

University of Fort Hare

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University of Fort Hare
Together in Excellence

20 January 2020

Dear UFH staff and students,

Administrator's Response to recommendations in Independent Assessors Report

I refer you to my most recent communique circulated on December 14th 2019 wherein I brought to your attention the final report of the Independent Assessors. When the Honourable Minister for Higher Education, Science and Technology, Dr. B. Nzimande sent me the report late last year, he asked me to provide him with my response to the recommendations in the Independent Assessors' Report within 30 days. I hereby share with you my responses to these recommendations, which I submitted during the first week of January 2020. In my December 2019 communique to you I pointed out that the findings of the Independent Assessors accorded with my own preliminary diagnostic findings and you may recall that I also presented this assessment in a mid-term report to the University of Fort Hare community in November 2019.

I was invited to a meeting with Minister Nzimande on January 15th, which was attended by the Independent Assessors, officials from the Department of Higher Education as well as Professor S. Buhlungu. The purpose of the meeting was for the Independent Assessors to present their findings to the Minister and for me to point out areas where I felt the recommendations needed further clarification. You will observe after reading my response that I am in agreement with at least 90% of their recommendations. Since I had already submitted the final draft of the new Institutional Statute, their recommendations do not accord with my final submission and I believe there is no strong argument to incorporate their suggestions. Lastly, I was in agreement that UFH needs a mechanism to ensure that the recommendations are implemented and that there is periodic report by Management on progress in their implementation.

I will have a further engagement with the officials of the DHET to agree on the implementation of a revised Turnaround and Performance Improvement Plan (TPIP), incorporating the Independent Assessors' recommendations and on additional support that DHET may provide UFH to assist in the implementation of the new TPIP and reporting requirements. The revised Turnaround and Performance Improvement Plan will be part of my final report to the Minister as well as my handover report to the new Council of the University. I will expect MANCO to start prioritising the projects and actions for implementation and embark on those that need urgent attention. All members of the UFH community need to put their shoulder to the wheel and the implementation of these recommendations should not drag on endlessly, which may lead to another intervention by Government.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Nongxa', written in a cursive style.

Professor Loyiso G. Nongxa: M.Sc.(Fort Hare); DPhil(Oxon)
ADMINISTRATOR: University of Fort Hare

ADMINISTRATOR RESPONSE TO THE REPORT OF THE INDEPENDENT ASSESSOR

Number	Independent Assessor Recommendation	Administrator's response
8.1.1	<p>We recommend that after the one-year term of office of the Administrator has ended, UFH should be subject to increased and regular scrutiny by DHET for a further period of, say, three years. For convenience we refer to this as a period of special measures. If necessary, the required measures could be introduced through a Ministerial Directive. This will give a new Council time to accustom itself to its duties, it will allow time for the restoration of trust and collegiality, and it will give management sufficient time to implement (and be held to account for) the various other recommendations in this report.</p>	<p>We would like to have further discussion with the Independent Assessors, as well as senior officials of the DHET, around this recommendation. Would this be over and above the normal reporting required of all universities or would this be incorporated into the regular reporting, for example, in the form of the Annual Performance Plan? Otherwise this could place an additional 'reporting burden' on a university whose capacity is already stretched to the limit.</p>
8.1.2	<p>We recommend that the DHET should constitute a dedicated UFH Oversight Team, responsible for the increased and regular scrutiny of UFH during the period of special measures. The UFH Oversight Team should report through the Deputy Director-General and the Director-General of DHET to the Minister.</p>	<p>We would like to have further engagement, especially with senior officials in DHET around this recommendation. Our concern and strong reservation is that this would create an additional layer of accountability. The role of such an Oversight Team would overlap with that of the new UFH Council and could lead to unnecessary duplication and could blur governance responsibilities. We believe that rather a high-level Expert Advisory Team, appropriately resourced and supported by DHET, would provide better support to UFH Management in implementing 'special projects' aimed at strengthening systems, processes and procedures at UFH.</p>
8.1.3	<p>We note and support the task of the Administrator to furnish UFH with a new Statute, and to constitute a new Council. We also note and support the action of the Administrator to request management to come forward with an institutional turnaround plan for UFH. The essential purpose of a 3-year period of special measures would be for DHET to satisfy itself, through its UFH Oversight Team, that management and council are actively implementing such a plan.</p>	<p>See responses in 8.1.1 and 8.1.2 above. We fully support the idea behind a period of 2 to 3 years with a special emphasis on addressing the issues highlighted in the report which go back to 2009 and probably before then.</p>

