



# SELF-EVALUATION

## QUALITY ASSURANCE REVIEW FINANCE DIVISION

Volume 1

**MAY 2018**



UNIVERSITEIT  
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# SECTION A

## Overarching Profile Of The Finance Division

### CHAPTER 1

## INTRODUCTION: CRITERIA, PROCESSES AND SCOPE

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### 1.1 AIM OF THE EVALUTION PROCESS

The Finance Division is currently undergoing a process of self-evaluation in line with the *Stellenbosch University Quality Assurance Framework*. In terms of this, an external panel evaluates all academic departments and administrative support divisions every six years. The aim of the evaluation exercise is to:

- carry out an honest self-evaluation;
- ensure that the Finance Division is aligned with the strategic objectives/strategies of Stellenbosch University (SU), as well as with national Higher Education objectives;
- determine the quality of service that the Finance Division provides to its clients;
- Identify deficiencies and strengths in terms of which the Finance Division can align its strategic planning for the future.

The evaluation comprises two main components:

- i. A self-evaluation by the staff of the Division
- ii. A comprehensive evaluation by an external panel, tested against national/international norms.

In order to fulfill this aim, it is proposed that the evaluation takes place according to the relevant criteria of the *Baldrige Model*.

### 1.2 EVALUATION CRITERIA

The framework used for the evaluation of the Finance Division is based on the Malcolm Baldrige approach for the evaluation, planning and improvement of an organization.

Relevant questions are grouped into seven major assessment categories that are fundamental to organizational excellence:

- Leadership and Management
- Strategic Planning
- Stakeholder Focus
- Information for Improvement
- Staff Focus
- Effectiveness of Policy and Processes
- Quality of Outcomes and Results

The planning for this review is in line with the evaluation that took place in 2010. The follow up report that was issued in 2012 and the official response detailing actions taken will be provided to the panel separately.

Judgements about each section are expressed using the following scale:

- A. Meet all the best practices listed in the Finance evaluation framework. There is evidence / indications of success with regard to this area.
- B. Meet most of the best practices listed in the Finance evaluation framework. There is evidence / indications that progress has been made in this area.
- C. Meet some of the best practices listed in the Finance evaluation framework.
- D. Meet none of the best practices listed in the Finance evaluation framework. The process is still in the pipeline or the current performance is unsatisfactory.

### **1.2.1 LEADERSHIP AND MANAGEMENT**

*Definition: Define and actively communicate an appropriate vision and goals for the future, linked to the needs of the groups we serve and manage the processes for the effective implementation of the actions emanating from the vision.*

#### *Questions*

1. How is the leadership group of the division constituted?
2. Does our division have a clearly defined, documented and shared view of the mission, vision, values, plans and goals?
3. How do leaders guide our division, and clarify, build and sustain consensus on our directions and priorities? Describe the leadership and management style
4. How do leaders focus our division on understanding and addressing needs and expectations of stakeholders?
5. How do leaders use communication, performance review and other approaches to foster effective leadership systems and practices throughout the organization?
6. How effective are the management processes for implementation of the actions emanating from the vision?

#### *Examples of best practices*

1. Clearly defined, documented and shared mission, vision, values, plans and goals, aligned with those of the institution.
2. Two-way communication is standard practice - leaders listen, build consensus and create a sense of community.
3. Leaders are role models - personally involved, collaborative and tolerant of differing perspectives.
4. Set improvement goals and motivate.
5. Enthusiastic and effective advocacy with stakeholder groups.
6. Encourage feedback on their performance - 360-degree approach.
7. Visibly dedicated to the well-being of the organization, its employees and the community.

#### **Strategic Planning**

### **1.2.2 STRATEGIC PLANNING**

*Definition: Translate vision into plans with definite goals*

#### *Questions*

1. How does our division translate its mission, vision and values into priorities, goals and action steps?
2. Does our division have a formal planning process and a plan?
3. How do we implement and evaluate our plans and goals?
4. Review the areas for improvement?



