forward regarding unmet targets. Table 2 below gives details of the five (5) institutional strategic goals for the Strategic Plan 2016-2020 as well as their associated objectives.

GOALS	OBJECTIVES
Institutional advancement – Continuously advancing the concept of a university of technology to all stakeholders.	• Enhancing engagement with business/ industry, government and its entities, and broader society for local and regional development, and bring internationalisation to bear in support of this [SS3]. • Embracing the use of innovation and technology to facilitate effective and efficient business processes [SS3]. • Provide a sustainable teaching and learning environment with first-class facilities and infrastructure [SS2]. • Improving and enhancing governance and management [SS1].
Teaching and learning – Shaping the academic future of CUT in such a way that it is high quality, niche focused and differentiated.	• Providing quality teaching and learning [SS2]. • Reviewing the approach to education to facilitate our graduates' entry into the workplace or entrepreneurship [SS2]. • Recruiting and supporting high-quality students from all backgrounds, especially in areas of STEM, at undergraduate and postgraduate levels (including international students) [SS2].
Research and innovation – Establishing CUT as a research-informed university of technology that has distinct pockets of research excellence and value-adding links with government, business and industry.	• Delivering excellence in all our areas of research, with defined peaks of world-leading performance [SS2]. • Employing our social and technological innovations for the socio-economic development of the city and region [SS2].
University life – Creating an institution that encourages a diverse, democratic and academic ethos amongst students and staff.	• Providing a vibrant and healthy environment, and promote organisational well-being [SS1]. • Proactively attracting, retaining, supporting and developing high-quality staff [SS1].
Financial sustainability – Ensuring financial sustainability.	• Ensuring financial sustainability in all entities and, where applicable, supplementing the university's income through third-stream income [SS1].

Table 2: Institutional goals and objectives

PERFORMANCE RESULTS

Table 3 below presents the performance results for the year under review, 2016. From the table it can be established that in some instances the university has met its targets whereas in some, these have not been met for varying reasons.

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-perfor-mance	Corrective measures	Ownership
Stakeholders/ partners (Ref.: S)	1. Enhance engagement and partner-ships with busi-ness, public and third-sector partners to create social and economic benefit, and advance inter-nationalisation (S1)	a) Improved brand awareness by 30% of the baseline by 2020 (S1.1).	Increase CUT brand awareness by 15% in 2016.	Annual brand reputation study; Communications and Marketing reports. (Evidence TL 1)	15% brand awareness improvement	15% brand awareness improvement	Target achieved. Refer to Media Monitor Report for evidence. Available from the Director of Commu-nications & Marketing	No corrective measures are required.	DVC: Resources and Operations
		b) Achieve the objectives set in the Interna-tionalisation Strategy (S1.2).	Fully implemented CUT Interna-tionalisation Strategy, which includes a Marketing Strategy and Plan and special interventions, to increase the number of international students at CUT.	International Office reports; Research, Innovation and Engagement Division reports. (Evidence RIE 1)	500 Full-degree seeking international students	Full-degree seeking international students = 459	Not achiev-ing the 2016 target of 500 internation-al students due to the Feesmustfall developments on campuses. All universities were affected.	Put more emphasis on international Student Mar-keting and Re-cruitment Plan. Attendance of International Re-cruitment Fairs – Botswana, Namibia, East Africa (Kenya & Tanzania). The difference in the academic calendars poses a challenge to accurately project mobility statistics	DVC: Research, Innovation and Engagement
					12 active and signed agreements with international universities.	15 active and signed agree-ments with international universities.	Target exceeded.	No corrective measures are required.	DVC: Research, Innovation and Engagement

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-performance	Corrective measures	Ownership
			Internation-alisation of curricula in programmes.	Faculty reports; Research, Innovation and Engagement Division reports. (Evidence TL 2)	4 programmes with inter-nationalised curriculum	5 programmes with inter-nationalised curriculum	Target exceeded.	No corrective measures are required.	DVC: Teaching and Learning
		c) 100% increase in the number of active partnerships, by 2020 (S1.3).	Increased num-ber of active partnerships with agencies and govern-ment.	Faculty reports; Research, Innovation and Engagement Division reports; Registrar's Division reports. (Evidence RIE 2)	29 active part-nerships with agencies and government.	30 active part-nerships with agencies and government.	Target over-achieved	No corrective measures are required.	DVC: Research, Innovation and Engagement
			Execution of industry-sup-ported projects/ number of active partnership projects.	Faculty reports; Research, Innovation and Engagement Division reports. (Evidence RIE 3)	400+ indus-try-supported projects completed by the Centre for Rapid Prototyping and Manufac-turing (CRPM), Product Development Technology Station	400 indus-try-supported projects completed by the Centre for Rapid Prototyping and Manufac-turing (CRPM), Product Development Technology Station (PDTS) and faculties.	Target achieved.	No corrective measures are required.	DVC: Research, Innovation and Engagement
			Promote the Regional Innovation Forum, Free State (RIFFS) and its impact on regional development.	Research, Innovation and Engagement reports. (Evidence RIE 4)	4 strategic interventions	Total of 7 strategic inter-vention	Target over-achieved	To maintain set target so that resources are not stretched, especially in the future	DVC: Research, Innovation and Engagement
			Number of active academic and research projects with peer institutions.	Research, Innovation and Engagement Division reports; International Office reports. (Evidence RIE 5)	10 active partnerships, and six active research projects.	11 active partnerships, and six active research proj-ects.	Target over-achieved	No corrective measures are required.	DVC: Research, Innovation and Engagement

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-performance	Corrective measures	Ownership
			New partnerships developed with business and industry.	Faculty reports; Research, Innovation and Engagement Division reports. (Evidence RIE 6)	4	15 new partnerships developed with business and industry.	Target over-achieved	No corrective measures are required.	DVC: Research, Innovation and Engagement;
				(Evidence TL 3)	4	90 new partnerships for work-inte-grated learning (WIL).			DVC: Teaching and Learning
	2. Recruit and support high-quality students from all backgrounds, especially in areas of STEM, at under-graduate and postgraduate levels, including international (S2).	a) 100% intake of students with an M-score of 27 or higher (of which 50% should have an M-score of 32), by 2020 **(S2.1)**.	Improvement in the M-score ratings of admitted students	Higher Educa-tion Manage-ment Informa-tion System (HEMIS) (Evidence TL 4)	60%	48,08% of first-time entering undergraduate students had an M-score of 27 or higher (51,4% non-extended curriculum pro-gramme (ECP) first-time entering undergraduate students);	Unrealistic target due to incorrect baseline.	Realistic target to be set using previous year's actual as the baseline. More Bachelor degree programmes to be introduced.	DVC: Teaching and Learning
					24%	12,94% of first-time entering undergraduate students had an M-score of 32 or higher (14,08% non-ECP first-time entering undergraduate students).			

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-perfor-mance	Corrective measures	Ownership
		b) Increased intake of first-time entering students at undergraduate level full-time master's and doctoral students **(S2.2).**	2016 master's and doctoral student enrolment target met, with the primary focus on full-time students.	HEMIS (Evidence RIE & TL)	268	267	With over 99% achieved, this is reported as full achieve-ment	No corrective measures are required.	DVC: Re-search, Innovation and Engagement
					98	143	Target over-achieved	No corrective measures are required.	
		c) Enrolment targets met, as set in the Academic Plan **(S2.3).**	2016 enrol-ment targets met, including size and shape.	HEMIS Evidence TL 5)	**First-time entering undergradu-ate student headcount: 3 945**	**First-time entering undergraduate student head-count: 3 922 (99,4%)**	Target not achieved by 23 students. Sector affected by Feesmustfall	Adoption of aggressive recruitment drive.	DVC: Teaching and Learning
					STEM headcount: 48%	**STEM headcount: 46%**	The actual was 48.75% (above target) during the HEMIS reporting time to DHET on 28 April 2017.	No corrective measures are required.	
					Student headcount: 14 240	**Student head-count: 15 268**	The actual was 15 704 (far above target) during the HEMIS reporting time to DHET on 28 April 2017. Over subscription was due to no academic exclusion in 2016	Student headcount to be reduced in line with the target by reducing the number of students registered for only one module (4 191 in 2016), and implementation of academic exclusion.	

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-perfor-mance	Corrective measures	Ownership
		d) 50% of students entering undergraduate/ postgraduate programmes complete those programmes in the minimum time, by 2020 (S2.4).	Undergraduate/ postgradu-ate student completion of programmes in the minimum time.	HEMIS Evidence TL 6)	35% of stu-dents entering under-graduate/ postgraduate programmes complete those pro-grammes in the minimum time	Students complete programmes in minimum time : 31% of stu-dents entering undergraduate/ postgraduate programmes complete those pro-grammes in the minimum time	Unrealistic target due to incorrect baseline.	Realistic target to be set using previous year's actual as the baseline.	DVC: Teaching and Learning
	3. Provide quality teaching and learning (S3).	a) Success rate (in accordance with the Academic Plan) (S3.1).	Success rate in accordance with the CUT Academic Plan.	HEMIS Evidence TL 7)	Success rate: 77%	Success rate: 75%	The actual was 78,1% (above target) during the HEMIS reporting time to DHET on 28 April 2017.	No corrective measures are required.	DVC: Teaching and Learning
					Graduation rate: 24%	Graduation rate: 24%	Target achieved.	Not required.	
			CUT T&L Plan, relevant to the student aca-demic support interventions, implemented.		Students in ECP pro-grammes: 750	Students in ECP pro-grammes: 875	Target exceed-ed.	Not required.	
			Implement new academic programmes, and develop advanced diplomas and postgraduate diplomas to replace BTech programmes.		17 Category A programmes implemented in 2016 (no new pro-grammes).	39 Category A programmes implemented in 2016 (no new pro-grammes).	Target exceed-ed.	Not required.	
					More than 50% devel-oped.	All BTech degrees developed to be aligned with the HEQSF Roll-out Plan.	Target achieved.	No corrective measures are required.	

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-performance	Corrective measures	Ownership
			Proportion of projects aligned with major research themes.		New objective without baseline	New objective	New objective/ KPI without baseline	Not required at this stage	DVC: R,I&E
	4. Reviewing the approach to education to facilitate our graduates' entry into the workplace or entrepreneurship (S4).	a) Employability of graduates (80% employed within 12 months after graduation, by 2020) (S4.1).	63% of graduates employed within 6 months after graduation.	Graduate employability survey Evidence TL 8)	Employability rate upon graduation: 55% of graduates employed within 6 months after graduation.	Employability rate upon graduation: 54,35% of graduates employed within 6 months after graduation.	Students employed after attending graduation are not captured.	A tool that will capture more students after graduation to be found.	DVC: Teaching and Learning
Internal processes (Ref.: P)	5. Embrace the use of technology to streamline our effective and efficient business processes, and offer entrepreneurial education unique to a UoT (P1).	a) 80% fully automated online business processes and systems that deliver results, by 2020 (P1.1).	Automation of online business processes and systems that deliver results.	Resources and Operations Division reports (Evidence ITI 1) (physical evidence available on CUT systems	20%	20% 2016 were used to determine the baseline	Target achieved.	No corrective measures are required.	DVC: Resources and Operations
		b) 20% of all advanced and postgraduate academic programmes are accessible on flexible mode of learning, by 2020 (P1.2).	Development of online programmes.	Innovation in Learning and Teaching (ILT) reports; Teaching and Learning Division reports. Evidence TL 9)	Four online programme developed.	One online programme developed.	Not enough B Tech programmes have been replaced with Advanced and Postgraduate Diplomas.	More Advanced and Postgraduate Diplomas to replace B Tech programmes are being developed.	DVC: Teaching and Learning

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-perfor-mance	Corrective measures	Ownership
	6. Provide a sustainable teaching and learning environment, with first-class facilities and infrastructure **(P2)**.	a) Fully equipped, maintained and secure facilities, by 2020 **(P2.1)**.	Access of students and staff by swipe/ biometric system.	Resources and Operations Division reports; satisfaction surveys on the state of facilities and infrastructure. Evidence ITI 2) (physical evidence available on CUT systems)	No target	No targets established in 2016, due to the court case against CUT, launched by an illegally appointed service provider.	New objective/ KPI without baseline	No corrective measures required at this stage	DVC: Re-sources and Operations
			Repair dysfunctional security cameras.		No target	No 2016 actual (see above).	New objective/ KPI without baseline	No corrective measures required at this stage	
			Provision and maintenance of facilities for teaching and learning.		80% of equip-ment in place and in working order.	80% of equip-ment in place and in working order.	Target achieved.	No corrective measures are required.	
		b) Teaching, learning and research space as a proportion of total space **(P2.2)**.	Provision of enough teaching and research space.		60% of teaching and research space as a proportion of total space.	30% of teaching and research space as a proportion of total space.	Lack of adequate teaching and research space may lead to poor quality of teaching and learning Lack of adequate space will negatively impact on our growth plan. Knowing the space occupancy ratios will ease allocation according to need.	Space audit to be updated to indicate campus space separated into research, T & L and other areas. Added new building spaces to total space	

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-perfor-mance	Corrective measures	Ownership
	7. Deliver excellence in all our areas of research, with defined peaks of world-leading performance and increase our market share of research income **(P3).**	a) 100% achievement of all targets set in the Research and Develop-ment Plan, by 2020 **(P3.1).**	Fully achieved targets, as set in the Research & Development Plan for 2017.	Research, Innovation and Engagement Division reports; faculty reports; DHET; NRF. Evi-dence RIE 8)	Accredited output units[2]: 98	Accredited output units[3]: 98	Target achieved.	No corrective measures are required.	DVC: Research, Innovation and Engagement
					Rated scientist: 13	Rated scientist: 9	Work in progress and staff is encouraged to participate fully in this academic project.	Academic staff that busy with doctoral degrees to be assisted to complete their studies by reducing their teaching load.	
					Postdoctoral fellows: 7	Postdoctoral fellows: 4	Work in progress and staff is encouraged to participate fully in this academic project	Academic staff that busy with doctoral degrees to be assisted to complete their studies by reducing their teaching load.	
				Fully functional Graduate School (PG School), promoting postgraduate studies.	Master's degrees: 40	Master's degrees: 40	Target achieved.	No corrective measures are required.	
					Doctoral degrees: 19	Doctoral de-grees: 19	Target achieved.	No corrective measures are required.	
		b) Increased external research funding, according to set targets, as per the Research and Development Plan **(P3.2).**	Fully achieve the target set for external re-search funding.	Finance Section reports Evidence RIE & F 1)	NRF = 17.2m DHET = 6.685m TIA Seed Fund = R2 076m	NRF = R22m; DHET = R2 674m; TIA Seed Fund = R2 076m	Target over achieved for NRF and TIA, but DHET grant dropped as per plan and late transfers by DHET.	Spending to be maintained as per each allocation	
		c) Enhanced teaching/research nexus **(P3.3).**	Vibrant unit/group on the Scholarship of Teaching and Learning (SoTL).	ILT reports; Research, Innovation and Engagement Division reports. Evidence TL 10)	One annual conference on SoTL;	One annual conference on SoTL;	Target achieved.	No corrective measures are required.	DVC: Teaching and Learning
					20 SoTL research out-puts increased (accredited articles/conference proceedings).	32 SoTL re-search outputs increased (accredit-ed articles/conference proceedings).	Target exceeded.	No corrective measures are required.	

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-performance	Corrective measures	Ownership
			Problem-solving and user-oriented research.	Evidence RIE 9)	No target	New focus for 2017.	New objective/ KPI without baseline	No corrective measures required at this stage	DVC: Research, Innovation and Engagement
	8. Employ our social and technological innovation in the socio-economic development of the city and the region **(P4)**.	a) 100% achievement of all targets set in the Technology and Innovation Plan, by 2020 **(P4.1)**.	Fully achieve all targets set in the Technology and Innovation Plan for 2017.	Research, Innovation and Engagement Division reports Evidence RIE 10)	Submit 5 concepts patents and design registrations.	2 patents	Track to achieve the target set for 2020. Staff challenges due to retirement of Director. New structure to be developed in 2017	Staff to be encouraged to take part in patents and design registration	DVC: Research, Innovation and Engagement
	9. Promote organisational well-being by providing a vibrant and a healthy environment **(P5)**.	a) 70% staff satisfaction by 2020 **(P5.1)**.	Staff satisfaction increased by 20% in 2017.	Staff satisfaction survey Evidence HR 1)	Baseline survey conducted	Established baseline.	On track	Progressing as planned.	DVC: Resources and Operations (Director: HR)
		b) 90% student satisfaction by 2020 **(P5.2)**.	Providing a vibrant and healthy environment for students.	Student satisfaction survey Evidence REG 1)	75%	50%	Continuous students survey services to be maintained	Students to be encouraged to participate in surveys	Registrar

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-performance	Corrective measures	Ownership
		c) University sustainability project fully mainstreamed **(P5.3).**	Implement relevant sustainability projects within the division.	Sustainability Plan and report Evidence RIE 10)	A number of studies on sustainability in the built environment that were completed in 2015 led to six (6) 2016 publications one (1) of which won LSI Award for a paper addressing a developing need at the 2016 International Sustainable Ecological Engineering Design for Society (SEEDS) Conference Embed sustainability within the curriculum	A number of studies on sustainability in the built environment that were completed in 2015 led to six (6) 2016 publications one (1) of which won LSI Award for a paper addressing a developing need at the 2016 International Sustainable Ecological Engineering Design for Society (SEEDS) Conference Management Sciences embedded 17 and 7 for Health Sciences Faculty	Target achieved.	No corrective measures are required.	DVC: R,I&E
Learning and growth (Ref.: L)	10. Proactively attract, retain, support and develop high-quality staff (i.e. talent management) **(L1).**	a) 100% of the Talent Management Plan implemented by 2020 **(L1.1).**	Improved academic qualifications, and development of all staff, applying the twin challenge of equity and excellence.	Faculty reports; HR reports. Evidence TL 11)	105 academic staff holding doctorates. 40 X academic staff at the rank of Associate Professor/Professor	- 99 academic staff holding doctorates. - 36 X academic staff at the rank of Associate Professor/Professor.	(Target exceeded). Revised actual = 107 academic staff holding doctorates. Revised actual = 39 (Target exceeded). Talent Management policy only approved in March 2017. Talent Management Specialist resigned – in process of replacement	No corrective measures are required. Appointment of Talent Management specialist. Development of Implementation plan to implement the policy.	DVC: Teaching and Learning; DVC: Research, Innovation and Engagement

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-perfor-mance	Corrective measures	Ownership
		b) 100% functioning performance management system implemented by 2020 **(L1.2).**	Functioning Human Resources (HR) Information System.	HR reports Evidence HR 2) SCUbed system available for evidence	75% involvement in performance management system	IPerMS expanded to all levels 100%	Target achieved.	No corrective measures are required.	DVC: Resources and Operations
		c) 50% of teaching staff with industry exposure by 2020 **(L1.3).**	Staff development, including industry exposure.	Faculty reports Evidence TL 12)	5% of staff to gain industry exposure for a minimum of seven days (15 of 288 teaching staff)	5% of staff to gain industry exposure for a minimum of seven days (15 of 288 teaching staff)	Target achieved.	No corrective measures are required.	DVC: Teaching and Learning FMS
	11. Improve and enhance institutional governance **(L2).**	a) Application and/ or explanation of all relevant principles of King III, by 2020 **(L2.1).**		Registrar's reports; audit re-ports. Evidence REG 2)	80%	80%	Target achieved.	No corrective measures are required.	Registrar
Resources (Ref.: F)	12. Financial sustainability in all entities **(F1).**	a) Increase subsidy by full-time equivalent and outputs rates **(F1.1).**	Targets on stu-dent numbers reached.	Annual audited financial statements Evidence TL data & CFO - FIN 2) Approved Adjusted 2016 Headline Budget attached. Ministerial statements also available	14 240 student headcount = 11 093 FTEs 2015 Subsidy R337,7million	15 704 student headcount = 10 721 FTEs 2016 Subsidy R369,8million	Target achieved for student headcount. Target not achieved for FTEs due to number of students registered for only one module (4 191 in 2016). Measures will be put in place in 2017 to address this matter Target achieved. Subsidy increased by 8,85%.	Reducing the number of students registered for only one module (4 191 in 2016).	DVC: Teaching and Learning

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-performance	Corrective measures	Ownership
		b) Increase third-stream income to 10% of the total income, by 2020 **(F1.2).**	Faculties, sections and research entities active in third-stream income genera-tion, excluding CUT Innova-tion Services (CUTis)	External funding and third-stream income; annual reserve analysis based on audited figures; annual audited financial statements. Evidence TL 13 & FIN 3) This will be confirmed upon finalisation of audit.	R12m: Faculties R4.1m: CRPM R4.23m: PDTS R12m: SETAs	CRPM = R2 292 305; PDTS = R6 010 million; Sector Education and Training Authorities (SETAs) = R15 167 480 million.	Target exceeded Target exceeded.	Proposal Writer appointed in CUTis. No corrective measures are required.	Engagement; DVC: Teaching and Learning
			Offer short courses and programmes for the working population.	CUTis & Faculty Reports	4 short courses	5 short courses	Target exceeded.	No corrective measures are required.	
			Strategically focused relationship with CUTIS, with the aim of achieving organisational goals in terms of third-stream income, through optimising institutional resources.		R10m profit	CUTis = R0.5 million lost.	CEO of CUTis resigned in August 2016. Major planning issues & short-comings on implementation strategies.	CUTis' structure will be revised in 2017 and new CEO appointed.	DVC: Research, In-novation and Engagement

Perspective	Objectives	Key performance indicator (KPI)	Performance indicator (2016)	Tracking source (Evidence)	2016 target	2016 actual	Reasons for under-perfor- mance	Corrective measures	Ownership
		c) Effective and efficient use of resourc- es within bud- get parameters (F1.3).	A positive budget excess at the end of the year; maintain sound financial man- agement.	Approved annual opera- tional budget Evidence FIN 4) Attached Management Accounts as at 31 Dec 2016	1% R6,9 million based on R692 mil- lion budget	Net Surplus of R87million which is 11,5% of actual budget of R760 million	Exceeded target due to cost control measures.	The corrective measures in other areas will address.	DVC: Resources and Opera- tions (CFO)

Table 3: Summary report on annual performance plan (APP) and institutional operational plan 2016

Note: The above reported 2016 actuals are as of 31 December 2016. The following actuals had changed at the time of reporting HEMIS data to DHET on 28 April 2017: Full-degree seeking international students = 448; Master's student enrolment = 294; Doctoral student enrolment = 163; First-time entering undergraduate student headcount = 3922 (99,4%); STEM headcount = 48,75%; Student headcount = 15 704; Students complete programmes in minimum time = 32,6%; Success rate = 78,1%; Graduation rate = 23. 66%; Students in ECP programmes = 892.

MANAGEMENT & ADMINISTRATION

EXECUTIVE TEAM MEMBERS

Prof. Thandwa Mthembu

Vice-Chancellor and Principal
(30 September 2016)

Prof. Alfred Ngowi

Dean: Faculty of Engineering and
Information Technology
*Acting Deputy Vice-Chancellor:
Research, Innovation and Engagement
(1 October 2016)*

Prof. Henk de Jager

Deputy Vice-Chancellor: Research,
Innovation and Engagement
*Acting Vice-Chancellor and Principal
(1 October 2016)*

Dr Solomon Makola

Director: Welkom Campus

Prof. David Ngidi

Deputy Vice-Chancellor: Teaching
and Learning

Prof. Mojalefa Ralekhetho

Consultant in the Office of the
Vice-Chancellor

Dr Nothemba Mrwetyana

Registrar

This section provides an overview of the achievements of CUT under the leadership of the Executive Team of the University, who in turn reports to the Vice-Chancellor and Principal, during the course of the 2016 academic year. The Institutional Operational Plan (IOP) and Annual Performance Plan (APP) for 2016 are two source documents that consolidated the operational plans of each division and other programmes within the University, and clearly outlined the divisional goals and objectives, performance indicators and targets of the respective divisions, programmes and sub-programmes.

During 2016, the University remained steadfast on its quest to monitor its performance on the implementation of the IOP, which was reviewed on a quarterly basis. The IOP 2016 was derived from the institution's consolidated strategic objectives and key performance indicators (KPIs). Informed and shaped by CUT's Vision 2020, progress on the strategic objectives was presented to the four Management Committee (Mancom) Planning Workshops that were held during 2016. Performance was monitored using the following balanced scorecard perspectives: systems, policies and processes; resources – human, financial and otherwise; supplementary resources from stakeholders/partners; quality; learning; and growth. Notable progress was made, and the achievement of most objectives is on track, with the exception of the following few examples:

• The University experienced challenges in relation to the implementation of some objectives for which there was no reliable baseline data. This includes data for the following: branding, employability of graduates, online business processes, and stakeholder satisfaction. Nevertheless, the baseline was determined by the end of 2016.
• Despite the progress made towards internationalisation at CUT, the University experienced a decline in the number of international students, and as a result, the 2016 target was not achieved. However, this challenge is not unique to CUT, but is a country-wide phenomenon. The University will put measures in place during 2017 to counter this emerging challenge.