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8.1.4	We therefore recommend that the Administrator's practice of submitting quarterly reports to the Minister be continued by the incoming Council during the entire period of special measures. We also recommend that the UFH Oversight Team should visit UFH at least annually during this period to satisfy itself that progress is being made on clearly-defined KPIs within specified timeframes.	See responses in 8.1.1 and 8.1.2 above.
8.1.5	We recommend that the new Statute should not allow any Council meeting to proceed without meeting a specified quorum.	Supported. See also Sections 31(7) to 31(11) of the final draft of new UFH Institutional Statute.
8.1.6	We recommend that the Minister should give consideration to a new Chair of Council being recruited and appointed through DHET, rather than elected by the new Council members from amongst themselves.	One of the terms of reference for the Administrator is to constitute the new UFH Council. The Chairperson should preferably be recruited and recommended to the new UFH Council by Administrator, after consultation with the DHET.
8.1.7	We further recommend that the new Council should not take up office until every member, both internal and external, has been through a thorough induction process regarding university governance, including on principles of governance. Such an induction process should be mandatory, not optional, and should be overseen by DHET, not left to Council itself to arrange. In particular, the induction should emphasize the fundamental principle that it is not the task of a Council member to act as a representative of any constituency or 'stakeholder' body. If necessary, the term of the Administrator should be extended until such time as the new Council has been inducted and is ready to take up office.	Agreed BUT the Administrator, with the assistance of the UFH Registrar, should take responsibility for providing Council with the requisite training as part of his exit strategy. The Administrator would make use of DHET resources and any other advice and support from DHET and other quarters
8.1.8	We note the point (made by NEHAWU) that since Council was not properly constituted for a number of meetings, all decisions taken at those meetings might be invalid. As we understand it, NEHAWU is in effect arguing that if the 'Council meeting' of 12 April 2019 was invalid, and should be set aside, then so too should various earlier Council meetings such as the meeting of January 2019 be set aside, and thereby all decisions taken at these earlier meetings. We cannot judge the legal correctness of this view, but we would note that most decisions taken at these earlier meetings (and even at the meeting of 12 April) dealt with giving the necessary Council sanction to management decisions regarding vital operational issues at the university. It would not, in our view, serve the interests of the university to pursue the path of a blanket recall of decisions taken at these various ill-constituted meetings of Council. We recommend that the Administrator, in lieu of Council,	Supported. Administrator will have further discussion with the DHET officials about this.

Number	Independent Assessor Recommendation	Administrator's response
	could retrospectively legitimise such decisions. If necessary the Minister could issue a Directive in this regard.	
8.1.9	To address and assuage concerns about the academic environment at UFH, we recommend that DHET liaise with the CHE to arrange for an institutional quality assurance audit to be carried out at UFH during the period of special measures. Putting UFH first in line for such an audit would fit with the idea of risk-based oversight of the higher education sector.	We understand that the CHE will be finalising and conducting a new cycle of institutional reviews from 2020. UFH will submit to a CHE review as per the schedule of the CHE and could be one of the first institutions to be reviewed. This could also serve to consolidate quality assurance measures initiated over the last 6 months.
8.1.10	We recommend that DHET should clarify the status of co-opted members of Council. During our investigations we never quite got a clear answer to the question of whether the Chair of ARC was a member of Council or not. The Chair of Council informed us that she 'treated him as such'. The Acting Registrar once sought legal opinion, and came back with the response that the ARC Chair was not a 'regular' member but an 'ex officio' member. These words, however, bring no clarity. The question is whether a co-opted member, the ARC Chair in this case, has voting rights on Council or not. According to the former Statute of Council, Section 9(1)(d) the answer is no, but it is not clear whether this was adhered to. (Note: we referred the particular question of Council membership of the ARC Chair to DHET, and the answer came back that, under the circumstances, the ARC Chair was actually not a member of Council. This means that at the 'Council meeting' of 12 April 2019 there were actually only 8 Council members present.)	The proposed new UFH Institutional Statute, submitted to the Minister in December 2019, makes no provision for co-opted members of Council.
8.2.1	To provide a further safeguard to staff and students against what they might perceive as abuses of power, we recommend that Council should create an Ombud post, and appoint a person into this role. (We prefer the term 'Ombud' to 'Ombudsman'.) The creation of such a post has been discussed at UFH before (see for example the Council Minutes R/26/017 for the meeting of 23 June 2017). The Ombud should be independent of Management, not a member of Council, and during the period of special measures should have a direct reporting line to the DHET. Benchmarking should be done on how to structure this post and how to support the Ombud. To avoid the Ombud being swamped with complaints large and small, there should be a rule that the Ombud will have discretion on which cases to take up, and that normally all internal processes of the University should have been exhausted before the Ombud comes into play.	Supported. We need further discussion on reporting lines of such an Ombud person and the rationale for the decision.

