Report to the Stellenbosch University Council

September 2019
Stan du Plessis
Chief Operating Officer
Stellenbosch University

We build & maintain SU's commons

We build & maintain SU's (**Financial, Commercial, Facilities, IT and Sport**) commons
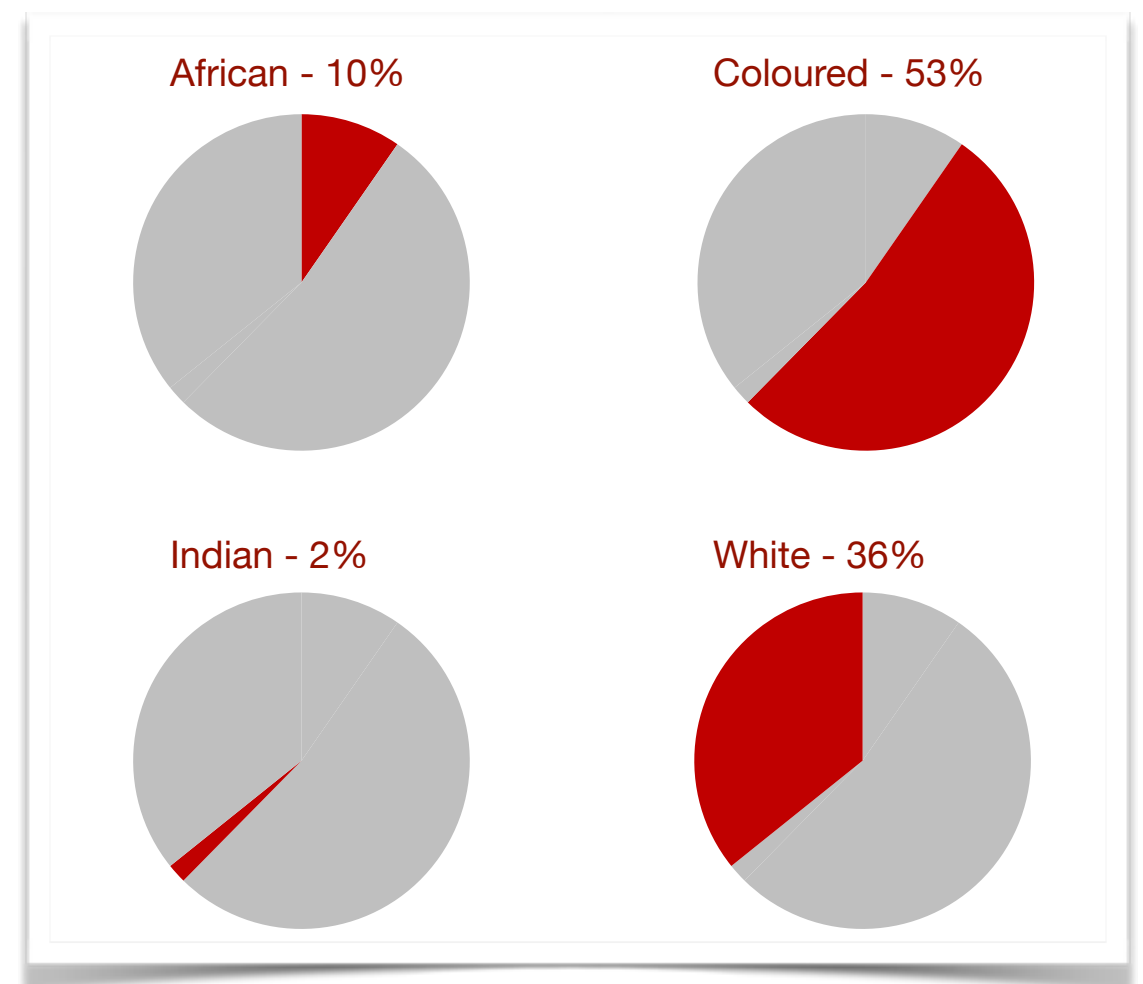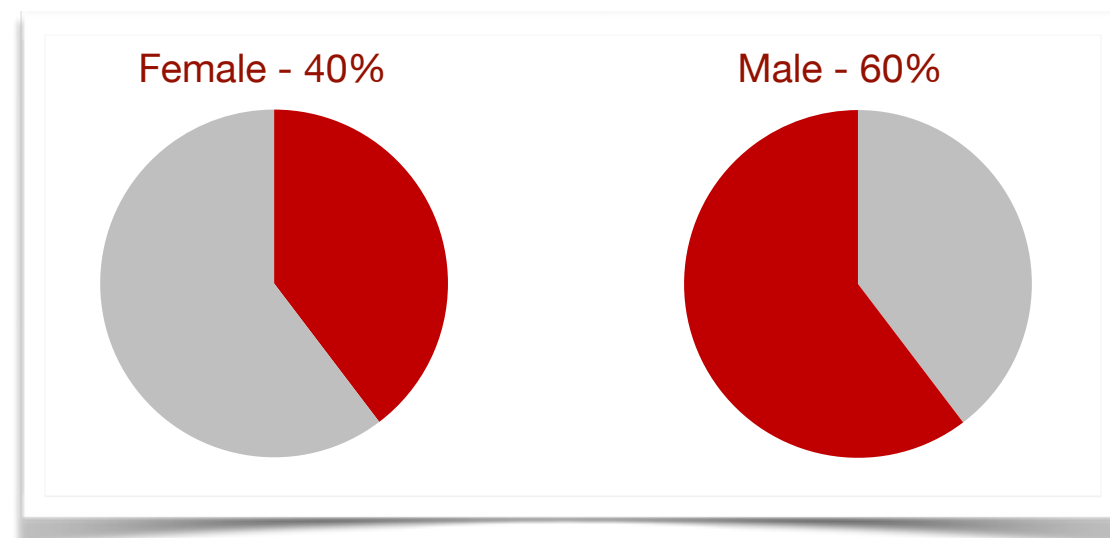
MISSIE

Die Universiteit Stellenbosch is 'n navorsingsintensiewe universiteit wat uitmuntende studente lok, talentvolle personeel aanstel en **'n wêreldklasomgewing bied; 'n plek wat met die wêreld verbind is** en gemeenskappe plaaslik, op die vasteland en in die res van die wêreld verryk en transformeer.

MISSION

Stellenbosch University is a research-intensive university where we attract outstanding students, employ talented staff and **provide a world-class environment; a place connected to the world**, while enriching and transforming local, continental and global communities.

