

## *Memorandum*

### **Annual Integrated Report 2018: Request for text**

To RC Heads

26 November 2018

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Dear Colleagues

Our report on the activities of 2018, our fourth integrated report, is going to be an exceptional one. Not only does Stellenbosch University commemorate its Centenary year, but its Institutional Intent and Strategy (IIS) 2013–2018 has completed its cycle and a new Strategic Framework has been adopted. Our report will therefore be a survey of the extent to which we have accomplished the IISs goals in preparation of the implementation of the new Strategic Framework. The quality of our corporate citizenship will certainly also be put under the microscope.

Compliance was also under scrutiny in 2018. A number of task teams ensured that the King IV principles are reflected in our core business model. These principles, with their renewed focus on ethical leadership and good governance, apply to the University from 2018. Our report will show these changes under the content “Governance”. Taking precedence, we also comply with the regulations of the Department of Higher Education (DHET) as set out in the *Government Gazette, Regulations for Reporting by Public Higher Education Institutions* of 9 June 2014, No. 37726.

The full Financial Report will still be published together with the integrated report in one document for the convenience of our readers, where they will find further particulars on how our budget supports the University’s strategic goals. We also add our Faculty Reports where our core business is executed, concretising our vision and strategic goals. How do we prepare for a future where technology is changing the work environment completely?

Please study this document thoroughly and take note of the deadline for submitting text, namely **29 January 2019**. If you wish to leave the integration of your Responsibility Centre’s information to Corporate Marketing, please inform Mattie van der Merwe at [jmvd@m@sun.ac.za](mailto:jmvd@m@sun.ac.za) in order that arrangements can be made.

Prof Wim de Villiers  
Rector and Vice-Chancellor

**SUPPLYING CONTENT**

<i>Content element</i>	<i>Topic RC</i>	<i>Number of words</i>	<i>Staff involved</i>
<b>EXTERNAL ENVIRONMENT</b>	<b>Chancellor’s message</b>	700	<b>Corporate Communication Division</b> (Desmond Thompson assists)
	<b>Report of the Chair of Council</b>	1 000+ words	<b>Chair of Council</b> (important resolutions by Council in 2018) In collaboration with Corporate Communication Division (Desmond Thompson assists)
<b>GOVERNANCE</b>	<b>Council’s statement on corporate governance</b>	1 000+ words  DHET requirements in Government Gazette No. 37726	<b>Deputy Registrar: Institutional Secretariat:</b> Function and composition of committees and subcommittees of Council, including attendance of meetings by Council and Council Committees  <b>Registrar:</b> Compliance with King IV.  <b>Chief Director Finance:</b> financial and corporate management; tendering- and purchasing procedures  <b>Vice-Rector (Learning and Teaching):</b> Information technology; student participation  <b>Chief Operating Officer:</b> ICT-policy, ICT governance  <b>Legal Services:</b> Compliance to laws, codes, regulations and standards; PAIA; POPIA
	<b>University Council: composition</b>	See 2017 report and DHET requirements in Government Gazette No. 37726	<b>Registrar</b>
	<b>Report of the Senate</b>	See 2017 report and DHET requirements in Government Gazette No. 37726	<b>Registrar</b>
	<b>Report of the Institutional Forum</b>	700 word See 2017 report and DHET requirements in Government Gazette No. 37726s	<b>Chair: IF</b> Separate request to chair

<b>PERFORMANCE</b>	<b>Rector's Report</b>		<b>Corporate Communication Division</b> (Desmond Thompson assists)
	<b>Our financial capital overview</b>	See Government Gazette No. 37726; discussed with Senior Director Information Governance	<b>Chief Director Finance</b> <b>Director: Financial Services</b>
	<b>Operations and Finance</b>	2 000 words	Appointed key staff member and writers at divisions
	<b>Learning and Teaching</b>	2 000 words	Appointed key staff member and writers at divisions NB: Information and statistics on our student profile will be requested separately (Senior Director: Information Governance)
	<b>Research, Innovation and Postgraduate Studies</b>	2 000 words	Appointed key staff member and writers at divisions
	<b>Strategy and Internationalisation</b>	2 000 words	Appointed key staff member and writers at divisions
	<b>Social Impact, Transformation and Personnel</b>	2 000 words	Appointed key staff member and writers at divisions
	<b>Faculty Reports</b>	1 000 words plus infographics and a news item / photo	Separate request for information to Deans
	<b>Risk exposure, evaluation and management</b>	1 000+ words  See 2017 Report pages 70-73; King IV; and Government Gazette No. 37726.	<b>Head: Campus Security</b> Rector's risk register: can include 10 to 20 of the most important risks according to strategic priorities and compliance risks
	<b>Statistics</b>	See Government Gazette No. 37726; discussed with Senior Director Information Governance	<b>Senior Director: Information Governance</b> Requested and Supplied when available. DHET require stats on staff, students, targets and strategic management indicators
	<b>Financial Report</b>		Executive COO / CD: Finance

