ANNUAL REPORT 2021

Fostering collaboration
in higher education.

UNIVERSITIES SOUTH AFRICA

Table of Contents

Part Three: USAf's Governance Framework

Part Four: Financial Statements for the Year Ended 31 December 2021

Part Five: Administration at the USAf Office

Part One:

The Leadership Overview

1.1. The Chairperson's Foreword

Professor Sibongile Muthwa, Chairperson of the USAf Board.

1.1.1. Introduction

As the world gradually emerges from the clutches of the CoViD-19 pandemic, we are encouraged that our universities are still standing and functioning effectively after this devastating period. Conservative estimates show that our universities collectively lost no fewer than 139 staff members and 31 students to CoViD-19 between March 2020 and June 2021. Within and beyond the sector, no-one was spared the pain inflicted by this pandemic. Our institutions, and society at large, will never be the same again.

We are not out of the woods yet, but we still view 2022 with cautious optimism and muted hope. However, with our science community assuring us that the worst is over, we can, hopefully, begin to view the future with more optimism.

We are all the better for having delayed the start of the 2021 academic year, as we accommodated the extension into this year of 2020 teaching and learning at some of our member institutions. We were still adjusting to emergency online teaching and learning and could not afford to rush our students into further uncertainty. We have learnt a great deal from our 2020/21 innovations, and I believe our students and academics have gained skills that will stand them in good stead. Together, we are ready to move forward with a renewed sense of determination.

1.1.2. Civil unrest in Gauteng and KwaZulu-Natal

As if the pandemic was not enough, South Africa was further shaken in July when rampant looting and civil unrest in parts of Gauteng and KwaZulu-Natal impacted on especially the manufacturing and retail sectors of our economy. The USAf Board was active in pooling efforts to cushion the higher education sector, as this civil unrest created threats to the safety of our students, staff, and universities' infrastructure. Universities faced the additional possibility of the academic programme being disrupted as they pondered looming food shortages and an inability to keep students in residences. Bandwidth inadequacy emerged as another threat following the attacks on 3G and 4G masts in KZN. We were also concerned about trauma and worsening mental health among students and staff, and the possibility of CoViD-19 super-spreader events emanating from the crowded looting areas.

At a special meeting convened to respond to this crisis, the USAf Board of Directors agreed that universities have a role to play in deepening democracy and social cohesion, and in addressing key transformation challenges facing our society. We also concluded that at the heart of the July 2021 unrest was a society that defaults to violence as a standard for expressing discontent.

While we could collectively address short-term solutions to the challenge, we conceded that resolving structural long-term issues of poverty, social inequality, and unemployment was not the competency of the university sector. We also concurred that matters of community policing and state security were beyond our sphere of influence. However, we unanimously agreed on a need to use our knowledge and research to advance and support national efforts aimed at addressing the underlying causes of social discontent, most of which results from many forms of exclusion and unequal access to basic needs.

As we wind up the year, I reiterate our commitment, as the Board of USAf, to make good on our collective undertaking in this regard. The July 2021 civil unrest once again underlined the importance of universities becoming embedded in, and gearing themselves to respond to, their local contexts and communities.

1.1.3. The Engaged University

This imperative was well-articulated at the second national Higher Education Conference in October 2021. It was heartening to witness the Board's response to the conference, which was themed *The Engaged University.* The sector's interest, attendance in numbers (over the three days 5 097 people participated), and insightful contributions to the deliberations were highly encouraging. Equally satisfying was the participation of our vice-chancellors, and the dedication they showed to their strategy groups' agenda and responses to the discourse.

This conference was about legitimising universities. It was about exploring the substance of engagement between universities and the society they are located in. The occasion was about acknowledging that true transformation is unattainable if universities are inward-looking and not socially embedded in the communities they are meant to serve.

It was encouraging to see scholars embracing the need for universities to rise to their public mandate. Speaker after speaker confirmed the centrality and embeddedness of the university in local and national socio-economic and political transformation and development. Deliberations at this conference affirmed that leaders, scholars, and practitioners had taken to heart the notion of the engaged, responsive university.

As we strive to build on that impetus, I believe that we will re-invest our energies in enriching and expanding our thoughts to create a sturdy platform for the re-imagination of the knowledge project towards a more expansive, socially just, and all-inclusive enterprise that defines our universities' aspirations.

1.1.4. We're all in this together

We continue to achieve our annual objectives through our steadfast commitment to the collaborative approach and partnership model that we have with the Department of Higher Education and Training, the Council on Higher Education, the Department of Science and Innovation and the science and research councils affiliated to it, as well as the Parliamentary Portfolio Committee on Higher Education and Training. Needless to say, our partnerships extend much wider and deeper into the post-school education and training system, into the private sector, civil society, and beyond. We thank every organisation that has contributed to the successes we have realised under trying conditions.

1.1.5. Conclusion

As my second year as the Chair of the USAf Board comes to an end, I am humbled to have been re-appointed for another term of two years. Looking at the collegiality that prevails in Board engagements, the unwavering support rendered by our Secretariat -- the USAf Office-- under the leadership of Professor Ahmed Bawa, and the support that USAf continues to enjoy from our community of partners, I can only declare my pleasure to stay on and to serve.

May we, as a leadership collective, continue to raise the flag of Universities South Africa and achieve ever more for the sector in the years to come.

Sibongile Muthwa

Chairperson – Universities South Africa

1.2. The Chief Executive Officer's Report

Professor Ahmed Bawa, Chief Executive Officer.

There is an anomaly about this report that I must explain: Although this is an account of our performance in 2021 in relation to USAf's strategic plan, USAf's 2021 financial statements were only audited and signed in March 2023, and presented to and approved by the Board of Directors at their June 2023 meeting. This explains why the Directors' Report on p. 45 depicts the Board membership as it stood in 2021, but also lists the USAf directors in office at the date of this report in 2023. That is also why the Directors' Report shows appointments, resignations, and retirements from 2021 to 2023. The delay in auditing the 2021 finances stems from an audit finding during 2021 that had to be investigated and resolved to the Board's satisfaction before those financial statements could be finalised and closed. I trust that this explanation eliminates potential confusion that would otherwise arise from those mixed years in the Directors' Report.

1.2.1. Managing the challenges of the pandemic

As we noted at the end of 2020, the CoViD-19 pandemic was a serious stress test for South Africa's higher education system. In 2021, it continued to produce severe stresses and strains on a system that was already under considerable pressure. Again, as was noted in 2020, it took great resolve among universities' staff and students, and important functioning partnerships with government and the private sector, to enable the successful completion of the 2021 academic year.

In terms of teaching/learning, the progression of our universities to the new academic year in 2021--notwithstanding the trauma that the emergency online teaching and learning caused in our students and staff -- was an important achievement. Considering the start-stop-start nature of the 2020 academic year and the different capacities of the institutions to shift towards new teaching/learning delivery modes, the entrance into the 2021 academic year happened in a deliberately designed staggered fashion, with teaching beginning from the end of February to the beginning of March.

Despite the 2020 trauma, the findings of the study *Staff Experiences of, and Perspectives on, Teaching and Learning and its Future (SEP-TLF),* released in November 2021, were significantly encouraging. Even though academic staff reported great frustration over students' struggles with connectivity, devices, the cost of data, and the lack of home-based suitable study spaces, the upside was the evident lecturer empathy for students' challenges, which led to their determination to accommodate the students through use of videos, voice-over slides, podcasts, flipped classrooms, and a shift towards more soft copies and the provision of a wider range of learning materials.

As a system, we need to now focus on building a national digital platform for teaching/learning that will ensure that all 26 universities have access to such a facility and will provide students across the system with access to the facilities (including connectivity and data) required for this purpose. This will open pathways for widening access to higher education and give effect to the long-held belief that lifelong learning is central to the purpose of our universities. On a different tack, creating an enabling environment for blended teaching and learning and enhancing quality assurance is a priority. We cannot take lightly the alarming reports of cheating and illicit collaborations that overwhelmed student disciplinary structures at our institutions during the pandemic era.

Looking back, I can attest that the ability of the 26 universities to work together through myriad task teams, communities of practice, strategy groups, workshops, and webinars, saw us emerge cautiously victorious against CoViD-19 and its myriad challenges. That collective action will continue to deliver successful academic outcomes as we head into the future.

In terms of research, much progress was made in 2021 towards ensuring that research laboratories have developed continuity plans in the event of future disruptions. Early indications are that the system-wide research output in 2021 has not been diminished, and that is a good sign.

Due to funding cuts experienced by the National Research Foundation and the Department of Science and Innovation, the possible declines in international research funding due to the redirection of funds globally to deal with the pandemic, and because of the downturn in the economies of many science-partner nations, there are still important concerns about the long-term funding for university-based research and development.

The recent publication of the *South African National Science, Technology and Innovation Indicators for 2020* by the National Advisory Council of Innovation raises an issue of great concern: the recent trend showing a decline in the private-sector contribution to GERD (Gross Domestic Expenditure on Research and Development) relative to the contribution of the public sector. This signals a decline in the industry-based demand side for research and innovation, which may have important negative consequences for university-based research. Also of concern is the fact that the GERD remains at a stagnant 0.85% of GDP, about one half of the international average, and significantly lower than the government's own target of 1.5% of GDP. It is a question of time before we begin to see the negative impact of this on the research enterprise at our universities.

1.2.2. Funding crisis

Student funding, especially for students who are referred to as 'missing middle' students, continued to be a challenge in 2021, resulting in unfortunate instability at several universities. Institutions responded to this through a variety of mechanisms, but the continuing ballooning of the national student debt is unsustainable.

A growing crisis is the lack of funding to support students wishing to participate in postgraduate programmes. This too has the potential to lead to instability in the near future.

The underfunding of the National Student Financial Aid Scheme (NSFAS) resulted in concerns about the inability to meet the demand for DHET bursaries for students who qualify. A stagnant government subsidy (on a per capita basis), government's proposal to regulate tuition-fee increases, and the cuts in funding for research and innovation all conspired to drive growing concerns over the sector's sustainability.

Regrettably, there is still no sustainable tuition-fee framework in place, and that does little to allay our concerns for the sector's long-term sustainability.

1.2.3. Some relief from SETAs

We were therefore highly encouraged when sector education and training authorities (SETAs) made a commitment through various Memoranda of Understanding, of injecting more relief grants into the system.

During 2021, USAf administered grants upwards of R194,3m, which we channelled to our member institutions as student bursaries and historical debt relief. Our universities were enjoying this reprieve for the second year in a row, following the disbursement of over R203,3m received from the SETAs in bursaries for both undergraduate and postgraduate students in the previous year. The 16,6% (R32,4m) of the 2021 grants that went into relieving student debt was significant, considering the staggering R16.2 billion in cumulative student debt, that our system is having to grapple with.

We express our most sincere gratitude to the participating SETAs, namely the Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA); the Financial and Accounting Services Sector Education and Training Authority (FASSET); the Food and Beverage Manufacturing Industry Sector Education and Training Authority (FoodBev SETA); the Safety and Security Sector Education and Training Authority (SASSETA); and the Wholesale and Retail Skills Education and Training Authority (W&RSETA).

Considering the significance of tuition-fee income to universities, any amount of unpaid fees impedes our institutions from maintaining the quality of teaching, learning, and research, thereby frustrating delivery of the institutions' core mandate. Although the amount raised to relieve universities of student debt, to date, is minute when considered against the cumulative debt of R16.2billion, the lifeline testimonies received from the student beneficiaries, and their universities, make our fundraising efforts that much more worthwhile.

In addition to student bursaries and debt relief, the ETDP SETA further committed R35 million in funding to Universities South Africa, towards training academics in digital teaching through the University Lecturer Development Programme (ULDP). Although the programme roll-out dates have yet to be finalised, content focus areas will include Teaching and Learning in a Digital Environment; Academic Development; Curriculum Development and Assessment; ICT for Teaching and Data Analytics; Educational Leadership; Academic Entrepreneurship; and Professional Development.

1.2.4. Other highlights from 2021

1.2.4.1. The Research and Innovation Dialogue 2021

It was heartening to see up to 300 delegates logging in virtually to attend and engage robustly during the 6th Biennial Research and Innovation Dialogue of the Research and Innovation Strategy Group (RISG). This time around the Dialogue tackled two themes:

- *The Impact of CoViD-19 on Research, Innovation, and Postgraduate Studies;* and
- *Research and Innovation: The Ethical and Integrity Imperatives.*

Once again, delegates underlined inherent interdependence among people, between people and the planet, and between higher education institutions. Delegates conceded that steering institutions into the post-CoViD future would require collaboration among institutions, in research partnerships -- especially with civil society-- if universities were to successfully advance humanity. Considering our nation's socio-economic challenges, it was imperative to also work together in finding alternative funding solutions. A view was shared that when resources are limited and collaboration is heightened, the need for resources is reduced.