The Operations and Finance team

Staff composition

Female - 65%

Male - 35%

African - 10%

Coloured - 53%

Indian - 2%

White - 36%

Female - 40%

Male - 60%

African - 10%

Coloured - 53%

Indian - 2%

White - 36%

6

Sound financial management

Totale Inkomste / Total Income · Herhalende Inkomste / Recurring Income · Totale Uitgawes / Total Expenses

9

Responsibility for the integrated budget and sound financial management

Legend: ● Totale Inkomste / Total Income ● Herhalende Inkomste / Recurring Income ● Totale Uitgawes / Total Expenses

Chart values:
- R 6,000M, R 5,500M, R 5,000M, R 4,500M, R 4,000M, R 3,500M, R 3,000M, R 2,500M (y-axis)
- 2011, 2012, 2013, 2014, 2015 (x-axis, Jaar / Year)

Data labels:
- R 5,877M
- R 5,311M
- R 5,413M
- R 5,140M
- R 5,033M
- R 4,976M
- R 5,020M
- R 4,997M
- R 4,766M
- R 4,657M
- R 4,571M
- R 4,116M
- R 4,063M
- R 3,894M
- R 3,849M
- R 3,653M
- R 3,332M
- R 3,295M
- R 3,321M
- R 3,252M
- R 3,090M
- R 2,978M
- R 2,899M
- R 2,708M

Major risks:
1. National fee regulation from 2021
2. Subsidy revision
3. Expected budget cuts nationally (impact on subsidy income)
4. Remuneration that has moved beyond private sector norms

Opportunities offered by the expanded NSFAS scheme

Legend: ● Prinsipaal/Principal ● Agent [Incl. NSFAS] ● Gapingsbefondsing/Gap Funding

Year	Prinsipaal/Principal	Agent [Incl. NSFAS]	Gapingsbefondsing/Gap Funding
2011	R 253M	R 169M	
2012	R 270M	R 212M	
2013	R 316M	R 215M	
2014	R 338M	R 250M	
2015	R 403M	R 256M	
2016	R 442M	R 283M	
2017	R 456M	R 298M	
2018	R 486M	R 452M	R 34M
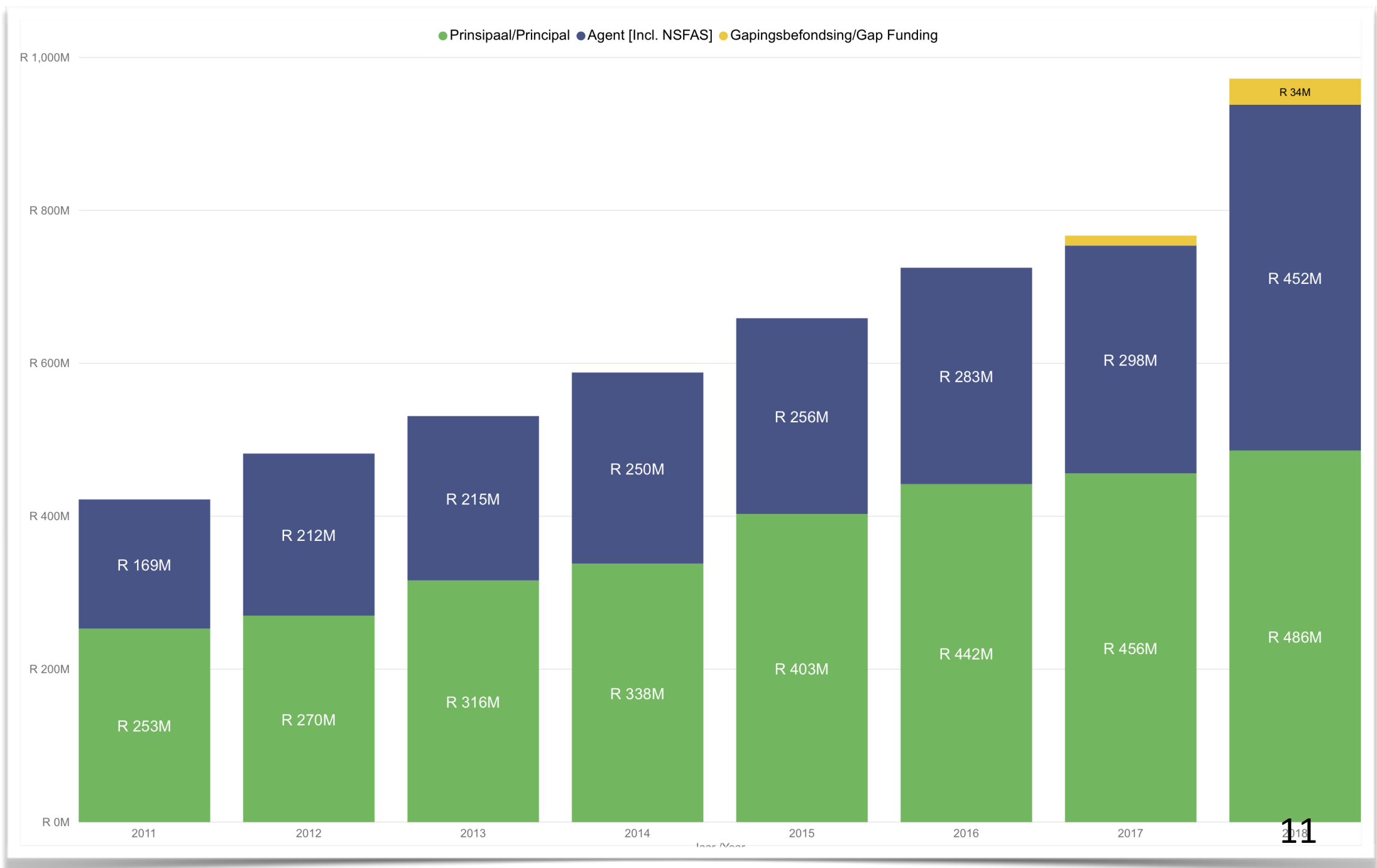
Allowing SU to offer extraordinary levels of financial support