### *Examples of best practices*

1. A formalized planning process and short- and long-term plans exist which are well understood by all.
2. The planning process and plans synchronize with the mission, vision, values, goals and objectives, and are integrated with resource allocation.
3. Attention to assuring coordination and alignment among all organizational levels.
4. Planning process accommodates crises and unexpected events.
5. Clear, measurable, aggressive goals and indicators based on trends and comparisons to peers and leading organizations.
6. Comprehensive communication plan for all internal and external groups.

### **1.2.3 STAKEHOLDER FOCUS**

Definition: Listen to and understand the needs and perspectives of those we serve to develop a service ethic. Stakeholders are those whose interests are affected by the work of our division.

#### *Questions*

1. For what groups does our division provide services? (In and outside the institution.)
2. How does our division learn about the needs and expectations of these stakeholder groups?
3. How do we build and enhance our relationships, communication and reputation with stakeholders?
4. How do we assess the satisfaction levels of our major stakeholder groups?
5. Review the areas for improvement?
6. Examples of best practices
7. Shared view as to the priority of groups served by the division.
8. Standardized and systematic approach to assessing the needs, expectations, priorities, perceptions, dissatisfiers and satisfaction levels of all major stakeholder groups.
9. Organization-wide system for sharing information gathered through assessments.
10. Information on needs and expectations of stakeholder groups used to develop service standards, which, are implemented and measured throughout the division.
11. Leaders publicly recognized locally, within state, regionally and nationally for innovation and/or achievement in service excellence.
12. Strong focus on people-to-people encounters and enhancing relationship quality and reputation.

### **1.2.4 INFORMATION FOR IMPROVEMENT**

Definition: Gather information on the achievement of our goals. Use information for improvement.

#### *Questions*

1. How do you select and use data and information to assess excellence levels and trends for your division?
2. How do you use information to coordinate and improve all aspects of the division?
3. How does your division select and use comparative information from peer, competitor divisions in other organizations?
4. Review the areas for improvement?

### *Examples of best practices*

1. Systematic approach to information gathering and use.
2. Indicators used to develop excellence.
3. Criteria and measures anchored in division and institutional mission, vision, goals and priorities.
4. Indicators exist to focus and lead the organization.
5. Systems in place to assure organization-wide access to and use of excellence indicator information.
6. Information gathered and used to improve efficiency and effectiveness.
7. Measures link division performance to stakeholder needs.
8. Information gathered and used to assess, monitor and improve employee satisfaction levels and trends.

### **1.2.5 STAFF FOCUS**

Definition: Create a culture that encourages excellence, engagement, professional development, commitment and pride. Reward and recognize performance and synchronize individual and organizational goals

#### *Questions*

1. How is the staff encouraged to develop their full potential, and to link their efforts with the priorities of the division and institution?
2. How does our division build and maintain an environment that is conducive to excellence, engagement, appreciation of diversity and personal / organizational advancement?
3. How do we assess and monitor workplace climate and the satisfaction of staff?
4. How do we work towards greater diversity in the staff composition?
5. Review the areas for improvement?

#### *Examples of best practices*

1. Formalized human resources plans.
2. Plans synchronize individual's work with mission, vision, plans, achievement goals and service excellence goals of the division and institution.
3. Systematic efforts to address and assess staff needs, expectations and satisfaction/dissatisfaction levels.
4. Professional development philosophy and program with continuous training and educational opportunities.
5. Individual, group and department recognition programs linked with plans and goals.

### **1.2.6 EFFECTIVENESS OF POLICY AND PROCESSES**

Definition: Identify, analyse, standardize and continuously improve the efficiency and effectiveness of processes with all users and beneficiaries in mind.

#### *Questions*

1. What are your key processes for fulfilling your mission/vision?
2. What group(s) are the beneficiaries of each process and policy?
3. How does your division identify, monitor and assure the effectiveness and efficiency of your work processes?
4. How does the division regularly review and improve mission-critical processes and policy?
5. How are comparisons with other organizations used for process and policy improvement?
6. Review the areas for improvement?