Regarding ethical research, emphasis was placed on science as a public good; on the intrinsic right of society to share in the knowledge and information outcomes of research; and on the fundamental responsibility of researchers in conducting research. One speaker said ethical responsibility lies with the researcher to pursue and report the truth as the researcher sees it; to assume responsibility for how research is conducted, to exercise utmost discipline in deciding how to use other people's data, how to disseminate knowledge, and to respect the authority of professional codes in specific disciplines.

We must use these important outtakes to guide our daily decisions and conduct, as we soldier ahead and until the next Dialogue in 2023.

1.2.4.2. The 2nd Higher Education Conference

The highlight of the year was the very successful 2nd Higher Education Conference, themed *The Engaged University,* which drew 5 097 participants over its three-day duration. Our strategy groups shaped the conference agenda, identified the speakers, facilitated the engagements and, ultimately, drew from the conference recommendations to re-shape and strengthen their agenda for the next few years.

A consensus emerged that the upending of our system by the #FeesMustFall and #RhodesMustFall student actions, and by CoViD in the latter years, must lead to new imaginations and a re-think of our higher education system. We heard from our international delegates that South Africa's higher education challenges are also evident in the global higher education enterprise. We also heard during all strategy groups' report-backs that we need to evolve the knowledge project of our system by immersing our students in the theory-practice nexus, if we are to equip them adequately for the future world of work.

Furthermore, the conference strongly recommended strengthening collaborations within and outside the system, in our pursuit of building the social ownership of universities. The one thing that we might do well to consider is to build the notion of a *'responsive university'* onto the 'engaged university'. As the title of Professor Chris Brink's 2021 book *(The Responsive University and the Crisis in South Africa)* suggests, it is not enough to be engaged – it is as important to respond decisively to society's grand challenges.

1.2.4.3. Entrepreneurship Development in Higher Education

Even though the initial funding cycle of the Entrepreneurship Development in Higher Education (EDHE) programme came to an end in March of the reporting period, the programme secured another round of funding through the DHET's University Capacity Development Programme (UCDP) for a three-year cycle commencing in April. We are pleased with the inroads made into the system, with national structures now in place and strong foundations laid through key national projects and a network of communities of practice and other focused relationships.

Through the partnership developed with the British Council on various EDHE projects, we are confident of achieving far more in equipping our students and graduates to participate in the economy through entrepreneurial activity; in supporting academics to develop entrepreneurship through teaching, learning, and research; and in supporting our universities to become entrepreneurial and innovative ecosystems while developing relevant policies over time.

A lot more is reported on EDHE's achievements in Part II.

1.2.4.4. Higher Education Leadership and Development

With the initial funding cycle of the Higher Education Leadership and Management (HELM) programme also coming to an end in March 2021, a new proposal and a programme of action for the period 2021-2023 successfully secured another round of funding from the DHET's UCDP – upward of R29.3 million. With higher numbers enrolling, year-on-year, for various HELM offerings, we are confident about this programme achieving its primary purpose of enhancing leadership and managerial performance in the complex environments synonymous with our universities.

After the first cohort of Women in Leadership participants completed their programme in March, a second cohort was successfully launched in August. We look forward to seeing HELM deliver capacity building solutions to Student Affairs and Student Success practitioners, leaders and managers, as well as lecturers and deans, in the near future. Again, we report in more detail on the HELM milestones for the year in Part II.

1.2.4.5. The Matriculation Board

In November 2020 the Minister of Higher Education, Science and Innovation published Gazette No. 43851, inviting public comments on the abolition of the statutory status of the Committee of University Principals (CUP), the Matriculation Board, and the Committee of Technikon Principals (CTP), as provided for in Section 74 of the Higher Education Act 101 of 1997 – as amended. The Gazette also provided for the transfer of the Matriculation Board functions to Umalusi.

Since its Higher Education South Africa era, USAf had been lobbying the DHET to have the statutory status of the CUP, the CTP, and the Matriculation Board annulled.

Recognising that Umalusi's function of regulating admissions into higher education institutions dovetailed with the central role of the Matriculation Board, the Board of Directors of USAf embraced this development wholeheartedly. Following our negotiations with Umalusi to pave the way for the Matriculation Board's imminent transfer, we await the Minister's further directive in this regard.

1.2.5. We thrive on engagement

USAf's very operating model is anchored on stakeholder engagement. We use dialogue to identify our common challenges, and to co-create solutions for our system. That is how we influence policy change and seek to change our own institutional cultures to render them conducive to effective learning and success.

Engagement is the golden thread keeping our governance committees, including the Board of Directors, our communities of practice, and our strategy groups, alive and effective. It is also the engine igniting our strategic relationships and maintaining them for the realisation of USAf's objectives. Witnessing top leadership changes in the DHET, our key stakeholder, deeply concerns us, especially when considering the investment we've made over the years in building the relationships that we now enjoy. It took years to instil appreciation in the DHET leadership regarding the inadequacy of higher education funding. We watch with consternation the ongoing leadership changes and hope that they do not take us backward on the gains we have made to date.

We nonetheless report in Part II on what we accomplished through stakeholder engagement during 2021.

I take this opportunity to extend my utmost gratitude to the USAf Board of Directors, whose strategic direction kept us grounded at the USAf Office for yet another year. My greatest appreciation goes to our governance committees, members of which voluntarily and relentlessly give of their time and expertise to uphold good governance within USAf.

My heart goes out to the USAf staff and their senior Management Committee, without whose dedication the meticulous implementation of our operational plan would not have been possible. Special gratitude goes to Dr Linda Meyer, whose exceptional networking and fundraising skills were instrumental to USAf's successful acquisition of SETA grants and those from the banking sector over the past two years.

Bolstered by our 2021 victories, I have no doubt that we shall fly the USAf flag higher in 2022.

Professor Ahmed Bawa
Chief Executive Officer

Part Two:

Performance on USAf’s Operational Plan 2021

2.1. Introduction

Dr Linda Meyer, Director: Operations and Sector Support.

The Directorate: Operations and Sector Support is the nerve centre of the USAf Office and overseer -- in support of the Office of the CEO -- of performance on USAf's Operational Plan. This directorate coordinates and convenes engagements of USAf's five strategy groups and nine communities of practice. It also oversees USAf's flagship programmes, namely Higher Education Leadership and Management (HELM), the Entrepreneurship Development in Higher Education (EDHE) programme, the Matriculation Board, and the USAf Project Office administering the grants destined for USAf's 26 public universities.

This directorate also supports the Office of the CEO in implementing cross-cutting and ad-hoc projects as required by the Board in support of universities.

In this section we report on USAf's performance on the Operational Plan, which is integral to the work of strategy groups and communities of practice. We also report on achievements realised through the USAf programmes, and in the transversal projects being implemented by the Project Office that resides in the Directorate: Operations and Sector Support, and from the Office of the CEO.

2.1.1. Strategy groups

USAf's strategy groups are made up of experts from the university system and USAf's partners in the broader higher education and related sectors, who play a vital role in developing and implementing strategies within their respective focus areas. Only Vice-Chancellors may chair the strategy groups.

In 2021, USAf operated with five strategy groups, namely the

1. Funding Strategy Group (FSG),
2. Research and Innovation Strategy Group (RISG),
3. Teaching and Learning Strategy Group (TLSG),
4. Transformation Strategy Group (TSG), and
5. World of Work Strategy Group (WSG).

These groups are entrusted with the responsibility to:

- Present regular reports to the USAf Board of Directors for discussion and adoption;
- Conceptualise specific projects on behalf of the Board;
- Support the Executive Committee (EXCO) with advocacy and related work, particularly on matters pertaining to their specific portfolios; and
- Deal with any other matters referred by the Board or EXCO (including commissioning studies on agreed priority issues to inform strategic decisions).

USAf's strategy groups meet three times a year, between Board and EXCO meetings. In the year under review, the groups addressed the priorities reported on below.

2.1.1.1. The Funding Strategy Group

Professor Tawana Kupe, Chairperson: Funding Strategy Group.

The Funding Strategy Group (FSG) provides strategic direction to the Board and the Executive Committee on university funding and policy matters. The FSG similarly advises the Board on potential projects and implementation strategies related to higher education funding.

In 2021 the FSG focussed on the matters listed below, in most instances in collaboration with the Finance Executives' Forum (FEF). Regular engagement with the Department of Higher Education and Training also strengthened the work of the FSG.

The priority areas of the FSG in 2021 were:

a. A study on the long-term financial sustainability of the higher education sector considering income streams and efficiencies;
b. Sustainable financial support for students;
c. Funding for student accommodation and other university infrastructure;
d. A shared services platform for the broader university sector; and
e. Inequalities in the system.

The highlights of the FSG in 2021 included the following:

- Advancement of the sector study on the long-term financial sustainability of the higher education sector continued, with the first phase focusing on the study funded by the DHET's Collaborative University Capacity Development Grant. It is focused on two main aspects: (a) a macro study of the flow of funds through the system, and (b) determining, on an institutional basis, the cost of producing a graduate in specific programmes, for example, mechanical engineering. The study is managed by the University of Cape Town's Southern African Labour and Development Research Unit (SALDRU). More is reported on this study under transversal projects coordinated by the Office of the CEO on page 30.
- The FSG deliberated on sustainable financial support for students. The group was of the view that, to tackle sustainable financial support for students, a standing task team needs to be set up to continuously work on long-term solutions for a national system that would enable students, including those in the missing middle category, to access funding from private institutions. The idea is to generate new income from different sources, excluding government.
- The FSG reinstated its Student Housing Working Group to explore different solutions and innovations to address the pressing challenge of student housing, taking into consideration the urban and rural nature of the universities' campuses. The task team has worked on a work plan with different strategies and innovations to guide its work.
- The FSG considered establishing another task team to explore in detail the development of a shared services platform for the broader university sector. At least three streams were in consideration in the shared back-end systems, such as a shared research infrastructure, teaching and learning systems, and administrative system infrastructure.
- The study on the long-term financial sustainability of the higher education sector managed by SALDRU is also looking into the matter of inequalities in the system.
- Engagements with the DHET on policy matters, including the regulatory framework for tuition fees and macro-infrastructure such as student housing, and long-term sustainable approaches to inequality in terms of historically disadvantaged institutions (HDIs) and the particular challenges they face.

2.1.1.2. The Research and Innovation Strategy Group

Professor Thoko Mayekiso, Chairperson: Risk and Innovation Strategy Group.

The Research and Innovation Strategy Group (RISG) provides the Board with specialised advice regarding research and innovation matters in the sector. It works through task teams and steering committees to undertake or direct specific projects, and draws expertise from its membership within the Higher Education Sector and National System of Innovation (NSI).

In 2021 the RISG pursued these focus areas:

a. Research integrity;
b. Open science and open access;
c. Building platforms for collaboration across the sector and internationally;
d. Transformation and capacity development;
e. Funding for postgraduate studies and research; and
f. Research infrastructure in the current context.

The RISG also participated in the 2nd Higher Education Conference from 6-8 October. The thematic areas for the conference were research impact, research integrity and the engaged university, and research collaborations. This conference was a highlight for the RISG and enabled robust debate and discussions. The RISG will use the conference's deliberations to guide its work programme in 2022.

During its meetings the RISG regularly engaged with the DHET, the Department of Science and Innovation (DSI) and the National Research Foundation.

The group worked towards establishing a Community of Practice for Postgraduate Education and Scholarship (CoP PGES). The focus areas of the CoP PGES would address much-needed resource gaps identified in a study undertaken by the RISG in 2019 on implementing recommendations from the Early Career Researchers Study funded by the DSI.

Finally, the RISG continued to support the South African National Library and Information Consortium and the sectoral task teams committed to negotiating transformative agreements with publishers to improve open access to researchers and reduce publishing costs.

2.1.1.3. The Teaching and Learning Strategy Group

Professor Sizwe Mabizela, Chairperson: Teaching and Learning Strategy Group.

The Teaching and Learning Strategy Group (TLSG) provides strategic advice to the USAf Board on teaching and learning-related matters within the higher education sector, locally and internationally. It also undertakes relevant research and project activities that enable universities in South Africa to respond effectively to access and success issues.

In 2021 the TLSG focused on the following priority areas:

a. Transforming the curriculum for societal impact;
b. Optimising technologies to improve the quality of teaching and learning and assessment within the changing world of work;
c. Understanding and enabling student success and retention; and
d. Improving the quality and scholarship of teaching and learning through academic staff development.