12
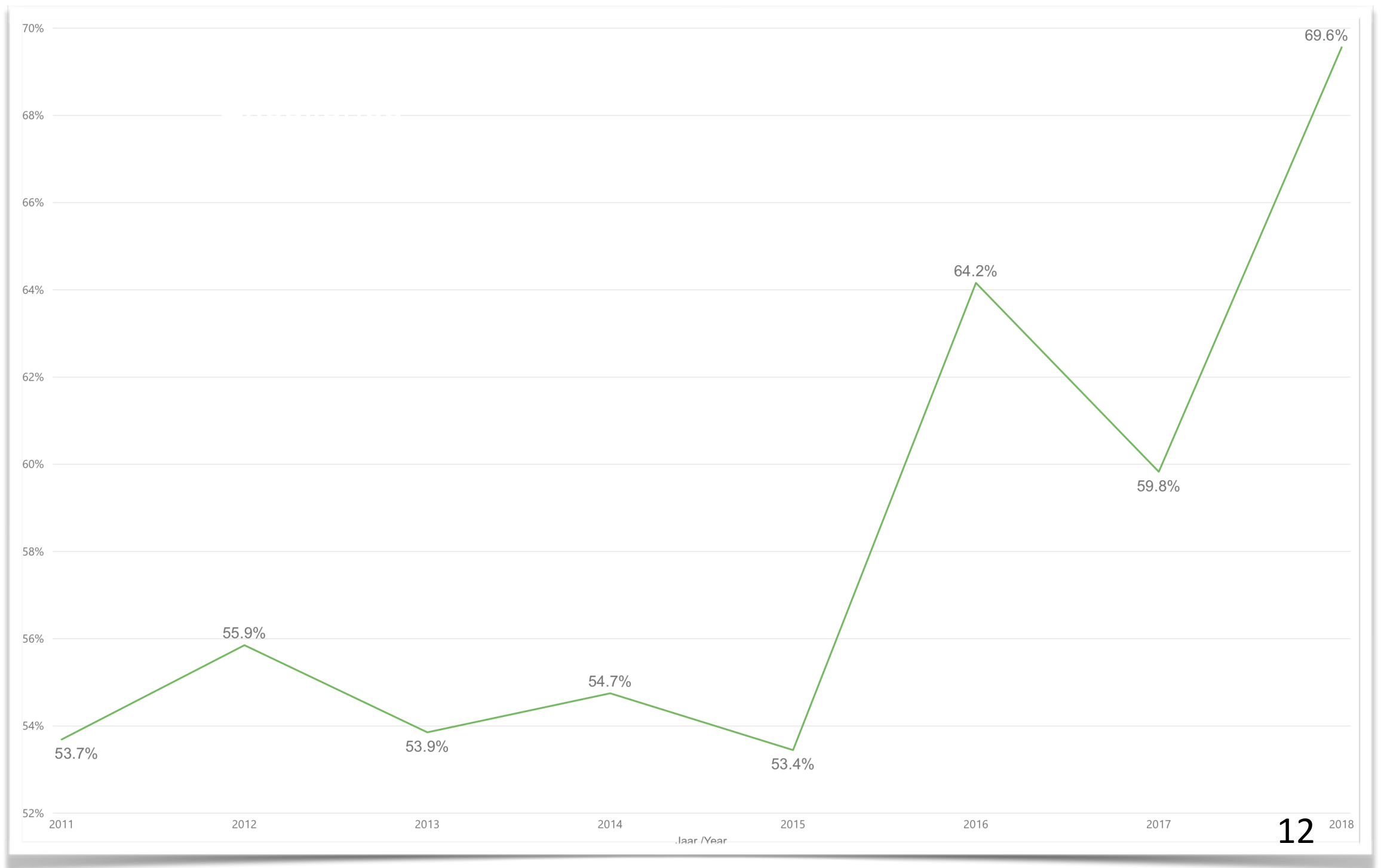
Implementing SUNFIN

Case for change

1. Our current Adabas Natural Inhouse-developed Financial System developed in 1989 (as old as the internet) has reached the end of its lifecycle

2. The system **cannot be maintained** and **upgraded** as the programming language is no longer taught resulting in a skills shortage

3. Our current system was **developed for a centralised management model**. The University accepted a **Responsibility Centre Management Model** in the early 2000's.

4. We need to unlock the efficiency gains and power offered by a modern financial system, including real-time data presented via smart user-friendly analytics and dashboards to make better informed and effective institutional decisions

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We are currently on time, within budget and on scope

15

What will change?

1. Our current financial system will be replaced by the **Oracle® Enterprise Resource Planning Cloud (Oracle ERP Cloud) Financials** solution

2. Oracle ERP Cloud Financials solution is a **comprehensive**, **integrated** and **scalable** financial management solution that will **enable** and **support** our **decentralised Responsibility Centre Management Model**.