## *Writing process*

The COO and Vice-Rectors have a choice regarding the format in which they may submit the reports of their Responsibility Centres (RC) about their action plans in line with the Institutional Plan 2018–2023:

1. The Responsibility Centre (RC) heads may write their own reports, organising the information under their strategic goals with a concluding paragraph on future prospects regarding the strategic goals and sustainability.
2. The Responsibility Centre heads may compile their divisional reports and forward them together with their institutional plans to the editor for integration under their strategic goals by a writer. The rewritten reports will then be presented to the RC heads for approval and the writing of a concluding paragraph on the RC's **future outlook** in realising its goals.

The texts will be edited and translated for the printed annual integrated report. To clarify the task for the writers, a **Content Framework** in the format of questions is supplied (see page 7). These questions cover the content required by an integrated report.

The writing process should proceed as follows:

- Within each of the RC environments a **key person** is appointed to compile the report. This person will also liaise with the editor and the division. Please inform Ms Mattie van der Merwe who your liaison person will be.
- Each RC head must ask for inputs from his or her own environment via the key person, who will manage the gathering of the information for his or her RC and will give guidance where necessary.
- **Each division delivers its inputs to the key person by answering the questions in the Contents Framework on page 7.**
- The key person will submit his or her compiled report to the RC head for approval and integration of the contents. You may request of the editor of annual integrated report to have the integration of the text done (please inform her in advance if you are going to follow this route and supply your faculty's institutional five-year plan together with the divisions' information).
- When the RC heads are satisfied, the information may be forwarded to Ms Mattie van der Merwe ([jmvdmsun.ac.za](mailto:jmvdmsun.ac.za)) at Corporate Communication to reach her by **29 January 2019**. She will be available to answer enquiries (tel. 021 808 4625). When the reports have been submitted to Ms Mattie van der Merwe, it will be assumed that they have already been approved by the relevant RC heads. Questions may also be directed to Ms Faiza Majiet ([faizam@sun.ac.za](mailto:faizam@sun.ac.za)) at the Finance Division.
- Hereafter the information will be processed into an integrated report, or edited, and be laid before the RC heads for final approval. The aim of this communication is to ensure that the correct kind of information is gathered together in the RC reports which will enable the editors to compile the publication. On page 12 of this document you will find a list of information required by the DHET to be included in Universities' annual reports (Government Gazette, 9 June 2014, No. 37726). The information is presented there according to the RC's.

- We give a word count (2 000 per RC) as a guideline, but we trust that you will use your good judgement to write more or less as the need arises.
- **Writers may write in English or Afrikaans, as they prefer.**

## *What is integrated reporting?*

Integrated reporting is the big new development in corporate reporting. It marks a paradigm shift in the way companies and other organizations think about business models and the creation of value. Fortunately, Stellenbosch University has already travelled some distance on this road!

Integrated reporting is a process that assists organisations in setting goals, measuring performance and managing change towards a sustainable global economy – one that combines long-term profitability with social responsibility and environmental care. The integrated report is the key platform for communicating the organisation’s economic, environmental, social and governance performance, reflecting positive and negative impacts. The aspects that the organization deems to be material, in response to its stakeholders’ expectations and interests, drive sustainability reporting.

The University designs its integrated report to explain to the government, donors alumni and other interested parties how it creates value over the short, medium en long term. Value is defined in broader terms than profit or financial benefit in recognition that a large proportion of a university’s value can not be measured in financial terms and shown on a balance sheet.

Creating value depends on various resources and on relationships cultivated with stakeholders and partners. However, value is not only created in the university, but is also influenced by the external environment in which the university operates. The interdependent resources and the relationships that the university uses and affects is called capitals (= something that has value) and categorised as financial, manufactured, human, intellectual, natural, and social and relationship capitals. Our integrated report gives readers an insight into the univeristy’s interaction with its external environment and the capitals in creating value.