2.1.1.4. The Transformation Strategy Group

Professor Puleng LenkaBula, Chairperson: Transformation Strategy Group.

The Transformation Strategy Group (TSG) was formed to advise the Board on accelerating and deepening transformation within the university sector and developing short-, medium-, and long-term strategies to address sectoral transformation matters. The group also advises the Board on emerging good practices and practices with potential to undermine sectoral transformation.

In the year under review the TSG focused on the matters discussed below, and regularly engaged with the DHET and the Ministerial Transformation Oversight Committee.

- The TSG worked with researcher Dr WP Wahl from the University of the Free State (UFS) on a research study titled *Reshaping institutional cultures to create a student-centred higher education system in South Africa.* The research proposal outlined a research design that would provide data to the TSG on the ways in which institutional cultures could be reshaped to construct student-centred universities and a student-centred higher education system. The study would be carried out in five consecutive stages over 24 months, starting in September 2020 and ending in August 2022.
- The group deliberated on the violent nature of student protests and its continued escalation. The TSG resolved to set up a task team to conceptualise a project looking at the specifics of student violence and mitigation strategies. It will draw on existing interventions and projects in this area and will identify some scholars to guide the project direction.
- The TSG has set up a working group for the development of a position paper on staff recruitment and the targets that need to be set for the higher education sector, particularly on gender equity, scarce and critical skills, international staff, and disability. The position paper will serve as a basis for sectoral discussions.
- Review of practices related to people with disabilities in higher education, with a view to improving responses.
- Positively influencing higher education-sector responses to gender-based violence (GBV). Deeply concerned about GBV in South African institutions of higher learning, the TSG has included this issue in its list matters warranting priority attention.

2.1.1.5. The World of Work Strategy Group

Left: Professor Henk de Jager, Chairperson: World of Work Strategy Group until September 2021.

Right: Professor Tshilidzi Marwala, Chairperson: World of Work Strategy Group until 31 December 2021.

Established in 2018, the World of Work Strategy Group (WSG) advises the USAf Board and member institutions on changes and trends in the world of work, and their implications on the mandate and obligations of the higher education sector. Among other functions, the group explores and considers trends and implications related to the world of work towards 2030 and beyond. It will influence world-of-work-related policies by leading on formal engagement with regulators, and also with industry and other employers of graduates. It will identify issues of mutual interest or concern to public universities and advise the USAf Board and member institutions on changes required in higher education in response to changes and trends in the world of work.

Initially, the WSG was under the leadership of Professor Henk de Jager, former Vice-Chancellor and Principal of the Central University of Technology, until his resignation from the Board of Directors of USAf, effective from 30 September 2021. This led to his relinquishing the chairpersonship of this group.

At the USAf Board meeting of 29 October 2021, Professor Thandwa Mthembu, Vice-Chancellor and Principal of the Durban University of Technology, was appointed to succeed Professor De Jager.

In line with its five defined focus areas, the WSG was supporting five projects in the year under review. Milestones realised in each of these contexts are summarised below.

a. Work Integrated Learning (WIL) and Internships & The Learning in Practice Community of Practice (LiPCoP)

The initiatives undertaken in the context of WIL and internships serve the purpose of enhancing the capacity of universities to roll out learning activities in carefully selected workplaces. This recognises that changes in the very nature of work as a function of technological and social changes will have significant implications for thinking through and designing work-based learning experiences for future generations of students.

Universities were affected in several ways by the impact of the CoViD-19 pandemic and national lockdown, which had a bearing on students in academic programmes requiring WIL, service-based learning, and practical and internship components. Open and constructive engagement with the National Student Financial Aid Scheme (NSFAS) around WIL on matters of mutual interest has taken place. A task team has embarked on a research project for the Council of Higher Education (CHE) on the "move away from workplace-based learning". The aim of the study is to establish the prevalence of WIL in qualifications and types of modalities used, and any training needs required in the sector.

Under the leadership of Dr Henri Jacobs from the Central University of Technology, a set of guidelines for universities was compiled and endorsed by the Minister of Higher Education, Science and Technology for implementation in the higher education system. The guidelines, which were designed for WIL in the context of CoViD-19, continue to attract positive feedback regarding their usefulness and application. Virtual experiences that mimic the work environment through a blend of modalities in various programmes are becoming more available and trusted as reflective of the real working environment. The guidelines have also found traction abroad, where universities, specifically in Ireland and Sweden, sought to learn more about the mitigation of risks posed to WIL by the pandemic.

Even though WIL continues to create value in developing students and enhancing their employability, there are challenges around student placement as a shared responsibility with industry, and the absence of a subsidy for WIL, which hamper implementation and quality, and warrant further dedicated attention.

During 2021 Dr Jacobs and Dr Fundiswa Nofemela from the Mangosuthu University of Technology participated in a Council on Higher Education Higher Education Qualifications Sub-Framework (HEQSF) Review Roundtable on Qualification Types.

b. A study on new modalities for learning at the theory-practice nexus

During the 2nd Higher Education Conference that took place from 6 to 8 October 2021 a session was dedicated to *Entrepreneurship and Modern Technologies in the Labour Market; Nexus Between Theory and Practice.* The session helped government, business, industry, and higher education delegates focus on how entrepreneurship can be strengthened in the context of modern technological trends and sociological changes in the labour market. Deliberations extended to how WIL and internships could be redesigned to enhance entrepreneurship; the importance of innovation at universities; and what role the post-school education and training sector should play to respond to these opportunities.

The breakaway session of the (online) Higher Education Conference that focussed on Technological Disruption; 4IR – The Labour Market Analytical Review of Megatrends in the Post School Education and Training System.

As a result, the WSG decided to undertake a study on new modalities for learning at the theory-practice nexus. The WSG and TLSG held a joint meeting of experts to discuss this study. Subsequently, they appointed a task team to look at work-based learning inclusive of all modalities. The purpose is to determine the prevalence of all modalities of WIL per university type and fields of study, and to determine training needs in WIL. The study would be carried out at all public universities, at private higher education providers, and in the TVET sector.

c. The Learning in Practice Community of Practice

The Learning in Practice Community of Practice (LiPCoP) was established after approval by the USAf Board and officially during its meeting on 11 February 2021. In line with the principles guiding all communities of practice, the LiPCoP enables relevant university staff members and other relevant structures and organisations to collaborate, network, and share knowledge on issues of common interest or concern. The CoP has already explored adopting a sector-wide approach to LiP, with a view to integrating LiP aspects into the curriculum, and to investigate funding.

The LiPCoP also explored synergies and opportunities for collaboration with Stellenbosch University's newly launched Experiential Learning Community of Practice.

d. Entrepreneurship

- **Relationship between Entrepreneurial Thinking and Innovation**
  The WSG recognised the need to seek synergy with other committees and programmes to understand the relationship between entrepreneurial thinking and innovation. Although there seems to be a number of academic programmes at universities that are exploring the link between research and innovation, a better understanding of the innovation/entrepreneurship continuum is still required. Follow-ups on research studies and programmes to encourage the links, and mobilisation of the Sovereign Innovation Fund were considered.

- **Entrepreneurship Development in Higher Education (EDHE)**
  The EDHE programme made significant progress on planned 2021 projects, noting especially an increase in Deputy Vice-Chancellors' involvement in EDHE's communities of practice. This was evidence that senior university leadership is increasingly driving the national agenda and strengthening their role of promoting student entrepreneurship and developing the entrepreneurial university.

  In an attempt to help universities expand and deepen their entrepreneurship development response, EDHE collaborated with the United Nations Economic Commission for Africa (UNECA) and the DSI on a review of existing efforts towards building entrepreneurial universities in Africa, as part of a five-country study. The report was launched during the EDHE Lekgotla 2021.

  Supported by the British Council, the EDHE programme explored with all 26 public universities the commercialisation of research as a priority concern with wider benefits for the higher education sector. A study investigated the extent of commercialisation of research produced in South Africa's public universities and made recommendations for future interventions.

  Other EDHE achievements for the year are reported in detail under Programmes.

e. Graduate destinations study

Thoughts of initiating a longitudinal study tracking the career pathways of 2018 graduates to date and beyond saw the WSG discussing a funding possibility with the Education, Training and Development Practices (ETDP) SETA. The ETDP SETA invited a formal proposal encompassing universities and TVET graduates.

f. Changes in work and the impact of new technological trends

The WSG continued to engage industry players on the changes occurring in the workplace, and the impact of changing technologies on work. Further engagements were held with the National Institute for the Humanities and Social Sciences (NIHSS) and the Human Sciences Research Council (HSRC) to broaden the scope of the insurance industry studies conducted by Professor Colin Thakur of the Durban University of Technology. These led to an agreement to form a joint USAf, HSRC, and NIHSS working group to investigate, among others, where the sector should focus regarding policy-related studies. Professor Thakur would convene this working group, which would then:

- Map out a view of the field of study;
- Advise on the use of the science councils' capabilities and university resources to align with Professor Thakur's ongoing research on the insurance and banking sectors; and
- Alongside industry monitoring, continue to track what was being done in academia concerning online work experiences and the cultural,

psychosocial, and neurological impacts of new ways of learning on social and human wellbeing.

g. **The Fourth Industrial Revolution (4IR)**
A report into the gig economy and the requisite skills need for the insurance sector was released in March 2021. It explores the state of the gig economy in South Africa with a particular view to understanding a) what insurance work is being undertaken under temporary, flexible contracts; b) the specific skills that organisations in the sector require from such work; and c) the associated benefits and risks that arise with these new work arrangements. Professor Thakur will continue with a second phase of the gig economy research, addressing retirement, medical aid, and pension issues.

During 2021 the WSG undertook an exercise to map universities' readiness to use 4IR technologies. The aim was to map the 4IR technological platforms, universities' readiness to engage with such technological platforms, and to determine social issues accompanying the adoption of 4IR technologies.

Other activities

- **Economic Reconstruction and Recovery Plan**
The WSG pursued discussions within the eThekwini Economic Forum regarding the Economic Reconstruction Recovery Plan. Talks within DSI on how to improve research capacity and performance of local/ provincial government by tapping into university research resources have been on the agenda, with suggestions that a fund be established in local government to resource demand-led research at universities. Such an initiative also links into WIL and student placement.

The group also held several engagements with the DHET around an internship programme rolled out by DHET and administered by USAf. The programme would focus on the entire post-school education and training sector, including TVETs. Furthermore, the WSG has been looking at ways of creating more constructive engagements with provincial governments on enhancing research and development and innovation financing and policy decisions.

- **The USAf Higher Education Conference**
Alongside other strategy groups, the WSG also influenced the 2nd Higher Education Conference agenda in October 2021. This group was instrumental to the conference deliberations on the topics listed below.
- Session 1: Universities and the 4IR labour market;
- Session 2: Universities and the new technology moment and society;
- Session 3: Entrepreneurship and modern technologies in the labour market – nexus between theory and practice;
- Session 4: EDHE: Repositioning universities as incubators for economic activation.

2.1.2. Communities of practice

2.1.2.1. The Community of Practice for African Languages

Professor Langa Khumalo, Chairperson: Community of Practice for the Teaching and Learning of African Languages.

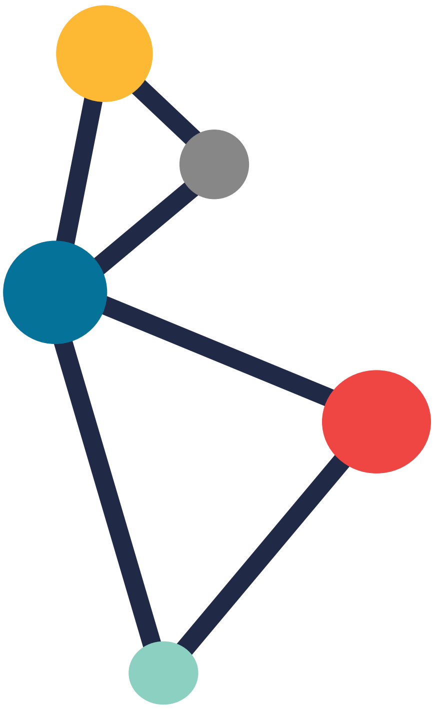
The Community of Practice for the Teaching and Learning of African Languages (CoPAL) provides an opportunity for academics and other relevant university staff members to collaborate, network, and share knowledge on common-interest issues or concerns. The objectives of the CoPAL are to promote and strengthen the teaching and learning of African languages in public universities in South Africa by:

- Actively contributing to the current national language policy review, which should include a high-level assessment of its implementation to date, the reasons for difficulties in this regard, and contribute to the development of national, time-

bound implementation plans for the reviewed policy;
- Benchmarking, developing, advocating, and sharing good practices and relevant information needed to advance the teaching of African languages;
- Actively contributing to the establishment and activities of linguistic networks to ensure that information and common understandings are shared; and
- Contributing to developing and initiating activities designed to enhance the participation of postgraduate students in the study of and research into African languages.