#### *Examples of best practices*

1. All mission-critical (core) and support processes identified, well- defined, standardized and appropriately documented.
2. Improvement efforts focus on processes that are important to users and beneficiaries.
3. Continuous improvements in effectiveness, efficiency, response/cycle time, cost, value and service.
4. Problem prevention and error correction are addressed within normal work processes.
5. Alliances / partnerships / relationships are monitored and evaluated.
6. Comparisons and comparative information used systematically.
7. Cross-functional and cross-department groups are created for processes involving more than one department.

### **1.2.7 QUALITY OF OUTCOMES AND RESULTS**

Definition: Document, communicate and review progress toward vision and goals. Compare our outcomes/results to those of peers.

#### *Questions*

1. How successful is our division overall in achieving its mission, vision, plans and goals?
2. How successful are specific services in achieving their goals?

3. How satisfied are our users and beneficiaries?
4. How satisfied is our staff?
5. How successful are our alliances, partnerships, relationships?
6. How does the quality of outcomes/results compare with those of peers?
7. Review the areas for improvement?

*Examples of best practices*

1. Quality levels are documented.
2. Quality levels compare favorably with peers.
3. Users, beneficiaries are highly satisfied with quality of services.
4. High levels of divisional staff satisfaction.
5. Positive alliance, supplier and partner relationships.
6. Documented and favorable comparisons in all of the above areas in relation to peer, competitor and leading organizations.
7. Record of significant achievement and continuous improvement of effectiveness, productivity, value and efficiency- particularly in mission-critical processes.
8. A recognized institutional, regional and national standard-setter.

## 1.3 PROCESS SCHEDULING

The self-evaluation process proceeded as detailed below with a view to the visit of the external evaluators on 7-9 May 2018.

**TABLE 1.1 TIME FRAME OF EVALUATION PROCESS**

ACTION	COMPLETION DATE
Appointing the Self Evaluation Committee	30 June 2017
SE Committee approves a suitable target date for the external evaluation	
SE Committee nominates candidates to serve as external evaluation panel members	
RC Head approves the nominated EEP members	31 July 2017
Administrative process surrounding EEP members	
QAR Budget drafting and approval	
Criteria drafting and submission	
Criteria approval by Quality Committee	
Scope and focus setting of Quality Assurance Report	1 August 2017
Required work divided between Divisional Heads	
Receipt of draft reports from Divisional Heads	30 September 2017
Distribute the approved questionnaire	31 October 2017
Close the online survey process	28 February 2018
Drafted unified report	31 March 2018
Forwarding of the approved report to the evaluation panel	16 April 2018
Visit by external panel members	7 – 9 May 2018
Receipt of panel's official report	4 June 2018

The following three external experts will act as evaluators:

Dr Iain L'ange (Rhodes University) (Chairperson of External Evaluation Panel)

Ms Elmarie de Beer (North West University)

Mr Ashley Francis (University of Cape Town)

## 1.4 FRAMEWORK OF EVALUATION REPORT

### Section A: Overarching profile of the Finance Division

1. Introduction: Criteria, Processes and Scope
2. Historical and Institutional Context
3. Leadership and Management
4. Strategic Planning
5. Staff Focus
6. Stakeholder Focus

### Section B: Focus on the seven sub divisions

1. Financial Planning and Budgeting
2. Student Finances and Debtors
3. Financial and Management Systems
4. Financial Services
5. Funds and Asset Management
6. Purchasing and Provision Services
7. Transport Services
8. Financial Controller
9. Summary

### Section C: Synopsis

1. Evaluation against best practices

# CHAPTER 2

## HISTORICAL AND INSTITUTIONAL CONTEXT

### 2.1 PLACE OF THE FINANCE DIVISION IN THE HISTORY OF STELLENBOSCH UNIVERSITY

SU was established in 1918 with the transformation of the Victoria College in line with the terms of Act 13 of 1916 (University of Stellenbosch Act). Since its inception the University has grown to become an institution that comprises 10 faculties and employs approximately 3 424 members of staff to service 30 990 students (2017 enrolment that equals 100% of Ministerial target).