2016 was the first year of implementing no increases in student fees and the insourcing of outsourced services, both of which placed severe financial strain on many public universities, as income decreased, whilst operational costs   increased. For the first time since the dawn of democracy, student movements sharply criticised transformation at public universities, and placed it at the centre of a public discourse, which is still ongoing. Thus, 2016 was a watershed year for the higher education sector, marked by deepening student and staff activism, and interrogation of the subject of transformation within South African 18 universities. CUT had to ensure that it plays its rightful role in deepening transformation, and is no stranger to this debate. We would fail in our mission if our staff and students are unable to reach consensus on the salient common elements that should form part of sector-wide transformation. The important principle of public accountability in implementing the progressive higher education legislation and policy framework, must be noted. The report on the second Department of Higher Education and Training (DHET)'s Higher Education Transformation Summit stated succinctly that the mechanisms for holding institutions accountable for meeting transformation goals must be strengthened, and that transformation leaders should collaborate to formulate goals

that support the implementation of transformation in higher education. We are confident that this is the case at CUT, with our strategic focus on the following ten transformation imperatives, as indicated in the CUT Transformation Plan 2016–2020 that was approved by Council in 2016:

- student and staff equity and redress;
- diversity and inclusivity, discrimination and racism;
- institutional culture and climate;
- language policy matters;
- curriculum transformation;
- Programme and Qualification Mix (PQM);
- teaching and learning;
- student learning support;
- staff development and support;
- research and development; and
- community engagement.

Starting with the process in 2016, we should be clear that the debates about transformation involve fundamental questioning about the state of our universities. Who is teaching and researching; what are they teaching and research-ing, and what is the collective experience of our students? Our objective must, therefore, be to enable interaction and dialogue on cross-cutting areas in transformation, and to establish a common benchmark to measure the pace, culture, direction and purpose of transformation within the University. This is a shared commitment at CUT, which we will hold onto steadfastly for the years ahead.

GOVERNANCE AND STRATEGIC MANAGEMENT

Appointments at Executive and Senior Management levels

CUT bid farewell to Prof. TZ Mthembu, the former Vice-Chancellor and Principal, at the end of September 2016. Prof. Mthembu undoubtedly made a major contribution to CUT over his almost ten-year tenure at the University. Council appointed the Deputy Vice-Chancellor (DVC): Research, Innovation and Engagement, Prof. HJ de Jager, as Acting Vice-Chancellor and Principal for a six-month period, effective as from 1 October 2016.

Due to the challenges that the academic portfolio has been facing, in particular around research, and taking into account the University's commitments in relation to the achievement of Vision 2020, an exercise of re-aligning the divisions within the University was undertaken. To allow for more attention to be placed on research, the Academic and Research portfolio was split into two divisions, namely the Research, Innovation and Engagement Division, and the Teaching and Learning Division, with effect from 1 January 2016. A proposal around the re-alignment (in terms of function and structure) of Executive Management with Vision 2020 was approved by Council in November 2015.

Flowing from the above-mentioned split, Prof. HJ de Jager, the former DVC: Academic and Research, was appointed by Council as DVC: Research, Innovation and Engagement, effective as from 1 January 2016. Prof. DP Ngidi, the former Dean of the Faculty of Humanities, was appointed by Council as DVC: Teaching and Learning, in an acting capacity as from 1 January 2016, and as substantive DVC: Teaching and Learning as from 1 May 2017.

As a result of the appointment of Prof. DP Ngidi as DVC: Teaching and Learning, Prof. FE van Schalkwyk, Head of Department (HoD): Design and Studio Art, was appointed as Acting Dean of the Faculty of Humanities, effective from 1 January 2016.

Flowing from the appointment of Prof. HJ de Jager as Acting Vice-Chancellor and Principal, Prof. AB Ngowi, Dean of the Faculty of Engineering and Information Technology, was appointed by Council as Acting DVC: Research, Innovation and Engagement, effective from 1 October 2016. Consequently, Prof. YE Woyessa, the HoD: Civil Engineering, was appointed as Acting Dean of the Faculty of Engineering and Information Technology, effective as from 1 October 2016.

Finally, Prof. ME Ralekhetho, who served in the Vice-Chancellor's Office until 31 August 2016, was appointed by Council as Acting DVC: Resources and Operations, for the period 1 September to 31 December 2016. Prior to this, Prof. Ralekhetho assisted in the areas of Human Resources and Estates Management (including Facilities Management); Dr N Mrwetyana, the Registrar, assisted in the areas of Information Technology and Protection Services; and Ms P Dube, the Chief Financial Officer (CFO), reported directly to the Vice-Chancellor and Principal.

Management was mandated to review the Resources and Operations portfolio, and to present a restructured Resources and Operations Division to Council for approval, via the relevant standing committees of Council. Although this was duly

executed, due to the resignation of the Vice-Chancellor and Principal, Council decided that the process should be placed in abeyance until a new CUT Vice-Chancellor and Principal has been appointed, to allow the incumbent to participate in the process.

#Fees-Must-Fall campaign: Developments at the University

The Minister of Higher Education and Training, Dr BE Nzimande, released the Ministerial Statement on Government's 2017 Fee Support to Students from Poor, Working and Middle-class Families on Monday 19 September 2016. Since this announcement on the proposed fee increase for 2017, the University has embarked on an extensive process of engaging with all the relevant structures, as we value and embrace the inputs of all our diverse stakeholders. However, this announcement resulted in a series of protests at the University.

Management made every effort to ensure that students completed their final assessments for 2016. All reasonable security measures were put in place at both campuses to ensure a smooth assessment process, and to protect the safety of CUT staff, students and property. Following seven weeks of protests, and alternative teaching and learning strategies, the main assessment period commenced without any disruption on 7 November 2016 and concluded successfully at the beginning of December 2016. The protests at the Bloemfontein and Welkom Campuses resulted in some damage to University property. However, the cost of the damage amounted to less than a quarter of a million Rand. Furthermore, Top Management played a crucial role in engaging with all stakeholders, including students, staff, the unions and CUT alumni, and amicable solutions to most of the matters and grievances that were raised were agreed to.

FINANCIAL MANAGEMENT AND SUSTAINABILITY

Given the current dynamics within the higher education sector, financial management is high on the agenda of Management. The University works hard to ensure the effective and efficient use of the limited funds at its disposal. In order to inculcate a culture of cost saving at CUT, a cost-containment workshop was held at the end of 2016, and some cost-containment measures have since been devised. These measures were divided into short-term (i.e. immediate), as well as medium- to longer-term measures.

The importance of policies in achieving the University's objectives in terms of financial management is acknowledged. Therefore, all outdated finance-related policies are being revised. The procurement and asset management policies were identified as the most critical policies to be revised, and the revision thereof has thus been prioritised. Updated versions of these policies were approved by Council in 2016. The latest promulgated Acts, as well as inputs from all the relevant parties, were incorporated into the updated policies.

CUT is a member of the Purchasing Consortium of South Africa (PURCO). In order to ensure that CUT benefits from the discounted buying power that PURCO enjoys as a consortium, as well as the associated annual rebates (share of profits), closer cooperation is forged with PURCO by means of frequent discussions.

Changes in tuition fees and financial aid for students: The student protest in 2015 and 2016 resulted in government's commitment to a 0% increase in tuition fees. The student fees for 2016 remained unchanged from those of 2015. Consequently, the University received a shortfall allocation of R11 261 000. In 2016, the University allocated R19 790 824 towards student financial support, and received R42 845 609 from private donors. The University received the normal annual allocation from NSFAS, and the funds were allocated as outlined in the table below.

SUMMARY OF NSFAS ALLOCATIONS 2016				
Funding category	Allocation	Claims submitted to NSFAS to date	Amount received from NSFAS	No. of students funded
DE-General	R70 347 000.00	R81 306 212.63	R69 592 445.48	1 830
DE-Teacher	R4 386 211.00	R3 630 537.86	R3 554 716.46	88
DE-Disability	R 514 024.00	R512 492.00	R154 207.00	12
National Skills Fund	R10 707 813.00	R8 390 892.10	R7 613 662.05	189
Funza Lushaka Bursary	R31 264 719.00	R30 885 000.00	R30 675 000.00	446
Final-year funding	R45 633 226.00	R45 757 759.99	R41 243 863.59	994
NSF Postgraduate funding	R1 865 857.04	R1 865 857.00	R1 827 981.00	42
Normal allocation	R164 718 850.04	R172 348 751.58	R154 661 875.58	3601

Table 4: Allocation of NSFAS funding 2016
In addition to the normal allocation from NSFAS, the University also received restricted funds to assist qualifying students in the following categories:

- DHET Historic Debt (2013 to 2015) Fund: Students who were approved for NSFAS funding in 2013 to 2015, but whose funds were not received during that period. The University could only claim for students who were on the approved list from the DHET.

- DHET Kgodiso Fund: Students who, according to the historic debt (2013 to 2015) list, were funded, but who were still studying in 2016.

- DHET FTE: All the new entrants on the 2016 DHET-approved list whom the University permitted to register without any fee payment, as per the DHET's instruction.

SUMMARY OF NSFAS-RESTRICTED ALLOCATIONS 2016				
Category	Allocation	Claims submitted to NSFAS to date	Amount received from NSFAS	No. of students funded
Historic debt (2013 to 2015)	R77 475 790.77	R25 596 526.63	R13 655 006.23	582
Kgodiso Fund	R33 664 661.00	R12 316 096.65	R7 781 150.00	314
DHET General FTE	R64 212 040.00	R31 448 322.25	R23 354 365.35	774
NSF General		R1 957 564.81	R1 280 038.60	42
Restricted Allocation	**R175 352 491.77**	**R71 318 510.34**	**R46 070 560.18**	**1712**

TABLE 5: Summary of NSFAS-restricted allocations 2016

Furthermore, NSFAS also awarded SETA bursaries to students, as indicated below.

SUMMARY OF NSFAS ALLOCATIONS 2016		
Category	Claims submitted NSFAS to date	Amount received from NSFAS
DMV	R2 521 338.00	R25 596 526.63
TRC	R396 779.00	R396 779.00
FP&M SETA	R112 919.00	R112 919.00
EWSETA 2013 (list resubmitted)	R6 240 000.00	R6 240 000.00
CATHSETA	R710 909.00	R710 909.00
W&R SETA	R272 592.00	R 272 592.00
FOODBEV	R62 864.00	R62 864.00
TOTAL – NSFAS SETAS	**R10 317 401.00**	**R10 317 401.00**

TABLE 6: SETA bursaries awarded by NSFAS in 2016

Enhance the University's finances: The university sector is under tremendous pressure, which affects the financial viability of universities. The situation at CUT is no different. In November 2016, Management agreed on a number of cost-containment measures, which will be implemented in 2017. Furthermore, strong emphasis was placed on increasing the University's third-stream income in 2016. The CUT Trust, CUT Innovation Services (CUTIS), which is an independent entity wholly owned by the University, was the driver to enhance partnerships and increase income in 2016. University stakeholders agreed that we have a collective responsibility to enhance the financial sustainability of our institution, and that the support and commitment of all staff and students to instil a "culture of cost savings", and to improve efficiency and effectiveness, are crucial in this regard. It is believed that *"at the heart of people excellence, is the building of a high-performance culture, by improving the performance of each individual to enhance the productivity and efficiency of the University".*

Salary negotiations: The wage negotiations for 2017 commenced in October 2016. The process was delayed due to the unions preferring that the restructuring of the Finance Section first be finalised, and the outstanding matters raised during 2016 be addressed, before the implementation of any salary increases. The wage negotiations could not be completed during December 2016, and was only finalised on 30 January 2017.

Salary anomalies: The first phase of the salary anomalies process – namely the setting of new salary scales and bringing the salaries of all employees who were below or above the relevant salary scales in line with the relevant scales – was completed. A proposal on identifying criteria for evaluating each employee in relation to his/her appropriate position on the salary scale is being developed in conjunction with the unions and all other stakeholders. The additional anomalies created by the implementation of phase one – aligning the salaries of employees whose salaries were below the relevant scale – will also be addressed by the proposal for phase two of the salary anomalies process. The PricewaterhouseCoopers(PwC) report on the salary anomalies, which was discussed with all the stakeholders, indicated that CUT's salary scales are in line with external benchmarks and that no significant gender or race bias could be traced on any scale.

HUMAN RESOURCES

The first phase of the salary anomalies process hase been completed, namely the setting of new salary scales, and bringing the salaries of all employees that were below and above the relevant salary scales into the relevant scales. In conjunction with the unions and all other stakeholders, a proposal is being developed on identifying the criteria for evaluating each employee's salary in relation to his/her appropriate position on the salary scale. This proposal had to be submitted by the end of March 2017. The additional anomalies created by the implementation of phase 1, namely aligning employees' salaries, will also be addressed by the proposal that is being developed for phase 2. PricewaterhouseCoopers (PwC)'s report on salary anomalies, which was discussed with all the relevant stakeholders, indicated that the CUT salary scales are in line with external benchmarks, and that no significant gender or race bias can be traced on any scale.

The following are the achievements of the administrative structures and resources in terms of both staff and systems:

The Integrated Performance Management System (IPerMS) for all staff was further enhanced in 2016. The performance cycle for 2016 was completed successfully, and the final assessments were concluded. In addition, mid-term reviews were conducted, and all employees who were eligible to participate in the reviews could submit their assessments. Training on how to access and use the performance management system for assessment purposes was presented to employees at both the Bloemfontein and Welkom Campuses in 2016. (IPerMS) was extended to employees at Peromnes levels 14 to 18; hence, all full-time employees are now covered by the system. The performance management approach is starting to produce results in terms of the fact that performing employees are gradually moving through the scales as a reward for their performance.

Talent Management: One of CUT's strategic priorities is the attraction, retention and development of talent. The talent management policy, as well as the recruitment policy and procedure, was approved by Mancom and the Human Resources Committee of Council in 2016. However, the document was returned for further development, and will be updated to reflect the policy and strategy for talent management, together with all its components, for finalisation in 2017.

Insourcing of staff: Following the implementation of phases 1 A and B (Gardening personnel in Bloemfontein and 4 security personnel) of the insourcing process, the joint Task Team on Insourcing is in the process of developing phase 2 (Full implementation of cleaning staff in Bloemfontein and Welkom) thereof.

Relationships with the unions: Management has a healthy relationship with the unions, which relationship was further strengthened in 2016. The reorganisation of the Finance Section was finalised, and all staff members were placed in either the newly organised Section, or elsewhere within the University. The Insourcing/Outsourcing Task Team, comprising representatives from the student leadership, the unions and Management has been progressing well, with the first phase of insourcing successfully completed in 2016. The salary negotiations during 2016 for implementation 1 January 2017 were finalised and an agreement in this regard was signed on 3 February 2017. It has since been implemented. Some matters contained in the salary agreement with the unions require further consultation. A Roll-out Plan is in place to address these matters.

The adequacy of staffing levels, particularly in critical areas: The staffing complement in both the academic and support services divisions remained fairly stable in 2016, with only a few challenges, including, inter alia, the challenge to attract suitable candidates for the HoD positions at Mechanical Engineering and the Hotel School. On average, approximately 14,5% of the positions on the University's permanent staff establishment were vacant during 2016, which is consistent with the trends of 2015. Furthermore, certain critical areas, such as the filling of Research Professor positions, and addressing gender equity at Management level, remained a challenge. However, strategies were implemented to address these challenges during the course of the next year (2017).

Vice-Chancellor's Excellence Awards: The following staff members received a Vice-Chancellor's Excellence Award in the following categories in 2016:

- Early Career Teaching Award: Ms MA Lonergan;
- Advanced Career Teaching Award: Dr PE Hertzog;
- International Association of University Presidents' Vice-Chancellor's Excellence Award for Curriculum Innovation: Drs D Das and M Mostafa;
- Early Career Research Award: Dr K Kusakana;
- Innovation Award: Dr M Masinde; and

- Community Engagement Award: Mr L Grobbelaar.

A total of nine academic staff members were promoted to the level of Lecturer; six to Senior Lecturer; five to Associate Professor; and one to Professor. Another major challenge during 2016 was the vacant positions at Executive and Senior Management levels, which positions should be filled in 2017.

CONTROL MEASURES, GOVERNANCE REVIEWS AND INTERNAL AUDIT

Internal Financial Controls: The Audit and Risk Committee continually monitors the implementation of all internal control recommendations by the internal and external auditors, to ensure that such implementation takes place timeously. The Committee held four meetings during the year under review, at which meetings the internal and external audit findings, and progress on implementing previous audit recommendations, were monitored. In this regard, the Committee is satisfied that the internal financial control environment is adequate, effective and sufficiently responsive to identified weaknesses.

INFORMATION AVAILABLE TO MANAGEMENT

CUT remained devoted to data integrity and upholding a proper Management Information System (MIS) in 2016. Five layers of business intelligence were considered, namely: higher education best practice models; Higher Education Data Analyser (HEDA); integrated academic planning processes; new collaborations (International Data Service Centre and PowerHEDA); and a PowerHEDA Dashboard Reporting Demonstration Model. We aimed to maintain quality statutory reporting; had further engagements with data custodians on data quality improvement; developed the MIS portal using HEDA, by creating multiple dashboards for different reporting and monitoring purposes; developed a document depository with standardised reports; and established a Data/Statistics Committee.

During 2016, standardised profiles at University, faculty and department level, presenting a coherent summary of performance, were developed using the HEDA System. The development of the available MIS content was developed continuously, using the CUT HEDA Portal. Furthermore, validation runs for the data on CUT systems were continued. However, cooperation between various sections/units/departments to secure a quality data information flow remains CUT's biggest challenge.

Management Information System (MIS): For purposes of information management, CUT implemented the Higher Education Data Analyser (HEDA) System, which uses data sourced from the Higher Education Management Information System (HEMIS) for submission to the Department of Higher Education and Training (DHET). The HEDA dashboards provide a visual display of key performance indicators (KPIs) and metrics on a single, interactive screen. In 2016, standardised profiles at University, faculty and departmental level were developed using the HEDA portal, in order to improve deci-sion-making. In addition, CUT uses Oracle Discoverer, which draws operational data from the ITS database. The reports generated from these systems are used for planning, monitoring and decision-making across CUT.

During the past few years, CUT also used the ordinary HEMIS subsystem on the ITS System for statutory reporting on various aspects of the University's core business, as well as other non-academic support services functions. Statistical reports and information on the institution's performance in relation to its targets are published periodically in our Size and Shape Monitor and Student Performance Monitor. As the University recognises the importance of authentic information, the Data/Statistics Committee was established in 2016 for purposes of overseeing the quality of operational data, standardisation of information for decision-making, and streamlining the use of information across CUT.

IT for administrative purposes: The University has an Integrated Tertiary Software (ITS) System, with the ITS Integrator V3 system being used for administrative purposes. The system allows real-time access to information, including access to financial, human resources and student information. It also provides access to operational services such as vehicle book-ings, online ordering and payroll services. Although it is not an easy system to use for financial reporting, it is affordable. Alternative, affordable financial management systems are being appraised, in consultation with peer institutions that opted for the same systems.

The online student administration functionality, which was implemented in 2012, continues to be refined in order to ensure additional functionality and wider utilisation thereof. In 2015, the online application system was implemented and auto-pro-gression tested for implementation. The online application system was further refined in 2016, with it being made available

externally to the University after successful implementation on campus. Furthermore, the auto-progression system was implemented in 2016, and will be refined during 2017. Online payments, integrated with the application system, will be implemented in 2017. A system for time tabling, Celcat, was installed, and will be implemented in full in 2017. The Celcat system was tested with the relevant business owner, and basic configuration was done. The system is scheduled for functional use from the 2nd semester of 2017. This system links with the ITS System and allows for the integrated time tabling of all venues and offerings. The internet bandwidth for the campus was upgraded to a 10 GB link in order to provide staff and students with faster access.

RISK MANAGEMENT

Council committed CUT to a process of risk management that is aligned to the principles of the King III Report and the Higher Education Act (Act No. 101 of 1997). CUT continuously aspires to raise its level of risk management maturity, and implements new initiatives in this regard. In line with this, CUT's revised Enterprise Risk Management (ERM) policy, which outlines the responsibilities of various stakeholders in relation to risk management, was approved by Council in 2016.

The Audit and Risk Committee, as a standing committee of Council, provides advice, counsel and direction with regard to risk management, and thus, *inter alia*, reviews and recommends to Council the approval of key documents such as the ERM policy, ERM Framework and ERM Strategy. Furthermore, the Audit and Risk Committee evaluates the effectiveness of mitigation responses to address the University's most significant risks. The Committee's Constitution was revised to incorporate all risk-related matters, and therefore, towards the end of 2012, Council approved the renaming of the Audit Committee to the "Audit and Risk Committee". The Committee meets on a quarterly basis.

Management is accountable to Council for designing, implementing and monitoring the process of risk management, and integrating it into the day-to-day activities of the University. The development of management structures that focus on certain key activities within the University continues. Of significance is the fact that the University currently has a position for an institutional Chief Risk Officer.

Identification and risk assessment: University Management held a Strategic Risk Assessment Workshop in August 2016, after which an updated Strategic Risk Register was compiled. In addition to the assessment of risks at strategic level, operational risks within divisions were assessed during the four divisional risk assessment workshops that were held in August 2016. The management of the risks identified at the workshops is currently being integrated into the day-to-day activities of the University.

Risk assessment and identification remain an ongoing process within the University. The newly identified risks may be classified as "emerging risks", following completion of the risk registers. These often go unnoticed, as the leadership of the University focuses on mitigating the risks in the Strategic Risk Register and Divisional Risk Registers in the daily monitoring and execution of the University's Strategic Plan. Furthermore, the University implements mechanisms to capture emerging risks, which will be brought to the attention of University leadership for mitigation.

Risk monitoring includes processes such as:

• strategic risk workshops, where risks are monitored and adjusted to the unique circumstances of the University;
• registers declaring financial interests and gifts;
• internal audit reviews;
• compliance reviews; and
• Senior Management reviews on work performed in accordance with policies and procedures.

Fraud risk management: Any dishonesty, when detected, is taken seriously and dealt with on an ongoing basis. In response to the recommendations made on the management of fraud in the 2015 Internal Audit Report, improvements to the Framework for Fraud Risk Management will continue in 2017.

Risk categories: Management is continuously developing and enhancing its risk and internal control procedures in order to improve the methods for identifying and monitoring risks. CUT strives to address the following risk categories adequately:

Strategic risks	A few examples of strategic risks that the University faced in 2016 and progress on the implementation of mitigation responses to each risk are provided below.
Financial risks	Financial resources and a dwindling government subsidy featured in this risk category. Nevertheless, great strides were made towards raising third-stream income across the University. CUT Innovation Services (CUTIS), in conjunction with CUT, instituted more aggressive measures in a bid to raise funds for the University. This process will continue unabatedly in 2017.
Technological risks	Staff members' skills in the use of technology were identified as a risk in this category. Much has been done to mitigate this risk. Of significance was a Technology Transfer Workshop that was held at CUT in September 2016, and that was facilitated by an expert from Ireland.
Operational risks	A few examples of operational risks that the University faced at divisional level in 2016, as well as progress with regard to the implementation of mitigation responses, are provided below.
Reputational risks	Brand positioning was one of the reputational risks faced by the University in 2016. In response to the risk, the process of developing a Branding Plan commenced in 2016, which plan will be implemented in 2017
Financial risk	More efficient and cost-effective procurement processes featured as a financial risk in 2016. A revised procurement policy towards mitigating this risk was approved by Council in 2016.
Compliance risk	Outdated policies posed a risk to the University in 2016. Throughout 2016, a concerted effort was made to remind policy owners to update policies. Consequently, a number of outdated policies were updated across the institution.

Table 7: Risk categories being addressed.

TRANSFORMATION PROJECT

In terms of the numerical targets set for employment equity for the year 2016, the main challenge was reconciling the headcount target, based on the workforce profile of the University in 2013, with current headcounts. This is due to the fact that CUT had a larger contingent of employees in 2013 (a total of approximately 2 300 in 2013, as opposed to the approximately 1 990 current employees). Nevertheless, when the targets are translated into percentages for purposes of comparative analysis and then compared with the current headcount, it can be deduced that the University made sufficient progress in addressing employment equity. In all cases where designated groups are still under-represented it is by less than 2%.

2016 was the first year of the implementation of no increase in fees for students and the insourcing of outsourced services, both of which placed severe financial strain on many public universities, as subsidies decreased, whilst operational costs increased. For the first time since the dawn of democracy, student movements sharply criticised transformation at public universities, and placed it at the centre of a public discourse that is still ongoing. It was thus a watershed year for the sector, marked by deepening student and staff activism, and interrogation of transformation's place at universities.

CUT has to ensure that it plays its rightful role in deepening transformation. We would fail in our mission if our staff and students are unable to reach consensus on the salient common elements that should form part of sector-wide transformation. The important principle of public accountability in implementing the progressive higher education legislation and policy framework must be noted. The Department of Higher Education and Training (DHET)'s report on the second Higher Education Transformation Summit states succinctly that the mechanisms for holding institutions accountable for meeting transformation goals must be strengthened, and that transformation leaders should collaborate to formulate goals that support the implementation of transformation in higher education.