During 2021 the CoPAL deepened its efforts in engaging the sector to understand the implications of the New Language Policy for Higher Education and its implementation. The first in a series of Vice-Chancellor Colloquia, hosted by the CoPAL and Stellenbosch University from 28 to 29 September 2021, brought university decision-makers, policymakers, and other key stakeholders together to deliberate on this crucial legislation.

The CoPAL also hosted another online colloquium on 11 November 2021, with the theme *Moving beyond rhetoric: African languages at the centre of transformation in higher education.*



2.1.2.2. The Education Deans' Forum

Professor Chika Sehoole, Chairperson: Education Deans' Forum.

The Education Deans' Forum (EDF) focuses on teacher education in universities. Education faculties carry a special responsibility for the future of education in South Africa, and need to ensure that they continue to maintain a shared and robust voice. Through this platform Education Deans share experience, expertise, and concerns related to teacher education.

The EDF regularly engages with the Department of Basic Education (DBE), the DHET, JET Education Services, and the South African Council for Educators (SACE) on professional practice-teaching standards. The EDF achieved engagement instances listed below in 2021.
- The EDF engaged with the DHET on matters pertaining to initiatives to improve the quality of Mathematics in initial teacher education. CoViD-19 had serious implications for maths attainment in schools and universities, and access to WIL was particularly concerning.
- On 15 November 2021 the EDF co-hosted a colloquium with the DHET on *Teaching Practice Innovations and Challenges during the CoViD-19 Pandemic.* The colloquium was funded by the European Union through the DHET.
- The EDF participated in the Teacher Education and Development Roundtable meeting hosted by the DBE in partnership with the ETDPSETA in November 2020.
- The EDF engaged with JET Education Services

about the Teacher Internship Collaboration South Africa (TICZA) programme, with the aim of finding an alternative pathway for teacher training. The EDF is represented on the steering committee.
- The EDF participated in the SACE Newly Qualified Educators (NQE) and Practising Educators (PE) Task Teams. The task team will, over five years, pursue providing a policy framework for registering student educators from year one; the professional certification framework and policy; and the teacher designation and recertification framework.
- The DBE actively consulted the EDF on teaching practice during the CoViD-19 pandemic.

2.1.2.3. The Finance Executives' Forum

Mr Manie Regal, Chairperson: Finance Executives' Forum.

The Finance Executives' Forum (FEF) provides an opportunity for finance executives working in higher education to collaborate, network, and share knowledge on issues of common concern.

The FEF's significant activities in 2021 included:
- Collaboration with the FSG on various matters;
- Engaging with the DHET and NSFAS on matters pertaining to student funding and student housing;
- Participating in a Task Team working on the National Site Licence and Open Access Project, which aims to reduce the high cost of publishing and access to scholarly journals and information databases, and facilitates SA's alignment with the global open access movement;
- Deliberating on the financial implications of the Policy on Minimum Standards for Student Housing for Public Universities;
- Resolving to continue with the Higher Education Price Index for 2020 and 2021; and
- The FEF Tax Task Team focusing on foreign donor-funded projects, value class ruling renewal, and VAT apportionment of high-value assets. The group also worked on a document outlining the VAT treatment of student accommodation in relation to the different structuring options regarding the construction of new residences, including the use of property developers.

2.1.2.4. The Human Resources Directors' Forum

Dr Kgomotso Kasonkola, Chairperson: Human Resources Directors' Forum.

The Human Resources Directors formally convene as a Community of Practice to collaborate, network, and promote the development of human resources (HR) capacity within South African higher education institutions. The forum is mandated to promote and facilitate collective learning concerning HR practice at South African higher education institutions.

The following highlights are noted as achieved outcomes in 2021:
- Development of an Integrated Talent Management Framework by the HRD Forum Task Team;
- Development of a proposal on the establishment of an office within USAf to monitor and report on governance, management, and disclosure of institutional remuneration in the higher education sector in South Africa; and
- Deliberating on health and wellness issues in the sector.
- The HRD Forum regularly engaged with representatives of government, such as the Department of Employment and Labour (DoEL)

on the new Employment Services System, and the International Education Association of South Africa (IEASA) on visa issues, rankings, and the new DHET policy on internationalisation and what that means for the sector.

- The HRD Forum also engaged with Higher Health on matters pertaining to the updated Consolidated Direction on Occupational Health and Safety (Directive) issued by DoEL which, among other things, expressly permits an employer to implement a mandatory workplace vaccination policy, subject to specific guidelines.
- The HRD Forum has noted concerns around the lack of gender transformation in leadership at higher education institutions. It will be conducting a gender transformation survey among universities to determine the views of female professionals, academics, and managers as to why they believe they are not progressing beyond a certain point. The survey shall also take stock of the successes that some of the institutions have had.

2.1.2.5. The Registrars' Imbizo

Mr Deochund Mothilall, Chairperson: Registrars' Imbizo.

The 2021 Registrars' Imbizo was hosted by the University of Zululand and chaired by Mr Deochund Mothilall. The imbizo took place on 7 and 8 August 2021, with a virtual formal meeting taking place on 18 October 2021.

During the imbizo the Registrars dealt with routine matters, including the Central Applications Service (CAS) and NSFAS. Officials from the DHET, CAS, and NSFAS engaged with the Registrars on challenges and progress.

The Registrars also shared ideas around academic administration during the CoViD-19 pandemic, including coordinating exams during lockdown, online learning and invigilation, and strategies to deal with the increase in websites/ consortiums assisting students with assessments. The imbizo also discussed the management of the Convocation and general governance issues.

The registrars (with and USAf officials) who managed to attend the hybrid meeting in person, in 2021.

During the formal meeting, the Registrars considered revised terms of reference to bring its activities in line with the other communities of practice, ensuring a more pro-active operation. This process is expected to conclude in 2022.

A draft guideline for the issuing of academic transcripts, certificates, and other means of certifying success for fee-owing students was also discussed.

The meeting also agreed on a project to develop a governance handbook for Registrars under the guidance of Dr Nita Lawton-Misra and Mr Royston Pillay.

The host for the 2022 Registrars' Imbizo will be Rhodes University, and it will be chaired by Dr Adele Moodly.

2.1.2.6. The Skills Development Facilitators' Forum

Ms Juanita Burjins, Chairperson: Skills Development Facilitators' Forum.

The Skills Development Facilitators' (SDF) Forum consults on matters impacting the South African skills development environment. Through the SDF Forum, the Skills Development Facilitators strive to promote collective learning and share best practices related to effective skills development in higher education.

The SDF Forum continued to have regular and constructive engagements with the Education and Training Development Practices Sector Education and Training Authority (ETDP SETA) in 2020. SDF highlights during the year in review were:

- Improved cohesion and communication relating to the SETAs, the sector, DHET performance plans, the annual performance plans of the SETA, skills development priorities, and the National Development Plan. The SDF community also had a representative seat on the National Skills Forum.
- Extensive discussions on adjusting to remote working as well as online teaching and learning tools and techniques, stemming from the impact of CoViD-19, directly and indirectly, on employee and families' wellness, working from home, and the whole way of working and living.

The SDF Forum also seeks to maintain an effective working relationship with the ETDP SETA, other SETAs, communities of practice, the DHET, and all higher education institutions. The relationship is underpinned by the national skills development legislative framework, as well as national imperatives.

2.1.2.7. South African Committee of Medical Deans

Professor Tiaan De Jager, Chairperson: South African Committee of Medical Deans.

The South African Committee of Medical Deans (SACOMD) comprises the leadership of the 10 medical schools located in the following universities: Nelson Mandela University, Sefako Makgatho Health Sciences University, Stellenbosch University, University of Cape Town, University of the Free State, University of KwaZulu-Natal, University of Limpopo, University of Pretoria (UP), University of the Witwatersrand, and Walter Sisulu University. In 2021 the committee was chaired by Professor Tiaan de Jager, Dean: Faculty of Health Sciences, UP.

As indicated in its constitution, the objectives of the committee are to provide a forum for the discussion of matters of interest to the leadership of faculties of South African universities offering undergraduate and postgraduate medical education, and to facilitate the collective interaction of that leadership with other stakeholders in health science education, research, and practice.

In line with the above-mentioned objectives, the committee held quarterly meetings, during which a range of pertinent issues were discussed, including:

- Matters related to the CoViD-19 pandemic, such as the implications of involving undergraduate and postgraduate students as vaccinators; issues related to blended learning, including the integrity of online assessment; and the impact of the pandemic on research;
- The challenges experienced by rural universities with regard to recruitment and retention of

specialists who are vital for postgraduate education and service delivery, including engagement with the National Health Laboratory Service, the training body for pathologists;
- Integration of a rapidly increasing number of South African citizens with foreign medical qualifications, for which purpose the committee engaged with the Health Professions Council of South Africa;
- The perennial problem of a shortage of internship posts, regarding which there were regular engagements with the then Deputy Minister of Health, Dr Joe Phaahla, and officials of the national Department of Health; and
- Challenges related to the integration of a large number of South Africans studying Medicine in Cuba under the Nelson Mandela-Fidel Castro Medical Collaboration Programme funded by the South African government. Despite these challenges the integration programme implemented by the medical schools had produced around 2 200 doctors by the end of 2021.

Two highlights in this year were:
- A two-part webinar hosted jointly by SACOMD and the Colleges of Medicine of South Africa on workplace-based assessment (WBA) in specialist education and training, which paved the way for an inclusive process that will commence in 2022 to develop a fully-fledged WBA system that will radically reform the current system of registrar assessment; and
- Active participation in a protracted and difficult process of negotiation with Elsevier, led by the South African National Library and Information Consortium, that resulted in a beneficial three-year agreement for the medical schools with ClinicalKey – a critical resource in medical education.

2.1.2.8. The Teaching and Learning of Mathematics Community of Practice

The Teaching and Learning of Mathematics Community of Practice (TLM CoP) provides a valuable platform for academics and university practitioners to build collegial relationships and share good practices.

The TLM CoP provides an opportunity for academics and other university staff members to collaborate, network, and share knowledge on common-interest issues or concerns. The objectives of the TLM CoP are to promote and strengthen the teaching and learning of mathematics in public universities in South Africa by:

Professor Pragashni Padayachee, Chairperson: Community of Practice for the Teaching and Learning of Mathematics.

- Developing and recommending strategies for the sector to ensure improved access and success in the teaching and learning of mathematics, thus contributing directly to the transformation needs of South Africa;
- Providing a shared, common platform from which successful initiatives may be disseminated;
- Providing a shared, common platform from which to find ways to enhance and facilitate collaboration between and among universities; and
- Supporting academics and other university staff members by building collegial relationships and developing capacity.

During 2021 the TLM CoP held quarterly meetings, which continued on an online-hosting platform with participation from most universities. The TLM CoP continued to engage with the teaching and learning of mathematics, especially for the first-year level, to improve student success, and also focussed on mathematics-teacher education and using technology in the teaching and learning of mathematics. Like CoPAL, the TLM CoP is linked to the TLSG and, as such, does report to the TLSG occasionally to keep the group updated on progress on its work, and to raise pertinent issues.

The TLM CoP is also working on two research projects, one on mathematics-teacher education, the other on the first-year mathematics experience.

2.1.2.9. The Transformation Managers' Forum

Mr George Mvalo, Chairperson: Transformation Managers' Forum.

The Transformation Managers' Forum (TMF) provides a collaborative platform for the Transformation Directors and Practitioners from the 26 public universities. The TMF endeavours to be an essential advisory, advocacy, and capacity-building forum to achieve the transformation objectives of the higher education sector.

The TMF priorities for 2021 were:

i. The positioning of transformation within HEIs (including professionalisation), with a view to integrating with the envisaged USAf conference.
ii. Gender equality and GBV, including the entire staff and student value chain.
iii. The implementation of the new disability policy framework.
iv. Ethics of governance as an element of the integrated transformation plans in order to ensure more accountability in reporting on transformation deliverables.