Throughout the history of SU the Finance Division has played a pivotal role in ensuring that the University is financially sustainable in the long term and that the financial resources are used effectively to ensure the achievement of the stated strategic objectives and that it functions within the applicable regulatory frameworks for good corporate governance.

### 2.2 FUNCTIONS OF THE FINANCE DIVISION

The Division prides itself in being a service-oriented environment that plays a major role in providing sustainable and responsible, academic and institutional support and training. This is achieved through the division's expertise with regard to the respective business areas of the University:

- Financial transacting and reporting, which includes that of a statutory nature
- Institutional planning with regard to the annual budget process in line with the SU approved budget methodology
- Management of all SU assets
- Development and implementation of responsible financial policies
- The management, coordination and implementation of good auditing policies/procedures
- Setting and administration of student and accommodation fees as well as student loans awarded by the Division: Bursaries and Loans in the Responsibility Centre of the Vice Rector: Teaching and Learning
- Administering the payment of staff remuneration
- Administration of debtors and creditors
- Managing fund investments and banking administration
- Development and maintenance of the financial systems
- Purchasing and transport services
- Training and development with regard to financial expertise

### 2.3 MANAGEMENT AND STRUCTURE OF THE FINANCE DIVISION

The total full-time staff of the Division stands at 139 (Dec 2017). The operational management is performed under the leadership of Mr Manie Lombard (Chief Director: Finance), to whom seven divisional heads and one financial controller report.

- Financial Planning and Budgeting: Ms Annemi Murray
- Student Finances and Debtors: Mr Werner Abrahams
- Financial Management Systems: Ms Elizebeth de Beer
- Financial Services: Ms Faiza Majiet
- Funds and Asset Management: Ms Caro Olivier
- Purchasing and Provision Services: Mr Riaan Basson
- Transport Services: Mr Pieter Wever
- Financial Controller: Mr Brendon Grindlay-Whieldon

The management of the Finance Division consistently test the composition and functions of the Division in terms of the strategic principle “structure follows strategy”, with the aim of optimal efficacy and functionality. Peer comparisons with national and international institutes of higher education are regularly performed. Since 1998, the Chief Director: Finance has made visits to national and international institutions, which include Columbia University, Virginia University, the University of Pennsylvania, Michigan University, Georgetown University, Virginia University, the University of Edinburgh, and NACUBO – National Association of Community Colleges and Universities Business Officers in the United States of America.

From the 50 staff members that worked in the Division in the 1990’s the total complement now stands at 139 (refer to Table 5.1) which is evidence of the fact that the Division has such a large role to play in the University environment. The movement in staff numbers since 2010 is minimal due to financial constraints enforced by the department due to the prevailing financial landscape.

The University currently has 12,000 active cost centers (2010: 10,225), 2,625 users on the financial system (2010: 2,513), 8,322 debtors (2010: 6,400), 1,750 active creditors (2010: 2,047), 444 fixed asset items (2010: 432) and 81,467 other asset items (2010: 43,758).

The financial data of SU for 2016 versus 2009 and the current levels of activity of the Division are as follows:

	2016 R'000	2009 R'000
<b>TOTAL INCOME</b>	<b>5,311,400</b>	<b>2,691,789</b>
Government contribution	33,7%	35,5%
Student and accommodation fees	21,3%	21,8%
Private donations, grants and contracts	29,2%	28,5%
Other (commercial activities and investment income)	15,8%	14,2%
<b>TOTAL EXPENDITURE</b>	<b>4,570,600</b>	<b>2,371,315</b>
Staff costs	47,5%	42,7%
Other operating expenditure	52,5%	57,3%
<b>TOTAL ASSETS (WHICH INCL)</b>	<b>13,913,832</b>	<b>7,469,057</b>
Investments	7,893,329	2,936,836
Outstanding student fees	197,498	79,643
Outstanding student fees as % of income from student fees	17,5%	13,6%