It should be clear that the debates about transformation involve fundamentally questioning the state of our universities. Who is teaching and researching, what are they teaching and researching, and what is the collective experience of our students? In 2016, the collective concern at CUT involved developing a framework to guide institutional transformation to enable interaction and dialogue on cross-cutting areas in transformation, and to establish a common benchmark to measure the pace, culture, direction and purpose of transformation within the University. A shared understanding of common areas of interest is required to meet the broad goal of constructing a transformation barometer as a diagnostic tool for the sector as a whole. Therefore, CUT started to participate with other universities in this effort.

The challenge of transforming on the basis of benchmarks developed for non-African countries must be examined further. It is difficult to produce a curriculum that responds to local needs without local examples and experience. Despite so much talk about the need to transform the curriculum, there appears to be a lack of progress in practice. Decolonisation could not take place without new, relevant content. Recently, CUT came to an understanding that it has a major responsibility to start charting the way forward in terms of transformation.

Transformation Policies and Projects: Transformation at CUT is project based. The University's priority transformation projects are informed by the priorities of the Strategic Plan, and are aimed at creating enabling conditions for the implementation of the Strategic Plan, instead of becoming a parallel, competing strategic priority.

The University's priority transformation projects include:

• student and staff equity and redress;
• diversity and inclusivity, discrimination and racism;
• institutional culture and climate;
• language policy matters;
• curriculum transformation;
• Programme and Qualification Mix (PQM);
• teaching and learning;
• student learning support;
• staff development and support;
• research and development; and
• community engagement.

The University recognises that the scope of professional opportunities for our graduate students is changing in fundamental ways. So, too, is our approach to graduate education, with a close examination of course offerings, as well as graduate students' teaching and research responsibilities throughout their degree programmes. As part of the re-curriculation process, 38 Category A programmes – which are aligned with the Higher Education Qualifications Sub-framework (HEQSF), approved by the DHET and accredited by the Council on Higher Education (CHE) – were implemented in 2016, with the exception of one programme, pending the relevant faculty's negotiation of a change to the qualification name. Engagements with CHE are ongoing in this regard. The DHET also approved the Doctor of Philosophy in Environmental Health, accredited as a Category B programme, to be offered in 2016. In addition, the Bachelor of Management Sciences in Accountancy, Bachelor of Education in Foundation Phase Teaching, Advanced Diploma in Studio Art, Advanced Diploma in Design Technology, Postgraduate Diploma in Art, and Postgraduate Diploma in Social Design were approved by the DHET, and have since been submitted to CHE for accreditation as Category C programmes.

The University will continue to revise its programme offerings and to develop new programmes in response to emerging societal needs.

Employment Equity: An Employment Equity Plan is in place and is being implemented. However, some challenges with regard to staff participation were experienced, but these challenges are currently being addressed. The Senior Manager: Employment Equity resigned in 2015. In the interim, someone acts in this position until a suitable candidate is appointed, following a recruitment process.

Below is the Workforce Profile extracted from the 2014/2015 Annual Employment Equity Report submitted to the Department of Labour:

Occupation level	Male				Female				Foreign National		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	1	0	0	0	0	0	0	0	0	0	1
Senior Management	3	0	0	5	5	0	0	0	1	0	14
Professionally qualified and experienced specialists and Mid-management	37	7	3	46	15	3	1	38	12	3	165
Skilled technical and academically qualified workers, Junior Management, supervisors, foremen and superintendents	187	21	4	124	156	28	5	185	25	11	746
Semi-skilled and discretionary decision-making	463	23	1	59	431	21	0	49	15	11	1073
Unskilled and defined decision-making	43	0	0	0	34	0	0	0	0	0	77
TOTAL PERMANENT	734	51	8	234	641	52	6	272	53	25	2076
Temporary employees	0	0	0	0	1	0	0	2	0	0	3
GRAND TOTAL	734	51	8	234	642	52	6	274	53	25	2079

Table 8: Workforce profile extracted from the 2014/2015 Annual Employment Equity Report submitted to the Department of Labour

From the above-mentioned information, it is evident that, at the time of this report, 85% of CUT's employees were from the designated groups, as defined by the Employment Equity Act. In terms of gender, 52% were male employees, whilst 48% were female employees. Finally, the composition in terms of race was 66,2% African; 5% Coloured; 0,7% Indian; 24,3% White; and 3,8% Foreign National.

COUNCIL

The CUT Council is duly constituted in accordance with the provisions of the Higher Education Act (Act No. 101 of 1997), as amended (also referred to as "the Act"), and in terms of the CUT Statute. 60% of the members are independent of the University, and possess the knowledge and experience relevant to the objectives and governance of CUT. For example, external members of Council have skills sets in Marketing, Finance, Human Resources Management, Law and Education. The rotation principle was observed, and as a result, some Council members serve a three-year term of office, whilst others serve a four-year term of office on Council. The Executive Committee (Exco) of Council serves as the Nomination Committee of Council, and as such assists with the process of identifying suitable members of Council.

Remuneration of Councillors: In October 2015, Council adopted the following definition of an honorarium: "an ex gratia pay-ment (i.e. a payment made without the giver recognising himself as having any liability or legal obligation) made to a person for his or her services in a voluntary capacity". Informed by this understanding, external Council members received hono-raria approved by the Remuneration Committee of Council. The quantum of the remuneration was based on the results of a benchmarking exercise that was conducted with other higher education institutions (HEIs). Furthermore, Council accepted the Council on Higher Education (CHE)'s recommendation that the in-kind payment of Councillors should not be allowed, as it constitutes a potential conflict of interest. Hence, the following in-kind benefits were withdrawn: study benefits for Coun-cil members and their families, and special tariffs for the rental of University venues. The University pays the CUT-related travel and accommodation expenses of external Council members. The honoraria rates that were paid to external Council members for attending each scheduled meeting in 2016 are listed below.

Chairperson of Council	R2 200
Deputy Chairperson of Council	R1 900
Member of Council	R1 600
Chairperson of a committee of council	R1 900
Member of a committee of council	R1 600

Council, via its various standing committees, continuously ensured that CUT has sufficient cash to pay for all its operations, and to timeously settle all its obligations.

The #Fees-Must-Fall campaign was raised and monitored as an emerging risk. The risk posed by the campaign was dealt with at national level, where the Chairpersons of university Councils were also involved in the several stakeholder engage-ments. The fee gap in 2016 was covered by an increase in National Student Financial Aid Scheme (NSFAS) funding, as well as other bursary funds that were raised/made available during the 2016 financial year.

There was a significant improvement of 21% in income, from R724 million in 2015 to R880 million in 2016. In addition, the net status improved by 503%, from a net deficit of R20,078 million in 2015 to a net surplus of R81,044 million in 2016.

There was an incline in the current ratio, from 0.84 in 2015 to 1.07 in 2016. The incline in the ratio was caused by the increase in net receivables as well as a decline in bank overdraft and payables. The debt ratio declined slightly, from 0.597 in 2015 to 0.555 in 2016. Council also considered the profitability ratio, whereby it was established that there was a net surplus of R81,044 million in 2016, compared to a net deficit of R20,078 million in 2015. This translated to profitability ratios of 9,21% and -2,77% in 2016 and 2015, respectively.

Based on the above analysis, Council regards CUT as a going concern.

The governance principles to which the CUT Council commits and the outcomes

The purpose of this section is to account for Council's actions and achievements in the governance of CUT during the 2016 academic year. In making decisions, Council took into consideration the articulated mission, objectives, strategies and plans of CUT. This is an integrated report that conveys adequate information about the operations of CUT, and its sustainability and financial reporting. Detailed accounts, however, are given in the remaining chapters of the report. In essence, this section provides a self-assessment of the CUT Council – the extent to which the annual performance objectives approved by Council for the reporting year were attained, including the attendance of meetings by Councillors, and the expertise of Councillors who chair the various standing committees of Council.

Effective ethical leadership and corporate citizenship: The CUT Council ensures that University Management promotes a culture of ethical conduct through the development of ethics, policies and codes. Council approved a policy and procedure on ethical governance, management and operations in July 2014. Also, the Code of Conduct was reviewed at a Council Workshop in 2016. The revised draft Code of Conduct will be approved by Council in 2017. CUT employees and Council members are expected to adhere to high moral, ethical and legal standards that, collectively, embody the CUT Code of Ethics. The Code of Ethics is binding on individual actions, and forms the basis of all CUT employees' contracts. Should there be any misconduct in this regard, the internal auditors are mandated to report such misconduct to the Audit and Risk Committee of Council.

Governance of risk: Council delegated the governance of risk to the Audit and Risk Committee of Council. The Audit and Risk Committee of Council is independent of the University, and is chaired by an external Council member. The responsibility to design, implement and monitor the University's Risk Management Plan is delegated to Management.

Governance of Information Technology (IT): The governance of Information Technology (IT) is delegated to the Audit and Risk Committee of Council. The implementation of an IT Governance Framework is delegated to Management, whilst an Information and Communication Technology (ICT) Steering Committee assists with the governance of IT at the University.

Compliance with laws, codes, rules and standards: Council resolved to establish a compliance function, and to appoint a Compliance Manager at CUT. The responsibility of developing and implementing an effective Compliance Management Framework was delegated to University Management. Council approved a compliance policy and a Compliance Management Framework in 2016.

Compliance with laws, rules, codes and standards is incorporated into the CUT Code of Conduct, which is currently monitored by Senior Managers. Compliance with the CUT Code of Ethics is monitored closely, and any perceived or proven deviations are addressed effectively and expediently in accordance with the relevant CUT rules, policies and procedures.

Policies and frameworks: Council, via its Finance Committee and Audit and Risk Committee, ensures that formal financial policies and necessary frameworks are in place at all times. The internal audit function is used to review the implementation of these policies and frameworks, as well as the effectiveness or lack thereof. The implementation of all audit findings – internal and otherwise – is closely monitored by Council. One of the audit findings in 2016 was that some of the policies were outdated, which policies are now being revised accordingly. Some internal control deficiencies that were highlighted were due to a lack of capacity to effectively implement such controls. This was rectified by filling all the key positions that were vacant, and the matter would thus no longer be a concern.

Risk management: The University faces a number of financial risks, inter alia foreign exchange risk, credit risk, liquidity risk, inflation risk, legal risk, and #Fees-Must-Fall risk. The materialisation of any of these risks would result in (sometimes catastrophic) financial losses. To manage these risks, the University has undertaken a number of risk management initiatives, including the development or updating of policies and procedures. To minimise foreign exchange risk exposure, the University is opening foreign bank accounts to hedge against foreign currency fluctuations, with a view of exploring foreign exchange contracts in the future. To manage credit risk and risk related to the #Fees-Must-Fall campaign, continuous awareness campaigns will be held to elevate fee payment to a higher priority/level of priority in the mind set of debtors (i.e. a shift in mind set is required).

Contract management: All service-level agreements (SLAs) are managed by the end-user, with supplier performance being a function of the Procurement Unit within the Finance Section. SLAs are drafted, and sent to the University's attorneys, Phatshoane Henney Attorneys (PHA), for the legal revision thereof. SLAs are only signed upon receipt of confirmation from PHA. Matters pertaining to supplier performance management are being enhanced, to the benefit of both the suppliers and the University.

Promotion of access to information: The Vice-Chancellor and Principal of CUT, in his capacity as the Information Officer, designated all the responsibilities related to the implementation of the Promotion of Access to Information Act (Act No. 2 of 2000) to the Registrar, in her capacity as Deputy Information Officer. The Deputy Information Officer ensures that all the requests received in terms of this Act are dealt with within 30 days, as stipulated in the Act. In 2016, all the requests for information were dealt with within 30 days, and no penalties were imposed against the University. Furthermore, the Deputy Information Officer compiled a report in terms of Section 32 of the Act, which report was submitted to the South African Human Rights Commission (SAHRC). No negative feedback on the report was received from the SAHRC.

Cooperative Governance

Governing stakeholder relationships: Management's quarterly reports to Council address the management of stakeholder participation and relationships at CUT. The student leadership is involved in the major governance and management structures of CUT. The Students' Representative Council (SRC) President: Bloemfontein Campus and the SRC President: Welkom Campus are members of both Council and Senate.

The Student Services Council (SSC), which comprises 50% staff and 50% student representatives, attends to all matters relating to services affecting students. For example, during the #Fees-Must-Fall campaign, the problem of inadequate student accommodation, amongst others, was raised by students. Consequently, the SSC, during its subsequent meetings, deliberated on the matter, and a way forward, which involved the accreditation of off-campus private accommodation service providers, was outlined.

The Student Academic Affairs Committee (SAAC) attends to all academic-related matters that have a direct impact on students. Students' inputs are taken seriously, and constructive comments from students are incorporated towards effecting improvement and critical change. For example, in 2016, matters related to academic support and intervention for students who struggle academically were raised at SAAC meetings, and it was resolved that those matters should be discussed by the faculties, and that plans should be made to enhance academic support for students.

Management has a positive relationship with the unions, with bilateral discussions starting to produce results. The salary negotiations for 2017 were not finalised in 2016, due to disagreements pertaining to the quantum of the increase. It was then agreed that the salary increase for 2017 would be finalised and implemented in 2017, following the approval thereof by Council. The Labour Relations Forum (LRF) continuously discussed, and was involved in, the development of proposals on the possible insourcing of outsourced services, elimination of historic salary anomalies, cost-saving initiatives, and continuous performance improvement initiatives. The grievance procedure is used to address employee and student dissatisfaction before it results in serious conflict.

Matters of significance considered by Council

Council exercised its authority and power conscientiously and with success during the year under review, and fulfilled its responsibilities with regard to governance. During the six meetings (four ordinary and two special meetings) and one workshop that were held, Council deliberated and took decisions on the principles of good governance. Members of Council observed the provisions of the CUT Code of Conduct and the policy on ethics that were approved by Council in 2014. Councillors acted in the interest of CUT, and when they had mixed feelings on a matter discussed by Council, they declared so explicitly, and recused themselves from the meetings for the duration of the discussion of such matters. All the resolutions taken by Council were recorded in a Resolution Register.

Council holds the Vice-Chancellor and Principal and the Executive Managers responsible for, *inter alia,* the University's strategy and Annual Performance Plan. The University's performance in 2016 is detailed above.

A brief overview of the significant matters to which Council attended in 2016 is subsequently provided.

a) Council's leadership changed as a result of terms of office that came to an end. Cllr Mr MM Mohohlo was elected as Chairperson of Council for the period March 2016 to March 2018, and Cllr Ms KE Dilotsotlhe was elected as Deputy Chairperson of Council until March 2017.

b) As good governance suggests, Council approved the terms of reference for the external evaluation of the CUT Council, for implementation in 2017.

c) In accordance with the CUT Statute, a number of critical finance-related matters that were recommended to Council by the Finance Committee of Council were considered and approved, *inter alia* the following:
- Adjusted Headline Budget for 2016;
- CUT Strategic Budget for 2016;
- Preliminary Headline Budget for 2017;
- proposed Preliminary Headline Budget, at an increase of 8% for 2018 on the 2017 figure, and an increase of 8% for 2019 on the 2018 figure;
- Management's report on financial performance for the year 2016;
- the awarding of the banking tender to First National Bank (FNB) for a seven-year period, from 1 January 2017 to 31 December 2023;
- availing start-up funding to the value of R896 000 for the establishment of a memorabilia shop at CUT, as part of the third-stream income generation project; and
- a 6,5% increase in salaries for 2017 (a 5,5% increase across the board, and a 1% performance management increase).

d) In alignment with the CUT Statute, Council discussed matters relating to increases in tuition and residence fees. In view of the challenges pertaining to the #Fees-Must-Fall campaign, Council proactively reduced the late application fee of R430, and resolved that the fee for all applications for 2017, whether online or manual, should remain R230. An increase of 8% in both tuition and residence fees for the 2017 academic year was confirmed. However, Council directed Management to ensure that consultations with the students continued. Council accepted government's commitment to support students from poor, working and middle-class families (i.e., those students with a total household income of up to R600 000 per annum).

e) As requests for land acquisition are considered by Council, Council discussed the possibility of exchanging CUT land for other land that is considered more appropriate for the University's needs. Council agreed that the CUT property next to the Science Park should be exchanged for the triangular area in Victoria Road, for purposes of constructing buildings and a parking lot.

f) Key functions of Council include approving the CUT Strategy, and monitoring the University's performance against the Annual Performance Plan. In keeping with this mandate, Council considered and approved the following:
- final progress report on the Institutional Operational Plan (IOP) 2015;
- progress report on the IOP 2016 for the first quarter of 2016;
- progress report on the IOP 2016 for the second quarter of 2016;
- Annual Performance Plan (APP) 2017, which includes the Institutional Performance Plan 2017;
- 2016 Mid-term Report for submission to the Department of Higher Education and Training (DHET); and
- projects that were identified from the Maintenance Plan, for submission to the DHET.

g) Several institutional regulatory documents that were recommended to Council by its standing committees were approved, including the following:
- Communications, marketing and public relations policy;
- Communications and Marketing Strategy;
- policy on international partnerships;
- revised Senate Constitution;
- guidelines for round-robin processes and electronic meetings, which will be included in the Standard Rules of Order;
- admission policy for 2017;
- policy and procedure on the accreditation and provision of off-campus student housing;
- asset management policy and procedure;
- procurement policy;
- Enterprise Risk Management (ERM) policy;
- Information and Communication Technology (ICT) change management policy;
- ICT Service Catalogue;
- policy on the recruitment of Executive and Senior Managers;
- amended Alumni Association Constitution;
- revised procedure for the promotion of academic staff;
- Student Financial Support Fund (SFSF) Framework;
- guidelines for conflict of interest, recusal and in-camera discussions during meetings, which will be included in the Standard Rules of Order;
- Risk Materiality and Significance Framework;
- Institutional Policy Framework;
- amended CUT Statute; and
- Strategic Risk Assessment Report 2017.

h) The Human Resources Committee recommended the following key matters to Council for approval:
- The appointment of Prof. DP Ngidi as Deputy Vice-Chancellor (DVC): Teaching and Learning for a five-year term, from 1 May 2016 to 30 April 2021, which was approved by Council.
- Position of Executive Director/DVC: Resources and Operations: Council resolved not to fill the position, as Council was not entirely satisfied with the appropriateness of the current structure of the portfolio, which has been unstable since 2007. Council mandated Management to review the portfolio, and to present a restructured Resources and Operations portfolio via the relevant standing committees of Council. Council further approved that the review process of the Resources and Operations portfolio should be placed in abeyance, pending the appointment of a new CUT Vice-Chancellor and Principal.
- The option of assigning the various functions in Resources and Operations to the respective, relevant Executive Managers/Acting Executive Managers for the period 1 January 2017 to 30 June 2017, which was approved by Council, namely:
  - Director: ICT and Logistics: (i) reports to the Registrar for the ICT function, as it is closely related to student services; and (ii) reports to the Acting DVC: Research, Innovation and Engagement for normal human resources-related matters and the logistics function, as the latter is closely related to the expertise of Prof. AB Ngowi, who is a specialist in Built Environment and Logistics;

- - Director: Human Resources: reports to the Acting Vice-Chancellor and Principal;
  - Chief Financial Officer (CFO): reports to the Acting Vice-Chancellor and Principal;
  - Director: Communications and Marketing and Director: Welkom Campus: report to the DVC: Teaching and Learning; and
  - Chief of Protection Services: reports to the Registrar.
- The employment contract of Prof. TZ Mthembu, the previous Vice-Chancellor and Principal of CUT, came to an end on 31 December 2016. After a thorough performance review process, Council resolved that Prof. Mthembu's contract should be renewed for a further five-year term, from 1 January 2017 to 31 December 2021. However, Prof. Mthembu tendered his resignation as Vice-Chancellor and Principal of CUT at the end of June 2016, and left the employ of CUT on 30 September 2016. (See Section 3.2.6 for further information in this regard.)
- The repositioning of the Academic Division and the Strategy Execution Unit (SEU), which was approved by Council.
- The analysis and proposal on the possible insourcing of cleaning, gardening and security services at CUT, and Council approved the following Implementation Plan:
  - Phase 1a: filling of existing vacancies in the cleaning and gardening functions with employees of the service providers currently on site, with length of service on CUT's campuses being the primary criteria (to be completed by December 2016);
  - Phase 1b: filling of existing vacancies in security services from within the University; thus possibly creating more vacancies to be filled, as detailed in Phase 1a;
  - Phase 2: creation and filling of new posts, at a post level P18, in cleaning and gardening services, at both campuses. Filling of posts should meet the same criteria stipulated in Phase 1a (to be completed by January 2018);
  - Phase 3: creation and filling of new posts in security services, following the implementation of an integrated security system (completion date dependent on this implementation); and
  - that the University should consider creating a post level 18, which will be used as an entry level for employees who are insourced via labour brokers.

i) The following matters were approved by Council:
  - CUT's response to the resolutions of the Higher Education Transformation Summit, for submission to the DHET;
  - CUT Transformation Plan 2016 – 2017;
  - CUT's Annual Report 2015 to the DHET; and
  - the appointment of SizweNtsalubaGobodo Incorporated (SNG) as the external auditors of the University for a five-year period, from 1 January 2017 to 31 December 2021, subject to an annual review.

The following section summarises the activities of Council's standing committees during 2016.

Standing committees of Council

Section 29(1) of the Higher Education Act (Act No. 101 of 1997), as amended, provides for the establishment of standing committees of Council to perform any of Council's functions. The undermentioned committees were approved by Council to execute the above authority. Since the beginning of 2014, all committees have been operating under constitutions that were aligned with the stipulations of the King III Report.

Number of meetings held per committee in 2016	
Finance committee: 5 (1 special)	**The Investment Committee:** 2
The Audit and Risk Committee: 5	**Human Resources Committee:** 10
Remuneration Committee: 3	**Council Exco:** 8 (5 special)

The Finance Committee of Council: The Finance Committee attends to financial, planning and resource-related matters. Amongst others, the Committee recommends CUT's annual operating and capital budgets to Council for approval, and monitors performance in relation to approved operating and capital budgets. The Committee is responsible for assuring the financial health of the institution as a going concern, and for ensuring that the University's accounting information systems are appropriate, and that the staff complement is sufficient, not excessive, and suitably qualified to maintain the accounting records of the institution.

The Committee also analyses medium- and long-term strategic plans, for recommendation to Council for final approval. Changes to the staff establishment; extensions to the salary budget; loans and overdraft agreements; the creation of foundations/trusts and other legal entities; the construction of permanent buildings or other immovable infrastructure developments; and the purchasing and long-term lease of immovable property, are amongst the delegated functions of the Finance Committee.

The Finance Committee was chaired by Cllr Dr JR Mellor. Five meetings were held during 2016, one of which was a special meeting.

Several matters that were considered by the Finance Committee were recommended to Council for approval. Of significance, however, is the recommendation to Council that:
- an offer of R2,622 million – inclusive of VAT (or R2,3 million excluding VAT), and excluding registration costs – be made for the Heelvroeg Farm, for the establishment of the CUT Agri-Centre;
- CUT should purchase the farm from the available funds, and not seek to borrow finances for the purchase; and
- Council should note that, in a worst-case scenario – in accordance with the Business Plan, a total annual subsidy of approximately R301 505 (three hundred and one thousand five hundred and five Rand) per annum may be required.

The Audit and Risk Committee: The Audit and Risk Committee of Council assists Council in fulfilling its system and operational oversight responsibilities. The Committee reviews the annual financial reporting process; the system of internal control and financial risk management; the internal and external audit process; broader strategic risk management; and CUT's process for monitoring compliance with laws and regulations.

The Committee, chaired by Cllr Mr MM Mohohlo until May 2016, and by Cllr Mr CM Phehlukwayo as from August 2016, held five meetings during the year, of which one was a special meeting. The Audit and Risk Committee has three independent members who are not employees of CUT. The Chairperson and members of the Audit and Risk Committee are specialists in the field.

Financial reporting: The primary responsibility of the Audit and Risk Committee is overseeing the financial reporting process. The Audit and Risk Committee should seek reasonable assurance that financial disclosures made by Management are objective, complete and timely, and indicate Council's financial position, as well as the results of operations, plans and long-term commitments.

General
- Identifying the areas currently posing the greatest financial risk, and determining whether these areas are being managed effectively;
- together with the internal and external auditors, considering any fraudulent or illegal activities, deficiencies in internal control or similar matters;
- reviewing significant accounting and reporting matters, including recent professional and regulatory pronouncements, and understanding their impact on the financial statements;
- making enquiries to Management and the internal and external auditors regarding any significant risks, and exposure thereto, as well as the plans to minimise such risks; and
- reviewing any legal matters with a potentially significant impact on the financial statements.

Annual Financial Statements
- Reviewing the Annual Financial Statements to determine whether they are complete and consistent with the information known to Committee members;
- assessing whether the statements reflect appropriate accounting principles;
- focusing on judgemental areas such as assumptions and estimates, for example, the valuation of assets and liabilities, as well as warranty, product and environmental liability;
- attending to litigation reserves, as well as to other commitments and contingencies;
- evaluating any changes made to accounting policies or practices;
- reviewing the Annual Report as a whole prior to its release, in order to ensure that the information contained therein is clear, accurate and consistent with the members' knowledge of CUT and its operations.