Based on these priorities, the TMF registered the following outcomes in 2021:

- Regular engagements with the DHET on policy matters related to social inclusion, institutional transformation plans, as well as Institutional Forums;
- Continued to implement the Transformation Barometer in institutions, with some members integrating it into their institutional transformation plans; and
- Partnered with Higher Education Resource Services South Africa through a series of weekly webinars. The first webinar was on the Ministerial Task Team report on recruitment, retention, and progression of South African Black academics. The second webinar was on the role of men and boys in partnership with UN Women's HeForShe campaign, ending off the series with one focussing on the Ombuds offices in higher education. The TMF also partnered with the *International Journal of Critical Diversity Studies,* a special edition of which will feature articles on some of the insights shared in the webinars.

2.1.3. USAf programmes

2.1.3.1. Entrepreneurship Development in Higher Education

Dr Norah Clarke, Director: Entrepreneurship and Development in Higher Education.

When the University Education Branch of the DHET initiated the work towards supporting the development of entrepreneurship in universities in 2016/2017, little coordination existed within and among universities in terms of entrepreneurship development. Within a year or two, the scenario started to change as the first lekgotla was hosted, and champions for entrepreneurship began to align in communities of practice. Following the formalisation of the Entrepreneurship Development in Higher Education (EDHE) programme with the first funding round through the DHET and following the placement of EDHE in USAf for implementation, the higher education sector gradually reflected a greater awareness of entrepreneurship and EDHE's three objectives: to support the development of student entrepreneurship; to embed entrepreneurship in teaching, learning, and research; and to develop entrepreneurial universities.

In March 2021 EDHE reached the end of its first three-year funding cycle and entered a second funding cycle with two additional staff members, making up a staff compliment of eight. The focus of EDHE moved from establishing a national platform for entrepreneurship in universities towards capacitating universities to expand and deepen their entrepreneurship development response.

There were primarily two mechanisms aiding the achievement of EDHE objectives. The first was the development of a community of champions for entrepreneurship, primarily through the establishment and growth of national communities of practice (CoPs) aligned with the EDHE objectives, along with the establishment of an EDHE membership base. The second mechanism was the implementation of a number of national strategic projects that support the EDHE objectives.

In 2021 the number of national EDHE CoPs as participatory structures increased to five, marking an increase in the seniority of CoP members. New three-year leaderships were elected by each CoP's members, resulting, among others, in two Deputy Vice-Chancellors becoming leaders of the CoP for Entrepreneurial Universities. The newly elected leaders of the national EDHE CoPs are:

- CoP for Entrepreneurial Universities: Professor Eugene Cloete (Stellenbosch University) as Chairperson, and Professor Eunice Seekoe (Sefako Makgatho Health Sciences University) as Deputy Chairperson;
- CoP for Entrepreneurship Learning & Teaching: Dr Thea van der Westhuizen (University of KwaZulu-Natal) as Chairperson, and Professor Tshidi Mohapeloa (Rhodes University) as Deputy Chairperson;
- CoP for Entrepreneurship Research: Professor Natanya Meyer (University of Johannesburg) as Chairperson, and Professor Makhosazana Faith Vezi-Magigaba (University of Zululand) as Deputy Chairperson;
- CoP for Student Entrepreneurship: Ms Nadia Waggie (University of Cape Town) as Chairperson, and Ms Karen Snyman (Nelson Mandela University) as Deputy Chairperson; and
- Studentpreneurs CoP: Ms Pheta Mchunu (University of the Witwatersrand) as Convener and Chairperson, and Mr Chad Lucas (Sol Plaatje University) as Deputy Chairperson. This CoP is limited to one university-identified bona fide studentpreneur per institution.

Another key development in 2021 was the launch of the first 10 Economic Activation Offices (EAOs), to be piloted in collaboration with hosting universities. EAOs are envisioned as playing a central role in a university's entrepreneurship and innovation ecosystem, with a key focus on facilitation and coordination of support, networking, and information sharing in the broader university community. The EAOs will endeavour to support alignment between university leadership, faculty, support staff, and students to advance entrepreneurship within the university ecosystem. The 10 pilot universities are: Durban University of Technology, Cape Peninsula University of Technology, Tshwane University of Technology, Walter Sisulu University, University of Limpopo, University of Cape Town, University of Venda, Nelson Mandela University, Sol Plaatje University, and University of Johannesburg.

Yet another new initiative launched in 2021 was the Student Women Economic Empowerment Programme (SWEEP), a pioneering programme aimed at equipping student women for entrepreneurial activity in response to unemployment, gender-based violence, and the under-representation of student women in business.

In 2021 – the second year of the CoViD-19 pandemic – EDHE initiatives were positioned under the theme #againstallodds, in a celebration of the entrepreneurial spirit of resilience that emerged during the pandemic. The annual strategic projects that have demonstrated success in advancing the EDHE objectives and show potential to increase impact include:

- The EDHE Lekgotla 2021: a gathering of leaders, academics, and support professionals in university entrepreneurship;
- The EDHE Awards 2021: in recognition of top student entrepreneurship and significant contributions by Deputy Vice-Chancellors;
- The EDHE Entrepreneurship Intervarsity 2021: aimed at identifying top student entrepreneurs and businesses at each university;
- The EDHE Kick-off and Train-the-Trainer Workshops: for academics and support professionals;
- The EDHE Executive Leadership Workshop: for Deputy Vice-Chancellors and Deans;
- The EDHE Studentpreneurs Indaba: in support of existing studentpreneurs; and
- The EDHE Student Entrepreneurship Week (#SEW): hosted by universities to raise awareness of entrepreneurial activity as a means to participate in the economy.

Each of these projects has grown over the years. The names and institutions of the winners announced at the EDHE Awards 2021 are particularly significant. The EDHE DVC of the Year award – in recognition of exceptional support for entrepreneurship development in 2021 – was awarded to Professor Sibusiso Moyo of the Durban University of Technology. The EDHE Rising Star DVC Award in recognition of remarkable progress in support of entrepreneurship development in 2021 was awarded to Professor Eunice Seekoe from Sefako Makgatho Health Sciences University.
In 2021, the winning institution in the EDHE Entrepreneurship Intervarsity was the University of Cape Town, home to the overall winner and Studentpreneur of the Year 2021, Ms Tshegofatso Masenya. She was also the winner of the Existing Business – Social Impact category. The other category winners were:

- Category 1: Innovative Business Ideas: Mr Tinus Potgieter (North-West University);
- Category 2: Existing Business – Tech: Ms Chido Dzinotyiwei (University of Cape Town); and
- Category 4: Existing Business – General: Ms Mashoto Mphahlele (University of Limpopo).

EDHE continues to facilitate research in advancement of the EDHE objectives. In 2021 the focus was on a five-country pilot study for the United Nations Economic Commission for Africa (UNECA), focused on reviewing existing efforts towards advancing entrepreneurial universities in Africa.

In addition to its other initiatives, EDHE continued to support the USAf World of Work Strategy Group and the Learning in Practice Community of Practice. EDHE played a supporting role during the 2nd Higher Education Conference in October 2021, specifically by contributing a dedicated session on repositioning universities as incubators for economic activation.

The EDHE online presence continues to grow, through the website (www.edhe.co.za), social media presence, and visibility provided through numerous articles contributed and distributed by the USAf Communications Department. The EDHE office is further given the opportunity to enhance visibility through various speaking engagements. Interest has also heightened in potential local and international partners as awareness of the significance of entrepreneurship development in universities grows.

2.1.3.2. The Higher Education Leadership and Management (HELM) Programme

Dr Oliver Seale, Director: Higher Education Leadership and Management.

The underlying aim of HELM is to provide enabling and empowering learning opportunities to new and current middle and senior managers so that they may acquire knowledge and skills to improve individual and organisational performance in our universities. To this end, it designs and delivers context-specific and bespoke leadership and management interventions as depicted in the diagram that follows.

The following highlighted activities were successfully executed in 2021:

- The overall target for participants in the HELM programmes, workshops, and seminars was 450, and the actual number achieved was 980.
- Training needs analysis for senior and middle managers in student success was completed by November 2021, with 362 respondents.

- Delivery of Foundations Parts 1 and 2 Programme online to 120 Heads of Schools and Academic Departments.
- HELM-ENGAGE webinars included five events from July to November 2021, with 830 participants in total.
- HELM Women in Leadership (WiL) Online for cohort 2 launched on 25 August 2021, and offered nine online sessions with 29 participants from 15 higher education institutions, and completed on 31 December 2021.
- 23 Vice-Chancellors participated in USAf's National Conference from 6 to 8 October 2021, and 17 Vice-Chancellors/ representatives participated in the VCs' Workshop on 3 December 2021.
- A HELM WiL session at the USAf National Conference was successfully designed and implemented online, with 459 registered participants, exceeding the target of 300.
- The book *Deanship in the Global South: Bridging Troubled Waters* was published under the African HE Development Perspectives series by Brill Sense in February 2021.
- The HELM Canvas learning management system was successfully implemented, and 150 participants registered for HELM programmes online in 2021.
- 948 lecturers and master trainers have been registered for the University Leadership Development Programme (ULDP), funded by the ETDP SETA (R35 million), and it will commence in 2022.
- A Senior Manager and Administrative Officer were appointed for the Student Success Collaborative Forum as engagements were held with the DHET and other key stakeholders.
- Consultations on the Universities Learning Futures (ULeFu) project and plan were held with the DVCs: Teaching and Learning/ Academic from all eight participating HDIs and their teams.
- HELM has signed Memoranda of Understanding with the Cape Higher Education Consortium, the Council for Colleges of Arts and Sciences in the USA, and a leadership development organisation for university Deans.
- An external service provider undertook the HELM Review, and the report was presented to the USAf Executive Committee and USAf Board. One of its recommendations was the creation of a Leadership and Management Strategy Group at USAf, which will be implemented in 2022.

The DHET approved the HELM UCDP second-phase funding proposal and programme of action for 2021-2023 with a grant of R29 325 265. The DHET also provided a UCDP grant of R5 251 924 for the Student Success Collaborative Forum to be implemented in 2021 under the HELM auspices, as well as the Oppenheimer Memorial Trust's award of R4 704 000 for the Universities Learning Futures (ULeFu) project in 2021 and 2022. HELM's total funding guarantees for 2021-2023 amount to R74 281 189.

2.1.3.3. The Matriculation Board

Ms Annie Viljoen, Acting Senior Manager: Matriculation Board.

The Higher Education Act, 101 of 1997 provides for the Matriculation Board to determine minimum general university admission requirements (better known as matriculation endorsement requirements) published in the Government Gazette. In fulfilling this mandate, during 2020 the Matriculation Board processed 28 935 matriculation exemption applications for non-traditional and mature-age applicants, and applicants with foreign school exit qualifications. The CoViD-19 pandemic severely impacted the operations and production of the Matriculation Board, which helped 1 472 walk-in applicants and issued 12 075 exemption certificates. The Matriculation Board services 26 public universities and 26 affiliated private higher education institutions.

The Matriculation Board also provides operational support to the Joint Admissions and Matriculation Board Committee whose members in 2021 were Professor M Phakeng (Chairperson), Mr H Amoore (Acting Chairperson: Matriculation Board), Professor S Howie, Professor IC Burger, Professor C Foxcroft, Professor K Masha, Dr D Mokoena, Dr C Myburgh, Ms C Crosley, Dr M Mushaathoni (Technological Higher

Education Network South Africa representative), Dr M Rakometsi (Umalusi representative), Ms S Ferndale (Private Higher Education Institutions representative), and Dr L Meyer (USAf – ex officio representative). The issues dealt with by this structure during 2021 included the following:

- Participation with other university representatives in the various structures dealing with the DHET's Central Application Services (CAS) project.
- Consultations, on an ongoing basis, with the DHET, Umalusi, and the South African Qualifications Authority (SAQA) regarding the dissolution of the Committee of University Principals (CUP), the Committee of Technikon Principals (CTP), and the Matriculation Board in terms of Section 74 of the Higher Education Act. The original call for public comment was published in November 2020, and a corrected Government Gazette (No. 44173) was published on 23 February 2021, with the closing date for public comment on 31 March 2021.
- The Admissions Committee submitted the following proposals to the USAf Board:
- A guideline for issuing public universities academic transcripts for students with outstanding debt. This guideline was drafted by a USAf-appointed task team and workshopped with university Registrars.
- Proposals for revising outdated exemption regulations, including the General Secondary Education Certificate of Palestine, the newly implemented Namibia Senior Secondary Certificate AS-Level qualification (NSSCAS), and the Independent Examination Board's (IEB) International Secondary Certificate (ISC).

2.2. Performance on Transversal Projects

2.2.1. The Project Office

The year 2021 saw a commitment being made by sector education and training authorities (SETAs), to support USAf with grants upward of R276,1m, of which R194,3m materialised. Over 83% of the grant went into student bursaries for the year, whereas 16,6% was channelled into student debt relief. A total of 5485 students benefitted from these funds, prompting a number of them to write in to USAf to express their gratitude for this assistance.