## 2.4 FUNCTIONAL REPORTING BY THE DIVISION

Before 2003, the Finance Division reported to the Vice-Rector (Operations), from 2003 to 2007 the Division reported to the Executive Director: Finance, from 2008 to 2012 to the Executive Director: Operations and Finance. In 2013, this post title was changed to Chief Operating Officer and is currently the official designation. The portfolio or center of responsibility of the COO includes Facilities Management, Information Technology, Maties Sport, Innovus and Finance. The Rector’s aim with the composition of the Center of Responsibility is that every support environment plays a unique and important role in the creation and maintenance of a seamlessly integrated, cross-cutting support service environment that promotes the University’s strategic endeavors.

## 2.5 CONTRIBUTION TO INSTITUTIONAL SAVINGS

The Division Finance endeavors to promote cost saving practices wherever possible and enforces these practices by way of official SU financial policies and procedures. Examples include:

- Official tender practices
- The SU budget process
- Outsourcing/Insourcing practices
- Supplier discounts
- Proper bulk stock management

## 2.6 COUNCIL DECISIONS AND OTHER EXTERNAL FACTORS THAT IMPACT THE DIVISION'S ACTIVITIES

### ETHICS HOTLINE

The Ethics hotline was developed and rolled out in collaboration with the previous internal auditors (KPMG), and subsequently moved over to Deloitte (when they became the new internal auditors in 2014). The Finance Division acts as the first line of contact with Deloitte to investigate, to Deloitte Forensic Division, (where Deloitte does not perform the investigation) and report back on any reported matters, who in turn reports back to the Audit and Risk Committee.

### BUDGET PROCESS

In 2011, we implemented the IDU software package as a budgeting and reporting tool. Maintenance, training and relevant reporting is performed by Finance personnel. Finance have also been involved with the development of the Dashboard reporting tool (as developed by the Division for Information Governance).

In June 2014, Council approved the revised budget model, which resulted from a detailed investigation by a Budget Task Team appointed by the Rector. A Task Team was reinstated during 2017 to investigate further refinements of the budget model, given the current realities we are facing regarding main budget funding incl. proposed changes to the subsidy formula and the limitations on student fee adjustments.

### COMMUNICATION WITH STUDENTS

The #FeesMustFall protests and resulting announcements placed a lot of emphasis on how we communicate with students and student communities. The Division's level of interaction with students expanded significantly resulting in increased presentations and discussions with the various stakeholders regarding budgetary matters during the last 3 years. The Division has also increased its communication and management surrounding outstanding debt. We have expanded the payment options without increasing cash flow and debt recovery risks. The collaboration with the Bursaries and Loans Division also increased over the last couple of years. The changing environment placed a lot of pressure on the relatively small division, who dealt with all the new demands without any significant increase in staff.

### MOBILITY PLAN

The Transport Services subdivision (previously known as Vehicle Fleet) responsibilities have increased drastically since 2012, with the implementation and rollout of the Mobility Plan, as well as the establishment and operation of a new office at the Tygerberg campus. Because of this staff numbers increased from eight to 34 (refer to Table 5.1).

The Mobility Plan that involves bicycle rental, set up and establishment of shuttle services and a new parking management system now form part of the SU Integrated Transport Plan.



## **CAMPUS RENEWAL PROJECT AND THE IMPACT ON INVESTMENT MANAGEMENT**

Fund managers that have been appointed by the Investment Committee of the Council (ICC) based on their investment performance administer the investments of SU and Stellenbosch Trust (ST). An investment consultant Willis Towers Watson (WTW), was appointed in August 2013 for a five year term after a tender process, with the mandate of commenting on the performance of the various investments on a quarterly basis. In August 2015 the ICC also approved the appointment of WTW in a fiduciary capacity.