3. Oracle Financials Cloud is designed for collaboration and real-time access to the latest data. Oracle Financials Cloud will give SU insights faster to help minimize costs, increase productivity and enable management decisions.
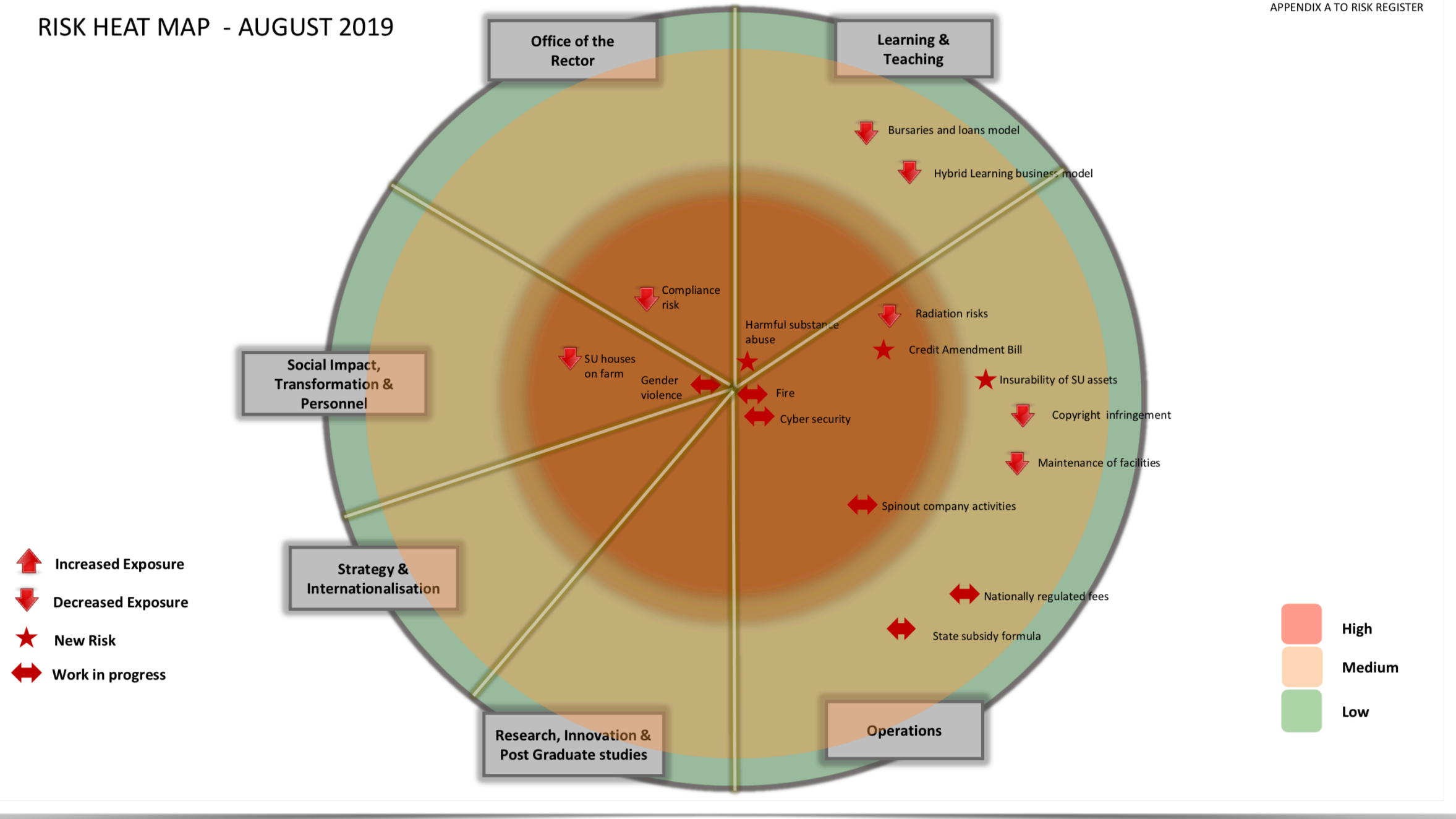
High level project timeline
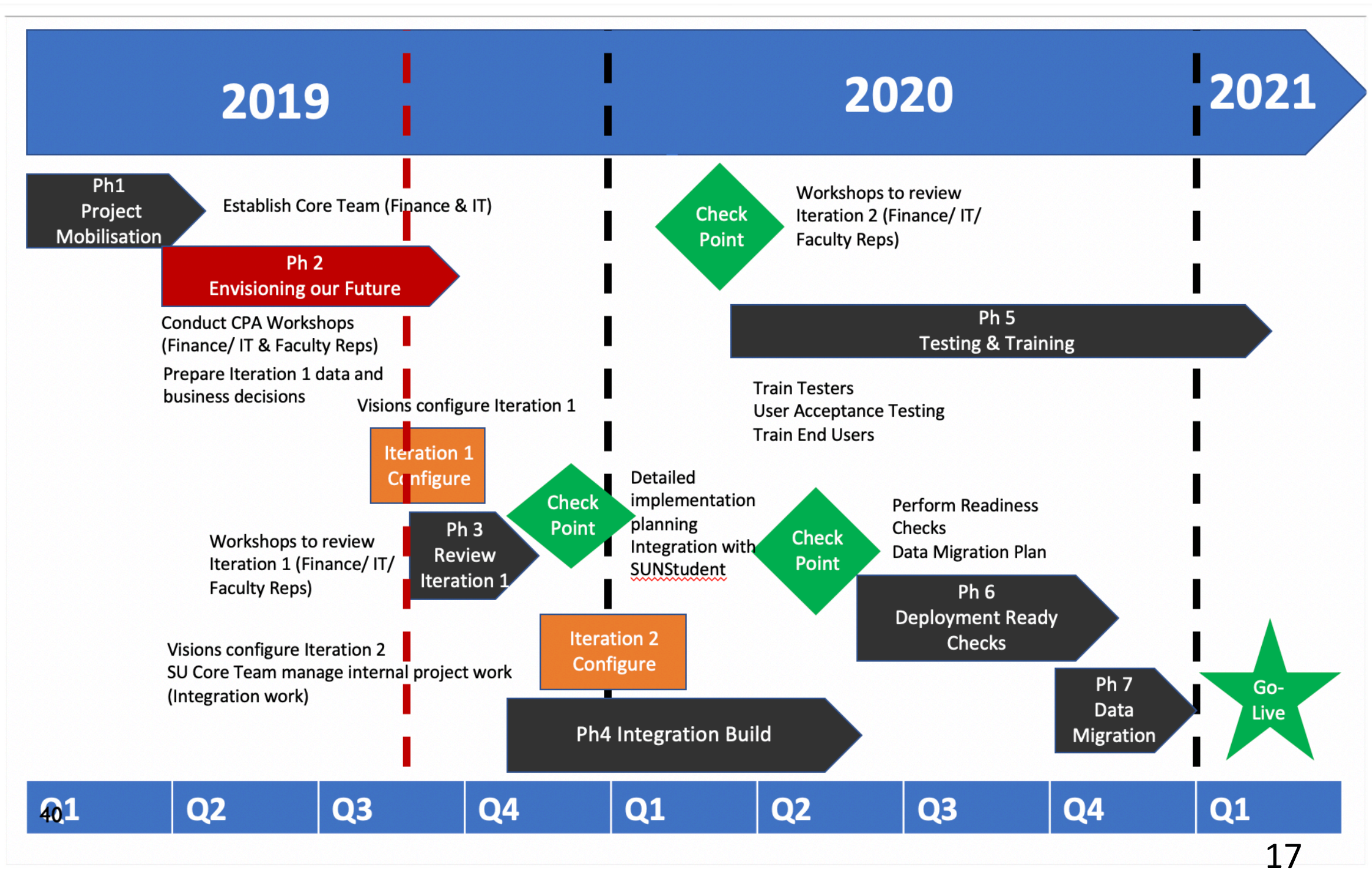
Very deliberate change management methodology is followed throughout
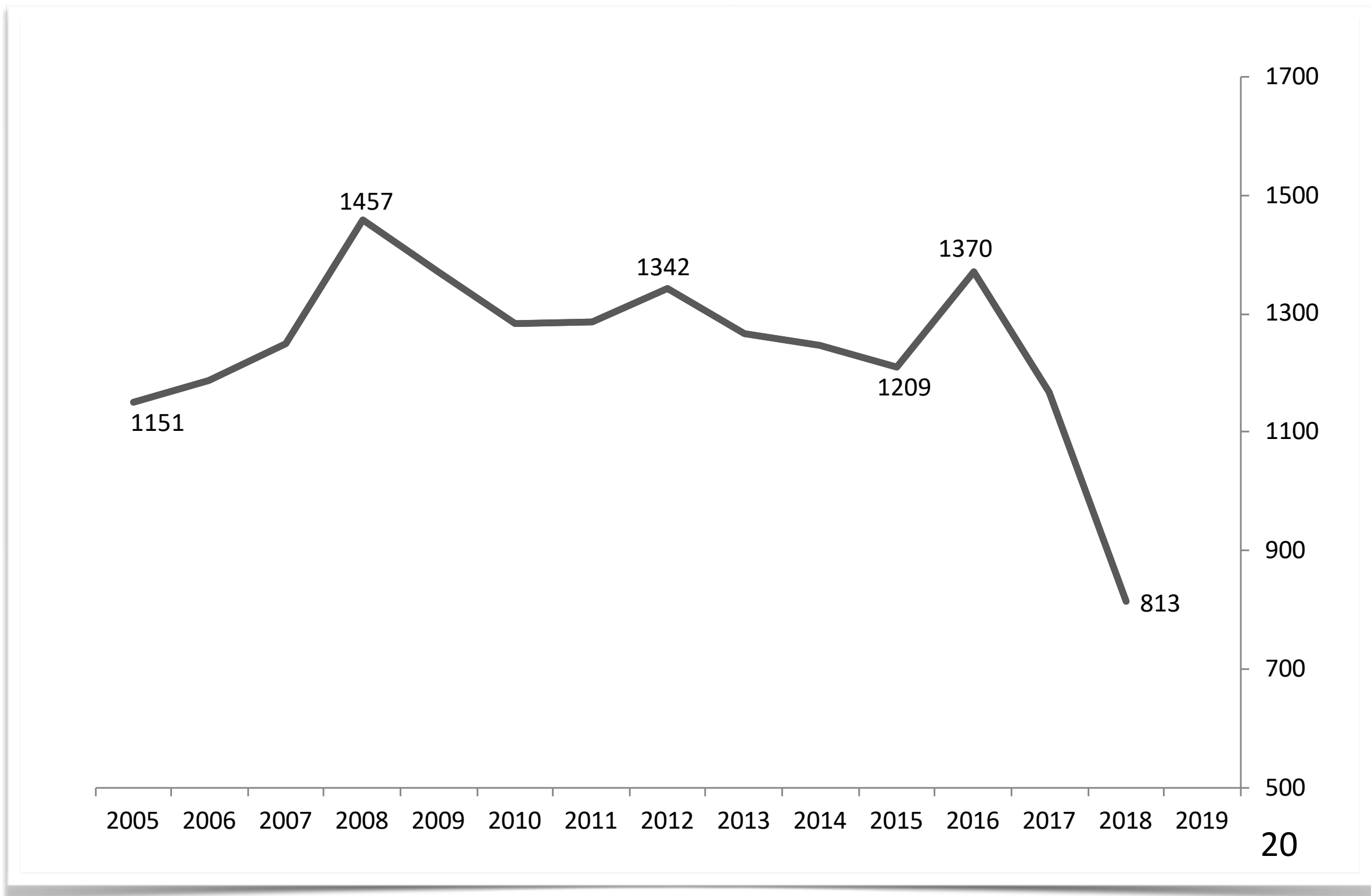
Risk management and security

Risk heat map - August 2019 (top 16 risks)