Responsibilities relating to auditing

Internal auditing

The Audit and Risk Committee must ensure that the Internal Audit Division performs its responsibilities effectively and efficiently by:

- ensuring that the Internal Audit Division, in consultation with the Audit and Risk Committee, and for the Committee's approval, prepares the following:
    - a three-year rolling Strategic Internal Audit Plan based on its assessment of key areas of risk for Council, considering its current operations, and those proposed in its Strategic Plan and Risk Management Strategy;
    - an Annual Internal Audit Plan;
    - plans indicating the proposed scope of each audit in the Annual Internal Audit Plan; and
    - a quarterly report to the Committee, detailing its performance against the Annual Internal Audit Plan, to allow for effective monitoring, and possible intervention.
- annually reviewing the Internal Audit Charter;
- considering and evaluating the adequacy performance of the internal audit function, including the degree of co-operation with external auditors;
- ensuring that no restrictions or limitations are placed on the Internal Audit Division;
- ensuring that Management responds to recommendations made by the internal auditors;
- facilitating the resolution of any disputes between the internal audit function and other sections within CUT;
- ensuring that a combined assurance model is applied as a co-ordinated approach to all assurance activities; and
- evaluating the performance of the internal auditors.

External audit

- Reviewing the external auditors' proposed audit scope and approach to ensure that there are no unjustified restrictions or limitations;
- making recommendations to the CUT Council or its delegate regarding the appointment of external auditors;
- ensuring that any significant findings and recommendations by the external auditors are received and discussed in a timely manner;
- ensuring that Management responds to recommendations made by the external auditors;
- facilitating the resolution of any disputes between the external auditors and CUT;
- approving the contracts applicable to all non-audit services to be provided by the external auditors;
- ensuring that a combined assurance model is applied as a co-ordinated approach to all assurance activities; and
- evaluating the performance of the external auditors.
-

Integrated reporting

The Committee reviews and monitors the institution's risk management progress and maturity; the effectiveness of its risk management activities; the key risks faced by the institution; and the responses to such risks.

The following functions are applicable:
- reviewing the financial results to ensure that the information is reliable, and that no conflict or differences arise on comparison;
- understanding how materiality is evaluated by Council and the external auditors and any other relevant external assurance providers, for integrated reporting purposes;
- commenting on the Annual Financial Statements, including the accounting practices and the effectiveness of internal financial controls;
- reviewing the summarised information to determine whether the contents reflect a balanced viewpoint;
- reviewing the Annual Financial Statements, summarised integrated information and similar documents;
- recommending the integrated report to Council for approval;
- engaging the external auditors to provide assurance on the summarised financial information; and
- in the Annual Report, commenting on:
  - the effectiveness of internal control;
  - the quality of in-year management and monthly/quarterly reports submitted; and
  - its evaluation of the Annual Financial Statements.

Combined assurance

The Committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities. In particular, the Committee should:
- ensure that the combined assurance received is appropriate to address all significant risks faced; and
- monitor the relationship between the external and internal assurance providers.

Other reporting

The Committee should ensure that Council is aware of any matters that may have a significant impact on the financial situation or affairs of CUT, and should report on the following:
- effectiveness with which the Committee performs its duties;
- whether the external auditors' level of independence is satisfactory;
- the Committee's opinion on the financial statements and accounting policies, as well as any commentary considered appropriate in relation to the financial statements, accounting policies and internal financial controls; and
- the effectiveness of the internal controls.

Summary of the Committee's role and responsibilities

- A statement on whether the Committee has adopted formal terms of reference approved by Council and, if so, whether the Committee has satisfied its responsibilities for the year in compliance with the terms of reference.
- The names and qualifications of all Committee members for the period under review, and the period during which they served on the Committee.
- The number of Committee meetings held during the period under review, as well as the members' attendance of those meetings.

- A statement on whether the Committee considered and approved the Internal Audit Charter.
- A description of the working relationship with the Executive Manager in charge of the Finance portfolio.
- A statement on whether the Committee complied with its legal, regulatory and other responsibilities during the period under review.
- A statement on whether the Committee recommended the integrated report to Council for approval.
- A recommendation to Council on whether an external assurance provider in respect of material sustainability matters should be appointed.

Compliance with laws and regulations

- The Committee should review the effectiveness of the system for monitoring compliance with laws and regulations, as well as the results of Management's investigation and follow-up, including disciplinary action, of any fraudulent acts or non-compliance.
- The Committee should review the findings of any investigation undertaken by a regulatory agency.

The Committee complied with its legal, regulatory and other responsibilities during the period under review.

Compliance with CUT's Code of Ethics

- The Committee should review the process for monitoring compliance with CUT's Code of Ethics.
- The Committee should obtain regular updates from Management regarding compliance and disclosure, and should review the institution's ethical performance in the integrated report.

Assurance

The Audit and Risk Committee has not conducted a formal review of the finance function. However, such a review was discussed, and the following was resolved on 19 February 2016:
RESOLUTION ARC 8/15/04
The Audit and Risk Committee requested the internal auditors to indicate specifically how the finance function should be evaluated.

The following was discussed and resolved on 19 May 2016:

At the Audit and Risk Committee meeting of 19 February 2016, Ernst & Young had provided Committee members with a tool on how the finance function should be assessed.

RESOLUTION ARC 6/16/02

Ernst & Young should have a discussion with the Chief Financial Officer (CFO) on the assessment tool for the finance function, which they had submitted to the Audit and Risk Committee meeting of 19 February 2016, and should present the final tool to the Audit and Risk Committee for approval.

At the Audit and Risk Committee of 18 August 2016, it was noted that the assessment tool for the finance function will be submitted to the following Audit and Risk Committee meeting via the Management Committee.

At the Audit and Risk Committee meeting of 8 November 2016, it was noted that Institutional Planning and Quality Enhancement is developing a tool for the assessment of the finance function, for possible submission to Mancom in January 2017. The finance function will therefore be formally reviewed during the course of 2017.

Independence of the external auditors

The Audit and Risk Committee is satisfied that the external auditors of CUT were sufficiently independent of the institution.

Annual Financial Statements and accounting practices

The Audit and Risk Committee is satisfied that the Annual Financial Statements for the year that ended on 31 December 2016 were fairly presented, and that appropriate accounting policies were applied, and accordingly recommended it to Council for approval.

Internal financial controls

The Audit and Risk Committee continually monitors the implementation of the internal control recommendations by the internal and external auditors, to ensure that such implementation is done timeously. In this regard, the Committee is satisfied that the internal financial control environment is adequate, effective and sufficiently responsive to the identified weaknesses.

Internal audit

CUT appointed an audit firm, namely Ernst & Young, to conduct internal audit procedures. During the year under review, the Committee considered, and recommended to Council for approval:
• a three-year rolling Strategic Internal Audit Plan;
• an Annual Internal Audit Plan; and
• quarterly reports, detailing the performance of the internal audit function against the Annual Internal Audit Plan.

• The following key decisions, amongst others, were taken during the course of 2016:
• The self-assessment instrument for the Audit and Risk Committee was approved.
• Assessment questionnaires for the internal auditors were developed and approved.
• The Internal Audit Plan for 1 January 2016 to 31 December 2016, together with the associated costs, was approved.
• The Audit and Risk Committee accepted the external auditors, PricewaterhouseCoopers (PwC)'s, external audit findings for CUT for the year that ended on 31 December 2015, and recommended it to Council for approval via Exco of Council, subject to a report on how the matter pertaining to CUT Innovation Services (CUTIS) and the R146 million contingent liabilities (as per the updated letter from PHA) are addressed.

- The Audit and Risk Committee recommended the Annual Financial Statements for the year that ended on 31 December 2015 to Council for approval.
- A Combined Risk Assurance Matrix is not necessary at this stage. The institution should be allowed to mature to the next maturity level (i.e. level 3), but a maturity roadmap is required, outlining the elements of what the University will be focusing on in order to reach the next maturity level.
- The appointment of a Director: Risk and Special Projects in the Office of the Vice-Chancellor and Principal will only take place once a new Vice-Chancellor and Principal has been appointed. Meanwhile, risk-related matters are overseen by the Office of the Acting DVC: Resources and Operations, with the assistance of a junior colleague. However, Management agreed that an interim resource, with the necessary risk management skills and expertise, should be identified to assist Management for a six-month period in 2017.
- The Audit and Risk Committee recommended the Strategic Risk Mitigation Report 2017 to Council for approval. However, Management should put adequate controls in place to, where possible, reduce the high residual risks to low residual risks.
- The Audit and Risk Committee could not appoint an internal audit service provider. SizweNtsalubaGobodo Incorporated (SNG), Ernst & Young (EY) and PwC were shortlisted. However, SNG was appointed as the University's external auditors, and therefore could not be considered for appointment as CUT's internal auditors, whilst EY and PwC did not fully comply with the tender requirements, as they did not present their Annual Financial Statements for the past three years. Consequently, the Audit and Risk Committee requested Management to conduct a new tender process for the appointment of internal auditors, for Exco of Council to appoint an internal audit service provider by the beginning of February 2017.
- The Audit and Risk Committee further recommended that Management investigate the implementation of a co-sourcing model for the internal audit function at CUT.

The Investment Committee: The Investment Committee of Council reviews the investment performance of CUT on a bi-annual basis, in order to determine the continued feasibility of achieving the investment objectives stipulated in CUT's investment policy. The Committee ensures the maintenance of a financially sound investment structure, as well as sufficient reserves to meet the strategic objectives of the University.

The Committee, chaired by Mr HHvM Oelrich, met twice during 2016, and attended to matters such as the consolidated report on cash flow and investments; the report on the withdrawal of investments; and the utilisation of money from investments for DHET 3-300 infrastructure projects. PwC investigated the withdrawals from CUT's investments, and made several recommendations in this regard. The status of implementation of those recommendations was noted. The three appointed multi-managers for CUT's investments provided feedback on investments that are currently in cautious and moderate portfolios.

The Human Resources Committee: The Human Resources Committee of Council recommends appropriate strategic directions and priorities in human resources governance to the CUT Council, such as matters pertaining to performance management, conditions of service and employee relations. The Committee, which has fully delegated power to approve new positions on the permanent staff establishment of the institution, was chaired by Cllr P Munthali in 2016. Four ordinary, quarterly meetings; five special meetings; and three round-robin meetings on various human resources-related matters were

held during the year. A combined meeting of the Human Resources Committee and Exco of Council was held during the third term of 2016 to discuss some urgent matters related to the handover report of the former Vice-Chancellor and Principal, Prof. TZ Mthembu, as well as acting arrangements, details around the recruitment process, the Vice-Chancellor and Principal's position profile, and the advertisement for the position.

The Human Resources Committee also attended to matters such as the Vice-Chancellor and Principal's contract; the review of the Vice-Chancellor and Principal's performance; his resignation; and the recruitment process and timeline for the appointment of a new Vice-Chancellor and Principal.

Furthermore, the Committee discussed, and resolved on various matters related to the management of probation assessments at CUT; an improved self-assessment instrument for Council and its standing committees; and the outcome of the Committee's self-evaluation for 2015. Various human resources-related policies and procedures were also approved, including the integrated talent management policy and related procedures; policy on the recruitment of Executive and Senior Managers; and the disciplinary policy and procedure.

Others matters attended to by the Committee include the following:
- finalisation of the 2016 salary negotiations, and the commencement of the salary negotiations for 2017;
- time frame for the appointment of a DVC: Resources and Operations, and a DVC: Teaching and Learning;
- repositioning of the Academic Division and SEU;
- absenteeism;
- the Joint Bargaining Forum (JBF);
- employment equity;
- grievances and disciplinary cases;
- audit-related human resources matters;
- the appointment of external Councillors on the Human Resources Committee;
- the revision of the CUT Statute;
- the quality of submissions to the Committee;
- the standardisation of reports on matters arising from previous meetings;
- capturing of Continuous Professional Development (CPD) in existing CUT policies;
- attendance of Committee meetings by external members;
- reorganisation of the Finance Section;
- the review, and possible split, of the DVC: Resources and Operations portfolio;
- functioning of the Human Resources Section at CUT;
- strategy to address equity and excellence;
- Prof. ME Ralekhetho's appointment as Acting DVC: Resources and Operations;
- appointment of a Deputy Chairperson of the Human Resources Committee;
- appointment process of an Acting DVC: Research, Innovation and Engagement;
- nomination of two independent experts to serve on the Selection Committee for the appointment of a CUT Vice-Chancellor and Principal;
- plagiarised talent management policy;
- acting arrangements for functions of the DVC: Resources and Operations from 1 January 2017 to 30 June 2017; and
- a proposal on the insourcing of outsourced services.

The Remuneration Committee: The Remuneration Committee of Council deals with remuneration-related matters specifically mandated to them by Council; ensures that remuneration arrangements support the strategic objectives of CUT; and enables the recruitment, motivation and retention of Executive Managers, whilst ensuring compliance with the requirements of regulatory and governance bodies; satisfying the expectations of stakeholders; and remaining consistent with the expectations of employees.

The Remuneration Committee was chaired by Cllr Mr MM Mohohlo. Three meetings were held during 2016. The Committee attended to, *inter alia*, the implementation of PwC's recommendations on the salary anomalies process.

The Executive Committee (Exco) of Council

Exco of Council addresses urgent matters between Council meetings, as well as matters referred to it by Council or its standing committees. It is also the Nominations Committee of Council. Exco is delegated to approve tenders in excess of R5 million for various services and products, and matters of interpretation of Council policies and disputes within the University that could be detrimental to the effective functioning of the institution. Chaired by Cllr Mr MM Mohohlo, Exco of Council held eight meetings during 2016, five of which were special meetings.

a) As the Nominations Committee of Council, Exco recommended to Council the appointment of:
- Mr CM Phehlukwayo in the portfolio Audit and Risk/ICT Governance on Council, for the term May 2016 to May 2020. Mr Phehlukwayo serves as the Chairperson of the Audit and Risk Committee of Council;
- Mr MJ Besnaar in the Finance portfolio on Council, for the term May 2016 to May 2019. Mr Besnaar is the Deputy Chairperson of the Audit and Risk Committee of Council;
- Mr MM Mohohlo as Chairperson of Council;
- Ms KE Dilotsotlhe as Deputy Chairperson of Council;
- Ms Daphne Mkhize as academic staff member on Council for the term June 2016 to June 2018;
- Mr N Dolopi as member of the Human Resources Committee of Council;
- Dr GA van Gensen as Deputy Chairperson of the Human Resources Committee of Council;
- Mr HHvM Oelrich as the Chairperson of the Investment Committee of Council;
- Mr MJ Besnaar as member of the Investment Committee of Council;
- Ms N Nxesi as member of the Honorary Awards and Honorary Degrees Committee;
- Cllr Mr RG Nicholls as member of Senate;
- Dr SM Seane as member of the Finance Committee of Council; and
- Mr L Sebola in the Technology portfolio on Council, and as member of the Audit and Risk Committee of Council.

b) Exco informed Council about the resignation of Prof. T Gutuza and Adv. T Masuku as Ministerial Appointees on the CUT Council. Consequently, the DHET requested the University to recommend three to four possible candidates to fill these vacancies on Council, and to attach their curricula vitae (CVs), taking into account Council's expertise, race and gender profile.

Furthermore, since the appointment of Adv. Matlejoane as Ministerial Appointee on Council, she had only attended one

Council meeting from January 2015 to November 2016, namely the Council meeting of September 2015. Her appointment as Councillor was terminated with effect from November 2016, and she and the DHET were informed accordingly.

Therefore, the following five names and CVs were forwarded to the DHET for consideration: ZB Gasa; GL Hume; S Mpofu; KJC Ditira and RR Dehal.

c) On behalf of Council, Exco of Council approved that:
- an offer of R2,622 million – inclusive of VAT (or R2,3 million excluding VAT), and excluding registration costs – be made for the Heelvroeg Farm, for the establishment of the CUT Agri-Centre; and
- CUT purchase the farm from its available funds.

d) The contract of the former Vice-Chancellor and Principal, Prof. TZ Mthembu, expired on 31 December 2016. Exco of Council dealt with the review process of the Vice-Chancellor and Principal's performance, and recommended to Council that his contract be renewed for a further five-year term. However, Prof. Mthembu submitted his resignation as CUT Vice-Chancellor and Principal at the end of June 2016, and left the employ of CUT on 30 September 2016. A handover report was submitted to Exco of Council. Exco of Council appointed the DVC: Research, Innovation and Engagement, Prof. HJ de Jager, as Acting Vice-Chancellor and Principal, effective as from 1 October 2016, for a six-month period or shorter, depending on when CUT successfully appoints a substantive Vice-Chancellor and Principal. Subsequently, Exco of Council appointed the Dean: Faculty of Engineering and Information Technology, Prof. AB Ngowi, as the Acting DVC: Research, Innovation and Engagement at CUT, for a period of six months, renewable, effective as from 1 October 2016. Exco of Council resolved that the recruitment process of a CUT Vice-Chancellor and Principal should be dealt with by an external firm. Human Communications was appointed to deal with the recruitment process of the Vice-Chancellor and Principal.

e) Exco of Council dealt with the developments around the #Fees-Must-Fall campaign at CUT. The Committee supports the provision of free education for financially needy, but academically deserving students in South Arica. However, they urged students to protest peacefully; not to intimidate fellow students and staff; not to damage any University infrastructure; and to take care of their academic futures, and students heeded Exco of Council's call.

In accordance with its statutory obligation to govern the institution, including the management structures necessary to implement governance policy, Council recognises the CUT Management Committee (Mancom), as established by the Vice-Chancellor and Principal.

Statement on Sustainability

The Sustainable Development (SD) Working Group was established to oversee the University's Sustainability Framework Implementation Plan 2016, which was approved by Mancom on 14 March 2016. This plan is intended as a delivery mechanism for specific elements of the University's Sustainability Framework, as approved by the Finance Committee and Council in 2015.

A report on the various elements of the CUT Sustainability Framework Implementation Plan, as summarised under the subheadings "Academic focus", "Operational focus" and "Financial focus", is subsequently provided.

Academic focus: In 2016, the academic focus attained considerable achievement in terms of sustainability in research, curricula, and student involvement in research. A number of studies on sustainability in Built Environment that were completed in 2015 resulted in six publications in 2016, one of which won the LSI Award for a paper addressing a developing need at the 2016 International Sustainable Ecological Engineering Design for Society (SEEDS) Conference. Collaborative projects, which included, inter alia, agro-processing, solar flower manufacturing, land rehabilitation, and traditional product commercialisation, were initiated with partners from the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA), the Free State Premier's Office, the Department of Trade and Industry (DTI), CUTIS, and the University of the Free State (UFS).

Progress was made on teaching staff how to embed sustainability within the curriculum. Sustainability was embedded into the curricula of 17 learning programmes in the Faculty of Management Sciences, and seven learning programmes in the Faculty of Health and Environmental Sciences. Collaboration was established with the University Educators for Sustainable Development (UE4SD) project, which would contextualise its case studies at CUT.

One doctoral and 10 BTech students were recruited to undertake carbon-related studies in buildings, and sustainability-related studies, respectively, to be completed by the end of 2016.

Operational focus: The Facilities Unit completed a project on the installation of meters to measure power consumption that was initiated in 2015. However, budgetary challenges in 2016 delayed the implementation of low-energy lighting until 2017. A collaborative effort with the Department of Electrical, Electronic and Computer Engineering to test the use of renewable energy (i.e. solar power) in lecture venues was initiated.

Efforts to reduce single-occupancy trips, by comparing travel bookings on the Integrated Tertiary Software (ITS) System on a daily basis, and recommending that staff members travel together, whenever and wherever possible, was initiated.

Financial focus: The 2015 #Fees-Must-Fall campaign presented a threat to CUT for the 2016 academic year, as it resulted in a 0% increase in tuition fees for 2016. This threat was fully mitigated by government, who provided a grant equivalent to the lost "budgeted income" as a result of the 0% increase in tuition fees for 2016.

The renewed 2016 #Fees-Must-Fall campaign, as well as the call for free education in 2016, presented an even greater threat. If it was resolved in favour of the students, it would have resulted in a serious impact for CUT, as income from student fees currently comprises almost 40% of the University's Council-controlled income. For CUT more than 60% of this income is funded through NSFAS and sponsorships. Exposure would be at below 40%.

The CUT strategic intention to increase its focus on seeking alternative funding through third-stream income has not been realised, mainly because the clients on which this income depended also experienced financial constraints, which resulted in either delaying or scaling down the projects that were earmarked for 2016. However, there is an increased desire to fully explore available third-stream income opportunities going forward.

SENATE

During 2016, Senate, as a statutory body, made an important contribution to the positioning of CUT, in alignment with Vision 2020, as a leading 21st-century university of technology (UoT). Contributions by the various committees of Senate, namely the Executive Committee of Senate (SENEX); the four Faculty Boards; the University Academic Appointments and Promotions Committee (UAAPC); the University Academic Planning and Quality Committee (UAPQC); the University Engagement Committee (UEC); the University Research and Innovation Committee (URIC); the University Internationalisation Committee (UIC); and the University Teaching and Learning Committee (UTLC), were discussed at the four regular Senate meetings held during the year, and specific recommendations were made to Council, where relevant.

Senate provided strong academic leadership by means of strategic inputs on matters pertaining to teaching, learning, research, innovation, and community engagement, and through close scrutiny of academic processes, and the implementation thereof. Matters that received attention in Senate meetings included the recommendation of a number of new academic programmes for approval by Council; the recommendation of a number of policies to Council; the discussion of teaching, research and community engagement activities that are related to the academic project; and the implementation of the repositioning of the Academic Division at CUT.

The following matters were recommended to Council for approval by Senate in 2016:
- revised Senate Constitution;
- revised policy and procedure on the promotion of academic staff;
- policy on international partnerships;
- appointment of Cllr Adv. MB Matlejoane as member of the Honorary Awards and Honorary Degrees Committee;
- appointment of Prof. DP Ngidi as Deputy Vice-Chancellor (DVC): Teaching and Learning;
- renewal of the contract of the former Vice-Chancellor and Principal, Prof. TZ Mthembu, for another term;
- guidelines on round-robin processes and electronic meetings;
- admission policy 2017;
- Senate part of the Annual Report 2015;
- appointment of Prof. HJ de Jager as Acting Vice-Chancellor and Principal for a period of six months, renewable (as per Exco of Council's recommendation):
  - Senate supported the processes to be followed related to the appointment of an Acting Vice-Chancellor and Principal;
  - Senate supported that the period of Prof. De Jager's appointment as Acting Vice-Chancellor and Principal should be aligned with the stipulations of the Labour Relations Act (Act No. 66 of 1995), and that the letter of his appointment should be clear on the aspect of expectation, given the estimated time frame for the appointment of a new Vice-Chancellor and Principal;
  - in appointing a Vice-Chancellor and Principal of CUT going forward, the importance of the University remaining on its trajectory of having established stability on campus; improved pass rates; increased Science, Technology, Engineering and Mathematics (STEM) enrolments and research outputs over the past few years; its transformation agenda; and constant progress towards accomplishing Vision 2020, was emphasised. It was further emphasised that these aspects should be taken into account when appointing a new Vice-Chancellor and Principal for CUT;

- the appointment of Prof. AB Ngowi as Acting DVC: Research, Innovation and Engagement, for a period of six months, renewable, provided that:
  - the acting period is aligned with the Labour Relations Act;
  - the acting period is consulted with the internal auditors;
  - the letter of appointment and contract are subjected to a legal process; and
  - the policy on acting in place of absent employees is applied accordingly;
- the revised CUT Transformation Plan 2016–2020;
- assessment policy and procedure 2017;
- the revision of Section 53(1) of the CUT Statute;
- the awarding of the Chancellor's Excellence Award to Mr T Loate; and
- the conferment of an Honorary Doctorate in Engineering upon Prof. S Ramakrishna.

Changes in the academic structure

Due to the repositioning of the academic portfolio, where the position of the DVC: Academic and Research was split into two positions, namely DVC: Teaching and Learning, and DVC: Research, Innovation and Engagement, some sections and centres were renamed as follows:

- "Academic Development and Support" was renamed "Innovation in Learning and Teaching" (ILT);
- "Centre for Teaching and Learning" was renamed "Student Academic Development and Support Unit";
- "Centre for Curriculum Development" was renamed "Curriculum and Academic Staff Development Unit";
- "Centre for e-Learning and Educational Technology" was renamed "e-Learning and Educational Technology Unit";
- "Centre for Work-integrated Learning (WIL) and Skills Development" was renamed "WIL and Skills Development Unit", reporting directly to the DVC: Teaching and Learning;
- "Academic Planning" was renamed the "Institutional Planning and Quality Enhancement Section"; and
- "Research and Innovation Section" was renamed the "Research Development and Postgraduate Studies Section".

Composition of Senate

Senate, as the highest statutory body to which the Higher Education Act (Act No. 101 of 1997), gives authority over the design, delivery, assessment and quality assurance of academic, research and engagement programmes at a university, and takes pride in the aforementioned contributions and achievements of our academic and support services staff. The Senate comprises:

- Vice-Chancellor and Principal
- Deputy Vice-Chancellors
- Registrar who serves as secretary to senate
- Deputy registrars
- Deans of Faculties

- Directors and deputy Directors of various academic and support services units
- Full professors
- Associate professors
- Heads of department
- Department managers
- Representatives from support services and academic staff, SRC

INSTITUTIONAL FORUM

The IF held three ordinary meetings and four special meetings, as well as one electronic meeting, via a round-robin process, in 2016. Although CUT's IF comprises 15 members, 17 IF members had attended IF's 7 meetings in 2016. This situation had existed because, aligned with the SRC Constitution, two SRC members' term of office as members of the Exco of the SRC comes to an end in October every year, when new student leadership is elected.