In June 2014, Council approved the Campus Renewal Project (CRP) with a further extension in September 2017 for the 10 year period until 2027. The project is partly funded by realizing unrestricted Council funds. The Council also approves funding for the CRP from real returns on SU investments. To further this goal the mandate of a balanced investment portfolio has been expanded to include specialist medium and long-term investment options to finance the project.

## **ERP SYSTEM**

In 2015, Council approved funding and tasked the SRP (Systems Renewal Project) steering committee with investigating replacement software packages for the ageing ERP system. Over the past couple of years there has been numerous investigations into custom made and off the shelf packages. At the time, SU decided on an open source based ERP system. Numerous developments in the market has changed the landscape significantly and it was decided that a RFI process be started to validate the decision that was originally made. This RFI is currently underway and is one of the many steps towards changing over to the new ERP suite on 1 January 2020.

# CHAPTER 3

## LEADERSHIP AND MANGEMENT

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### 3.1 MANAGEMENT TEAM

The composition of the management team of the Finance Division is set out on Diagram 3.1.

The Division reports to the Chief Operating Officer, who is a member of the Rectorate. The Rectorate consists of the Rector, Chief Operating Officer, Vice-Rector (Learning and Teaching), Vice-Rector (Research, Innovation and Post Graduate Studies), Vice-Rector (Social Impact, Transformation and Personnel), Vice-Rector (Strategy and Internationalisation) , Registrar and the Executive Manager of the Rectorate. The strategic and operational management of the Division has been delegated to the Chief Director: Finance. The Rector's management structure is displayed in Diagram 3.2.

### 3.2 DIVISIONAL ENVIRONMENT PLAN

On an annual basis, the management of the Finance Division develops a comprehensive environmental plan in support of the Institutional Plan (IP) 2014 - 2018. The overarching Institutional Intent and Strategy (IIS) 2103 - 2018 drives the IP and holistically delivering on the strategic goals driven by the Institutional Planning Forum (IPF) that takes place in February of every year.

The key deliverables from the environmental plan are the following:

- Aligning the Division with SU objectives and strategies;
- Confirmation that the Division strives to support faculties and other support environments in achieving their strategic goals;
- To continually improve on the effectiveness of the Division.

### 3.3 INSTITUTIONAL MANAGEMENT OF THE DIVISION

In order to ensure effective management and the effective flow of information, as well as proper alignment with the objectives and financial support needs of the other Responsibility Center (RC) environments and other interest groups, the Chief Director: Finance meets with the COO on a monthly basis. This results in monthly meetings between the Chief Director: Finance and his management team during which operational and strategic matters are discussed. Actions that flow from these meetings are based on all relevant, up to date information that has been thoroughly deliberated by the management team. During these meetings, the performance of the department against the environment plan is also assessed. This assessment is linked to performance management and is contracted as such. Flowing from these meetings, the management team meets with their respective staff to ensure updated communication channels and alignment with the results of the divisional head meetings.