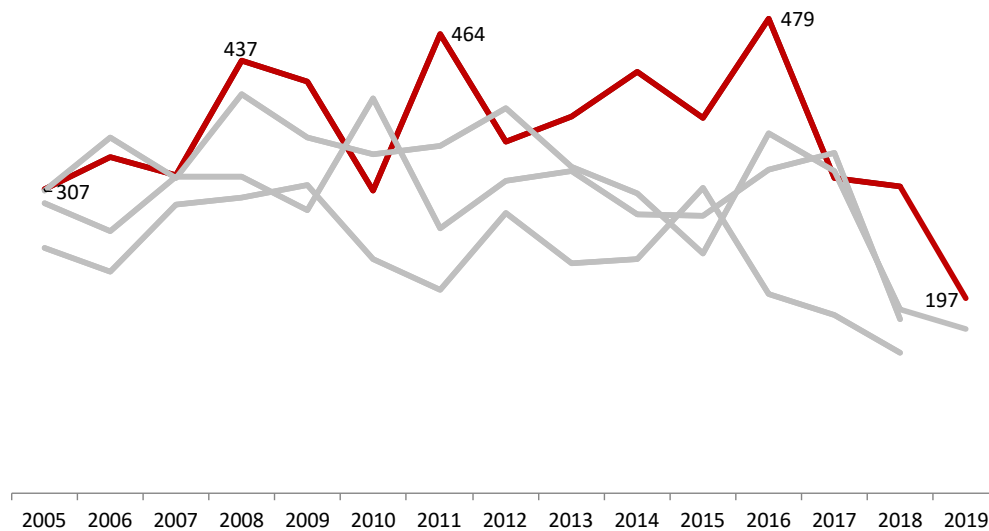RISK HEAT MAP - AUGUST 2019

APPENDIX A TO RISK REGISTER

Office of the Rector

Learning & Teaching

Social Impact, Transformation & Personnel

Strategy & Internationalisation

Research, Innovation & Post Graduate studies

Operations

Bursaries and loans model

Hybrid Learning business model

Compliance risk

Radiation risks

Harmful substance abuse

Credit Amendment Bill

SU houses on farm

Insurability of SU assets

Gender violence

Fire

Cyber security

Copyright infringement

Maintenance of facilities

Spinout company activities

Nationally regulated fees

State subsidy formula

Increased Exposure

Decreased Exposure

New Risk

Work in progress

High

Medium

Low

19
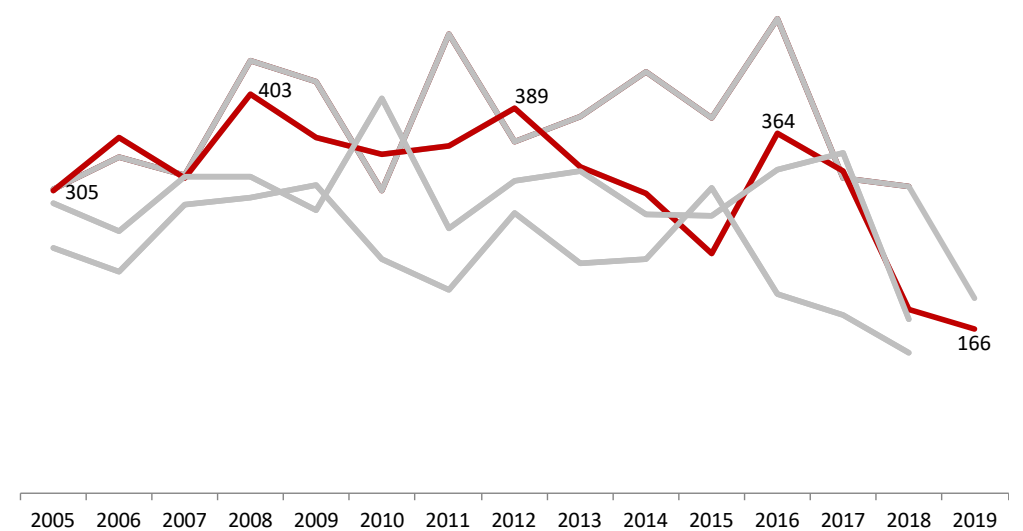
Reported crime incidents on SU campuses - annual totals

20

Reported crime incidents on SU campuses - quarterly breakdown

Quarter 1
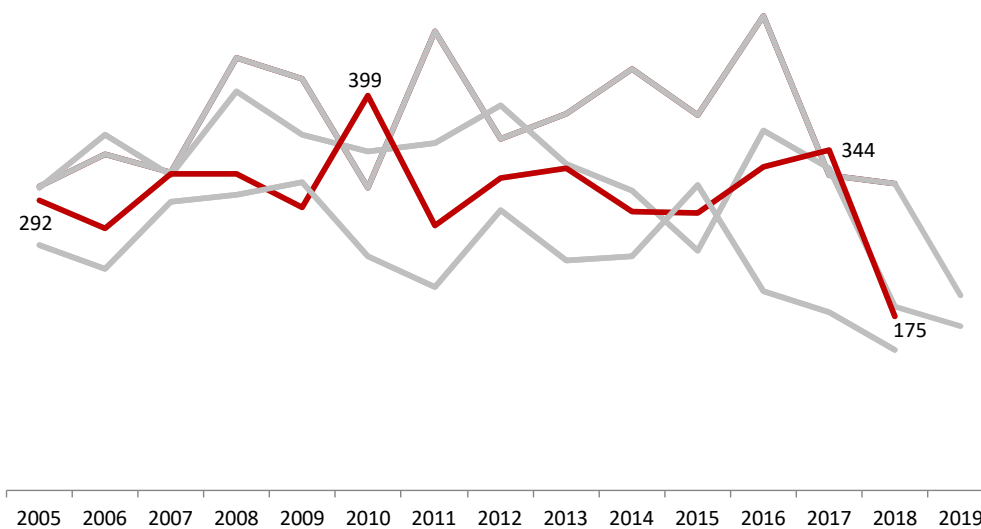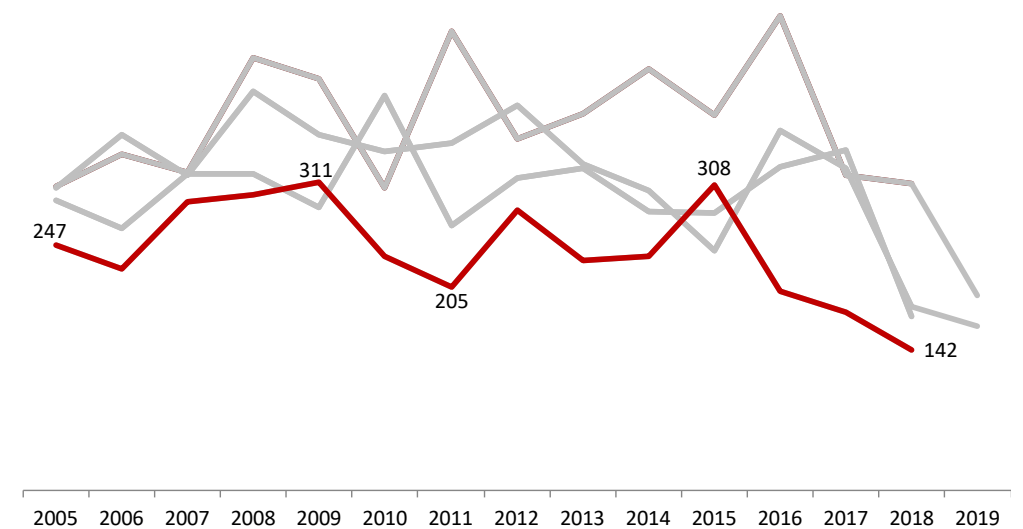
307, 437, 464, 479, 197