Advisory involvement

The IF advised Council on matters that fall within the IF's area of responsibility, as well as on transformation-related matters that affect the institution, including the following matters:
Executive Management appointments

Deputy Vice-Chancellor (DVC): Teaching and Learning: The IF advised Council on the filling of the position of DVC: Teaching and Learning. The IF's advice was aligned with the principles of good governance, transparency and organisational justice. The Executive Dean: Faculty of Arts at Tshwane University of Technology (TUT), Prof. HM Sirayi, and the Acting DVC: Teaching and Learning at CUT, Prof. DP Ngidi, were recommended for appointment as DVC: Teaching and Learning at CUT.

Based on the merit of each candidate, and in accordance with the advertisement, the position profile and the Selection Committee's report on the interview, the IF advised Council to consider the Selection Committee's recommendation of appointing one of the following candidates, in order of preference, to the position of DVC: Teaching and Learning:
- Prof. DP Ngidi; and
- Prof. HM Sirayi.
Council appointed Prof. DP Ngidi as DVC: Teaching and Learning at CUT.

Executive Director/DVC: Resources and Operations: The IF advised Council on the filling of the position of Executive Director/DVC: Resources and Operations. In fulfilling its advisory role to Council, the IF was guided by the principles of good governance, transparency and organisational justice. The Executive Director: Expenditure, at the University of Johannesburg (UJ), Mr H Kruger, and the City of Johannesburg Group Head: Management Services, Dr H Labuschagne, were recommended for appointment as Executive Director/DVC: Resources and Operations.

Having read the report and the supporting documents, the IF was of the opinion that Council should note the following factors:

- the high turn-over experienced in this position over a period of time;
- the candidates' strengths are either in Finance or Human Resources (HR), which resulted in previous incumbents concentrating on these areas of strength, thus neglecting other areas;
- the absence of mentors/coaches for Executive Managers;
- the lack of an organisational structure review; and
- CUT's equity profile.

In view of the above-mentioned factors, the IF advised Council:

- not to appoint any of the recommended candidates to the position of Executive Director/DVC: Resources and Operations; and
- to advise Management to consider the above-mentioned factors.

Council agreed not to fill the position of Executive Director/DVC: Resources and Operations, and requested Management to review the role profile. Council then approved that the review process of the Resources and Operations portfolio should be placed in abeyance, pending the appointment of a new CUT Vice-Chancellor and Principal.

Review process: Vice-Chancellor and Principal's performance: In November 2015, the Human Resources Committee of Council, in consultation with the Executive Committee (Exco) of Council, was tasked with appointing an independent expert to assess the performance of CUT's former Vice-Chancellor and Principal, Prof. TZ Mthembu, and to report the results to Council. Council resolved that, based on Section 4.6 of the *Policy on Vice-Chancellor, Executive and Senior Management positions: Renewal of contracts,* other statutory structures had to be consulted as part of the review process, and a consolidated report had to be submitted to Council for consideration.

In the interest of continuity, the IF:

- recommended that Council consider extending the contract of the Vice-Chancellor and Principal for another five-year term, and that, going forward, fundraising be highlighted in the Vice-Chancellor's Key Performance Areas (KPAs);
- advised Council to take note of the following errors in the process, with a view of effecting improvements going forward:
  - the consultant pronounced on the relationship between the Vice-Chancellor and Principal and the SRC, without consulting the SRC to obtain their opinion on the matter. The report also mentioned the instability of the Executive Managers, without consulting them;
  - the Human Resources (HR) policies, especially the policy on the performance management system, are unclear about a number of important aspects pertaining to this review process. The HR policy is also silent on the number of terms a Vice-Chancellor and Principal may serve at CUT. It was recommended that Council apply its mind in this regard; and
  - the inconsistency in the application of the approved policy should be considered going forward. All other Executives' contracts were dealt with as per the approved policy.

Council resolved that the Vice-Chancellor and Principal's contract should be renewed for a further five-year term, from 1 January 2017 to 31 December 2021. However, the Vice-Chancellor and Principal tendered his resignation at the end of June, with effect from 1 October 2016.

Communications and Marketing Strategy: The IF proposed a few minor amendments to the Communications and Marketing Strategy, after which Council was advised to approve the CUT Communications and Marketing Strategy. Council, at its meeting of 10 June 2016, approved the Communications and Marketing Strategy.

CUT's Annual Report 2015 to the Department of Higher Education and Training (DHET) – Section on the IF by the Chairperson: IF: The IF recommended to Council for approval the proposed section on the IF in CUT's Annual Report 2015 to the DHET, which Council approved.

Proposal for the naming of a building: Council approved CUT's policy on the naming of buildings, and indicated that the institution could proceed with a process for naming the CUT buildings. The IF advised Council:
• that Library and Information Services (LIS) should be named "Dr Bethuel Setai Library and Information Services"; and
• to consider the possibility of placing a bust of Dr Setai in the front area of the LIS.
Council, at its meeting of 9 September 2016, resolved to put the IF's proposal that the LIS Building should be named "Dr Bethuel Setai Library and Information Services", and to consider the possibility of placing a bust of Dr Setai in the front area of the LIS in the future, in abeyance until the relevant committee presents the matter to Council for approval.

Draft CUT Transformation Plan 2016–2020: The CUT Transformation Plan 2016–2020 was revised. The IF advised Council as follows on the way forward as far as the plan was concerned:
• the IF recommended the draft CUT Transformation Plan 2016–2020 to Council for approval; and
• the IF advised Council that progress on the Transformation Plan 2016–2020 should be closely monitored, to ensure that it remains aligned with CUT processes.

Council, at its meeting of 9 September 2016, did not approve the Transformation Plan 2016–2020, subject to the following comments being incorporated into the plan, after which it was circulated to members of Council via a round-robin process for approval:
• some information was outdated, due to the fact that it was merely copied from other CUT documents;
• the new structures that were approved (e.g. Teaching and Learning, Innovation in Learning and Teaching, etc.) had to be taken into consideration;
• references had to be included where information from other CUT documents had been copied;
• some information captured in the document was incorrect.
• Table 1 included goals, but matters pertaining to the transformation of the curriculum, which are topical at the moment, were not highlighted; yet there are matters that require attention;
• matters pertaining to transformation relating to female children and women had to be included in the plan; and
• the plan had to be linguistically revised.

The Transformation Plan 2016–2020 was resubmitted to Council for approval after it was revised, and Council, at its meeting of 26 November 2016, approved the CUT Transformation Plan 2016–2020.

Security measures on campus: The progress regarding the implementation of an integrated security system on campus was extremely slow, owing to a legal dispute between CUT and Integritron, the company that was contracted to implement a fully integrated security system on CUT's campuses. Considering the need to prioritise the installation of, at least basic security measures such as CCTV cameras, the IF advised Council as follows:
- the cameras on campus should be repaired as a matter of urgency; and
- negotiating a settlement with Integritron should be considered.

Council, at its meeting of 26 November 2016, resolved that CUT Management should report on the current legal action against CUT, and the manner in which Management will mitigate the potential for risk by attending to the critical security matters, to the following Council meeting.

Appointment of an Acting Vice-Chancellor and Principal: The IF held a special meeting on 15 August 2016 to engage on the appointment of an Acting Vice-Chancellor and Principal for CUT. After deliberation on the matter, the IF supported the proposal of the Human Resources Committee and Exco of Council's proposal on the matter, and resolved to advise Exco of Council that:
- the DVC: Research, Innovation and Engagement, Prof. HJ de Jager, should be appointed as Acting Vice-Chancellor and Principal of CUT;
- the appointment should be for a period of six months, but should be renewable, as per Exco of Council's proposal;
- the acting period should be aligned with the stipulations of the Labour Relations Act;
- the letter of appointment should be clear on the aspect of expectation, given the estimated time to the appointment of a new CUT Vice-Chancellor and Principal; and
- the letter of appointment and the contract of the acting incumbent should be subjected to a legal process.

The IF further advised Exco of Council to consider the University's transformation goals and challenges in the process of appointing a new Vice-Chancellor and Principal. The IF also cautioned Exco of Council on the incumbent fulfilling the dual role of DVC: Research, Innovation and Engagement and Acting Vice-Chancellor and Principal. Exco of Council, at its special meeting of 18 August 2016, resolved that the DVC: Research, Innovation and Engagement, Prof. HJ de Jager, should be appointed as Acting Vice-Chancellor and Principal for a period of six months (renewable).

Appointment of an Acting DVC: Research, Innovation and Engagement: The IF held another special meeting on 24 August 2016 to discuss the appointment of an Acting DVC: Research, Innovation and Engagement, for purposes of advising Exco of Council in this regard.

After deliberating on the matter, and carefully considering the documents that were presented, the IF supported the Human Resources Committee's proposal and the matter, and resolved to advise Exco of Council that:
- the Dean of the Faculty of Engineering and Information Technology, Prof. AB Ngowi, should be appointed as Acting DVC: Research, Innovation and Engagement of CUT, given the nature of the position (with emphasis on research and innovation), and the experience of the candidate in this regard (Prof. Ngowi is a C2 National Research Foundation (NRF)-rated researcher, and has published a large number of accredited scholarly articles); and

- the IF cautioned Exco of Council regarding the following matters:
    - the incumbent fulfilling the dual role of Acting DVC: Research, Innovation and Engagement and Dean: Engineering and Information Technology; and
    - that the acting appointments were having a spiral effect, which might have financial implications affecting the University's budget. The process thus had to be managed carefully, and care had to be taken not to convey an incorrect message to the CUT community in terms of how acting positions at the University are dealt with.

Exco of Council, at its meeting of 25 August 2016, appointed the Dean: Faculty of Engineering and Information Technology, Prof. AB Ngowi, as Acting DVC: Research, Innovation and Engagement at CUT, for a period of six months, renewable.

Status quo **at the University:** The IF raised concern about the fact that they are not being officially updated on, and engaged in current developments at the University, including the challenges facing the higher education sector. Therefore, the IF advised Council that, in future, the IF should be engaged and involved in matters pertaining to such challenges. At its meeting of 26 November 2016, Council resolved that:
- during 2017, the IF should have a workshop to unpack its functions, in order to become more functional;
- Management should find a way to inform the IF of relevant matters to be discussed by the IF; and
- Management should prepare the Executive Manager that represents Management on the IF much better for reporting on certain matters to the IF (e.g. matters pertaining to transformation and institutional culture).

Revised CUT Statute: The revised CUT Statute was approved by Council at its meeting of 28 November 2015, and was submitted to the DHET on 3 December 2015. Feedback on the CUT Statute was received from the DHET, and the DHET's recommendations were incorporated as far as possible. After approving the proposed amendments, the IF recommended to Council the approval of the proposed amendments to the IF's section in the CUT Statute, which Council approved.

The CUT Statute had to be revised in terms of the number of terms a Vice-Chancellor and Principal may serve at CUT. The following wording of Section 53(1) of the CUT Statute was proposed (the proposed addition is indicated in bold and underlined text below):

The contracts are renewable "for one additional term not exceeding 5 (FIVE) years on expiry, based on institutional criteria, as determined by Council", which may include – but not be limited to:
- *a review of the strategic intent and value of the portfolio in terms of University vision, mission and relevant strategic documents; and*
- *a review of the performance of the incumbent in that portfolio based on scores recorded in the University's performance management system and/or other relevant assessment tools.*

Although IF members disagreed on the number of times a Vice-Chancellor and Principal's employment contract may be renewed, the IF recommended to Council the approval of the following amendment to Section 53(1) of the CUT Statute (the proposed addition is indicated in bold and underlined text below):

The contracts are renewable "for one additional term not exceeding 5 (FIVE) years on expiry, based on institutional criteria as determined by Council", which may include – but not be limited to:

    a)   a review of the strategic intent and value of the portfolio in terms of University vision, mission and relevant strategic documents; and

    b)   a review of the performance of the incumbent in that portfolio based on scores recorded in the University's performance management system and/or other relevant assessment tools.

Following legal perusal of thereof, Council, at its meeting of 26 November 2016, approved the CUT Statute, which was then submitted to the DHET.

The CUT Council takes the IF's advice seriously and acts on such advice, as could be seen from the report above. When the IF's advice is not implemented, reasons for the rejection thereof are communicated to the Forum in Council's report to the IF.

Composition of IF

The Institutional Forum (IF) functions in terms of Section 31 of the Higher Education Act (Act No. 101 of 1997), and Chapter 7 of the CUT Statute. The IF comprises:

- one member of Executive Management, appointed by the Vice-Chancellor and Principal;
- the Registrar, as Secretary;
- one external Council member;
- one Senate member;
- one academic staff member;
- one non-academic staff member;
- two members of the Executive Committee (Exco) of the Students' Representative Council (SRC);
- two members of the two recognised employee unions (one from each union);
- one member of the Alumni Association;
- one person representing the Human Resources Section, with background on transformational matters;
- one member of the Student Services Council (SSC); and
- a maximum of three additional members approved by the IF.

ACADEMIC AND RESEARCH PROJECTS

2016

TEACHING AND LEARNING

Changing patterns in the provision of academic courses is in the second implementation phase of Vision 2020 – strengthening the academic project – continues to bear fruit. The University made substantive progress with the implementation of the Higher Education Qualifications Sub-framework (HEQSF) in 2016.

A number of new programmes were implemented, and the phasing-out process of "old" programmes were initiated.

The curriculum transformation process, which was initiated in 2012, and which is supported by the DHET and the Council on Higher Education (CHE), was in full momentum in 2016. This process resulted in the curriculation of new higher certificate, diploma, advanced diploma, postgraduate diploma, degree, professional degree, master's and doctoral programmes, which are all aligned with the HEQSF.

Significant developments and achievements

Significant developments and achievements in Teaching and Learning, and Academic Development and Support:

- Establishment of the Agricultural Student Organisation (AgriSO).
- Procurement of a suitable experimental farm in the Bainsvlei area, Bloemfontein.
- The Unit for Drug Discovery Research (UDDR) hosted Prof. J Tuszyoski, a world-renowned bioinformatics scholar from the University of Alberta, Canada, to share his research work in a computational drug discovery model with postgraduate students and academic staff at CUT.

From left: Prof. Syed Khajamohiddin, an Associate Professor: Unit for Drug Discovery Research, Prof. Samson Sitheni Mashele, Dean: Faculty of Health and Environmental Sciences, Prof. Jack Tuszynki, a world-renowned bioinformatics scholar at the University of Alberta, Canada and Dr Dedré Olivier, Head of Department: Health and Environmental Sciences with CUT staff and students who attended the workshop.

- The craft brewery team runs a small operation at CUT, entitled the Phehla Brewery.

- Staff members maintained their commitments as moderators and external examiners at a number of universities, including the Walter Sisulu University; Nelson Mandela Metropolitan University (NMMU); Makerere University; Stellenbosch University; Tshwane University of Technology (TUT); Rhodes University; the University of Lesotho; Limpopo University; University of the Free State (UFS); University of KwaZulu-Natal (UKZN); North-West University (NWU); Cape Peninsula University of Technology (CPUT); and Motheo Technical Vocational Education and Training (TVET) College.

- Staff members continued to serve as reviewers for a number of technical journals, including the *Journal of Construction Project Management and Innovation; Journal of Built Environment Project and Asset Management; Journal of Engineering, Project, and Production Management; South African Journal of Business Management; International Journal of Construction; Journal of Tourism Management; Journal of Transportation Engineering (ASCE); International Journal of Pavement Engineering; African Journal of Agricultural Research; Journal of Water Management; Journal of Risk and Reliability (United Kingdom (UK)); The American Journal of Experimental Agriculture (AJEA); the European Journal of Engineering Education (EJEE); the Journal of New Generation Sciences; the African Journal of Research in Mathematics, Science and Technology Education (AJRMSTE); Pythagoras; International Journal of Mathematics Education; South African Journal of Education; the Journal for Contemporary Hospitality Management; South African Journal for Research in Sport, Physical Education and Recreation; and Administratio Publica.*

- Staff members served as members, and in other capacities, on various boards and structures, including the Bar Council (Advocates); Attorney's Bar; assessor for the South Africa Netherlands Research Programme on Alternatives in Development; Finance Committee of the Universitas Hospital Board of Management; member of the Joint Advisory Committee of UFS; Chairperson of the Risk Management Committee of the Department of Cooperative Governance and Traditional Affairs and the Department of Human Settlements; member of the Institute of Business Advisers of Southern Africa (IBA); registered assessor for the Local Government Sector Education and Training Authority (LGSETA); regional member of the Association of South African Travel Agents (ASATA); South African Institute for Drug-free Sport's Tribunal; Audit Committee of the War Museum; and the Free State Residential Care Centre.

- Three staff members were registered as full members of the South African Institute of Chartered Accountants (SAICA); one staff member as a full member of the South African Institute of Professional Accountants (SAIPA); and one staff member as full member of the Association of Accounting Technicians (AAT).

- Two students were registered as student members of the Chartered Institute of Management Accountants (CIMA).

- The learning programme in Human Resources Management received full accreditation from the South African Board of People Practitioners (SABPP).

The jubilant team, from left:
Prof. Albert Strydom, Dean of the Faculty
Management Sciences; Mr Malefetsane Thasi,
Lecturer, HRM Welkom campus, Dr Freda Van
der Walt, Lecturer HRM Welkom campus,
Mr Marius Meyer, CEO SABPP, Prof. Tshedi
Naong, Head of the Department Business
Management and Mr Xcy Rathaba,
HRM Lecturer Welkom campus.

- The Construction Education and Training Authority (CETA) accredited the Certificate in Construction Contracting offered by the Department of Built Environment.

Regional, national and international cooperation

The following academic partnerships were forged in 2016:
- Collaboration was established between the Centre for Rapid Prototyping and Manufacturing (CRPM) and the Vitebsk State Medical University. The two entities will be working on a project regarding the medical application of Additive Manufacturing, thereby enhancing CUT's initiative to foster active academic and research projects with international peer institutions.
- Collaborative, relevant triple/quad-helix partnerships were concluded with Aerosud, the Council for Scientific and Industrial Research (CSIR), and four universities through CUT's involvement with CPAM, funded by the Department of Science and Technology (DST).
- Agreements contained in the memoranda of understanding (MoUs) signed with the Washington Academy for Management of Technology (WAMOT) in the UK; Jimma University in Ethiopia; and the Federal University of Technology, Akure in Nigeria, were maintained.
- CUT worked on an MoU with the University of Jos (Unijos).
- Partnerships with government, business and other institutions, including the National School of Government; AAT; training in restaurant service to various schools; Centlec; TVET colleges in the Free State; LGSETA, Maccauvlei Learning Academy; and the Thabiso Skills Training Centre were forged.
- The Faculty of Management Sciences hosted the Business Ethics Project Awards function in cooperation with PricewaterhouseCoopers (PwC).

- A short course in Language Tourism, in conjunction with UFS, was approved for implementation in 2017.
- International partnerships, including with the Aalen University of Applied Sciences and the Hochschule Harz in Germany were forged.
- An MoU was implemented with Ho Polytechnic in Ghana.
- A partnership was formed with the National Consortium of Universities, who is in the process of finalising an MoU with Chinese universities.
- Exploratory engagements took place with the National University of Lesotho.
- Collaborations were established with a number of partners, including the International Labour Organisation (ILO); the National Department of Public Works; NMMU; the University of Johannesburg (UJ); University of Cape Town (UCT); Stellenbosch University; London South Bank University; University of Minnesota; Jimma University (JU) in Ethiopia; Johannesburg Centre for Software Engineering (JCSE); Free State Provincial Government; University of Nebraska in Lincoln, United States of America (USA); University of Southern Queensland in Australia; Linköping University in Sweden; Hochschule Ulm in Germany; Brunel University in the UK; Kigali Institute of Science and Technology (KIST) in Rwanda; University of Dodoma in Tanzania; Liverpool University in the UK; and the National University of Burundi.
- Engagements continued with a number of industrial partners and agencies during 2016, including with SA Truck Bodies; Transnet; the Free State Department of Economic Development, Tourism and Environmental Affairs; the Technology Innovation Agency (TIA); the Free State Development Corporation; the Council for Scientific and Industrial Research (CSIR); the Industrial Development Corporation (IDC); the National Aerospace Centre in Johannesburg; and AMTS.
- The Department of Information Technology continued its membership with the Euro-Africa Cooperation Forum on Information and Communication Technology (ICT) Research and Science Technology and Innovation for the Development of Africa.
- An MoU was signed between CUT; the University of Durham in the UK; UJ; UCT; University of Pretoria (UP); and the University of Stellenbosch, for purposes of exploring collaboration, to be agreed upon, in the field of Teaching and Research, starting with the exchange of PhD students, supported by Newton Fund, in the field of unsaturated soils. The Soil Mechanics Research Group at CUT is currently the prime beneficiary of this agreement, with possible co-operation in other areas to be arranged by mutual consent.
- Collaboration with Aalen University, to develop a common master's degree to be offered by the Electrical, Electronic and Computer Engineering and IT departments at CUT, was initiated.
- On 19 and 20 September 2016, the Department of Electrical, Electronic and Computer Engineering, in collaboration with the South African Institute of Electrical Engineers (SAIEE) and Eskom, hosted the second bi-annual engineering conference, themed "Engineering for a better future". CUT and its partners have played a critical role in bringing together technicians, technologists, engineers and researchers in the field of Electrical Engineering to exchange ideas on the latest trends and developments in the field.
- The Department of IT hosted international researchers from Sweden, Tanzania and Burundi through the AfriCRID Research Unit. The researchers participated in a workshop on climate adaptation.
- The Department of IT formally entered into collaboration with the University of Nebraska-Lincoln (UNL), and closely co-operated with the UNL's National Drought Mitigation Centre.

- The CUT Department of Agriculture has a MOU with the Free State Department of Agriculture and Rural Development, but this MoU should be reinstated.
- An MoU was signed between CUT's Department of Agriculture and the Mokhachane Community Property Association (CPA), a farming project located in Wesselsbron.
- The Department of Agricultural Research collaborated with UFS and the Agricultural Research Council (ARC).
- Second- and third-year Radiography students participated in two simulation events at the UFS Simulation Unit in April 2016 and June 2016, respectively.
- CUT's Department of Health Sciences Research collaborated with the Department of Cardiothoracic Surgery at UFS.
- The Department of Health Sciences has a continuous MoU with the Free State Department of Health. It also continued its association with OVK. Furthermore, the Department has collaborations with the South African Dental Association, Free State branch.
- The Department of Life Sciences' Dental Assisting Programme has an umbrella agreement with the National Department of Health, Oral Health Department.
- The Department of Agriculture has established collaboration with the Grootfontein Development Institute, Stellenbosch University and SA Studbook. It is also collaborating with peers at NWU on maize insects, and has established collaboration on pecan nut research. Furthermore, the Department is liaising with the National Institute of the Deaf (NID) in Worcester to assist in the training and employment of deaf people in Agriculture.
- The Department of Life Sciences has ongoing interaction with the Institute for Commercial Forestry Research (ICFR), Sunshine Seedling Services. Furthermore, it serves as a representative of South African universities on the Health Professions Council's Board for Dental Therapy and Oral Hygiene (2016–2021). The Department also has ongoing interaction with the National Department of Health, Oral Health Department.
- On 10 May 2016, an MoU and letter of intent was signed between CUT's Department of Clinical Technology, and the Department of Radiography and Dental Technology at Oslo and Akershus University College of Applied Sciences in Oslo.
- The Department of Life Sciences has ongoing interaction with African Forestry in Tanzania. Furthermore, it has an ongoing collaboration with the University of Kimpa Vita in Angola, which is an interaction funded by the National Research Foundation (NRF). The Department also has an ongoing collaboration with the Global Panel Task Team on Infection Prevention and Safety Best Practices Organisation for Safety and Asepsis Procedures (OSAP), Atlanta, United States of America (USA).
- Four MoUs were signed with universities in Thailand. Aligned with these MoUs, a delegation of 11 staff members participated in the 2016 International Conference on Science and Social Sciences (ICSSS), held from 22 to 23 September 2016.
- The Tourism and Event Management Department hosted the Annual Public Lecture of the National Minister, Derek Hanekom.

- New relations, for purposes of WIL, were established with the Free State Department of Agriculture; Department of Public Works; Department of Social Development; and Department of Sports, Art and Culture.
- The Department of Accounting and Auditing, in collaboration with the Finance and Accounting Services Sector Education and Training Authority (FASSET), appointed a senior student as Brand Ambassador. The student will market career opportunities in finance, as well as relevant CUT learning programmes. All costs are covered by FASSET. The Department, in collaboration with Radio Rosestad, also offered Sage Pastel training to the community.
- The Hotel School partnered with KykNet to host auditions for Koekedoortjie, and with Bidvest to host the 2016 Master Caterers Challenge.
- Various staff members underwent industry exposure at private sector businesses, municipalities and other government-related institutions.
- Guest lectures were presented by representatives of PwC, UFS, the Chartered Institute of Management Accountants (CIMA), Z2A Village and Astra Travel.
- Senate approved the appointment of Prof. Dave Lubbe from UFS as Visiting Professor in the Faculty of Management Sciences.
- Collaboration was formed between CUT's Scholarship of Teaching and Learning (SoTL) and Auckland University of Technology, New Zealand on writing for publication.
- CUT, in collaboration with the Centre for Higher Education Research, Teaching and Learning (CHERTL) at Rhodes University, engaged in the development of a Postgraduate Diploma in Higher Education for CUT.
- An MoU was signed with the Department of Public Works and Roads in the Northern Cape to offer a Certificate in Construction Contracting to contractors in the province.