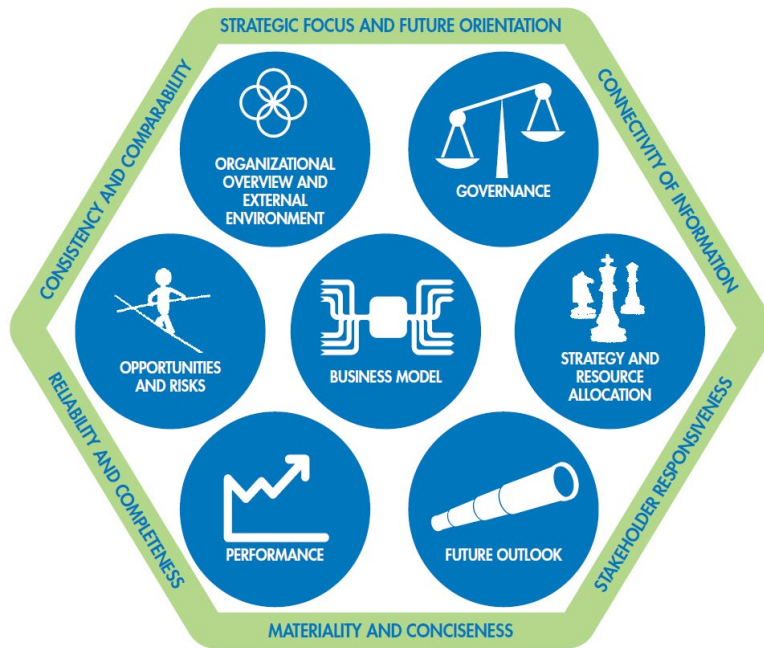


Figure 1: The Guiding Principles and Content Elements.

The *International <IR> framework* (2013) provides guidelines for the content of integrated reports. Figure 1 from this framework's consultation draft summarises the **guidelines** and **content elements**. You will notice that the Responsibility Centres report mainly on the content element *Performance* according to the University's strategy and goals, integrated with information about the content elements *Opportunities and Risks* and *Future Outlook*.

Integrated reporting is an opportunity to focus on long-term value creation, and improve on a largely fragmented, complex, and compliance-driven system. Integrated reporting is founded on integrated organizational thinking and more likely to align capital allocation and corporate behaviour to the wider goals of financial stability and sustainable development. Now is the time to embrace the International Integrated Reporting Council's Framework to achieve these vital objectives.

# Contents Framework

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## *Questions as framework for the gathering of information on the RC environments' performance according to their strategic goals*

The following questions take into consideration King III code's emphasis on "doing" for integrated reporting (what, how, with what, how long?) The University presents its performance according to its Institutional Intent and Strategy. Each RC environment reports according to the RC's set strategic goals. Each division's answers to these questions will be integrated into an RC report. For more clarity on how to answer the questions, see the Guide below.

Also see "Requirements of DHET per Responsibility Centre" on page 11 where the information required by the DHET is listed for your convenience. You may check there whether your report also complies with the DHET requirements for your RC.