The number of students who benefitted from the 2021 SETA grants is broken down in the next column.

Ms Boitumelo Malele, Project Manager in the Project Office.

Grant source	Number of student beneficiaries
FASSET	540
Services SETA	895
ETDP SETA (historical debt)	980
ETDP SETA (BEd and Masters)	596
W&R SETA	630
SASSETA (historical debt)	1575
FoodBev SETA	684
SASSETA (candidate attorneys)	50
Total	**5950**

Key to the acronyms:

- **ETDP SETA –** Education, Training and Development Practices Sector Education and Training Authority
- **FASSET –** Financial and Accounting Services Sector Education and Training Authority
- **FoodBev –** Food and Beverage Manufacturing Industry Sector Education and Training Authority
- **SASSETA –** Safety and Security Sector Education and Training Authority
- **Services SETA –** The Services Sector Education and Training Authority
- **W&R SETA –** Wholesale and Retailers Sector Education and Training Authority

2.2.2. Projects implemented by the Office of the CEO

2.2.2.1. Study on mental health issues on university campuses

Ms Jana Van Wyk, Senior Manager in the Office of the CEO. She is also Secretary of the Board and the Executive Committee, and Convenor for the CEO's Higher Education stakeholder engagements.

The national student mental health survey, initiated by USAf and funded by the South African Medical Research Council in 2019, was completed in 2020. Although the study was targeted at all 26 public universities, only 19 institutions participated. More than 79 000 students engaged with the survey, which has provided a rich source of data to understand our students' mental health care needs, and to plan appropriate interventions. Approximately 80% of students indicated that they are in good or excellent mental health, with about 15% reporting fair mental health, and 5% poor mental health. This highlights that the majority of SA students are in good mental health, and there is a comparatively small but nonetheless significant number of students requiring specialist mental health interventions.

The most common mental health problems reported were depression, anxiety, suicidality, post-traumatic stress disorder, attention difficulties, and substance use problems. The project team also identified several barriers to accessing mental health services, and students' preferences for how services could be delivered. Their initial analysis suggested important variations across campuses, and that some institutions may be more vulnerable and require more urgent support. This is a line of enquiry which requires additional analysis and subsequent reporting to USAf.

The project team has started to develop and test novel and sustainable interventions to promote student mental health, including the use of online groups and the use of mobile technologies to treat symptoms of depression and anxiety. The initial findings of the pragmatic trials show promising results, and the next step will be to scale up these interventions and test them across campuses.

In 2021 the project focused on these interventions. However, it was difficult and extremely time-consuming to conform to the various institutional requirements and inconsistent bureaucratic procedures to gain institutional permission for the national survey. This was a major barrier to ongoing research at a national level and will make it very difficult to take advantage of economies of scale and economies of scope by implementing interventions across campuses. The project, therefore, made slow progress in 2021.

The project will be reevaluated in 2022.

2.2.2.2. Higher Education Funding Project

The recent crises that beset the university system raised more acutely the overall funding of higher education. For over two decades we have seen a decline in universities' state funding as a percentage of the subsidy block grant and contribution to the tuition fees component. This becomes more evident when subsidy funding is considered in per capita terms. With this in mind, USAf agreed to undertake a study on higher education funding with DHET support from the University Capacity Development Grant (UCDG). The project, overseen by the Funding Strategy Group, is being undertaken by Professor Vimal Ranchhod and Dr Nicola Branson from SALDRU based at the University of Cape Town.

In this research project, the full cost of producing a graduate across disciplinary types, and across university types, will be investigated. The purpose of this study is:

- to understand why this cost differs among institutions;
- to achieve a better understanding of the cost structure; in other words, to ascertain the cost of producing a graduate;
- to understand what an appropriate level of funding is for the different types of teaching/ learning outputs of universities;

- to achieve an understanding of the impact of this funding on the quality of learning/teaching and employability of graduates;
- to carry out some level of international comparison.

The first part of the project, which was completed in 2020, involved a literature review coupled with a methodological summary.

The second report, *The cost of producing undergraduate level graduates at South African public Higher Education institutions,* was completed in April 2021.

In this report, the findings from an analysis aimed at estimating the cost of training students at undergraduate level in South African universities were presented. The report offers estimates of both the annual cost of providing training as well as the aggregate cost incurred to train students up to the point of obtaining their undergraduate qualifications. Individual universities were provided with a supplementary institutional fact sheet, which provided specific details for the respective universities to consider in their planning and budgetary allocations at an institutional level.

In administering the study, the research team obtained and collated data from each university's annual financial statements and combined this data with additional information obtained from the HEMIS data sets. The analysis is thus based on a set of integrated institution-level data sets, which contains annual information on expenditures, enrolments, graduates, academic staff, and non-academic staff, for those institutions with all the required data. The analysis covers the period from 2013 to 2018 in most cases.

The next phase of the research involves researching the cost to produce a graduate at the programme level. For this phase it was agreed to look at the cost of producing a graduate in the Mechanical Engineering and general BA programmes at the University of Pretoria, Cape Peninsula University of Technology, University of Cape Town, and Nelson Mandela University. It is envisaged that the project will be completed by the end of 2022.

2.2.2.3. Protection of Personal Information Act

The Protection of Personal Information Act (POPIA) commencement date was 1 July 2020, and organisations had one year to fully comply with the Act. In other words, the Information Regulator could only start enforcing compliance with the Act from 1 July 2021.

USAf had since 2019 been actively involved in assisting universities to understand POPIA and its applicability to universities. One of the main activities of USAf then was to develop a POPIA Code of Conduct for Universities, which was consulted on with universities and finalised in 2020. Ongoing discussions were held in 2021 on the Code. Following further extensive consultations with universities it was agreed that the Code would function as an implementation guide in the interim. A sector-wide decision on whether to apply to the Information Regulator for formal accreditation or not would be reviewed at an appropriate time.

In the meantime, USAf continued with its support to universities regarding POPIA. During 2021 these activities included:

- The development of a POPIA compliance framework to help universities get the required institutional policies in place to be POPIA-compliant;
- The establishment of a POPIA Forum, which held its inaugural meeting on 7 May 2021 to:

a. Develop and make recommendations for an envisioned Regulator-accredited POPIA Industry Code of Conduct for Public Universities;
b. Co-ordinate POPIA-related decisions and initiatives that impact universities (e.g. whether to accredit the Code; engagement with the Information Regulator);
c. Receive and share information and advice on POPIA-related issues, and disseminate to universities; and to
d. Share and debate POPIA challenges and successes.

Mr Jerall Toi from Stellenbosch University was elected as the Chairperson. The forum met again on 14 June and 22 September 2021 to:

- Discuss the development of a guidance note for universities to assist with the registration of Information Officers and Deputy Information Officers with the Information Regulator and to
- Provide guidance to universities in updating their Promotion of Access to Information Act manuals and privacy notices with the Information Regulator by 30 June 2021.

USAf will continue with its support to the POPIA Forum in 2022.

2.2.2.4. Stakeholder engagements

USAf, as part of its advocacy and stakeholder engagement mandate, engaged with several stakeholders over the course of 2021. These included the DHET; the Portfolio Committee on Higher Education and Training; the National Student Financial Aid Scheme; and the Council on Higher Education.

In the year under review, USAf met twice with the Minister of Higher Education, Science and Innovation, Dr Blade Nzimande. The first meeting, held in March 2021, focussed on NSFAS's inability to confirm funding for first-time-entering students wishing to study in public universities in 2021 due to a shortfall in its funding for 2021. This caused great anxiety for prospective students and their families, given that the academic year was about to start, and registration processes and induction programmes were already under way at most institutions. This situation also put considerable pressure on institutions, which were at that time unable to finalise their admissions and registration processes.

In discussing the situation with universities, it was agreed that all our universities would extend their registration period for first-time-entering students by weeks, so that none of the first-time-entering students would be disadvantaged by the delay in the finalisation of this matter.

A second meeting with the Minister was convened towards the end of 2021, with a focus on:

- Tuition and accommodation fee increases for 2022.
- Clarity on state subsidy allocations to universities for 2022.

In addition, USAf had regular interactions with the DHET and NSFAS on a variety of issues of sectoral importance. More notably, the USAf-DHET-NSFAS Task Team, established to create a common platform where NSFAS-related issues could be addressed, met regularly in 2021. These meetings focused mostly on addressing the outstanding issues from the 2020 close-out period, and on addressing challenges to ensure a smooth 2021 application process, especially around the implementation of policy directives for student financial aid.

USAf also continued with regular engagements with senior officials from the DHET. Two main areas where USAf worked with the DHET in 2021 are:

- Developing a Fee Regulatory Framework to regulate fee increases for three years (with USAF participating in the Task Team that was set up to draft a framework), and on
- Directives in relation to CoViD-19: USAf had numerous engagements with the DHET around the criteria to return to public university campuses during the different lockdown levels, including mandatory vaccination mandates for universities.

During 2021, USAf also engaged NSFAS on the matters outlined below.

- NSFAS Student Funding Policy: In the past, the TVET branch developed TVET rules and guidelines, and the DHET's University Branch developed university rules and guidelines. NSFAS obtained a legal opinion that confirmed that the development of the conditions and criteria by DHET was non-compliant and could lead to audit findings. NSFAS was responsible for the development of the conditions and criteria for the award of loans and bursaries (in consultation with the Minister). NSFAS was also in the process of harmonising the conditions and criteria between TVET colleges and universities.
- The 2022 funding conditions and criteria for universities, and some of the proposed changes for implementation in 2022.

In the year under review, USAf was invited three times to engage with Parliament's Portfolio Committee on Higher Education and Training. USAf was invited to make a presentation to the committee in March on the readiness of universities for the 2021 academic year, challenges being experienced, and interventions in place to address these challenges. The presentation focused on:

- Calendar planning for the 2021 academic year;
- Student funding;
- Status of registration of students;
- Keeping students and staff safe from CoViD-19;
- Modes of teaching and learning – preparedness;
- Short-term funding crisis; and
- Long-term sustainability.

On 1 December 2021 USAf briefed the Portfolio Committee (PC) on universities' readiness for the 2022 Academic Year.

In addition, USAf was invited on 3 December to a Joint Meeting with the PC on Police where the South African Police Service (SAPS), Private Security Industry Regulatory Authority, DHET, SASSETA, South African Colleges Principals Organisation, South African Union of Students, and the South African Technical and Vocational Education and Training Student Association (SATVETSA) were represented. USAf's presentation focussed on:

- Universities' strategy for peaceful conflict mediation, negotiation, and resolution management;
- Safety and security policies of universities;
- Terms for outsourcing of security services during student protests and Terms of Reference given in procuring private security to manage protests; and
- Relations with SAPS during protest action.

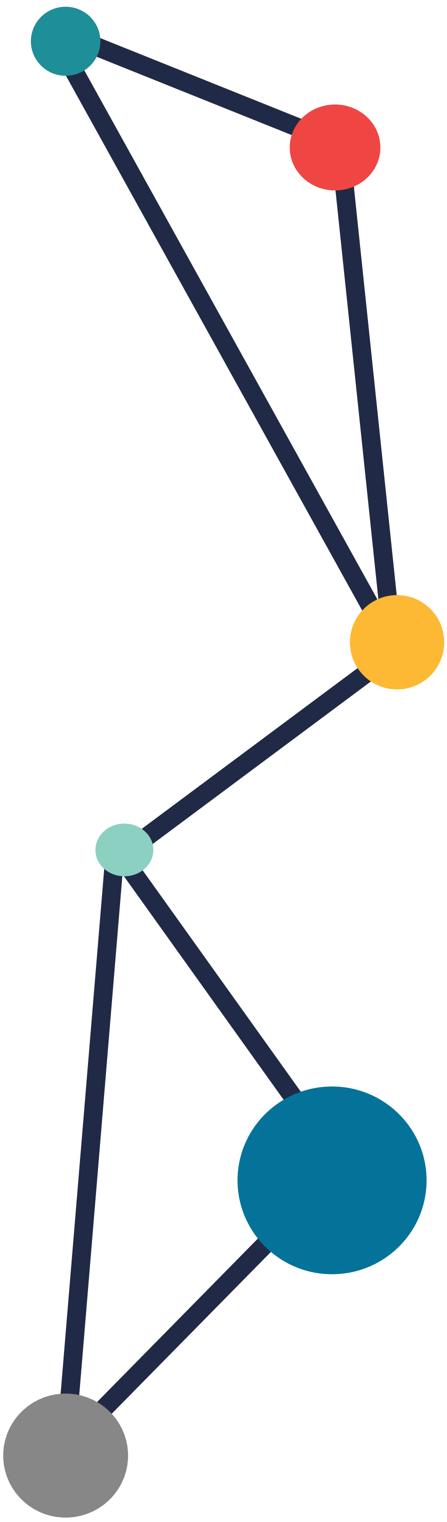
2.2.2.5. Policy influence

In line with USAf's mandate to develop and contribute to policy positions on higher education matters to strengthen teaching and learning, research, and community engagement activities, USAf also engages with relevant higher education draft legislation and develops sector positions when required. The year 2021 did not present many opportunities to respond to draft higher education legislation and policy developments. The silence in the policy domain could be ascribed to CoViD-19.