Strategic partnerships with business, industry and government

In 2016, the Centre for WIL and Skills Development, through agreements entered into with seven Sector Education and Training Authorities (SETAs), such as the Local Government SETA (LGSETA), Chemical Industries SETA (CHIETA), Health and Welfare SETA (HWSETA), BankSETA, Manufacturing and Engineering SETA (MerSETA), Construction SETA (CETA/CBE), and Education, Training and Development Practices SETA (ETDP SETA), raised a total of approximately R15.17 million from these SETAs to assist 772 students with placement stipends, internships and bursaries (see Figure 1; Table 24 and Figure 2 below).
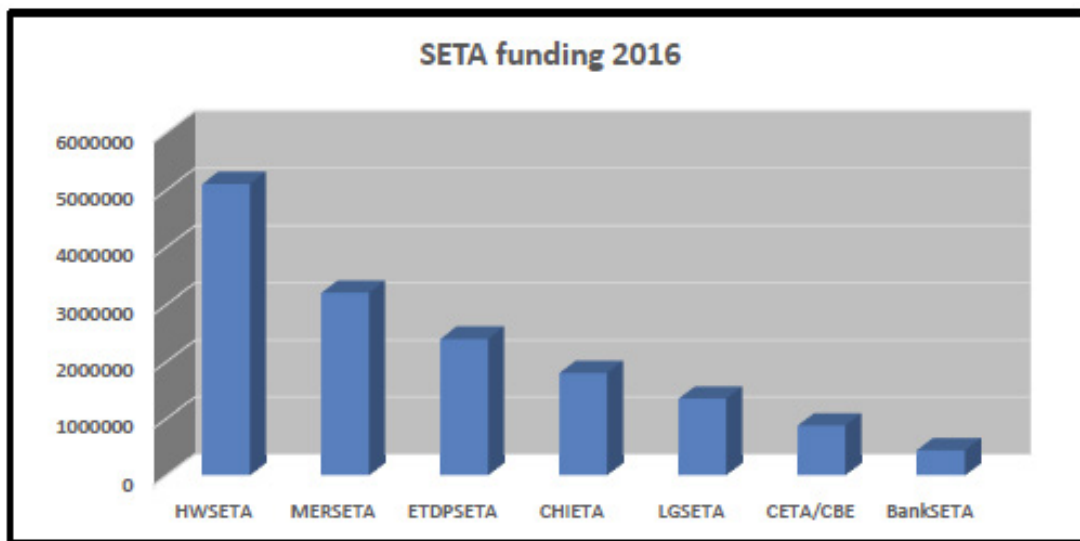
Figure 1: Funding received from SETAs in 2016

SETA	Funding	Students
LGSETA	R1 347 840	202
HWSETA	R5 103 000	170
ETDP SETA	R2 400 000	160
MERSETA	R3 200 000	100
CETA/CBE	R876 000	80
CHIETA	R1 800 000	40
BankSETA	R441 000	20
Total	**R15 167 840**	**772**

Table 24: Students benefitting from SETA funding in 2016
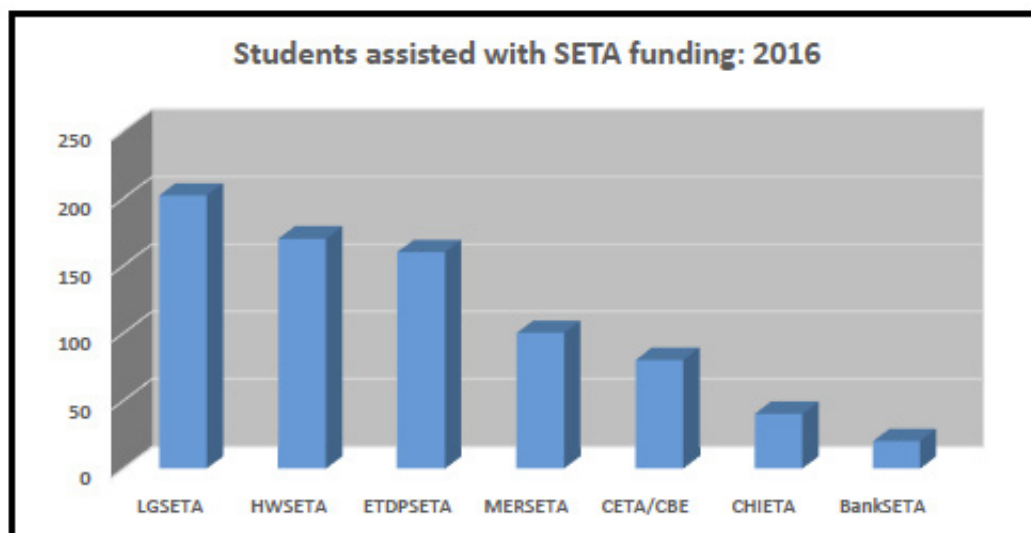
Figure 2: Number of students assisted by different SETAs

Academic Development and Support

To support and responsibly guide access to selected courses, and academic progress in disciplines and study areas, Senate approved the introduction of Academic Advising, which has since been introduced in all faculties and the Welkom campus. This is an opportunity to exchange information that is designed to guide students to reach both their educational and career goals. This initiative is aimed at promoting student academic success and retention. The responsibilities of academic advisors include informing students about departmental and programme policies, regulations and procedures through:

- advising and selecting courses, and assisting students in developing academic plans that satisfy their degree requirements;
- monitoring students' progress towards their educational goals;
- implementing intervention measures for all students who obtain 50% and less;
- discussing students' academic performance and the implications of their performance for the undergraduate programmes and professional requirements; and
- submitting written reports on the implementation of academic advising to the UTLC on a quarterly basis.

Academic support interventions

Access to selected courses, and academic progress in different disciplines and study areas delivered the following academic interventions:

- Various teaching and learning support interventions, aimed at supporting both students and academic staff, were implemented and monitored throughout the 2016 academic year. These interventions included SI, the Student Peer Mentorship Programme, a project on SoTL, Graduate Attributes Project, Academic Advising, the Writing Centre for undergraduate students, Extended Curriculum Programmes (ECPs), the Mentorship Programme for New Academic Staff, a year-long training and development programme for academic staff, etc.
- The core curriculum modules were incorporated into all new undergraduate programmes.
- Graduate attributes were also incorporated into the following programmes:
    - Bachelor of Engineering Technology in Electrical Engineering;
    - Diploma in Engineering Technology in Electrical Engineering;
    - Bachelor of Engineering Technology in Civil Engineering;
    - Diploma in Engineering Technology in Civil Engineering;
    - Bachelor of Engineering Technology in Mechanical Engineering;
    - Diploma in Engineering Technology in Mechanical Engineering;
    - Bachelor of Construction in Quantity Surveying;
    - Diploma in Events Management;
    - Postgraduate Certificate in Education (PGCE).
- The Writing Centre was established at the Bloemfontein Campus on 25 February 2016, and has since assisted many students with information on academic writing, plagiarism, referencing, sentence structure and grammar, essay and assignment writing, reflective writing, etc.
- A video was developed to market the services of the Writing Centre.
- A project on the development of lexicons is under way in the Department of Civil Engineering to assist students with challenging concepts. This project was initiated in October 2016.
- There was a consistent increase in the number of subjects/modules using e-learning/blended learning, from 19,63% in 2009 to 76,46% in 2013, 87% in 2014, 90% in 2015, and 96% in 2016.
- Various projects for the support of teaching and learning, improvement of student success, and the development of academic staff capabilities for the period were financially supported by the Department of Higher Education and Training (DHET), in the form of the Teaching Development Grant (TDG).
- Four academic staff members were supported by CUT's "grow-our-own-timber" and Stars of Academia and Research (SoAR) project. A total of eight SoAR fellows were funded through the DHET's TDG.
- The formal Mentorship Programme for Newly Appointed Academic Staff took place. Academic staff were equipped with skills in, amongst others, teaching and learning, assessment, curriculum development, the use of technology for teaching and learning, the incorporation of graduate attributes and WIL into the curriculum, etc.
- A mentorship/support programme for 30 black female academic staff members was established. Several workshops were organised, focusing on various aspects of their development as academics, namely teaching and learning, innovative assessment practices, scholarship of teaching and learning, and academic work in general.

- The project on the incorporation of HIV/AIDS education into the curriculum, which is funded by the DHET was launched. Various capacity-development opportunities facilitated by Universities South Africa (USAf) were presented to staff in this regard.
- A national colloquium on ECPs was hosted in August 2016. Academic staff members from 11 universities participated in, and presented papers at the colloquium.
- A showcase and online programme development day was hosted in November 2016. 108 academic staff members attended the showcase, whilst 71 academic staff members participated in the developmental workshop, which was presented by Mr Tony Carr from UCT.

Supplement Instruction (SI)

The University implemented Supplemental Instruction (SI) as a means to enhance student success. All students who obtained less than 50% in a test were referred for SI. The ILT Section played a pivotal role in implementing, managing and offering this programme. During 2016, a large number of students benefitted from SI, maintaining the demand for, and popularity of the programme, as illustrated in Table 10 below.

73 first-year, 32 second-year and 12 third-year subjects were supported by SI.

Month	1st year	2nd year	3rd year	Total per month	Accumulated total in 2016	Accumulated total in 2015
February	5314	441	222	5977		
March	5195	177	91	5463	11 440	14 772
April	5 706	280	187	6173	17 613	18 698
May	1 443	112	7	1562	19 175	22 403
July	413	12	1	426	19 601	23 140
August	2 925	344	24	3293	22 894	26 787
September	167	79	0	246	23 140	29 983
October	170	79	0	249	23 389	30 760

Table 10: Supplemental Instruction 2016

RESEARCH, INNOVATION AND ENGAGEMENT

The CUT Research and Development Plan 2014–2020 was implemented during the first term of 2014. The University's Vision 2020 articulates four leading principles, namely sustainable development, socio-economic development, input leading to outcomes and outcomes leading to impact. Consequently, the strategies of CUT's Research and Development Plan 2014–2020 were aligned with the following principles:

- the development of a sustained, relevant and responsive research culture;
- the qualitative and quantitative improvement of research outputs;
- socio-economic development through knowledge creation, transfer and innovation; and
- the development of strategic research and innovation partners and programmes.

The four leading principles became the main performance indicators for research and development at the University. This approach corresponds with international best practice in research management.

The objectives of CUT's Research and Development Plan 2014–2020 are to increase the:

- "seniority" of the academic staff profile;
- publication profile – 75% of the DHET norm of 1.1 credit unit per full-time academic staff member;
- postgraduate enrolment – 5% of the student body;
- number of completed master's and doctoral research projects;
- external funding basis;
- number of rated researchers; and
- multi-, inter- and transdisciplinary research.

The focus of all research and development activities at CUT is to result in *outputs, outcomes* and *impact*. The importance of the above-mentioned approach is that, whilst an enabling environment is created in support of research, the policy directives and management of research are aimed at maximising the *outputs, outcomes* and *impact* thereof.

During 2016, the University underwent a process of institutional repositioning, resulting in the split of the Academic and Research portfolio into the Teaching and Learning, and Research, Innovation and Engagement portfolios. Consequently, a new section was introduced to support and facilitate research development and postgraduate studies at the University.

Resource allocation for research

In total, the Research Development and Postgraduate Studies Section had R42 878 172 available for research activities at CUT in 2016. Funding was received from the following sources:

- CUT approved an allocation of R14 million to support the strategic and operational budgets of the University's Research Development and Postgraduate Studies Section.
- The DHET, through its Research and Development (R&D) Grant, awarded R10 025 520 million to the University for 2014 to 2016. The major focus of the R&D Grand is capacity development, especially by means of increasing the number of staff with master's and doctoral degrees. The grant allocation will be used to support projects, as outlined in the grant proposal, including programmes ranging from mentorship/supervisor training to research capacity development, postgraduate study support, postdoctoral research fellowships, and academic exchanges.
- The NRF remains the largest funder of research activities. R18 722 452 was made available to CUT for research in 2016.
- The PA and A Malan Trust availed R130 000 in support of the University's Research and Development Plan.

Table 11 below indicates the sources and amounts of funding that were available for research at CUT during 2016:

AGENCY	FUNDING OBJECTIVE	AMOUNT
CUT	Operational research funds	R14 000 000
DHET R&D Grant	Support research capacity building	R10 025 520
NRF	Support research projects and student training	R18 722 452
PA and A Malan Trust	Studies in Art, and project on Research Education	R130 000
Total		R42 878 172

Table 11: Research funding 2016

The following funding was received from the NRF for the period January 2016 to December 2016:

NRF funding 2016		
Programme	**Number of awards**	**Award amount**
Staff Awards: 47 (32 Male and 15 Female) (45% of total NRF funding)		
DST Conference Funds (1M)	1	R200 000,00
Incentive Funding for Rated Researchers (8M1F)	9	R340 000,00
Indigenous Knowledge Systems (1F)	1	R560 000,00
International Science and Technology Agreements (1F)	1	R14 535,60
Knowledge Interchange and Collaboration (17M 4F)	21	R560 262,00
National Equipment Fund (1M)	1	R3 390 000,00
CSIR Laser Pool Equipment (1M)	1	R168 000,00
SA Research Chairs (1M)	1	R1 504 000,00
Sabbatical Grant (1F)	1	R39 179,00
Research Advancement Career Award (1F)	1	R527 319,82
Thuthuka (3M 4F)	7	R1 136 034,00
New Generation of Academics Programme (nGap) (1M 1F)	2	R60 000,00
Subtotal	**47**	**R8 499 330**
Student awards – 20 (55% of the total funding)		
South African Nuclear Human Asset Research Programme (SANHARP)	1	R55 000,00
Square Kilometre Array (SKA)	4	R292 000,00
Freestanding doctoral	4	R541 122,00
Doctoral block grants	12	R1 320 000,00
Freestanding master's	13	R1 115 000,00
Master's block grants	26	R1 940 000,00
German Academic Exchange Service (DAAD) freestanding master's	1	R70 000,00
DAAD block grant	2	R140 000,00
BTech block grants	139	R4 750 000,00
Subtotal	**249**	**R10 223 122**
TOTAL		**R18 722 452,42**

Table 12: NRF awards 2016

Note: Although the National Equipment Award was awarded for the period December 2015 to December 2016, the funds were only availed in 2016.

In total, Research Development and Postgraduate Studies had a budget of R 42 877 972 available for research activities. This was carefully allocated and managed.

The following grants were awarded to master's and doctoral degree students and postdoctoral fellows for 2016. The grants can be compared to those of the periods 2014 and 2015:

Year	Master's degree students	Doctoral degree students	Postdoctoral fellows
2016	R 5 229 930*	R 3 205 660*	R600 000
2015	R1 972 340	R1 147 030	R1 000 000
2014	R957 880	R628 494	R880 000
TOTAL	**R8 160 150**	**R4 981 184**	**R2 480 000**

Table 13: Postgraduate bursaries 2014–2016

A total of R9 035 590 was available to support postgraduate students and postdoctoral fellows in 2016.

Research outputs and retention

The University recorded a substantial increase in its publication outputs since 2010. This is reflected in a 22% progress, from 87.17 units in 2014 to 106.48 units in 2014. The table below postulates the CUT-accredited publication outputs from 2004 until 2015, in order to illustrate that the University is succeeding in the establishment of a sustainable research output platform.

Year	Articles	Proceedings	Books
2004	26.99	2	0
2005	25.23	1.6	0
2007	28.3	0	0
2008	22.38	0.5	0
2009	33.04	1.67	0.55
2010	31.71	7.85	0
2011	40.11	6.75	0.45
2012	54.33	4.6	0
2013	55.02	13.02	0.44
2014	72.83	13.65	0.69
2015	74.52	30.85	1.11

Table 14: Publication outputs 2004–2015

The following master's and doctoral degrees can be reported for the period 2001 (full year) to 2016 (full year):

Year	Master's degrees	Doctoral degrees
2004	24	5
2005	13	5
2007	19	8
2007	20	5
2008	21	11
2009	22	3
2010	25	6
2011	29	3
2012	21	5
2013	37	7
2014	32	6
2015	28	10
2016	53	19
TOTAL	**344**	**93**

Table 15: Completed postgraduate studies

This performance is illustrated in the next figure. From this figure, it is clear that the University has illustrated the academic ability to deliver on master's programmes. The outputs with regard to doctoral programmes should be increased.

Research and development initiatives

Research centres, units and groups: Senate approved a policy on research centres, units and groups on 25 August 2014, after which the policy was approved by Council on 12 September 2014. The policy was informed by the University Research and Development Plan 2014–2020, which was approved by Senate and Council in 2013. The updated policy was approved at the end of 2015. The objectives of this plan are directed at building a critical mass in research, and optimising opportunities to increase research outputs. The plan identified the approved research clusters and programmes as a meaningful vehicle to meet the outputs of the plan by 2020. Strategy 2 of the plan suggests meaningful structural support to achieve the desired outputs. One such a mechanism is research performed by a critical mass, which is organised into centres, units and groups. Two centres, 12 units and seven groups were approved in 2016. The Research Development and Postgraduate Studies Section led a process to review these entities, for purposes of grouping relevant entities together, and realigning the entities' focus with regional, national and international demands.

Joint research call: CUT and UFS undertook a joint research call, with equal funding by both institutions. The collaboration was a first between the two universities, and was aimed at strengthening research within the institutions in the Free State province. The research collaboration focused on the following objectives: 1) building the research critical mass; 2) improving research outputs (publications and postgraduate supervision); and 3) joint funding proposals.

Four research projects, in Health Sciences, Environmental Microbiology, Urban Planning and Healthcare Ethics were funded for the period July 2015 to June 2016. Further projects in Civil Engineering and Medical Education Research Training and Capacity Building were funded for the period July 2016 to June 2017. A third round of calls will be posted in 2017.

Research Ethics and Integrity Committee: As part of the Senate-approved URIC, a working group to activate a Research Ethics and Integrity Committee (REIC) convened for the first time in 2014. This Committee addresses ethical matters related to research. The following themes form part of the scope of this Committee's ongoing activities: Clinical Research; Animal Research; Sustainable Development; Safety and Security; Research with People, and Vulnerability; Postgraduate Studies; Publications; Stewardship; Law; and Corporate Responsibility.

A Research Ethics and Integrity Policy Framework, together with a Constitution for the REIC, as a subcommittee of URIC, was approved by Senate in November 2016. As part of the core values of the University, the main purpose of the framework is to promote responsible conduct of research, aligned with internationally acceptable norms and standards. During the implementation of the framework, it is important that it be interpreted in the context of, and in line with, other relevant policies and guidelines relating to research, as well as academic ethics and integrity matters. The policy framework contains key elements for the Research Ethics and Integrity Code of Conduct for Researchers, ethics committees: structures and roles, and ethical approval process.

Training programme: A series of workshops were presented by the Research Development and Postgraduate Studies Section during 2016, including themes devoted to the research process and research ethics and integrity. The Section also hosted a series of research workshops on postgraduate supervision, focusing on master's students, doctoral students, and supervisors. Collectively, a total of 314 staff and students participated in the training programmes.

An annual strategic research breakaway, which focused on matters impacting on research and development within CUT, was held, with the intention of improving the University's research outputs and culture.

University publications – Journal for New Generation Sciences (JNGS) and Interim: The University publishes two journals, namely (1) the Journal for New Generation Sciences, a DHET-accredited journal, and (2) the Interim, an in-house journal to promote writing skills. The performance and impact of these journals, based on official statistics from Sabinet Online, for the time period 2012 until the end of 2016, indicated that the high visibility of the journals are due to their online status (i.e. they are open-access journals). With the application for the JNGS to be accommodated on Scopus, the visibility will increase even more. For the period 2016, the Interim collectively had 15 925 views and 13 996 downloads, whilst the JNGS had 18 485 views and 15 178 downloads.

South African Research Chairs Initiative (SARChI) Chair: The CRPM was awarded a Research Chair in Medical Product Development under the DST's South African Research Chairs Initiative (SARChI) in Additive Manufacturing (AM) for Medical Devices, for the period 2015 to 2019 (first cycle), at a grant value of >R8 million over five years. The goal of this initiative is to increase research output and innovation in areas that are considered essential to the country's strategic growth and development.

Centre for Rapid Prototyping and Manufacturing (CRPM)

The Centre for Rapid Prototyping and Manufacturing (CRPM) performed satisfactory in 2016, and exceeded its targets. There was a downturn in the South African economy, especially in the manufacturing sector, which affected the growth in the Centre's turnover. On the positive side, an increase in enquiries for medical implants was noted.

The value of the 555 projects completed at the CRPM during 2016 was R4 703 500, which was an increase of 10,8% compared to that of 2015. **Approximately 10 700 parts were manufactured for the 555 industrial and research projects.** Furthermore, a total of R439 880 was spent on 52 research projects, compared to the R572 860 spent on research projects in 2015. Figure 3 below depicts the actual monetary monthly values compared to the targeted amounts.
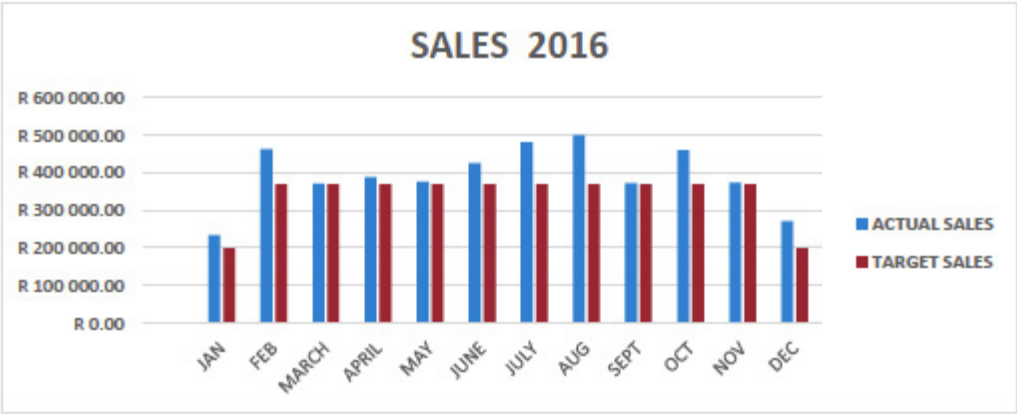
Figure 3: Monthly values of industrial projects: actual vs. target

The national Collaborative Programme in Additive Manufacturing (CPAM) of the DST, which commenced in January 2015, is an extensive, systematic research programme that provides the opportunity for in-depth research into AM-process characteristics, and the resultant material properties of parts, including microstructure, physical, chemical and mechanical properties. The initial characterisation work is planned for the first two and a half years of the programme. Subsequently, based on the insight and data acquired in this national programme, CUT and its collaborators will be able to embark on the full qualification of selected medical implants, which is planned for the next three years of the programme. The total value of the contract allocated to CUT for the period March 2015 to March 2017 is R6 272 052 (including VAT). The Department of Mechanical and Mechatronics Engineering and the CRPM collaboratively execute this project.

Successful case study completed by CRPM: A maxillary frame implant in titanium was designed and manufactured by CRPM, in order to restore the facial profile and symmetry of a patient presented with a myxoma of the midface. The Carl & Emily Fuchs Foundation funded the prosthesis development. An obturator and dental bar restored mastication and speech functionality. The surgery was performed by Drs Kobus and Werner Hoek; Cules van den Heever; and Cornelius Borstlap at the Kimberley Hospital Complex. The operation was very successful, and the patient had a follow-up consultation three weeks after the operation.

Product Development Technology Station (PDTS)

13 WIL students are currently employed at the PDTS. They all receive continuous training to improve their skills and employability, in preparation for their careers in industry.

The PDTS plays an important role in assisting local businesses and independent entrepreneurs in the design and development of new mechanical products. The following is a summary of the projects that were executed by the PDTS from 1 January 2016 to 31 December 2016:

Number of projects completed	First contact with clients	Quotations issued	Quotations accepted	Repeat clients	PDI	Female	Disabled	New SMEs
112	174	162	91	35	63	28	6	139

Table 16: Summary of projects executed by PDTS: 1 January 2016 to 31 December 2016

The PDTS was allocated R6 010 000 from the Technology Innovation Agency (TIA) for the 2016/2017 financial year. The PDTS is also the primary source of new intellectual property (IP) that is developed and registered on behalf of CUT.

International portfolio

As of July 2016, the CUT LIS' Institutional Repository (IR)4 has been ranked number 61 amongst universities and research councils/bodies in Africa, according to the Cybermetrics Lab (see http://repositories.webometrics.info/en/Africa). The ranking of IRs is based on the web presence, web impact (i.e. link visibility), content and data obtained from major commercial search engines such as Google Scholar. CUT's ranking could be considered a modest ranking, considering that the CUT IR is hardly three years old, and the University is very different from peer institutions in the league. An IR has the potential to raise the research profile of an institution and to broaden the reach of individual academics' scholarly output, including attracting more citations of scholarly work.