### **Writing brief for RC divisions**

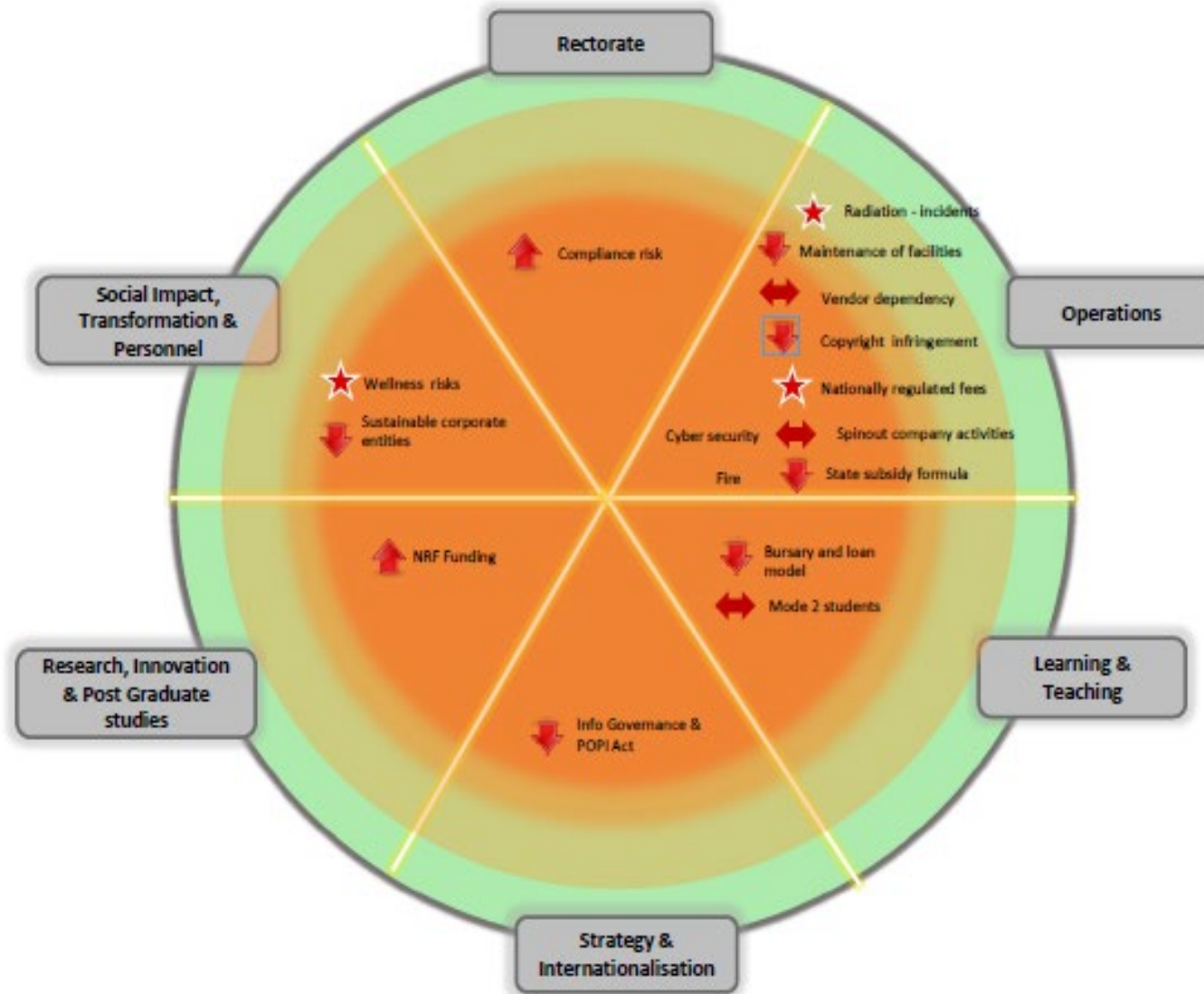
1. What **value** does the division create for the University?
2. What were the division's **strategic goals** for 2017 as related to the strategic goals of the Responsibility Centre under which the division resorts?
  - a. Give background information or reasons to explain how the goal is aligned with the internal and/or external context.
  - b. What did the division do to achieve the goal?
  - c. Name the resources you used to do this.
  - d. For what period of time must the project/activity be carried out to realise the goal?
3. If you had to contend with challenging risks, please name them under the relevant goal and explain how you dealt with it to mitigate it or, where possible, to transform it into an opportunity.

### **Writing brief for RC head**

4. Please write a **concluding paragraph** in which you give the **future outlook** of challenges and uncertainties to be faced in future in the realisation of your RC's strategic goals and what the implications will be for the University's business model and future performance. This future outlook rests on the foundation of reliable information and transparent analysis of the external environment and of the expectations of the RMT and the University Council in the short, medium and long term; how it will impact the institution and how the institution is currently equipped to face the critical challenges and uncertainties. (See the Risk Heat Map on page 8 for the University's main risks.)

# RISK HEAT MAP - SEPTEMBER 2018

-  Increased Exposure
-  Decreased Exposure
-  New Risk
-  Work in progress



-  High
-  Medium
-  Low



# Guide for writing annual report text

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A short list of questions has been compiled in order to gather information for the annual report. This guide helps you to answer the questions and tells you where you can find definitions of the terms used.