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8.2.2	We recommend that the incoming Council, together with Management, should work the findings of the Ernst & Young Governance Report into the institutional turnaround plan. The UFH Oversight Team should monitor the implementation of these findings.	Supported. The current Turnaround and Performance Improvement Plan already incorporates some of the recommendations from the Ernst & Young Governance and Finance Reports. We believe that these should be incorporated into the Annual Performance Plan.
8.2.3	As regards academic governance, we recommend that Senate and Management should implement the recommendations of the Review of the Academic Enterprise by Prof M Ralekhetho and Dr M Gering, and report to Council and the UFH Oversight Team on the implementation of these steps.	An Academic Review Improvement Plan was formulated in response to the Ralekhetho and Gering Report and has been approved by Senate. It has been incorporated into the Turnaround and Performance Improvement Plan. UFH is already reporting to DHET on the Academic Review Improvement Plan.
8.2.4	We specifically recommend that an academic review should be carried out of PhD programmes across the university, with particular reference to quality of supervision and external examination, as well as completion times.	UFH's doctoral programmes are already scheduled for a CHE review in 2020. UFH has completed the first draft of the Self-Evaluation Report for the review in March.
8.3.1	We do not recommend any disciplinary action against the Vice-Chancellor.	Supported.
8.3.2	We do, however, recommend that some appropriate support structures should be put in place for the VC, to give those who are aggrieved with him some reassurance that the 'dictatorship' of which he has been accused could not become a reality. Specifically, we recommend:	Responses provided below in relation to detailed recommendations.
8.3.2.1	That the Ombud should not report to the VC. During the envisaged period of special measures the Ombud should report on a regular basis to the UFH Oversight Team, and afterwards to Council.	See responses to 8.1.1 and 8.1.2 above. The Ombud could present quarterly reports to Council.
8.3.2.2	That, as expected of other staff members and as stated in his letter of appointment, the VC should enter into an Individual Performance Agreement (IPA) with the Chair of Council, and that progress on the institutional turnaround plan should be part of this agreement.	Supported.
8.3.2.3	That as part of the VC's IPA the Chair of Council should conduct an annual performance appraisal of the VC through a 360-degree evaluation, including input from the Ombud, and should report to the UFH Oversight Team on such appraisals as part of the regular reporting envisaged during the period of special measures.	Supported, with the proviso that this arrangement should be applied to all staff in Grades 1 to 4 staff in conjunction with an Individual Performance Agreement. See our responses vis-à-vis the Oversight Team in 8.1.1 and 8.1.2 above.