International Organisation of Standardisation (ISO) certification: The Centre for Rapid Prototyping and Manufacturing (CRPM) received ISO 13485 standard certification for the production of medical devices using Additive Manufacturing. CUT is the first university in Africa to receive this certification. This opens doors to manufacture medical devices for the national and international markets. As a result of the ISO 13485 certification, members of the Life Healthcare Procurement and the Research and Development groups visited the CRPM for further discussions on the possibility of CRPM manufacturing implants for the group. A non-disclosure agreement pertaining to the disclosure of information is in place for purposes of exploring the various avenues in order to develop a business model in this regard.

International collaboration: Staff and student exchange programmes were further enhanced in 2016. 16 agreements were finalised and signed in 2016 (13 new agreements and three renewed agreements).

Partnerships were formed with Oslo and Akershus University College of Applied Sciences; Uppsala University; Durham University; Rajadhad University; School of Construction Economics and Management at Ardhi University (ARU); Makerere University; China-South Africa Higher Education Consortium (CAHEC); Chiang Mai University; Khon Kae University; Széchenyi István University; Ghent University; Breda University; University of the West of Scotland; Harz Hochschule; Thomas More University; Hochschule Ulm University; Chiang Mai University's Faculty of Education; and Ho Technical University in Ghana.

Furthermore, collaborations were fostered with the following oversees institutions: Karlstad University, Sweden; Institute of Metal Physics, Urals Branch of the Academy of Sciences, Russia; National School of Engineering, Saint-Etienne, France; Vitebsk State Medical University, Belarus; National Institute of Standards and Technology, United States of America (USA); University of Texas, Austin, USA; and the Institute of Photonic Technologies, Friedrich-Alexander-Universität Erlangen-Nürnberg, Germany.

Community Engagement

CUT relies on focused and purposeful strategic partnerships to achieve its Vision 2020. The University seeks to enhance the quality of its collaborative partnerships in order to ensure that the graduates and innovations that are produced are aligned with the region's economic and developmental goals. The CUT Engagement Strategy was approved in 2016, and guided engagement activities at the University.

National partnerships

- A total of 90 new partnerships for the placing of students for work-integrated learning (WIL) were formed in 2016, which is 86 more than the target (99,5% of students who were registered for WIL were placed, compared to the target of 99%). Only 19 of the 3 659 students who registered for WIL were not successfully placed, which is one less than the target of 20.
- A memorandum of understanding (MOU) between CUT and the Youth Managers Forum, for the offering of leadership training to school learners was signed in 2016.

- The Women in Science Seminar, funded by the South African Agency for Science and Technology Advancement (SAASTA) and the National Research Foundation (NRF), showcased the work of mainly female researchers at CUT.

One of CUT's top researchers, Dr Muthoni Masinde walked away with top honours at the annual Women in Science Awards (WISA) hosted by the Department of Science and Technology. Her innovative tool that can accurately predict drought-stricken environments for the farming sector. The category: Distinguished Young Women Researchers: Research and Innovation.

- The Local Government Sector Education, Training Authority (LGSETA) signed a funding-agreement letter, allowing the University to proceed with the offering of the Community Development Work (CDW) block-release programme, which is a third-stream income project.
- The Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA) also signed an MoU with CUT to the benefit of WIL for students.
- CUT procured an experimental farm to the north of Bloemfontein in the Bainsvlei area for the WIL of Agriculture students.
- Partnerships with, inter alia, the Technology Innovation Agency (TIA); the Robert WM Frater Cardiovascular Research Centre of the University of the Free State (UFS); ETDP SETA; Media, Information and Communication Technologies (MICT) SETA; the DHET, for the College Lecturer Education Project programme; Life Healthcare Group; and the Manufacturing, Engineering and Related Services (merSETA) Chair in Engineering Development, for another three-year term, were strengthened.

The Community Engagement Section recorded several achievements over a wide range of activities during 2016:

- The Schools Advancement Academy was further enhanced and was supported by Standard Bank, merSETA, CBI and the Free State Department of Education.
- Via the LIS, CUT established a library at a disadvantaged school, the Tsholetsang Primary School, in Bloemfontein. The library was officially opened by the DVC: Research, Innovation and Engagement, as part of the 2016 Mandela Day commemorations. Thus far, CUT provided material support to the school in the form of office furniture, book shelves, computers, reading material, and elementary library reading material that the CUT LIS sourced from book vendors/ sellers as donations.

Staff members involved in significant developments and achievements in community engagement projects:
- Saturday School Technology Project;
- annual Career Winter School for Grade 11 and 12 learners;
- a talent-search programme in secondary schools for learners who performed well in Science and Mathematics, motivating them to further their studies in related courses at university;
- End-user Computer Skills course for unemployed youth in Botshabelo, Free State. A certificate awards ceremony was held at CUT on 9 March 2016;
- Mobile Programming Boot Camp for 28 Grade 9 to 11 learners from five schools;
- developing a website for the Devine Mercy Apostolate Sacred Heart Cathedral church;
- Cisco, Oracle and Microsoft Certified Solutions Expert (MCSE) short courses;
- cloud-based school system;
- financial educational software;
- Mobile-Health (M-Health) application for enhancing access to health services in rural areas of the Northern Cape;
- 12 patients were assisted with medical devices, implants and external prostheses;
- the offering of the Certificate in Construction Contracting programme for contractors in Kroonstad, in collaboration with the Department of Police, Roads and Transport (DRT);
- the Certificate in Construction Contracting programme for contractors, sponsored by the public sector, continued in Bloemfontein in the period under review;
- the second phase of the Certificate in Construction Contracting programme for contractors, sponsored by the Free State DPRT, commenced in Parys;
- an Open Day for all the technical schools in the Free State was held, in collaboration with the Free State Department of Education (FSDoE); and
- a Career Exhibition initiative, organised by the KwaZulu-Natal DoE in the Northern region of KwaZulu-Natal, was held.

ENROLMENT AND PERFORMANCE ANALYSIS (STATISTICS)

This section serves to highlight CUT's achievements against the performance targets set by the Department of Higher Education and Training (DHET). These performance agreements resulted from a process of constant communication and consultation between CUT and the DHET, which took place during May 2013 and June 2013. On 15 January 2013, CUT provided its submission, which submission was revised on 15 August 2013. The revised submission responded to the DHET Enrolment Planning Cycle 2014/15 to 2019/20. Priorities were presented during the June 2013 consultations, and were subsequently approved by the DHET, as per a letter dated 23/09/2014. These targets for 2016 are reflected as the agreement in this report.

In 2016, CUT enrolled 15 704 students, which is 1 464 more students (i.e. 10,28% in excess) than the number agreed upon with the DHET, while the 2015 student headcount of 14 193 exceeded the DHET target of 13 619 by 574 (i.e. 4,21% in excess). In as far as first-time entering students at undergraduate level are concerned, the headcount in 2016 indicated a shortfall of 168 students (4,06% below the required target of 4 137) compared to the headcount in 2015 which indicated a shortfall of 485 students (13,01% below the required target of 3 728). The shortfall in the headcount of first-time entering students in 2016 can be attributed to the fact that a smaller number of matriculants from the Free State passed Mathematics, thus adversely affecting admission rates to CUT. Improvement over 2015 can be attributed to the extension of extended programmes and intensified recruitment drive.

In 2016, the targets that were set in the DHET Enrolment Planning Cycle were exceeded by 20,7% in the African population group, while the enrolments fell short of the target in the Coloured (24,49%), Indian (33,33%) and White population groups (47,81%). In comparison in 2015, the targets were exceeded by 11,29% in the African population group, while the enrolments fell short of the target in the Coloured (17,25%), Indian (14,81%) and White population groups (38,27%).

The Science, Technology, Engineering and Mathematics (STEM) proportion of the headcount enrolment (48,63%) in 2016 exceeded the DHET target by 2,86%, while the headcount target of 6 518 students was outnumbered by 1 119 students.

The Business/Management proportion of the enrolment fell short of the target by 0,24% in 2016, although the headcount target of 3 435 students was surpassed by 315 students. The headcount proportion in the Other Humanities proportion reflected a 5,00% shortfall (575 students) from the target, while the enrolment target was exceeded by 2,24% (583 students) in Education.

The following set of tables offer a comprehensive analysis of the performance, size and shape of CUT, providing a platform, based on reliable data, to manage and guide the institution in terms of its Strategic Plan and priorities.

Student headcount enrolments by major field of study

CESM Category	Academic Year					
	2015			2016		
	Headcount	Target	Percentage	Headcount	Target	Percentage
BUS/MAN	3 367	3 358	23.72%	3 750	3 435	23.88%
EDUCATION	2 430	2 152	17.12%	2 829	2 246	18.01%
OTHER HUMANITIES	1 547	1 945	10.90%	1 467	2 042	9.34%
SET	6 848	6 164	48.25%	7 637	6 518	48.63%
UNCLASSFIED	1		0.01%	21	0	
Total	**14 193**	**13 619**				

Table 17: 2016 student headcount enrolments by major field of study

The student headcount proportion in Business and Management Sciences indicates a minimal increase of 0,16%, from 23,72% in 2015 to 23,88% in 2016. Other Humanities registered a reduction, from 10.90% in 2015 to 9,34% in 2016. At the same time, SET and Education CESM categories have increased, from 48,25% in 2015 to 48,63% in 2016, and from 17,12% in 2015 to 18,01% in 2016, respectively.

Student headcount enrolments by population group and percentage per major field of study

CESM CATEGORY	HEADCOUNT											
	AFRICAN (%)			COLOURED (%)			INDIAN (%)			WHITE (%)		
	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
BUS/MAN	25,86%	25,06%	24,80%	22,65%	19,33%	20,96%	16,49%	15,58%	24,34%	9,79%	8,80%	11,38%
EDUCATION	17,4%	18,13%	18,86%	13,83%	15,21%	17,99%	6,52%	7,07%	3,95%	3,98%	5,72%	5,86%
OTHER HUMANITIES	15,52%	10,88%	9,28%	18,28%	14,19%	11,34%	6,52%	5,62%	9,21%	11,8%	9,90%	8,37%
SET	41,2%	45,92%	46,95%	45,24%	51,27%	49,72%	70,47%	71,74%	62,50%	74,4%	75,59%	73,96%
UNSPECIFIED	0,02%		0,12%									0,43%
GRAND TOTAL	**12 750**	**12 704**	**14 286**	**490**	**451**	**441**	**46**	**46**	**38**	**1066**	**991**	**929**

Table 18: Student headcount enrolments by population group and percentage per major field of study

For the African population group, the student headcount proportions in the Business and Management field of study as well as in the Other Humanities fields of study have been constantly decreasing during the past three years, while in the Education field of study and the SET field of study an increase was recorded in headcount proportion during this period of time. In Education, the headcount proportions of all population groups increased.

Undergraduate and postgraduate student enrolment and graduation rates by major field of study

CESM Category	Qualification Type	Calendar Year					
		2015			2016		
		Headcount	Graduates	Graduation rate	Headcount	Graduates	Graduation rate
BUS/MAN	Postgraduate	83	17	20,48%	71	23	32,04%
	Undergraduate	3 280	882	26,87%	3 668	904	24,66%
	Occasional	3	0	0,00%	10	0	0,00%
BUS/MAN total		**3 367**	**899**	**26,69%**	**3749**	**927**	**24,73%**
EDUCATION	Postgraduate	587	343	58,43%	676	399	59,07%
	Undergraduate	1 843	278	15,11%	2 153	419	19,48%
EDUCATION total		**2430**	**622**	**25,58%**	**2 829**	**819**	**28,94%**
OTHER HUM	Postgraduate	30	8		35	5	14,29%
	Undergraduate	1 507	391	25,95%	1 429	393	27,51%
	Occasional	10	0	0,00%	3	0	0,00%
	Unspecified				1	1	100,00%
OTHER HUM total		**1547**	**399**	**25,76%**	**1467**	**399**	**27,18%**
SET	Postgraduate	216	18	8,47%	261	36	13,80%
	Undergraduate	6 611	1 451	21,94%	7 338	1437	19,58%
	Occasional	21	0	0,00%	17	0	0,00%
	Unspecified				19	16	84,48%
SET total		**6848**	**1469**	**21,45%**	**7 636**	**1489**	**19,51%**
Unclassified	Postgraduate				0	3	
	Undergraduate				21	77	
Unclassified total					**21**	**80**	
Grand Total		**14193**	**3388**	**23,87%**	**15702**	**3714**	**23,65%**

Table 19: Undergraduate and postgraduate student enrolment and graduation rates by major field of study

The above table above presents the undergraduate and postgraduate student enrolment differentiation, as well as the changes in graduation rates by major field of study, in the academic years 2015 and 2016. The noticeable changes to be reported are discussed below:

- In the Business and Management field of study, the graduation rate for postgraduate students increased, from 20,48% in 2015 to 32,04% in 2016, and decreased by 2,22% for undergraduate studies (from 26,69%% in 2015 to 24,66% in 2016).
- The largest increase in graduation rate was in the Education field of study: there was a 3,36% improvement in 2016, compared to that of 2015.
- The headcount for undergraduate students in Education increased by 310 in 2016, compared to that of 2015, while there was an increase of 5 students in the postgraduate student category during the same period.
- In Other Humanities fields, there was an increase of 5 students in the student headcount for postgraduate studies in 2016, compared to that of 2015, while there was a decline of 79 students for undergraduate studies during the same period.
- The STEM headcount for postgraduate studies increased by 44, while the number of undergraduate students in STEM increased by 727 in 2016, compared to that of 2015.

For the University as a whole, the overall graduation rate decreased by 0,22% in 2016, compared to that 2015 (from 23,87% in 2015 to 23,65% in 2015). Finally, according to DHET regulations, 2016's graduates are graduates who should complete their studies before June 2017, which may slightly affect the totals below.

2016 student performance and full-time equivalents (FTEs) across the major fields of study by gender

CESM category		2015		2015 total	2016		2016 total
		Female	Male		Female	Male	
BUS/MAN	Success rate	76,15%	69,80%	73,62%	77,42%	73,23%	75,74%
	FTE	1 252,717	830,255	2 082,972	1 365,087	911,582	2 276,669
EDUCATION	Success rate	87,27%	81,50%	84,89%	90,14%	84,79%	88,10%
	FTE	1 076,609	755,680	1 832,289	1 059,241	651,480	1 710,721
OTHER HUMANITIES	Success rate	85,09%	79,26%	82,81%	84,09%	75,34%	80,73%
	FTE	912,445	584,909	1 497,354	1 043,101	649,567	1 692,668
STEM	Success rate	80,33%	70,06%	73,92%	80,99%	70,04%	74,35%
	FTE	1 726,711	2 870,825	4 597,536	2 004,880	3 086,854	5 091,734
UNSPECIFIED	Success rate						
	FTE				2,000	2,750	4,750
Overall success rate		81,65%	72,80%	77,19%	82,47%	73,06%	77,84%
Total FTEs		4 968,482	5 041,669	10 010,151	5 474,309	5 302,233	10 776,542

Table 20: 2016 student performance and full-time equivalents (FTEs) across the major fields of study by gender

The table above provides the annual changes in student performance in success rates across the major fields of study by gender. The following observations are noteworthy:

- CUT's overall success rate increased, from 77,19% in 2015 to 77,84% in 2016.
- Females have performed better than their male counterparts during both the academic years 2016 and 2015, with their overall success rate fluctuating between 81,65% (2015) and 82,47% (2016). The male overall success rate fluctuated between 72,80% and 73,06% during the 2015 and 2016 academic years, respectively.
- In STEM, the success rate portrays an increase, from 73,92% in 2015 to 74,35% in 2016.
- The success rate in Other Humanities fields of study decreased, from 82,81% in 2015 to 80,73% in 2016.
- The success rate in Education increased, from 84,89% in 2015 to 88,10% in 2016, while Business and Management indicates an improvement, from 73,74% in 2015 to 75,74% in 2016.

2016 success/pass rates by major field of study and population group

	African		Coloured		Indian		White	
	2015	2016	2015	2016	2015	2016	2015	2016
BUS/MAN	73,00%	75,59%	79,02%	74,62%	80,92%	86,88%	86,84%	80,50%
EDUCATION	85,13%	88,05%	83,99%	91,91%	179,08%	100,00%	69,00%	85,27%
OTHER HUM	83,01%	80,49%	78,38%	81,75%	38,08%	52,85%	83,67%	87,49%
SET	73,27%	73,87%	76,21%	74,40%	65,21%	82,61%	78,74%	78,91%
Unspecified		94,74%						
Grand Total	**77,00%**	**77,67%**	**78,32%**	**78,29%**	**73,91%**	**81,53%**	**79,52%**	**80,26%**

Table 21: 2016 success/pass rates by major field of study and population group

2016 Summative view of student graduation and retention rates for 3-year undergraduate qualification

4Cohort year	Cohort headcount	Cohort retention						
		Retained after				Cumulative	
		1 Year	2 Year	3 Year	4 Year	Graduates to Date	Dropouts to Date
2011	1 973	1,541 78,1%	862 43,7%	405 20,5%	162 8,2%	933 47,3%	981 49,7%
2012	1 971	1,479 75,0%	814 41,3%	398 20,2%	153 7,8%	819 41,6%	946 48,0%
2013	2 208	1,520 68,8%	784 35,5%	375 17,0%	274 12,4%	765 34,6%	936 42,4%
2014	2 288	1,607 70,2%	841 36,8%	676 29,5%		492 21,5%	915 40,0%
2015	2 083	1,471 70,6%	1,284 61,6%			2 0,1%	598 28,7%
2016	2 522	1,808 71,7%				1 0,0%	397 15,7%

Cohort year	Cohort headcount	Cohort graduation					
		Min time	Min + 1	Min + 2	Min + 3	Min +3>	Total (%) graduates
2011	1 973	464	279	150	40	0	47,3%
2012	1 971	377	275	150	2	0	41,6%
2013	2 208	490	0	0	0	0	34,6%
2014	2 288	492	0	0	0	0	21,5%
2015	2 083	2	0	0	0	0	0,1%
2016	2 522	1	0	0	0	0	0,0%

Table 22: 2016 Summative view of student graduation and retention rates for 3-year undergraduate qualification (Diploma, Diploma (360), National Diploma, Professional First Bachelor's Degree (3 years), Undergraduate Diploma or Certificate (3 yrs.)

Table 22 above presents the first-time entering totals for a 3-year undergraduate qualification, student cohort, retention and graduate rates over time. The 2011 cohort is used for interpretation purposes of this table. (The full cohort cycle is five years, due to regulation stipulating that the maximum study duration for a national diploma is five years.) From the 1973 student cohort enrolled in 2011, 1 541 students (i.e. 78,1%) were retained in year 1 (i.e. 2012); 862 students (i.e. 43,7%) were retained in year 2 (i.e. 2013); etc. From this 2011 cohort, 47,3% of the students have graduated to date, whilst 49,7% are reported as drop-outs (including stop-outs) to date. From that very same 2011 cohort, 23,52% graduated in

the minimum duration of the qualifications for which they enrolled; 14,14% graduated in the minimum time plus one year; 2,03% graduated in the minimum time plus two years; etc. This should provide a clear illustration, and assist in the interpretation of Table 9 above. It should be noted that the graduation cohort only includes: Diploma, Diploma (360), National Diploma, Professional First Bachelor's Degree (3 years), Undergraduate Diploma or Certificate (3 years).

2016 student profile for each faculty per campus

The table below provide the gender distribution of students and permanent instructional/research staff members of the different faculties per campus in 2016.

Faculty of Management Sciences											
Campus grouping	African		Coloured		Indian		White		Unspecified		2016 Total headcount
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
Bloemfontein	55,39%	37,64%	1,72%	1,39%	0,08%	0,22%	1,89%	1,39%	0,16%	0,11%	3 656
Welkom	62,52%	36,38%	0,55%	0,27%	0,00%	0,00%	0,18%	0,09%	0,00%	0,00%	1 094
Kimberley	59,09%	22,73%	4,55%	4,55%	0,00%	0,00%	9,09%	0,00%	0,00%	0,00%	22

Faculty of Health and Environmental Sciences									
Campus grouping	African		Coloured		Indian		White		2016 Total headcount
	Female	Male	Female	Male	Female	Male	Female	Male	
Bloemfontein	52,19%	31,62%	1,88%	0,85%	0,23%	0,06%	8,32%	4,84%	1755

Faculty of Engineering and Information Technology									
Campus grouping	African		Coloured		Indian		White		2016 Total headcount
	Female	Male	Female	Male	Female	Male	Female	Male	
Bloemfontein	22,75%	64,11%	0,49%	2,67%	0,02%	0,40%	0,42%	9,15%	4536
Welkom	35,33%	62,33%	0,00%	1,33%	0,00%	0,00%	0,00%	1,00%	300

Faculty of Humanities									
Campus grouping	African		Coloured		Indian		White		2016 Total headcount
	Female	Male	Female	Male	Female	Male	Female	Male	
Bloemfontein	54,39%	38,17%	2,18%	1,67%	0,07%	0,04%	1,81%	1,67%	2701
Welkom	63,38%	34,57%	0,68%	0,37%	0,00%	0,00%	0,74%	0,25%	1611

Table 23: 2016 student profile for each faculty per campus

Faculty of Management Sciences

Staff	African		Coloured		Indian		White		2016 Total staff headcount
	Female	Male	Female	Male	Female	Male	Female	Male	
Headcount	16	24	5	0	1	1	36	17	100
Percentage	16,00%	24,00%	5,00%	0,00%	1,00%	1,00%	36,00%	17,00%	100%

Faculty of Health and Environmental Sciences

Staff	African		Coloured		Indian		White		2016 Total staff headcount
	Female	Male	Female	Male	Female	Male	Female	Male	
Headcount	13	13	3	0	1	1	25	9	65
Percentage	20,00%	20,00%	4,62%	0,00%	1,54%	1,54%	38,46%	13,85%	100%

Faculty of Engineering and Information Technology

Staff	African		Coloured		Indian		White		2016 Total staff headcount
	Female	Male	Female	Male	Female	Male	Female	Male	
Headcount	16	33	2	3	0	4	15	38	111
Percentage	14,41%	29,73%	1,80%	2,70%	0,00%	3,60%	13,51%	34,23%	100%

Faculty of Humanities

Staff	African		Coloured		Indian		White		2016 Total staff headcount
	Female	Male	Female	Male	Female	Male	Female	Male	
Headcount	21	37	1	3	2	2	20	6	92
Percentage	22,83%	40,22%	1,09%	3,26%	2,17%	2,17%	21,74%	6,52%	300

Table 24: 2016 permanent instructional/research staff profile per faculty

This concludes a profile of the institution in terms of an in-depth analysis of its performance, size and shape.
From the above results it is evident that some of the targets could not be met, either due to incorrect baseline or unrealistic targets. Failure to meet those targets could impact on achieving 2020 targets. Carrying the unachieved objectives over to the following year, setting the correct baseline, revising the annual target from being unrealistic to being realist, as well as aligning KPIs to funding, form part of the improvement plan for addressing the shortcomings.

The Bloemfontein Campus houses a full array of modern buildings with well-equipped laboratories and lecturing venues. The campus has all-encompassing Library and Information Services, while the Lapeng Student Centre is a vibrant venue hosting a wide variety of student activities and services. Excellent sporting facilities on campus cater for the needs of sport enthusiasts, who can choose from a host of formally organised sport codes, ranging from athletics, soccer, rugby and cricket, to basketball, volleyball and netball.

CUT's Welkom campus is situated 160km northeast of Bloemfontein, and is in the hub of the Free State goldfields with several gold mines, a thriving industry in South Africa. Welkom campus facilities for students include: a library and information services, student cafeteria, computer laboratory, equipped laboratories for programmes offered, a wellness centre supports staff and students with psychological matters, counseling, supplement studies, social services, and a wide range of sport facilities is available.

Both campuses offer a variety of student organisations, cultural activities as well as health services to advance access to quality education and to support students during their university years.

Alumni Association

CUT's revised Alumni Association Constitution was approved by Council on 26 November 2016. The Alumni Association is more inclusive, in that it accommodates anyone who is academically affiliated with CUT, including those who studied at CUT, but who did not obtain a CUT qualification. Elections for an Alumni Association Executive took place in 2016, and a representative of the Alumni Association served on Council in 2016.

Facilities and Major Capital Projects

The project involving the construction of new buildings at CUT, which project is financially supported by the DHET and the University Council, reached a 95% completion in 2016. The project includes three new academic buildings, for Teacher Education and Engineering at the Bloemfontein Campus, and Africa Languages and Information Technology at the Welkom Campus, respectively. Furthermore, the building project includes two new residences – one with 96 beds at the Bloemfontein Campus, and one with 225 beds at the Welkom Campus. With these two new residences, CUT will have a 1 085 bed-capacity (860 beds at the Bloemfontein campus, and 225 beds at the Welkom Campus). Council also approved a policy for the accreditation and provision of off-campus housing for CUT students.

However, the challenge pertaining to the provision of student accommodation remains critical for CUT, as the on-campus accommodation facilities at the Bloemfontein Campus can only accommodate approximately 6,58% of the campus' total student population, whilst the residences at the Welkom Campus can accommodate approximately 6,3% of the campus' total student population.