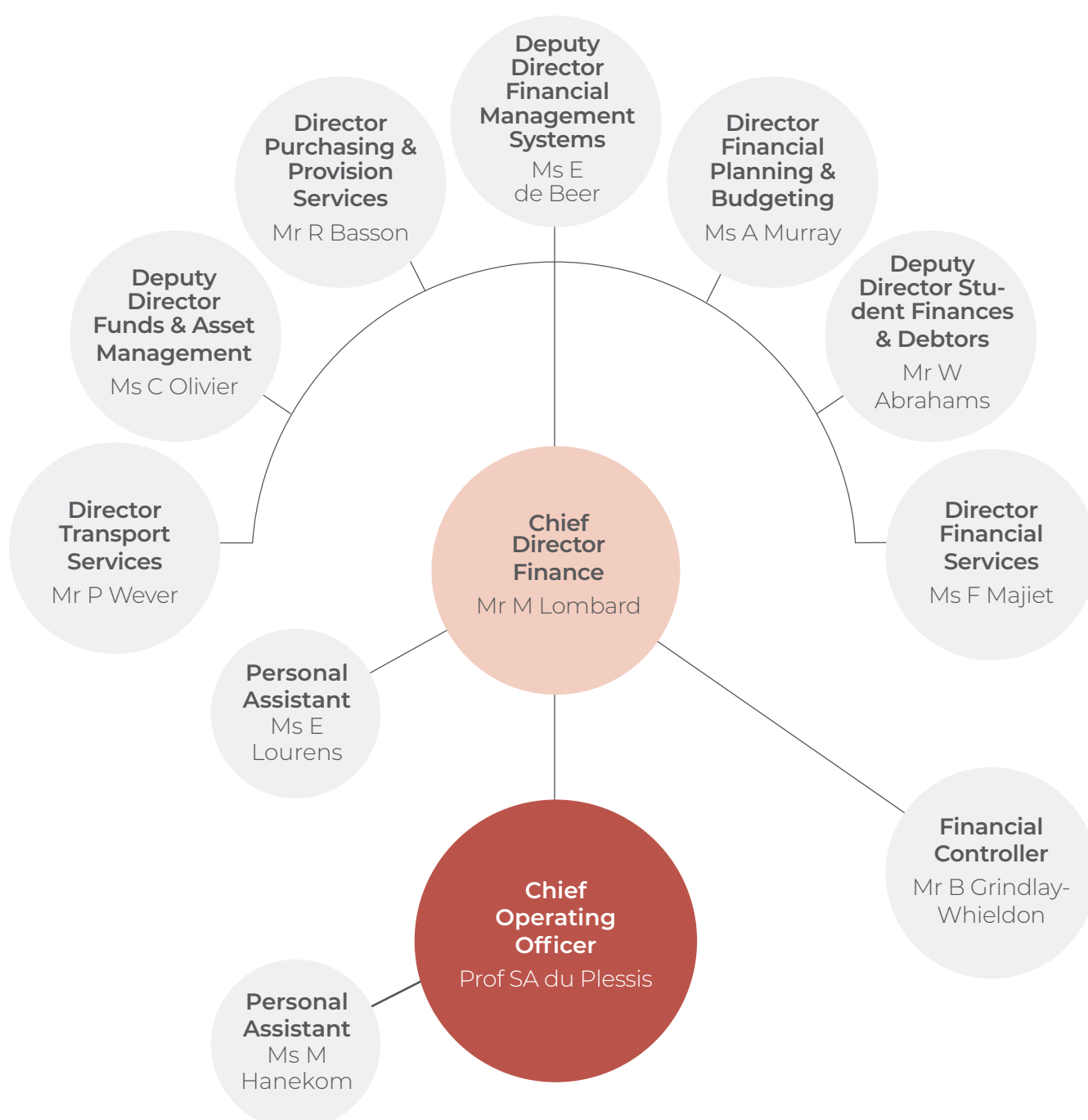
The Finance Division operates under a mandate provided by the "Rules for Delegation of Powers and Responsibilities" (SD2) document which was duly approved by the SU Council. This document ensures that all parties are aware of the underlying framework and that delegations are streamlined across the management framework.