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8.3.3	We recommend that the Management Committee (ManCo) should meet regularly, and often: we recommend meeting weekly.	Supported and already happening. As of October 2019, ManCo has been meeting weekly.
8.3.4	We recommend that a report on ManCo business should be delivered by the VC at every Council meeting.	Supported.
8.3.5	To help rebuild morale and cohesion, we recommend that management should immediately embark on a campus-clean up programme, which could be started and concluded within the space of a few months. Pick up all the litter. Supply rubbish bins, and make sure they are cleaned regularly. Get rid of all the old broken furniture cluttering up the place. Unblock and bring back into operation all blocked washbasins and toilets. Make a plan to clear out the dead birds from the Nursing Sciences Building. Get rid of the broken-down vehicles in the Transport Section. [Note: None of this requires a lot of money or resource, nor even for an outside company to be contracted.]	Supported.
8.3.6	In particular, we recommend that management should pay immediate attention to all ablution facilities in student residences. Without waiting for new residences to be finished, or embarking on a major contractual obligation, the university should be able to put its own cleaning and maintenance staff to work to clean out, repair, paint and tile all toilets, showers and baths to bring it to a condition of adequacy where, at the very least, the university need not be ashamed of it.	Supported.
8.3.7	We recommend that an immediate health and safety check should be conducted of all buildings and facilities. The necessary repairs and refurbishments should be effected within one year, and reported through Council to the UFH Oversight Team.	Supported. Work is already in progress and UFH has received funding from DHET through the IEG Grant for 2018/19-2020/21 for this purpose. Oversight should reside with Council.
8.3.8	We recommend that, as one of its first tasks, the incoming Council should formulate a policy regarding the perks of office of members of the Extended Management Team, including in particular the provision of fully-maintained and fuelled vehicles. The policy should be benchmarked against best practice nationally, should take into account the realities of UFH's financial position, should include the compulsory reporting of such perks in the university's annual report, and should be finalised and implemented in consultation with the UFH Oversight Team.	Supported. The policy will be reviewed but accountability should be to Council. See responses in 8.1.1 and 8.1.2 above.
8.3.9	We further recommend that, once a policy has been approved regarding the perks of office of members of the EMT, a further policy should be formulated and implemented regarding Staff Benefits generally, across the university.	Supported

Number	Independent Assessor Recommendation	Administrator's response
8.4.1	We recommend that a forensic investigation be done of the workings of the Supply Chain Management Office over the past three years. The report of this investigation should be submitted to Council and the UFH Oversight Team. To keep such an investigation manageable we recommend that it should in the first instance consider issues arising from the Report of the Financial Expert (Appendix F), such as:	Supported and the report should be made to Council. See our responses to 8.1.1 and 8.1.2 above. Funding will be required from DHET. Need to check where a forensic investigation was already done through New Horizon to avoid duplication.
8.4.1.1	The finding that three of the fifteen tenders processed during 2018 and 2019 were cancelled. The issue is whether the tenders were cancelled for valid reasons.	Supported. (See 8.4.1 above)
8.4.1.2	The fact that the university was allocated a further R52m by the DHET to complete the Early Childhood Development Project – the issue being what the process was followed to appoint the service providers and to evaluate the reasons for the shortfall.	Supported. (See 8.4.1 above)
8.4.1.3	Property Developers are paid through a company called MBB Consulting Engineers – the issue is what process was followed to appoint them.	Supported. (See 8.4.1 above)
8.4.1.4	Student Centre Shop Retailers – the issue being what was the process followed to appoint them.	Supported. (See 8.4.1 above)
8.4.1.5	Security costs related to the VC – the main issue being whether there is genuine reasons for twenty two months having passed since the company was engaged.	Supported. (See 8.4.1 above)
8.4.1.6	An investigation of possible conflicts of interest, by cross-checking the ID numbers of EMT members plus Supply Chain and Finance Unit staff against the CIPC information of the service providers – the issue being that there does not seem to be a formal declaration of interest process.	Supported. (See 8.4.1 above) Should be applied not only to EMT member but at the very least from manager-level up. Ideally all staff.
8.4.1.7	The process of approving student residence service providers, with a focus on contracts awarded in 2018.	Supported. (See 8.4.1 above)
8.4.2	We recommend that Management should implement the recommendations of the E&Y Finance Report. A set of actions and KPIs should be drawn up, which, with the approval of Council, should become part of the turnaround plan.	Supported. Action plan already in place. (See 8.2.2 above).
8.4.3	We recommend that Management should draw up, Council should approve, and the UFH Oversight Team should monitor, a financial sustainability plan, as part of the overall institutional turnaround plan.	Supported. This has already been initiated and a background document circulated to members of the Finance and Procurement Advisory Committee and Audit and Risk Advisory Committee.