*Each division reports on its core functions according to the strategic themes and goals of its own business plans. These business plans will become more closely aligned over time with the University's institutional intent as set out in the documents Stellenbosch University Institutional Intent and Strategy 2013–2018 and Stellenbosch University Institutional Plan 2015–2020. The report information is **action oriented** as befits integrated reporting.*

The three strategic priorities as set out in the Institutional Intent and Strategy lead to a new phase with the emphasis on the strengthening of SU's momentum of excellence; on raising SU's impact on society; and on broadening access to SU.

Then the information structuring questions follow – with examples of answers, and comments. In the text “☰” marks sources that we have used and which are listed at the end for your information.

## *Examples of questions and answers*

### **Question 1: What value does the division create for the University?**

#### **Example**

*As catalyst for SU's core activities, the Facility Management Division has an influence on the places of work of the academic and support staff. We provide fit-for-purpose facilities and pleasant work environments to ensure that staff may work successfully and happily.*

#### **Comment**

Describe concisely the division's role, function or purpose for the University. You may take into consideration, as in the previous report, the four focuses – extension of the knowledge base, the promotion of student success, the increase of diversity and the improvement of systemic sustainability – but add to this the effect of the division's activities on society and the influence of the University's external context on the division's activities.

### **Question 2: What were the division's strategic goals as related to its business plans for the 2017 reporting year?**

- a. Name the goal.
- b. Give background information or reasons to explain how the goal is aligned with the internal and/or external context.
- c. What did the division do to achieve the goal?
- d. Name the resources you used to do this.
- e. For what period of time must the project/activity be carried out to realise the goal?

#### **Example**

### **Broadening access**

[a] *To add another 2 500 beds to the present 7 600 of the University by 2015, which will push up the proportion of beds for enrolled students from 29,5% to 36,1%.* [b] It has been unquestionably shown that residential students are generally more successful than commuting students. However, the number of available beds on campus has not – particularly in the last decade – kept up with the growing student numbers. [c] In November 2012, four accommodation projects were begun which will deliver 772 beds by 2013 and [e] will be completed by 2015. [d] Building contractors were appointed to undertake the project, which is valued at R204 million.

### **Comment**

Decide which sub-questions from (a) to (e) have bearing on each goal and leave out those that are not meaningful.

[a] The goals of the division will relate to the strategic priorities in its business plan, which in turn has bearing on the Institutional Intent of the University. To determine the goals, you may use those of the previous reporting year which relate to the goals of the four institutional focuses for the division. The four focuses and the related activities of projects or goals which are not yet realised are still valid. Supplement them by considering also the new institutional strategic goals (¶1 or see “Focuses of 2012 taken up in the 2013 strategic priorities” above) and decide to which of these your division’s most important activities relate. For instance, the aim of the example above resorts under the focus *student success*, but also fits in with the new strategic goal of *equal opportunity*. Name both.

[b] As in the example above, you may also give some background information to illustrate your goal. Sources may be financial, intellectual, people, social and natural capital. (¶2 and 3). Where it is self-evident that the division’s own personnel are involved, name external resources that are used.

[c] Describe the action that was carried out to realise the goal.

[d] You can begin to make the link between the core activity and goals and financial allocations.

[e] Give the duration of the goal: shorter than 1 year (short term); 1 to 5 years (medium term) or longer than 5 years (long term). For projects longer than one year, give the year of commencement.

¶1 Stellenbosch University. *Institutional Intent and Strategy 2013–2018*, page 35 and 38–39.

¶2 *The International <IR> Framework* under “Strategy and resource allocation”, page 27.

¶3 *The International <IR> Framework* under “The Capitals”, page 11–12.

### **Question 3: What were the risks with which your division had to and explain how you mitigated it or turned it into an opportunity where possible.**

#### **Example**

The risk that municipal costs to remove waste will become very expensive offers an opportunity to transform biodegradable waste into compost. (See the “Risk Heat Map” on page 8 for the University’s main risks.)

¶ *The International Framework* under “Risks and Opportunities”, page 27.

## *Writing brief guide for RC heads*

**Question 4: Write a conclusion in which you give a future outlook of the challenges and uncertainties to be faced in the foreseeable future in the realisation of your RC's strategic goals and what the implications will be for the University's business model and future.**

This future outlook rests on a foundation of reliable information and transparent analysis of the (1) external environment and of the expectations of the RMT and the University Council in the short, medium and long term; (2) how this will impact the institution and (3) how the institution is currently equipped to face these critical challenges and uncertainties. (See the Risk Register accompanying this document.)