Despite this, USAf had one significant engagement on the proposed amendments to the Employment Equity (EE) Act during 2021. The Employment Equity Act was being amended to make provision for the Department of Employment and Labour (DoEL) to set numerical EE targets per sector in the South African economy. DoEL officials held several consultative sessions across sectors in preparation for the promulgation of the amendment to the Act. The DoEL conducted a consultative session with the HRD Forum and representatives from the USAf bodies to reach an agreement on EE numerical targets for the higher education sector.

In preparation for the next round of engagements, the DoEL proposed numerical EE targets for universities' review. To collate sector responses after evaluating these targets, the Board approved the establishment of a task team made up of representatives of EE and Transformation managers as well as HR directors. The task team would continue its work until the Minister of Employment and Labour was ready to gazette the sector targets.

USAf will, furthermore, continue its engagements with the DHET and other relevant government departments on future legislative and policy changes that have an impact on the higher education sector.



Part Three:

USAf's Governance Framework

3.1. The Board of Directors

The Vice-Chancellors of all 26 public universities make up the Board of Directors of USAf. As custodians of the USAf strategy, performance, and business continuity, the Board has put in place mechanisms to ensure sufficient oversight on the organisation's financial management, reporting, internal financial controls, and risk management. They have also put measures in place for the prevention of fraud and other related risks.

The USAf Board meets three times a year, in March, June, and October. It performs its oversight functions through five governance committees, the details of which are provided below.

3.2. The Executive Committee

USAf's Executive Committee (EXCO) is a nine-member committee constituted with the Chairperson of the Board, her deputy, chairpersons of USAf's five strategy groups, and the Finance and Investment Committee as well as the Chief Executive Officer. The committee maintains general oversight of the organisation's business between meetings of the Board.

In 2021, EXCO was made up of the following members:

- Professor Sibongile Muthwa, **Chairperson** and Vice-Chancellor and Principal of Nelson Mandela University
- Professor Willem de Villiers, Deputy Chairperson and Vice-Chancellor and Principal of Stellenbosch University
- Professor Tawana Kupe, Chairperson of the Funding Strategy Group and Vice-Chancellor and Principal of the University of Pretoria
- Professor Thoko Mayekiso, Chairperson of the Research and Innovation Strategy Group and Vice-Chancellor and Principal of the University of Mpumalanga
- Professor Francis Petersen, Chairperson of the Finance and Investment Committee and Vice-Chancellor and Principal of the University of the Free State
- Professor Sizwe Mabizela, Chairperson of the Teaching and Learning Strategy Group and Vice-Chancellor and Principal of Rhodes University
- Professor Puleng LenkaBula, Chairperson of the Transformation Strategy Group and Vice-Chancellor and Principal of the University of South Africa
- Professor Ahmed Bawa, USAf CEO, as ex officio member

In addition to the Board and the Executive Committee, governance oversight is carried out through four other committees, each with a distinct function within the organisation.

Professor Sibongile Muthwa, Chairperson of the Board of Directors, also chairs the Executive Committee.

3.3. The Audit and Risk Committee

Mr Saleem Kharwa, Chairperson: Audit and Risk Committee.

This committee is the last independent line of review for the integrity of all major risk and internal control systems. The committee supports the Board in overseeing financial reporting, systems of internal control, management of financial risk, and the processes of audit and monitoring compliance with financial laws and regulations.

During 2021, the committee comprised five members, all listed below:

- Mr Saleem Kharwa – **Chairperson**, Durban University of Technology
- Ms Faiza Majiet – Member, Independent Consultant
- Mr Shai Makgoba – Member, University of Cape Town
- Mr Sizwe Nyenyiso – Member, Nelson Mandela University
- Professor Willem de Villiers – Member, VC, Stellenbosch University

3.4. The Finance and Investment Committee

Professor Francis Peterson, Chairperson: Finance and Investment Committee.

This committee oversees the organisation's financial investment strategy; related policy; and the establishment and performance of internal controls at the operational level of the USAf Office. It also ensures overall compliance with investment restrictions and the mandate as approved by the Board.

In 2021, members of this committee were:

- Professor Francis Peterson – **Chairperson** and Vice-Chancellor of the University of the Free State
- Dr Doeke Tromp – Independent Consultant
- Mr Manie Regal – University of the Western Cape
- Professor Carolina Koornhof – University of Pretoria
- Ms Amanda Kort – University of the Witwatersrand

3.5. The Human Resources and Remuneration Committee

Professor Xoliswa Mtose, Chairperson: Human Resources and Remuneration Committee.

This committee oversees USAf's human resources strategy and policy. It establishes and maintains a policy for competitive, fair, equitable, and market-related compensation. It is entrusted with the responsibility of rendering USAf an employer able to attract and retain appropriate expertise. It reviews annual remuneration packages of employees and recommends adjustments where necessary. The committee also advises the Board on any human resources-management matters within the USAf Office.

The Human Resources and Remuneration Committee was constituted as follows in 2021:

- Professor Xoliswa Mtose – **Chairperson** and Vice-Chancellor of the University of Zululand
- Mr Victor Mothobi – Stellenbosch University
- Ms Moretlo Mokuele – Tshwane University of Technology
- Ms Patience Mushungwa – University of Pretoria
- Dr Kgomotso Kasonkola – University of the Witwatersrand

3.6. The Joint Admissions and Matriculation Board Committee

Professor Mamokgethi Phakeng, Chairperson: The Joint Admissions and Matriculation Board Committee.

This is the only committee with a statutory function. It advises not only the Board but also the Minister of Higher Education and Training on the regulation of minimum requirements for admission into higher education. The committee develops and maintains optimal strategies of admissions regulation. It also monitors and reports on system readiness, enrolment trends, policies, and best-practice benchmarking and equivalence-setting activities. The committee approves the budget and annual financial statements of the Matriculation Board and recommends exemption certification application fees to the Board for approval.

In 2021 the members of the Joint Admissions Committee and Matriculation Board were:

- Professor Mamokgethi Phakeng – **Chairperson** and Vice-Chancellor of the University of Cape Town
- Mr Hugh Amoore – Acting Chair of the Matriculation Board and Retired Registrar
- Dr Dan Mokoena – Durban University of Technology
- Professor Kwena Masha – University of Limpopo
- Professor Kinta Burger – University of Johannesburg
- Professor Sarah Howie – Stellenbosch University
- Professor Cheryl Foxcroft – Nelson Mandela University
- Dr Cila Myburgh – University of Pretoria
- Ms Carol Crosley – University of the Witwatersrand
- Shirley Ferndale – Observer, from SAPHE (SA Private Higher Education)
- Dr Mafu Rakometsi – Observer, from Umalusi
- Dr Linda Meyer – ex officio, from USAf

3.7. The Legal Advisory Committee

Professor Rushiella Songca, Chairperson: Legal Advisory Committee.

This committee reviews legislation, policies, and regulations that have implications for the higher education sector and provides legal advice and/or input to USAf in response to emerging legislative measures. The committee enables USAf to promote the interests of the university sector and fulfil its advocacy and related responsibilities.

As at 31 December 2021, members of this committee were:

- Professor Rushiella Songca – **Chairperson** and Vice-Chancellor of Walter Sisulu University
- Dr Nita Lawton-Misra – University of the Western Cape
- Mr Hugh Amoore – Retired Registrar
- Mr Shervaan Rajie – University of the Western Cape
- Professor Caroline Nicholson – University of Pretoria
- Mr Edgar de Koker – Nelson Mandela University
- Mr Deochund Mothilall – University of Zululand
- Mr James Botha – North-West University
- Mr Gerhard Lipp – Stellenbosch University
- Professor Ahmed Bawa – CEO of USAf (*ex-officio* member)
- Ms Jana van Wyk – Secretary

Part Four:

Financial Statements for the year ended 31 December 2021

4.1. General Information

Country of incorporation and domicile:
South Africa

Nature of business and principal activities:
Carrying on public benefit of education and development

Directors:
Prof Nkongwane Stoffel Nhlapo
Prof Thandwa Zizwe Mthembu
Prof Sibongile Winnie Frieda Muthwa
Prof Mzubanzi Bismark Tyobeka
Prof Sizwe Mabizela
Prof Peter Amunga Mbati
Prof Martin Andrew Crouch
Prof Willem John Simon de Villiers
Prof Ntate Daniel Kgwadi
Prof Samuel Maluleke
Prof Tshilidzi Marwala
Prof Nana Poku
Prof Nehemiah Mashomanye Mokgalong
Prof Thokozile Mayekiso
Prof Tawana Kupe
Prof Puleng LenkaBula
Prof Sakhela Maxwell Buhlungu
Prof Tyrone Brian Pretorius
Prof Zabulon Vilakazi
Prof Ndanduleni Bernard Nthambeleni
Prof Xoliswa Antoinette Mtose
Dr Precious Petiwe Matutu
Prof Francis William Petersen

Registered office:
Hadefields Office Park,
1st Floor, Block D,
1267 Pretorius Street,
Hatfield,
Pretoria 0083

Banker: ABSA Bank Limited

Auditor: PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Auditor

Level of assurance: These consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Preparer:
The consolidated annual financial statements were internally compiled by: Emert Nkhatu, Director of Finance and Administration.

Issued:
17 March 2023

4.2. Audit and Risk Committee Report

This report is provided by the Audit and Risk Committee appointed in respect of the 2021 financial year of Public Universities South Africa NPC.

4.2.1. Members of the Audit and Risk Committee

The members of the Audit and Risk Committee are all independent non-executive directors of the group and include:

Name	Position	Institution
Ms Faiza Majiet	Member	Independent Consultant
Mr Shai Makgoba	Member	University of Cape Town's Finance Executive: Risk and Relationship Management
Mr Sizwe Nyenyiso	Member	Nelson Mandela University's Senior Director: Internal Audit
Prof Willem de Villiers	Member	Stellenbosch University's Vice-Chancellor and Principal
Mr Saleem Kharwa	**Chairperson**	Durban University of Technology's Chief Risk Officer

4.2.2. Meetings held by the Audit and Risk Committee

The Audit and Risk Committee performs the duties laid upon it by Section 94 (7) of the Companies Act of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

4.2.3. External auditor

The Committee satisfied itself through inquiry that the external auditors are independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act of South Africa that internal governance processes within the firm support and demonstrate the claim to independence.

The Audit and Risk Committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4.2.4. Consolidated Annual Financial Statements

Following the review of the consolidated annual financial statements the Audit and Risk Committee recommends board approval thereof.

4.2.5. Effectiveness of Internal Control

The system of internal control applied by the entity over financial reporting and risk management is effective, efficient and transparent. From the audit report on the financial statements and the management report of the external auditor, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, the Audit and Risk Committee can report that the system of internal control over financial reporting for the period under review was efficient and effective.

SKharwa

Mr Saleem Kharwa

Chairperson – Audit and Risk Committee

Pretoria
Friday, 17 March 2023

4.3. Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditor is engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 December 2022 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the group's external auditors.
The consolidated annual financial statements were approved by the Board on 17 March 2023 and were signed on its behalf by:

Prof Sibongile Muthwa
Chairperson

Dr Petiwe Matutu
Chief Executive Officer

Pretoria
Friday, 17 March 2023

4.4. Independent Auditor's Report to the members of Public Universities South Africa NPC

4.4.1. Our Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Public Universities South Africa NPC (the Company) and its subsidiaries (together the Group) as at 31 December 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

4.4.2. What we have audited

Public Universities South Africa NPC's consolidated and separate financial statements comprise:

- The consolidated and separate statement of financial position as at 31 December 2021;
- The consolidated and separate statement of comprehensive income for the year then ended;
- The consolidated and separate statement of changes in equity for the year then ended (not included in this Annual Report);
- The consolidated and separate statement of cash flows for the year then ended (not included in this Annual Report);
- The accounting policies; and the notes for the financial statements (not included in this Annual Report).