Quarter 2

305, 403, 389, 364, 166

Quarter 3

292, 399, 344, 175

Quarter 4

247, 311, 205, 308, 142
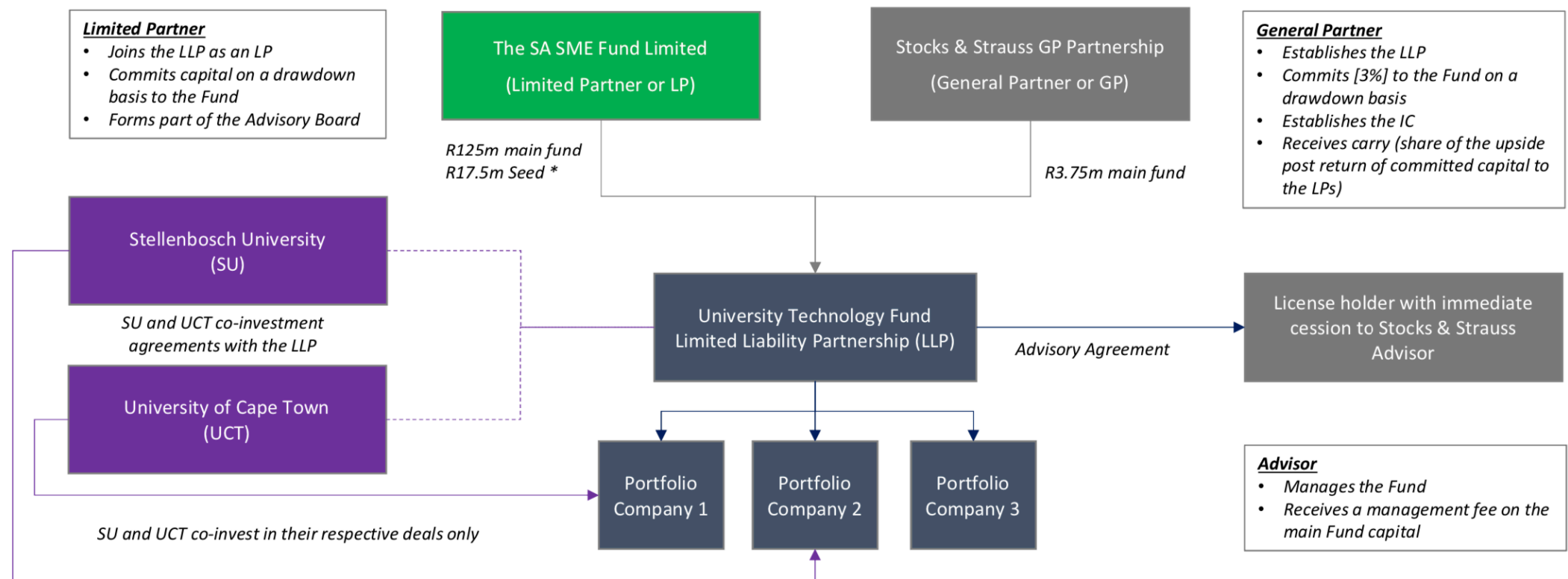
Good corporate governance at Innovus

University Technology Fund (UTF) taking shape

Annexure A: Proposed Fund Structure

Limited Partner
- Joins the LLP as an LP
- Commits capital on a drawdown basis to the Fund
- Forms part of the Advisory Board

The SA SME Fund Limited
(Limited Partner or LP)

R125m main fund
R17.5m Seed *

Stocks & Strauss GP Partnership
(General Partner or GP)

R3.75m main fund

General Partner
- Establishes the LLP
- Commits [3%] to the Fund on a drawdown basis
- Establishes the IC
- Receives carry (share of the upside post return of committed capital to the LPs)

Stellenbosch University (SU)

SU and UCT co-investment agreements with the LLP

University Technology Fund Limited Liability Partnership (LLP)

Advisory Agreement

License holder with immediate cession to Stocks & Strauss Advisor

University of Cape Town (UCT)

SU and UCT co-invest in their respective deals only

Portfolio Company 1

Portfolio Company 2

Portfolio Company 3

Advisor
- Manages the Fund
- Receives a management fee on the main Fund capital

Note
*   In addition to the Seed fund to the LLP, the SA SME Fund will allocate R7.5m Pre-Seed funding to UCT and SU (split 50:50) with R2.5m matching (split 50:50) to facilitate preferred access to transactions for investment by the LLP. The universities also share the carried interest with the Fund Manager (25 University:75 Fund Manager) for their contribution to the pipeline of the Fund