Number	Independent Assessor Recommendation	Administrator's response
8.4.4	We recommend that more capacity and capability be built into or sourced for the Finance Unit.	Supported. One of the projects that an Expert Advisory Team would have to prioritise. (See response to 8.1.2 above)
8.4.5	Expenditure: We recommend that before any further new capital works are approved, UFH should first embark on a thorough programme of upgrading and maintenance of its physical infrastructure. In particular, the upgrading and maintenance of student accommodation, teaching facilities and laboratories must have first call on the capital expenditure budget until such time as the physical infrastructure is in an acceptable shape.	Maintenance has been prioritised, but UFH also has to continue spending earmarked grants for other projects where funding has been approved by DHET.
8.4.6	We recommend that, as part of the institutional turnaround plan, management should for the longer term formulate and implement a Physical Infrastructure Maintenance Policy.	Supported.
8.4.7	We recommend that the Equicent matter should be addressed and finalised as part of the turnaround plan. This is a matter for both UFH and DHET, perhaps through a joint task-and-finish team, under the special measures provision. This would follow up on the various communications from DHET to UFH regarding the Equicent matter.	There are two components to this matter, namely (1) the litigation about the contract linked to the forensic investigation; and (2) the external audit finding in relation to this contract. With respect to (1), an arbitration award has been made and the matter has been resolved. UFH will be awaiting feedback from DHET if there is anything further on this matter. With respect to (2), the university is working on measures to eliminate the audit finding.
8.4.8	We recommend that the Research Incentive Policy should be revised, and that the practice of paying research incentive money directly into the personal bank account of academics should be stopped. Our view is that research incentive money, if paid at all, should be paid into research accounts, and only be expended for research purposes. In addition, any research incentive policy which adopts monetary payments as an incentive should be counterbalanced by strong academic quality control measures.	Supported. The revised draft had already been presented to Senate for debate.
8.4.9	We recommend that, as part of the turnaround plan, Management should make an assessment of the overheads in time and money of the multi-campus model, and embark on a program of introducing efficiencies and minimising duplications, including in the academic sphere. Reports on progress should be submitted through Council to the UFH Oversight Team.	Supported. The introduction of efficiencies and minimising of duplication are already included in the Academic Review Improvement Plan that was formulated in response to the Ralekhetho and Gering Report and has been incorporated into the Turnaround and Performance Improvement Plan.

Number	Independent Assessor Recommendation	Administrator's response
		UFH will be reporting to DHET on the Academic Review Improvement Plan.

APPENDIX E

Number	Independent Assessor Recommendation	Administrator's response
(a)	Proposed composition of Council	The final draft of the new UFH Statute has already been submitted to Minister for approval. One of the objectives was to reduce the size of Council and the number of Council Committees.
(b)	Proposed Membership of Committees of Council:	See comments below.
	Executive Committee	Agreed
	Audit and Risk (Management) Committee	Audit, Risk and ICT Governance Committee
	Finance Committee	Finance and Procurement Committee
	Human Resources Committee	Human Resources and Remuneration Committee
	ICT Governance Committee	Not to be a standalone Council Committee
	Remuneration Committee	Not to be a standalone Committee
	Honorary degrees Committee (joint Committee of Council and Senate)	Not included as standing committees in the new statute
	Membership Committee	Nominations and Governance Committee
(c)	Joint Committees of Council and Senate:	
	Joint Committees of Council and Senate: Central Academic Planning Committee (Review of Terms of Reference and Composition)	Joint Committee of Council and Senate for Strategic Planning and Resources Allocation
	Joint Committees of Council and Senate: Institutional Quality Assurance Committee (Review of Terms of Reference and Composition)	Joint Committee of Council and Senate for Strategic Planning and Resources Allocation
	Joint Committees of Council and Senate: Research and Development Committee (Review of Terms of Reference and Composition)	Senate Committee
(d)	Induction Workshops for Members of Council	Induction workshops will be responsibility of Administrator, with assistance of Registrar.
(e)	Code of Conduct for Members of Council	Supported