An integrated report discusses the potential implications, including implications for future financial performance, regarding:

- The external environment, opportunities and risks with an analysis of how this can affect the realisation of the strategic goals;
- The availability, quality and affordability of resources (capitals) used by the University (such as expert staff or natural resources), including how key relationships are managed and why they are important to the University's capability to create value.

Ensure that the institution's expectations are anchored in reality. The discussion will give the readers of the report insight into the University's assumptions and possible risks and, where possible, give guiding indicators, key performance indicators and prospects, relevant information off external sources and careful analysis to support the future outlook.

**Question 5: What are the most important contributions of your RC environment to sustainability?**

This information will be integrated into the Rector's Report under "Sustainability".

**Question 6: What are the most important contributions of your RC environment to transformation?**

This information will be integrated into the Rector's Report under "Transformation".

# Requirements of DHET per Responsibility Centre

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Here, for your convenience, the information that the Government Gazette, 9 June 2014, No. 37726, prescribes for higher education annual reports are organised according to SU's responsibility centres. As part of our effort to render the University a good corporate citizen, the information serves as a checklist to make sure that all the information the Government requires are included in our integrated report where relevant under our strategic goals.

## Chief Operating Officer

- The principal managerial/administrative achievements must be measured in terms of the plans, goals and objectives set for the period under review
- The achievements of the administrative structures and resources, regarding both personnel and systems, should be assessed in terms of realistic expectations
- The quality of information available to management and the administrative processes involved

## Learning and Teaching

- Changes in academic structures
- Student services and extra-curricular activities
- Changing patterns in the provision of academic courses
- Significant developments and achievements in teaching and learning, e.g. modes of delivery
- Composition and size of student body; [statistics]
- Teaching and Learning:
  - Limitations on access to certain courses
  - Awards and achievement [covered in our report under "The University acknowledges excellence"]
  - Funding
  - Outputs produced
- Access to financial aid
- Relationships with the community, both academic and service

## Research and Innovation

- Changes in academic structures
- Significant developments and achievements in research
- Research
  - Summaries of various new programmes [Editor: Covered in our report under Report by Senate. **Rather mention interesting registered patents / innovations here.**]
  - Awards [covered in part in our report under "The University acknowledges excellence"]
  - Funding

- Outputs produced
- Access to financial aid
- Relationships with the community, both academic and service

### Social Impact

- Changes in structures
- Access to financial aid
- Relationships with the community, both academic and service

### Personnel


**Please have a section on “Personnel” under “Adding to our value proposition with an improved staff corps” in which the following information are included.**

- Managerial/administrative aspects of the operations of the institution, including new senior executive/administrative appointments
- The achievements of the administrative structures and resources, regarding both personnel and systems, should be assessed in terms of realistic expectations
- The adequacy of staffing levels, particularly in critical areas
- The extent to which equity targets in the workplace have been realised [statistics]
- Good to have: Bridging of gender gap in salaries. (show last 5 years)

### Statistics

[Editor: Further statistics may be supplied according to the institution’s needs, such as the Strategic Management Indicators.]

- Enrolment and effectiveness targets set by the Minister for the institution [SU Annual Report 2016: page 33]
  - Composition and size of student body
  - Levels of academic progress in different disciplines and levels of study
  - The extent to which equity targets in the workplace have been realised
  - Good to have: Bridging of gender gap in salaries. (show last 5 years)
- 5.

 Government Gazette, 9 June 2014, No. 37726

## Sources

- 📄 Stellenbosch University 2013. *Stellenbosch University Institutional Intent and Strategy 2013–2018*  
Available on bottom of page at <https://www.sun.ac.za/english/about-us/strategic-documents>
  
- 📄 *Government Gazette*, 9 June 2014, No. 37726  
<https://archive.opengazettes.org.za/archive/ZA/2014/government-gazette-ZA-vol-588-no-37726-dated-2014-06-09.pdf>
  
- 📄 International Integrated Reporting Council 2013. *The International <IR> Framework*  
<http://integratedreporting.org/resource/international-ir-framework/>
  
- 📄 King IV. *Report on Governance in South Africa*  
Available at <https://integratedreportingsa.org/king-iv-report-on-corporate-governance/>
  
- 📄 Stellenbosch University Institutional Plan 2018–2023