4.4.3. Basis for opinion

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

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

4.4.4. Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional *Conduct for Registered Auditors* (IRBA Code), and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

pwc

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www.pwc.co.za

Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg.no. 1998/012055/21, VAT reg. no. 4950174682

4.4.5. Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Public Universities South Africa NPC, Formerly Higher Education South Africa NPC, Registration number 2005/013211/08, Trading as Universities South Africa, Consolidated Annual Financial Statements for the year ended 31 December 2021", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

4.4.6. Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and /or the Company or to cease operations, or have no realistic alternative but to do so.

4.4.7. Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

4.4.8. Report on other legal and regulatory requirements

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified a reportable irregularity in terms of the Auditing Profession Act. We have reported such matter to the Independent Regulatory Board for Auditors. The matter pertaining to the reportable irregularity has been described in note 26 to the financial statements.

PricewaterCoopers Inc
Director: R. Dhanlall
Registered Auditor
Waterfall City, Johannesburg.
25 April 2023

4.5. Directors' Report

The directors have pleasure in submitting their report on the consolidated annual financial statements of Public Universities South Africa NPC and the group for the year ended 31 December 2021.

4.5.1. Nature of business

Public Universities South Africa NPC is a non-profit company incorporated in South Africa on 9 May 2005 and started operations on 01 June 2005. The principal nature of its business is carrying on public benefit activity of education and development. On 23 July 2015, the directors changed the name of the company from Higher Education South Africa to Public Universities South Africa, trading as Universities South Africa.

On 1 June 2005, the Committee of University Principals (CUP), operating as the South African Universities' Vice-Chancellors' Association (SAUVCA), and the Committee of Technikon Principals (CTP) entered into an agreement with Public Universities South Africa NPC, in terms of which Public Universities South Africa NPC assumed the non-statutory responsibilities as well as the administration of the statutory affairs of CUP and CTP, pending the dissolution of these two entities. CUP and CTP are the two entities established in terms of the Universities Act.

There have been no material changes to the nature of the group's business from the prior year.

4.5.2. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated annual financial statements.

4.5.3. Directorate

The directors in office at the date of this report are as follows:

Director	University	Changes
Prof Nkongwane S Nhlapo	Cape Peninsula University of Technology	
Prof Hendrik J de Jager	Central University of Technology	**Resigned 30 Sep '21**
Prof Thandwa Z Mthembu	Durban University of Technology	
Dr Enock D Malaza	Mangosuthu University of Technology	**Resigned 31 Jan '22**
Prof Sibongile W F Muthwa	Nelson Mandela University	
Prof Mzubanzi B Tyobeka	North-West University	**Appointed 01 Jun '22**
Prof Ahmed Cassim Bawa	USAf Chief Executive Officer	**Retired 30 Sep '22**
Prof Sizwe Mabizela	Rhodes University	
Prof Peter Amunga Mbati	Sefako Makgatho University	
Prof Andrew M Crouch	Sol Plaatje University	
Prof Willem JS de Villiers	Stellenbosch University	
Prof Ntate D Kgwadi	Vaal University of Technology	
Prof Samuel Maluleke	Tshwane University of Technology	**Appointed 02 Mar '22**
Prof Tshilidzi Marwala	University of Johannesburg	
Prof Nana Poku	University of KwaZulu-Natal	
Prof Nehemiah M Mokgalong	University of Limpopo	

Director	University	Changes
Prof Thokozile Mayekiso	University of Mpumalanga	
Prof Tawana Kupe	University of Pretoria	
Prof Puleng LenkaBula	University of South Africa	**Appointed 01 Jan '21**
Prof Sakhela M Buhlungu	University of Fort Hare	
Prof Tyrone B Pretorius	University of the Western Cape	
Prof Zabulon Vilakazi	University of the Witwatersrand	**Appointed 01 Jan '21**
Prof Bernard N Nthambeleni	University of Venda	
Prof Xoliswa A Mtose	University of Zululand	
Prof Petiwe P Matutu	USAf Chief Executive Officer	**Appointed 01 Oct '22**
Prof Rushiella Songca	Walter Sisulu University	**Appointed 01 Apr '21**
Prof Mamokgethi R Phakeng	University of Cape Town	**Retired 03 Mar '23**
Prof Francis W Petersen	University of the Free State	

4.5.4. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the group had an interest in and which significantly affected the business of the group.

4.5.5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the group or in the policy regarding their use.

4.5.6. Events during and after the reporting period

The outbreak of the CoViD-19 pandemic required the group to implement certain measures to mitigate the impact of the virus and to comply with government regulations. All employees can work from home and the group remains fully operational and able to render services to its various stakeholders. The directors have reviewed the annual budgets and cash flow forecasts to assess on both revenues and costs. There has not been any significant impact on revenues. The decrease in office groceries, electricity and telephone costs has offset the increase in respect of data costs.

4.5.7. Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly, the consolidated annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient reserves to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group. The future existence of the two controlled entities as separate bodies is dependent on the Minister of Higher Education and Training who has the authority to dissolve the Committee of Technikon Principals and the Committee of University Principals.

The Minister published a proposal for public comment in the Gazette under Government Notice 108 of 08 February 2021. The Minister has not yet promulgated the final decision and it is uncertain when this will happen. The timing and finalisation of the dissolution process is not known at this stage.
The directors believe that the group will remain a going concern until the above process is finalised.

4.5.8. Reportable irregularity

Arising out of a verbal report to the Audit and Risk Committee in May 2022 of a possibility that an intern may have been preferentially appointed in the Project Office of Public Universities South Africa, the Audit and Risk Committee immediately instituted an external investigation into the allegation. The external investigators' report made references to poor compliance by certain staff members with the Human Resources Policy and recommended a review of the Human Resources Policy as well as consequence management to be applied to certain staff members, which included members of senior management of Public Universities South Africa.

PricewaterhouseCoopers Inc. considered the findings and concluded that in accordance with these findings, it constituted a reportable irregularity in terms of the South African Auditing Profession Act

26 of 2005, on the basis that it has caused, or is likely to cause material financial loss to the entity and/or its stakeholders, alternatively constitutes a material breach of fiduciary duties.

The Board mandated the Executive Committee of the Board to finalise the actions as per the recommendations of the external investigation report. The report was endorsed, and the Executive Committee accepted the recommendation of the report and agreed that the transgressions were not dismissible offences but were serious enough to warrant final written warnings to the staff members identified in the external investigation report.

The warning letters were issued in terms of the Labour Relations Act 66 of 1995. The Executive Committee also instructed that a complete overhaul of the Human Resources Policy and its procedures and processes should be conducted.

Given that consequence management was applied to the staff members identified as per the investigation report, the Board views the irregularity as having been addressed and discontinued.

PricewaterhouseCoopers Inc. concluded that the reportable irregularity as identified is no longer continuing.

4.5.9. Auditor

PricewaterhouseCoopers Inc. continued in office as auditor for the company and its subsidiaries for 2021.

4.5.10. Date of authorisation for issue of financial statements

The consolidated annual financial statements have been authorised for issue by the directors on Friday, 17 March 2023. No authority was given to anyone to amend the consolidated annual financial statements after the date of issue.

4.5.11. Uncertain tax position

Public Universities South Africa received funding from Sector Education and Training Authority ("SETAs") for the purposes of funding bursaries to students, which amounts were disbursed to various universities, all being members of Public Universities South Africa. The Value-Added Tax ("VAT") consequences of the funding received are uncertain and an application for a binding VAT ruling has been submitted to the South African Revenue Service on the classification of this funding for VAT purposes. As part of mitigating the tax risk, especially in relation to penalties, an application under the Voluntary Disclosure Programme has also been submitted which has been held in abeyance until VAT ruling has been issued. The VAT ruling will confirm the VAT principles and whether there is a liability in relation to the under-declaration of output tax and claims of input tax by applying apportionment to mixed expenditure.

4.6. Statement of Financial Position as at 31 December 2021

	Group		Company	
	2021	2020	2021	2020
	R	R	R	R
Assets				
Non-current assets				
Property, plant and equipment	2 104 453	2 028 398	1 556 179	1 328 214
Right-of-use assets	4 093 522	6 143 788	1 770 000	2 774 977
Intangible assets	237 285	358 053	147 488	153 180
Other financial assets	120 936 078	103 072 363	4 001 770	3 785 850
	127 371 338	**111 602 602**	**7 475 437**	**8 042 221**
Current assets				
SARS VAT	761 607	840 185	761 607	840 185
Related party receivables	--	--	2 608 886	2 713 502
Trade and other receivables	43 980 812	6 569 861	43 840 295	6 412 342
Cash and cash receivables	111 632 449	82 786 664	88 034 649	54 785 112
	156 374 868	**90 196 710**	**135 245 437**	**64 751 141**
Total Assets	**283 746 206**	**201 799 312**	**142 720 874**	**72 793 362**
Equity and Liabilities				
Equity				
Investment reserve	66 059 339	56 013 073	**--**	**--**
Bursaries and prizes	44 686 888	37 891 133	**--**	**--**
Retained income	53 436 434	56 236 485	32 032 772	30 253 274
	164 182 661	**150 140 691**	**32 032 772**	**30 253 274**
Liabilities				
Non-current Liabilities				
Lease liabilities	2 815 772	5 093 578	1 255 927	2 262 404
Current Liabilities				
Trade and other payables	5 865 397	6 037 866	4 572 682	5 000 769
Lease liabilities	2 515 885	2 177 439	1 105 430	1 014 728
Deferred income	108 366 491	38 349 738	103 754 063	34 262 187
	116 747 773	**46 565 043**	**109 432 175**	**40 277 684**
Total Liabilities	**119 563 545**	**51 658 621**	**110 688 102**	**42 540 088**
Total Equity and Liabilities	**283 746 206**	**201 799 312**	**142 720 874**	**72 793 362**

4.7. Statement of Comprehensive Income

	Group		Company	
	2021	2020	2021	2020
	R	R	R	R
Revenue	118 250 670	241 862 529	111 847 400	235 628 286
Other Operating income	374 225	791 193	355 280	754 883
Operating expenses	(13 392 823)	(12 589 278)	(9 267 562)	(8 459 380)
Grants expended	(85 196 084)	(209 699 452)	(85 196 084)	(209 699 452)
Staff costs	(24 867 395)	(24 451 815)	(16 771 273)	(15 851 296)
Operating (deficit) surplus	**(4 831 407)**	**(4 086 823)**	**967Ê761**	**2 373 041**
Investment income	1 749 287	2 363 746	1 119 608	1 119 608
Unrealised profit on investments	17 863 715	6 694 829	925 310	192 050
Finance costs	-739 625	-903 056	-329 493	-405 891
Surplus for the year	**14 041 970**	**4 068 696**	**1 779 498**	**3 278 808**
Other comprehensive income	--	--	--	--
Total comprehensive income for the year	**14 041 970**	**4 068 696**	**1 779 498**	**3 278 808**

Part Five:

Administration at the USAf office

5.1. USAf Administration

Mr Emert Nkhatu, Director: Finance and Administration and Convenor of USAf's Audit and Risk Committee, the Finance and Investment Committee and the Human Resources and Remuneration Committee.

The USAf Office operates out of Blocks D and E of the Hadefields Office Park at 1267 Pretorius Street in Hatfield, Pretoria. The Chief Executive Officer heads up the Office, assisted by the Director: Operations and Sector Support on the operations side and the Director: Finance and Administration on the administrative side. The Senior Manager: Office of the CEO doubles as the Secretary of the USAf Board and the Executive Committee.

5.2. Staffing in the USAf Office

As at 31 December 2021, USAf had a total of 52 employees, of whom 19 belonged to the Matriculation Board; 18 were in the National Directorate comprising the Office of the CEO; the Directorate: Finance and Administration and Operations and Sector Support; the Entrepreneurship Development in Higher Education Programme (7); the Project Office (3); and the Higher Education Leadership and Management Programme (5).

5.2.1. Staff numbers as at 31 December 2021

Section	Male	Female	Total
ND	3	15	18
EDHE	2	5	7
HELM	1	4	5
ETDP SETA	1	2	3
MB	7	12	19
Total employees	14	38	52
Percentage	26,9%	73,1%	100%

The USAf staff complement comprises 38 females and 14 males. The table below further breaks down staff by seniority levels.

5.2.2. Staff by seniority as at 31 December 2021

Occupational Levels	Male	Female	A	I	C	W	Total
Top Management	2	1	1	1		1	3
Senior Management	1	6	2		1	4	7
Middle Management	1	6	4			3	7
Skilled Technicians	5	11	12		2	1	16
Semi-skilled Clerks	4	12	13		2	1	16
Temporary Staff	1	2	3				3
Grand Total							**52**

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