APPENDIX F

Nr	Independent Assessor Recommendation	Administrator's response
1.1	Detailed state of UFH Governance and policies pertaining to financial management and SCM	
(a)	To fast track the process of putting policies and procedures in place, the UFH can partner or collaborate with one of the universities in the province and pay a minimal fee for adopting their policies. The university can also take advantage of DHET as it has a good repository of financial and supply management policies, procedures and charters that are suitable for the higher education sector.	Supported
(b)	The procurement processes always present a high risk as in this regard we recommend that the UFH uses the services of a legal specialist with considerable experience in procurement, to help with the consolidation of the various components and updating of the SCM policy. There is considerable procurement related case law that has emerged over the past few years, and this has to be considered when updating the policy. The university can also seek assistance from the National or Eastern Cape Provincial Treasury.	SCM policy has been approved. UFH has employed a contract specialist with legal expertise.
(c)	Failure to resolve the valuation of land and building is part of the reason why the university got a disclaimer (audit outcome). We are recommending having the land and buildings account audited during November and December 2019, in order to give the university enough time to correct the accounts in the event of the auditors being unhappy with the valuation approach.	This has been done.
(d)	UFH should strongly consider appointing the Auditor General of South Africa (AGSA) to audit their accounts for the two periods ended December 2019 and 2020. AGSA's audits are thorough at comprehensively addressing systemic issues especially in the areas of Supply Chain Management (they can also make a call regarding whether current or past transactions require investigation), Performance Management, and Financial Management in general.	The Auditor General was requested but declined due to lack of capacity and authorised UFH to put out a tender for the appointment of external auditors, which was done and approved through the Audit Committee.
(e)	The UFH should use the services of an experienced commercial lawyer to restructure the Equicent contract, and the progress on this matter must be monitored by both the ARC and Council.	The legal process has been concluded and an arbitration award was signed. DHET to advise if there are any outstanding matters in relation to the contract.
(f)	The number of financial management changes required to help the CFO move the Finance Unit to a higher level of maturity cannot take place take without supplementing the Unit's	Agreed. This is one of the Administrator's priority projects.

	capacity, even if for a short period. We recommend that D HET considers assisting (including funding) by using a model similar to the SAICA/D HET Finance Management setup that was deployed at the TVET Colleges, and this should be for a period of at least two years. If not feasible, we strongly recommend that the university contracts in for twelve to eighteen months at least three experienced individuals in the following areas, 1) compliance and governance processes (including the policies), 2) commercial experience, 3) systems design. Irrespective of the approach the university adopts, these experts would report to the CFO.	
(g)	To address the issue of meetings that are in-quorate, one option may be to have multiple levels of quorums. E.g. to approve a strategic plan or budget 60:40 will be required, to approve a policy 50:50 or 40:60 will be acceptable, etc. Increasing the number of the members of the Sub-Committees is remains an option.	This matter is covered in the Draft Statute and will also be addressed in institutional rules and committee charters.
(h)	FC had at some stage considered amalgamating with the ARC. For a different set of reasons, we would like to also recommend joint ARC and FC meetings (even if for the next two years) in order to deal with vast finance related issues in an integrated manner. This may also help deal with the issue of quorum, if though that will not be the primary reason. If there are five meetings scheduled in a year, two to three of these can be joint meetings, and this would still allow the ARC to protect its independence.	This matter has been overtaken by the process of reviewing the Statute.
1.2	Investigations of the finance policies and procedures pertaining to Internal Audit, supply chain and tender procedures and the investigation of specific financial irregularities	
A	INTERNAL AUDIT	
(a)	The university requires a written set of protocol (or a Memorandum of Understanding - MOU) detailing how the conflicts between management and the CAE are to be handled. The ARC and IA Charters may not be sufficient to constructively handle conflicts. One example relates to the ARC's authority to dismiss a CAE, given that some of dismissible offences are not linked to the technical quality of the audits. The MOU can also detail with which parties to approach in order to resolve disputes, and these parties can include the Chairperson of Council, Chairperson of the ARC, DHET, or any other independent person as can be recommended by an entity that deals with governance, e.g. the Institute of Directors (IOD).	Supported.
(b)	The induction of the new the Council should include a session on the role of IA and ARC (the concept of IA reporting to ARC is unique to this profession however it needs to be emphasised that external and internal auditors are conceptually similar to the extent that	Supported.