23

Operational Network for a large Public University

Maties Sport is part of the social fabric in our community
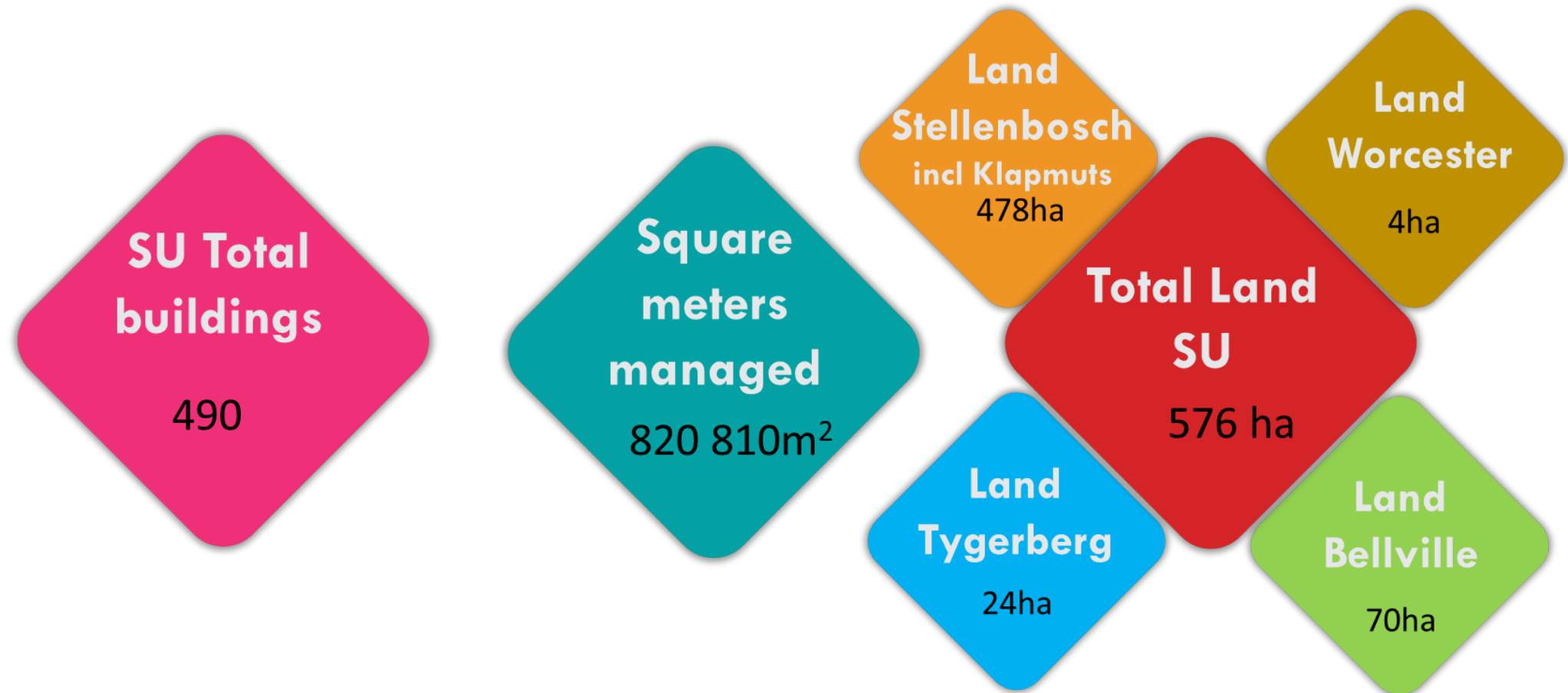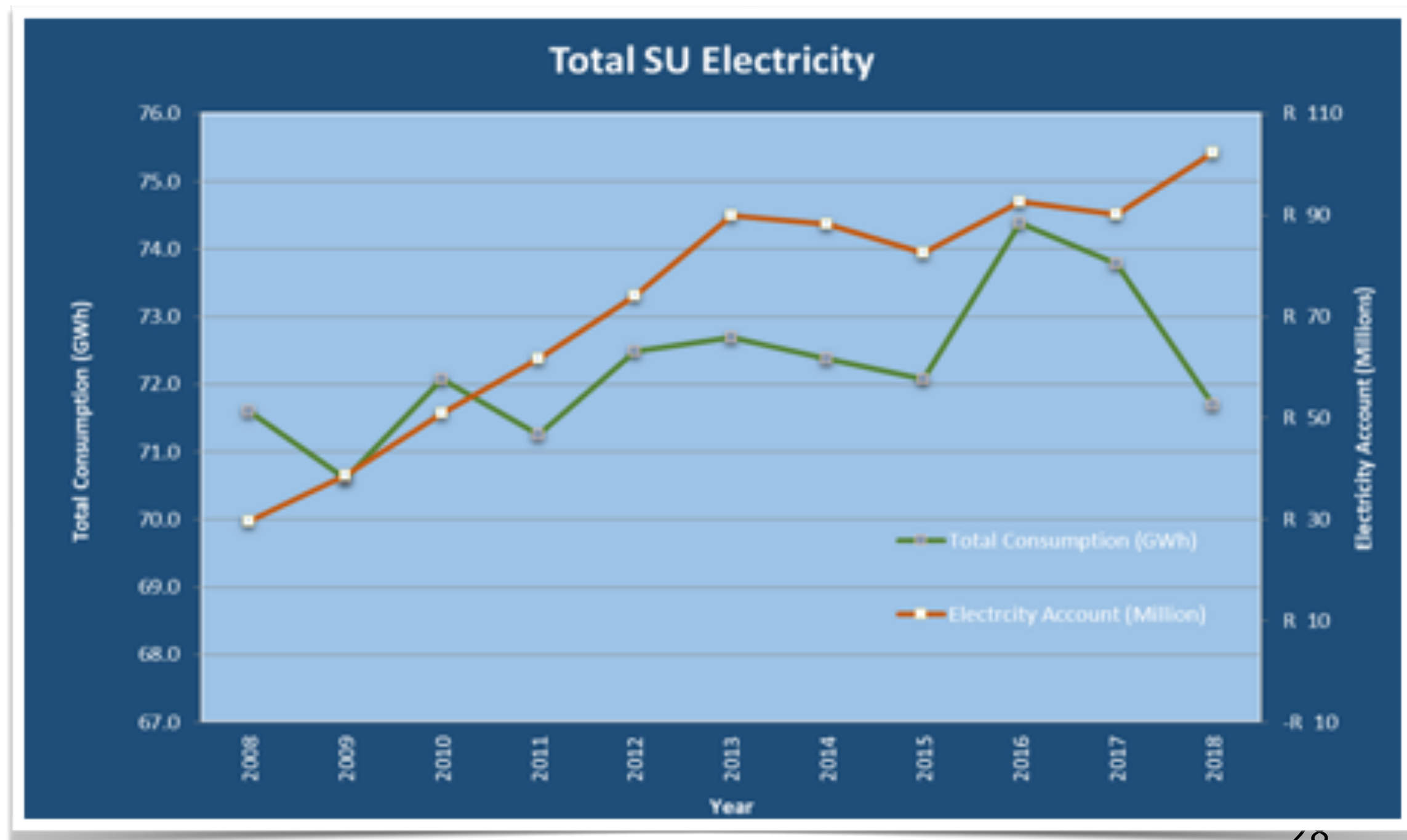
USSA games infographic

Varsity Cup retained

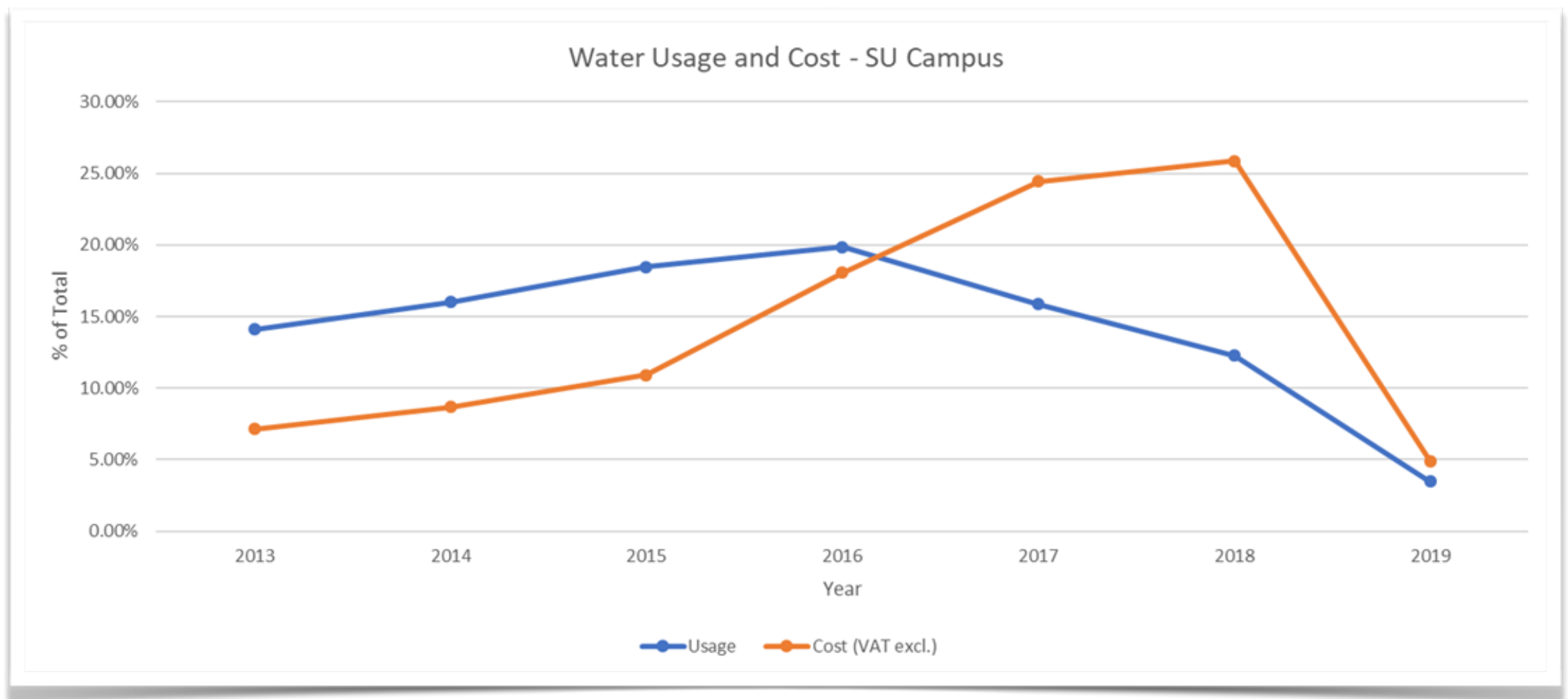World-class facilities for the next century