The construction of two gazebos at the open area in front of the Library and Information Services (LIS) Building; the establishment of a coffee shop in the atrium of the BHP Billiton Building; as well as the Civil Engineering Motivation Lab project in the BHP Billiton Building, all at the Bloemfontein Campus, were completed in 2016. The gazebos will house service providers who will sell food and beverages to students, and will provide seating for students and staff. It forms part of the greening of the campus environment and the creation of more blended learning and social spaces. The renovations to the newly purchased BKS Building; the renovation of the 24-hour study venues at the LIS; and the renovations to the Academic Development and Support Offices were completed in 2016.

Special Events

CUT has witnessed many changes and tremendous achievements in serving the central region of South Africa and the country as a whole. The university's pursuit of quality education and academic excellence, have brought forth great milestones. Here follows a few of the significant events for 2016.

Chancellor Inauguration

The Central University of Technology reached a historic moment when the first woman Chancellor, Madam Justice Mahube Molemela was inaugurated on 10 June 2016. The inauguration is another milestone that positions CUT as among a few universities that are driving the advancement of capable women into leadership positions in South Africa. Chancellor Molemela is the first female Chancellor to occupy this position after Dr Boet Troskie and Mr Mosiuoa Lekota.

On stage during the inauguration is from left: Prof. Thandwa Mthembu, former Vice-Chancellor and Principal of CUT; Chancellor Mahube Molemela, and Chairperson of Council, Mr Mike Mohohlo.

"Having realized the value of quality education, firm steps need to be taken in order to eradicate all the impediments that continue to hinder access to education. This means that the key challenges facing the Higher Education like funding, provision of adequate infrastructure, demand for new technology, attraction and retention of the best talent in academic staff will no doubt be probed," these were the words of Madam Justice Mahube Molemela, the newly inaugurated Chancellor, during her address at the historic event.

Professorial Inauguration: CUT honoured one of its top academics

Prof. Herman Vermaak was inducted into 'the academic hall of fame' when he was inaugurated as a full Professor on 07 September 2016. His address was a summation of his prowess as a scholar of note in the field of engineering. In his address, he presented *Design-for-Testability: the solution to improved test engineering and product quality* as a tribute of his work of many years as artisan, technologist and engineer. His presentation was based on issues such as the importance of testing, digital circuits, design-for-testability, virtual commissioning, condition monitoring and the future of testing, and how they all fit to one another.

Prof. Henk de Jager, Acting Vice-Chancellor and Principal and Deputy Vice-Chancellor: Research, Innovation and Engagements; Dr Nomathemba Mrwetyana, CUT Registrar, the newly inaugurated Professor, Prof. Herman Vermaak, Prof. David Ngidi, Deputy Vice-Chancellor: Teaching and Learning and Prof. Alfred Ngowi, Dean: Faculty of Engineering and Information Technology.

Professor Vermaak is a Professor in the Faculty of Engineering and Information Technology: Department of Electrical, Electronics and Computer Engineering. He was Head of the Department for eleven years and Acting-Dean of the Faculty for fourteen months, and holds the position Assistant Dean. He has presented numerous papers at international conferences, published widely in international journals, and supervised twenty-eight completed post-graduate studies. He has also produced two technical reports for Council for Scientific and Industrial Research (CSIR) on Reconfigurable Assembly Systems.

Public Lectures

Faculty of Management Sciences hosted a lecture on U.S. economic policy and its implications for Africa

The Faculty of Management Sciences hosted Mr Anthony Carroll a Senior Associate at the Centre for Strategic and International Studies to present a lecture on U.S. economic policy and implications for the continent, especially South Africa. He spoke about Africa's Growth and Opportunity Act (AGOA) and what its renewal means for South Africa.

Mr Anthony Carroll a senior associate at the Centre for strategic and international studies delivered a lecture on AGOA programme and its benefits.

AGOA was passed as part of the Trade and Development Act of 2000 in the USA which provides duty-free access to the USA market for almost all products exported from more than 40 eligible sub-Sahara African (SSA) countries, including South Africa. It is aimed at promoting free-market system, expanding USA African trade and investment, stimulating economic growth and assisting SSA's integration into the global economy. "50 years ago Africa had about 5% of global trade, by mid 1980's Africa share of global trade fell to 1%. It was then faced with debt, disease, pandemics of HIV and Aids, what we wanted to do was find a way to accelerate Africa's inclusion into the global economy," said Mr Carrol. He also said one of the ways this could be accomplished was to provide a preferential access for African products into the U.S. market.

CUT hosted open day with the Rapid Product Development Association of South Africa

Mr Themba Sehawu, Senovate (Pty) Ltd demonstrated the practical application of the use of AM (3D pringint technology) in his business with a fruit picker design for picking fruit from tall and inaccessible trees without hassle.

On 25 August 2016, CUT in collaboration with Rapid Product Development Association of South Africa (RAPDASA) hosted an Open day to launch the South African Additive Manufacturing Strategy since it was developed over the past two years with funding support from the Department of Science and Technology. Importantly, CUT also celebrated the certification of ISO 13485 which is accreditation for manufacturing of titanium implants using additive manufacturing. CUT is the first university in Africa and one of few in the world to receive this international certification.

Mr Hardus Greyling, Project Manager: AM Strategy Development from Council for Scientific and Industrial Research (CSIR) said that the South African Additive Manufacturing Strategy is focused on the development of niche areas to take advantage of high-priority opportunities that could contribute towards South Africa's socio-economic   imperatives. He said various opportunity areas for South Africa in the field of AM manufacturing were identified through three national workshops.

Prof. Alfred Ngowi,Acting Deputy Vice-Chancellor: Research, Innovation and Engagement; Prof. Henk de Jager, former Deputy Vice-Chancellor: Research, Innovation and Engagement; Mr Gerrie Booysen, Director: CRPM and Mr Andre ten Napel, Managing Director: TNMC Medical Devices SA.

Conferences

6th Annual African Engineering Education Association (AEEA) Conference 2016

The Conference provided an opportunity for researchers and students to network and embrace intellectual development by allowing educators, professional organisations and industry leaders to discuss common problems in engineering education. The conference also created a platform for engineering educators to examine approaches to teaching, learning and curriculum structures that would advance engineering education in resource-constrained environments. It also allows for exchange of information, links, and collaboration between delegates from various institutions and addresses the global issues relating to engineering education.

Day one of the conference with engineering delegates who learned how to use visual aids to enhance teaching and learning in the engineering field.

From left: Prof. Jian Lin, Prof. Hans Hoyer, Secretary General at the International Federation of Engineering Education Societies (IFEES); Prof. Henk de Jager, Vice-Chancellor and Principal Elect; and Prof. Funso Falade, President of African Engineering Education Association (AEEA) who enjoyed a tour at the Bagamoya Wildlife Estate during the conference.

This jointly hosted a conference by the African Engineering Deans Council aimed to provide an opportunity for professional socialisation, networking, and intellectual development.

CUT and Cisco discuss best IT practices at the Cisco Conference

Teaching methods have transformed drastically and the new age generation believes in paperless teaching and learning. To keep up with the trends, CUT like other universities, has adapted a curriculum that resonates with this new generation in order to nurture technical knowledge among students, while cultivating communication, problem solving, and collaboration through network connections.

Attendees from Government, Industry and Tertiary Institutions from different countries who attended the Cisco conference at CUT.

The Faculty of Engineering and Information Technology hosted a two-day Cisco Network Academy Conference on 24 and 25 May 2016 with partners from institutions in Sub-Saharan Africa and international. The conference was designed to offer IT skills and career building programmes for participants. Its theme: *Developing a new generation of global problem solvers through the adoption of the Internet of things* offered delegates from government, industry and tertiary institutions an opportunity to meet experts in the industry to discuss and share new technologies and current trends used by the NetAcad community to inspire new projects which are at par with the job market.

CUT and CPUT forge international collaboration by hosting IAUP Conference

CUT and Cape Peninsula University of Technology co-hosted vice-chancellors and principals from across the globe at the International Association of University Presidents (IAUP) Conference from 14 to 16 October 2016 in Cape Town with the aim of answering the emerging question about higher education's response, through innovation, to sustainable development goals in a changing world. The delegates are from Australia, Austria, Brazil, Denmark, Chile, China, Ghana, Japan, Liberia, Korea, Mexico, Spain, Thailand and USA.

Both universities are regional members of IAUP. They represent young and innovative institutions renowned for innovation and applied research; hence the focus of this conference on the role of science, technology and innovation in addressing the UN's Sustainable Development Goals (SDGs) as well as international partnerships for sustainable development.

"IAUP is a very strong global network through which representatives of higher education institutions from different countries take hands and work together as partners to create a better global community through education", said Dr Toyoshi Satow, IAUP President and Chancellor at JF Oberlin University and Affiliated Schools, in Japan.

International delegates from Australia, Austria, Brazil, Denmark, Chile, China, Ghana, Japan, Liberia, Korea, Mexico, Spain, Thailand and USA who attended the IAUP meeting in Cape Town.

Student Services

Pertaining to student affairs, the following are some of the highlights recorded in 2016:

Academic administrative services to students: A total of 313 students were declared academically unsuccessful. These students appeared before the Appeals Committee. During the appeals process, 212 students from both the Bloemfontein and Welkom Campuses were granted permission to continue with their studies. Re-appeals were welcomed, and were attended to appropriately. As part of our initiative to develop online processes completely, students did not have to apply for admission to second-semester studies manually, but were automatically promoted to the next level of study. This eliminated long queues at Academic Administration. The second-semester additions and registrations for the Faculty of Engineering and Information Technology were successful, and approximately 85 new students were registered. The addition and cancellation of second-semester subjects were successful in all cases. As part of the above-mentioned initiative of online processes, students were able to access their results on the CUT student portal, which allows students to access their results both on and off campus by using their smartphones. A sufficient number of learners registered to write the National Benchmark Tests (NBTs), which were conducted successfully. This is an indication that the importance of the NBTs is increasingly being grasped.

Student life
- The CUT Radio Station continues to make strides to increase its listenership gradually. In capacitating the station crew so as to ensure that the station remains relevant and compliant with applicable media and the legislative framework, the team attended a workshop with the theme History of Radio on 11 August 2016. The workshop was hosted by OFM, a commercial radio station in the Central region. A second workshop on content development, facilitated by a Radio

Lesedi's former Station Manager, Mr Pula Pula Mothibi, was held on 13 August 2016. The station celebrated Women's Month in August 2016 by inviting some prominent women who made great strides in their different fields of expertise, such as Fashion, Law, Business, etc., to share their experience and challenges with the students.

• The CUT Drama Society showcased their proficiency at the Grahamstown National Arts Festival from 5 to 9 July 2016, whilst also marketing the academic programmes at CUT during their free time.

• The SRC Carnival Week took place from 1 to 5 August 2016, and entailed a programme full of student festivity, with the purpose of building a culture of community service at CUT. The various student organisations focused on fundraising, student-driven charity work within their immediate communities.

Student leadership

In order to create an accommodative and tolerant political environment for the SRC election process, CUT held a civic education session on *Student leaders striving towards creating a conducive environment for participatory democracy* on 21 July 2016, which focused on strengthening the culture of democracy at CUT. All student political parties, as well as the SRC from both the Welkom and Bloemfontein Campuses attended the session.

Health and Wellness

The Wellness @ CUT (WELLCUT) programme for staff continued in 2016, with special events arranged for supporter clubs. The events included staff attending sporting events such as rugby matches at the Free State Stadium; Women's Day celebrations; health screenings; a dietician who consulted with staff on healthy eating habits on a monthly basis; etc.

The Wellness Centre provided fun and interactive activities for both students and staff during the latter half of 2016 in the form of a second Unity Service (31 July 2016); second Health Week (from 22 to 26 August); and Women's Day celebrations (11 August 2016).

Sport

The CUT Golf Team obtained fourth place out of 21 participating university golf teams at the Universities South Africa (USSA) Golf Tournament, which was held in Port Elizabeth from 4 to 8 July 2016. The captain of the CUT Golf Team, André van Zyl, played for the South African Student Golf Team against French, Irish and English university teams in May 2016.

The CUT Ixias Rugby Team finished sixth in the USSA Tournament that took place in East London from 4 to 8 July 2016. Recruitment for the 2017 FNB Varsity Cup from the top 20 rugby school teams in the country took place at the Wilde Klawer Rugby Tournament in Kimberley in April 2016. The Coca-Cola Craven Week for all 18 provincial teams took place in Durban from 11 to 16 July 2016.

FINANCIAL HEALTH/VIABILITY OF THE UNIVERSITY

2016
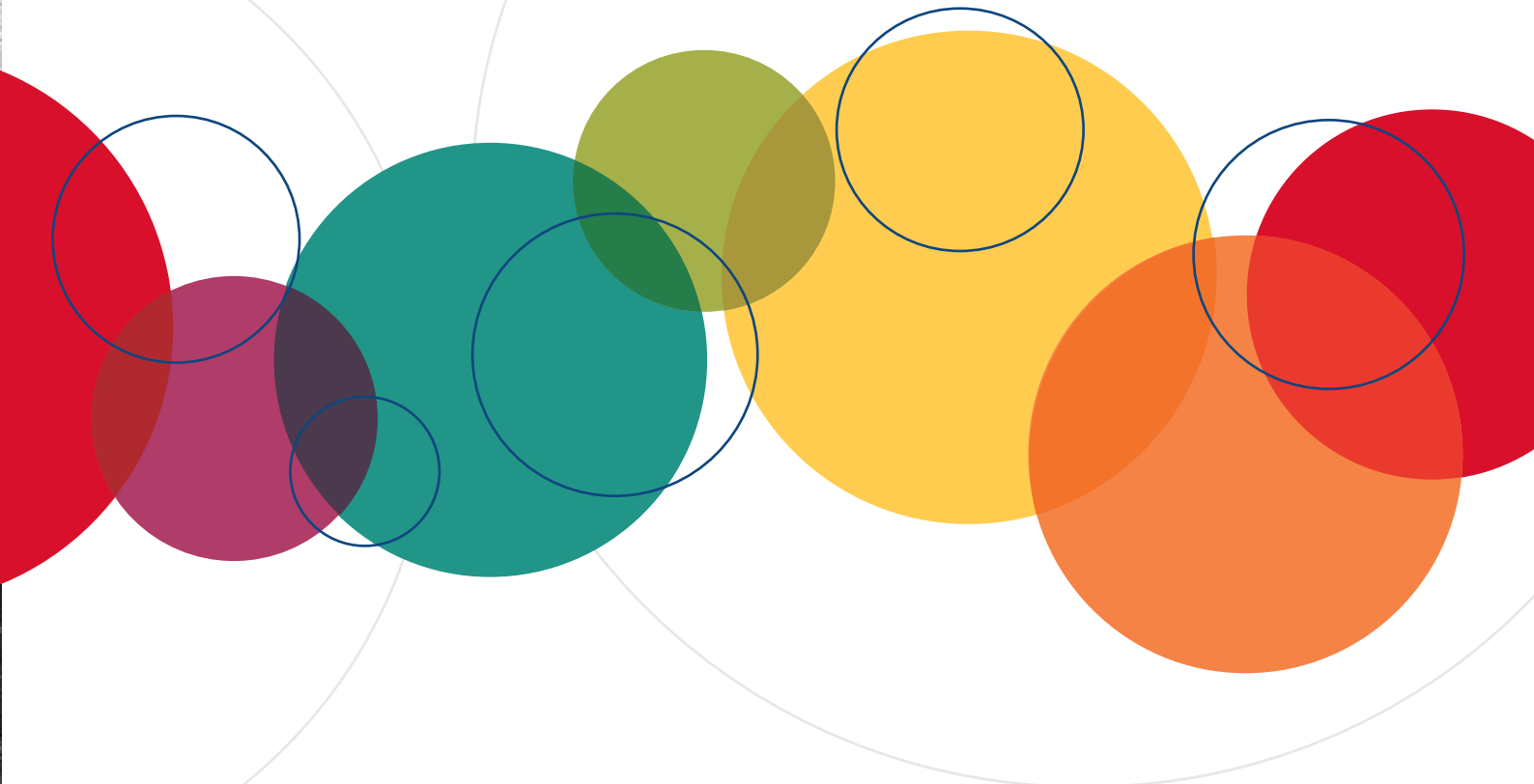
In determining CUT's financial health, the following areas were assessed:
- **Income:** During 2016, income increased by 21%, from R724,308 million in 2015 to R879,782 in 2016. This increase was mainly as a result of an increase of 24,47% (R88,669 million) in subsidies and grants, as well as an increase of 27,96% (R78,192 million) in tuition and other fee income. There was a decline of 14,99% (R0,367 million) in income in the form of private gifts and grants.
- **Expenditure:** The total expenditure for 2016 increased by 7,30%, from R744,386 million in 2015 to R798,738 million in 2016. This is 14% less than the increase in income, which is positive.
- **Council-controlled salaries:** The payment of salaries is the University's highest permanent annual obligation. 62% is budgeted for salaries on an annual basis. This cost increased by an average of 7% in 2016, whilst the actual salary expenditure increased by 2 4%, from R362,692 million in 2015 to R371,552 million in 2016.
- **Solvency ratio:** There was a slight increase in the asset-debt ratio, from 1.67:1 in 2015 to 1.80:1 in 2016.
- **Cash balance:** There was a slight increase in the cash balance, The University does not borrow money to invest in infrastructure and other assets, but rather uses its own funds for this purpose. Property, plant and equipment increased by little less than R70 million in 2016. The financial statements indicate that CUT only withdrew R50 million to finance these activities, with the balance being financed from 2016's sources.

From the above, it can be established that, despite the challenges experienced by the higher education sector in terms of student debt, CUT remained financially healthy. This position is set to strengthen, as more rigid strategies around student funding and debt recovery are being implemented. The University intends to reduce its dependence on government funding and student fee income.

A possible change in the accounting treatment of grants for capital projects would improve the University's financial status significantly in as far as income recognition and deferred income are concerned. Currently the income is deferred over the useful life of the asset, creating a huge liability in the statement of the financial position.

Borrowings and additional borrowings: The University did not borrow any money in 2016. The borrowings reflected in the financial statements are as a result of five-year finance-lease contracts for computer equipment, with the last payment expected to be made on 1 October 2018. In the future, the University might have to consider borrowing money, so as to enhance its ability to deliver on a number of critical areas, such as the construction of student residences, increasing third-stream income, etc.

Financial control inadequacies: There were no control inadequacies that resulted in material financial loss. There were some immaterial fraud cases, which were investigated by forensic auditors, on the request of Management.

Additional investments in infrastructure: During 2016, the construction of two buildings, to the value of R91,504 million, was completed. R73,115 million was used for the construction of buildings in 2016. The construction of these buildings were funded from the Department of Higher Education and Training (DHET) 3-300 infrastructure project funding, as well as CUT's contribution towards such infrastructure developments. Three of the five new buildings are expected to become operational in 2017. In addition, CUT acquired a farm for R2,646 million, which was paid for with earmarked funding from the DHET. The balance of the funds is earmarked for improvements to the farm.

Annual Financial Review

The budgeting process for all Council-controlled funds commence with the appraisal of the Ministerial guidelines and the CUT Council's guidelines on budget allocations. Council's guidelines provide direction in terms of the percentage of fund allocations, as indicated in the Headline Budget.

Council's guidelines are set to ensure that the annual budget is allocated in a manner that ensures the achievement of the institution's strategic and operational objectives.

An evaluation of available funding and associated streamlining is undertaken, and the funds are allocated using the Resources Allocation Model (RAM). As some areas are not yet fully aligned with the outcomes of RAM, cross-subsidisation still takes place to ensure stability, whilst strategies are formulated to eliminate such cross-subsidisation as far as possible. Stakeholders are involved in the entire process, from gathering information on the availability of funds, to planning activities. The budget is approved by all the relevant committees, and ultimately by Council.

Monitoring of the budget takes place on an ongoing basis, with results being discussed with the relevant budget holders. Any over-expenditure and/or under-expenditure is dealt with accordingly, to ensure that the achievement of objectives is not compromised. Management accounts are prepared on a quarterly basis, and the results thereof are discussed at committee levels, and submitted to Council for noting purposes.

The University's financial condition

The institution's primary strategic goals are:
• institutional advancement;
• teaching and learning;
• research and innovation;
• university life; and
• financial sustainability.

A brief discussion of four of these goals is presented below.

University life: A number of factors in terms of staff and students are considered when dealing with matters related to university life. From the financial statements, it can be established that, during the financial period under review, the institution capitalised two buildings, namely a student residence and the Teacher Education Building, at a cost of R91 million. Three buildings, namely a student residence, the Engineering Building and a teaching and learning building, are expected to become operational in 2017. The University spent R67 million of its own funds, in addition to the scheduled contribution of R58 million, to finalise the buildings for occupation. This investment in the buildings, and the equipment related thereto, had a major positive impact on the quality of life of students and staff. Amongst others, the residences are new, trendier and safer, thus translating into improved student performance.

Financial sustainability: This strategic goal ensures that the institution has sufficient financial resources to achieve its objectives on an annual basis, as well as in the long term.

The institution's financial performance improved from a net deficit of R20 million in 2015, to a net surplus of R81 million in 2016. The Council-controlled funds improved from a deficit of more than R20 million, to a net surplus of approximately R50 million. An analysis of the results indicated that this was as a result of an increase of 21% in total income, from R724 million in 2015, to R880 million in 2016 (Council-controlled funds increased from R614 million to R716 million; thus, an increase of 16.6%).

Although restricted grants amounting to R70,083 million were received in 2016, only R51 million thereof was recognised as income. The remainder of these funds were indicated as part of deferred income, thereby resulting in an increase of R19 million. Grants associated with infrastructure are only recognised over the life of the associated property; hence, a large portion of the restricted funding that was received forms part of deferred income. As at 31 December 2016, the balance associated with this liability was R440 million.

Total expenditure increased by only 7%. Scrutiny of the University's expenditure for 2016 revealed that (i) staff costs only increased by 0.6%, and (ii) other operating expenses increased by approximately 21% (Council-controlled (13%) and restricted expenses (47%)). With the exclusion of non-cash expenditure (depreciation and impairment), this amounts to an increase of R94,8 million in the surplus from unrestricted funds.

The improvement in expenditure was also a direct result of the implementation of cost-containment measures to mitigate the perceived risks of the #Fees-Must-Fall campaign. The institution remains committed to upholding these measures by means of continuous awareness campaigns and increased efficiencies.

Teaching and learning: From the financial information, it can be determined that this strategic objective continues to be met, as witnessed by an increase in the number of teaching outputs, which is evidenced by a steady incline in the grant subsidy element that is linked to this measure.

Research and innovation: The institution continues to enjoy ground-breaking innovation, as confirmed by the number of research awards; the increase in the number of postgraduate graduates; and the increase in the research output and the associated grant subsidy.

Financial aid to students: Financial aid totalling approximately R317 million was provided to students in 2016. This amount comprised CUT funds, NSFAS grants, and externally funded bursaries and scholarships. Financial aid was awarded to students on the basis of academic performance and financial need.
- CUT funding: In 2016, CUT allocated R19 million of the Council-controlled funds towards student bursaries.
- NSFAS loans: Approximately R254 million was claimed from NSFAS. Of the R77 million that was allocated towards historic debt, only approximately R30 million could be claimed, as students failed to sign the agreements.
- Other donors: Additional funding to the value of approximately R43 million was received from various funders, with varying conditions. These funds were either actively sourced by CUT, or via external funders responding to the #Fees-Must-Fall situation.

Increase in student fees: CUT reviews student fees on an annual basis. A policy and procedure for determining student fees are in place to ensure a balance between the recovery of costs for the services received by students in terms of tuition and other related services, and the fees charged. Student fees contributed approximately 35% of the total income of the institution.

CUT strives to carefully and efficiently manage the cost of services, whilst ensuring that the quality of service is maintained.

The recommendations made to the CUT Council in respect of tuition fees and related fee increments are consulted with the Student Fees Committee, and all stakeholders, including the Students' Representative Council (SRC), are represented on this Committee.

A number of factors contribute to the increase in costs, for example:
- higher education is expensive, and the cost of providing such education usually increases at a higher rate than that of general inflation;
- maintenance of the physical campus, and the expansion of the range of options for classrooms and research laboratories form a major part of the costs involved in providing higher education at a university of technology;
- costs are affected by the demand for additional facilities; and
- costs are associated with addressing health and safety-related matters.

Percentage annual fee increment for the 2016 academic year: Annual percentage increases for 2016 in the respective categories were initially approved for a three-year period by the CUT Council in 2014. However, as a result of the #Fees-Must-Fall campaigns in 2015 and 2016, the government committed a 0% fee increase for students, but compensated the institution with a subsidy equivalent to the foregone fee increment. CUT received R22,5 million from government in this regard.

From the above, it can be established that, despite the challenges facing the higher education sector, the institution has performed well financially. The monitoring of performance on a quarterly basis, as well as the implementation of cost-containment measures, ensured that CUT remained financially healthy, without compromising any of the University's operations.

Financial Statements for year ended 31 December 2016

Consolidated notes to the Financial Statements
Statement of Financial Position
Statement of Comprehensive income
Statement of Cash flows