	neither report to management), to be conducted by an entity such the Institute of Directors or a governance specialist, and the audience should include the Council and Committee members, and the members of the Extended Management Team.	
(c)	The whistle blow facility report should be accessible only to the Chairperson of the ARC and the VC.	This recommendation seems to exclude the Chairperson of Council. We will engage on this matter with the Institute of Internal Auditors. It is important to distinguish the reporting lines for different categories of complaints.
(d)	The IA should review all the bids, and the intensity of the procedures performed can vary depending on the range. There can be three ranges, Range 1: Bids < R10m, and Range 2: Bids < R20m, and Range 3: Bids > R20m. More procedures would be applied on Ranges 2 and 3 compared to Range 1.	All bids over 20 million. All bids below that on a sample basis.
B-C5		
(a)	The revised SCM policy should include definitions of key concepts such as 'conflict of interest' and specify the 'cooling off period' (from what we can establish any period up to two years seem to be a reasonable period within which a person has to declare).	SCM policy adapted from DHET template was approved. Will be considered for review.
(b)	We recommend that all Council and Committee Members, EMT, Supply Chain and Finance Units staff should annually declare their interest. This process can be systematically extended to other staff members at a later stage.	Supported.
(c)	The Internal Audit can as an immediate step access the ID numbers of the EMT, Supply Chain and Finance Units, and trace these to the CIPC information of the service providers.	Supported.
(d)	As one way of minimising potential tender risks, UFH should consider bringing in additional procurement specialists (there are a number of service providers who specialise in managing tenders), and the SCM policy can be structured such as to allow the appointed service provider to run the with the entire Specification, Evaluation and Adjudication process.	Supported.
(e)	All people who participate in bids process should undergo a training on how to manage a tender, and the training should include the latest case law.	Supported.
(f)	In the interest of managing potential conflict of interest, there should be a provision that regulates who can be a chairperson of BEC or BAC.	Supported.
(g)	UFH should do immediately do the risk assessment and if required so go through a bidding process, and use the State Security Agency to vet the shortlisted companies. The VC may have to try and engage with the Provincial Head of SSA.	Supported.

(h)	We strongly support the SCM consideration of having UFH register with the National Treasury's Central Supplier Database (CSD) in order to ensure a more credible supplier database.	Supported.
C6	CREDIT CARD	
	There should be a credit card procedure, which amongst other things details the restrictions on the use of the card and detail the responsibilities of the user and the Finance Unit. The procedure should cover the use of petrol cards.	Supported.
2.	Consideration of the UFH 2009 Task team and fast Track Reports and AFS from 2016	
(a)	We support the approach that has been suggested by the CFO of consolidating all findings (2009, 2015, EY and 2019 audit findings).	Supported. This had already been done.
(b)	There are many old and even new findings, and therefore prioritisation is critical.	Supported.
(c)	The Council and its Committee have to actively manage the process of revitalising the Finance Unit.	Supported.
3.	Is the UFH a going concern and what is its current health and future prognosis?	
(a)	The DHET should consider sourcing expertise to design a risk based model (this could include econometric or actuarial science models) that serves as an early warning system to determine whether or not an institution is likely to have problems. Inputs other than finances will have to be incorporated into the model.	Recommendation for consideration by DHET.
(b)	We note the efforts of the student leadership, the management and administrator in trying to resolve the issue of outstanding NSFAS money, and we of the view that the efforts should be intensified.	Supported.
(c)	The CFO needs to detail a financial sustainability plan that has timelines and shows priority areas. The university should derive some of the VC's and CFO's KPIs for the next 2 to 3 years.	Supported and is included in the Turnaround and Performance Improvement Plan.
(d)	As part of the financial sustainability plan, the CFO should prepare a three cashflow projection, to be presented at the FC and Council meetings for review.	Supported.
5.	How are student residence leases reflected in the AFS and how does this affect the financial health of the University	
	As part of the university's financial sustainability plan, they should explore the possibility of the university buying land in order to build its own residences.	Supported.