OUR SCOPE

SU Total buildings
490

Square meters managed
820 810m^2

Land Stellenbosch incl Klapmuts
478ha

Land Worcester
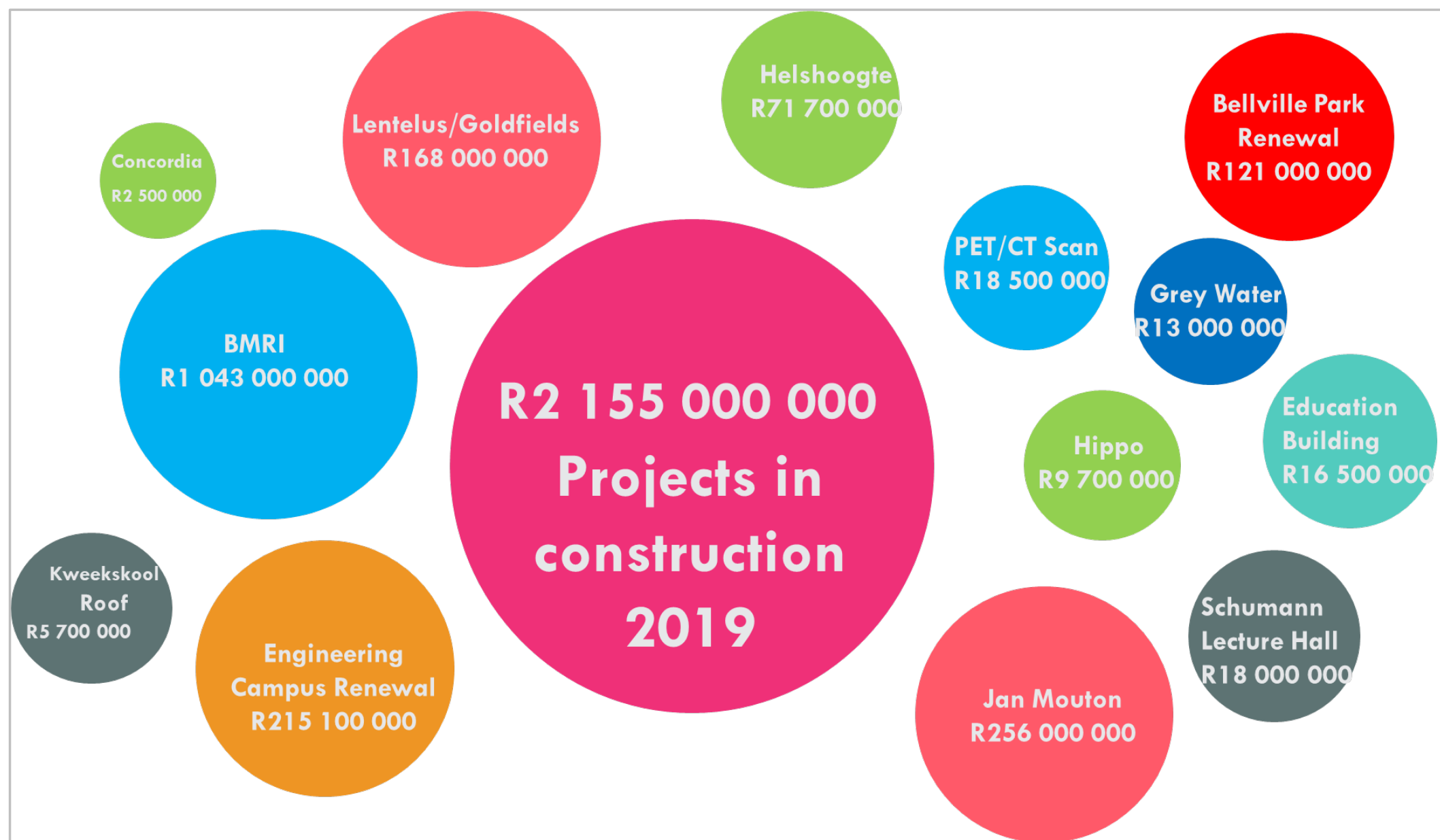4ha

Total Land SU
576 ha

Land Tygerberg
24ha

Land Bellville
70ha

Improving our energy efficiency and lowering SU's carbon footprint

And still committed to using water more efficiently

Water Usage and Cost - SU Campus

Concordia
R2 500 000

Lentelus/Goldfields
R168 000 000

Helshoogte
R71 700 000

Bellville Park
Renewal
R121 000 000

BMRI
R1 043 000 000

PET/CT Scan
R18 500 000

Grey Water
R13 000 000

R2 155 000 000
Projects in
construction
2019

Hippo
R9 700 000

Education
Building
R16 500 000

Kweekskool
Roof
R5 700 000

Engineering
Campus Renewal
R215 100 000

Jan Mouton
R256 000 000

Schumann
Lecture Hall
R18 000 000

31

Decanting facility in Hammanshand road

PERSPECTIVES | SECTION 4

RENDERING PERSPECTIVE
SCALE - NTS
GUARD HOUSE / DECANTING BUILDING
2019,08,16 | 12

DECANTING AND LGS PRECINCT

tv3
1991-2016 ARCHITECTS AND TOWN PLANNERS
ARGITEKTE EN STADSBEPLANNERS

IT Service Delivery Model Review

SDMR: Main Objectives

- Develop a **comprehensive understanding** of the current state of ICT service delivery across the University
- Develop an **integrated capability mapping model** aligned with, and directly supporting SU's strategy
- Design the **desired service delivery model**, to deliver the capabilities in the short and longer term
- Propose an **implementation plan**

SDMR: Key findings

- That the existing IT service delivery model had evolved organically (**30+ units**), without proper integration;
- That IT's services were perceived as **inefficient**, **costly** and **obsolete**; and
- That because of this, SU was **missing out on opportunities** in teaching and learning, in research, as well as in how we conducted our business
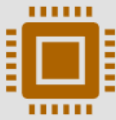
The current IT SDM suffers from an acute version of the "problem of the commons"

SDMR: Recommendations

What is the right model type to satisfy the university ICT demand?

Needs-driven

How should the university group its ICT capabilities in response to the ICT demand?

7 Functional areas

How should the university deliver on the ICT demand?

Shared model

Overarching project and three Implementation projects

8 projects identified to implement the new ICT Service Delivery Model.

1 ICT Service Delivery Model Implementation Project

5 ICT Project Delivery Capability Project

The portfolio of projects will build the capabilities specified in the ICT Capability Model.

2 ICT Strategy and Architecture Project

6 ICT Risk Improvement Project

The portfolio of projects will generate traction for the 7 functional areas defined in ICT Service Delivery Model.

The portfolio of projects will also address existing. high risk ICT areas of concern.

4 ICT Integration Enablement Project

37

the **#inetkeymustfall**