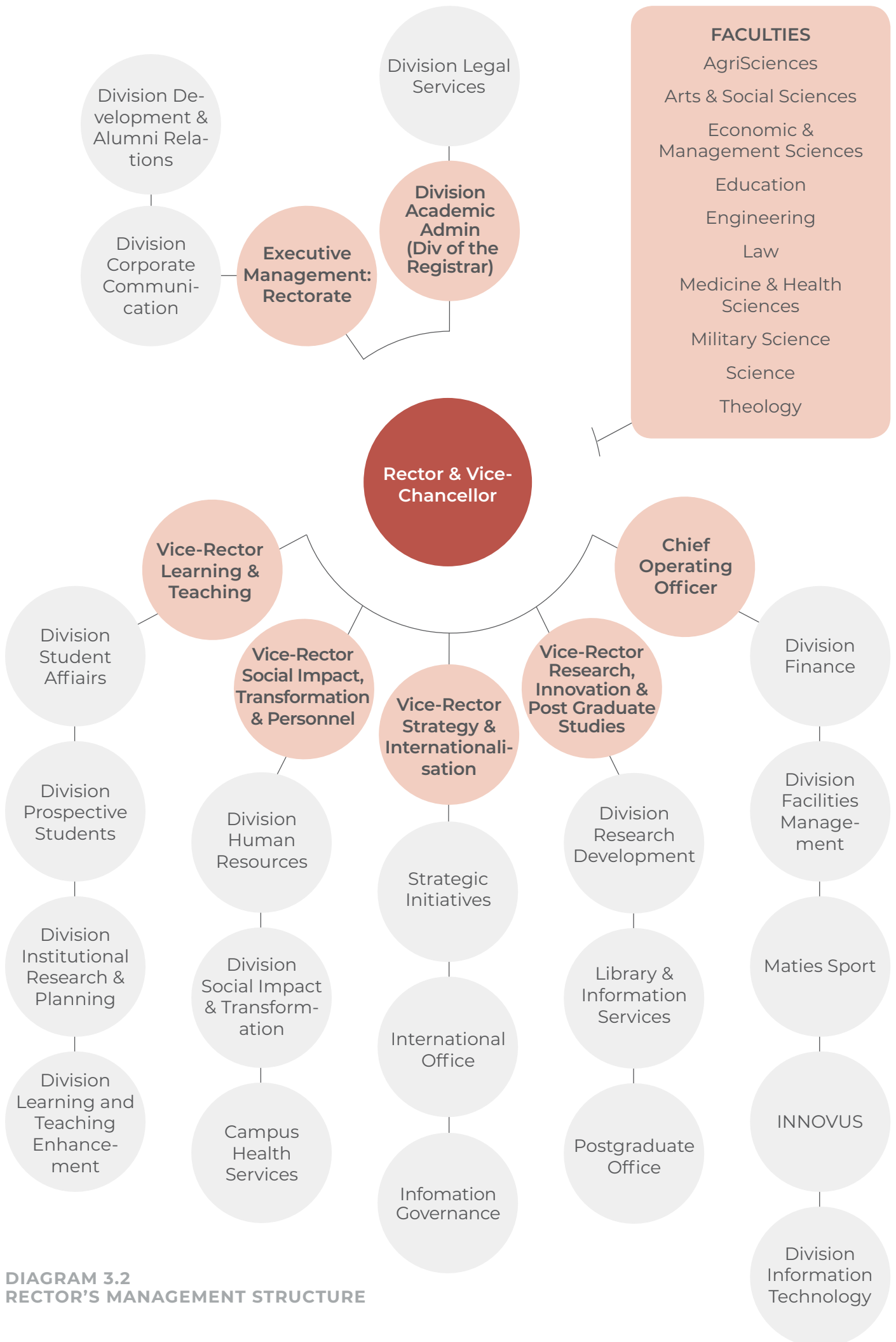
The Chief Director: Finance is actively involved in developments in the higher education sector. He was involved in the initiative for the establishment of the Finance Executive Forum (FEF) of Higher Education South Africa (HESA) in 2007 currently known as Universities South Africa (USAF). Currently this forum serves as the most influential platform for financial matters in the higher education sector with all financial heads of South African universities serving on it.

The Chief Director took the lead in the move to publish annual finance statements in accordance with International Financial Reporting Standards (IFRS). SU was one of the first universities in South Africa to successfully do so.

He also serves as the current Chair of the Executive Committee of Tertiary Risk: Insurance of South Africa (TERISA) since 2003. This is a consortium of 25 of the higher education institutions that manage short-term insurance cover for the universities by, among others, a partial self-insurance model.

**DIAGRAM 3.1 COMPOSITION OF FINANCE'S MANAGEMENT TEAM**





**DIAGRAM 3.2**  
**RECTOR'S MANAGEMENT STRUCTURE**

### 3.4 MANAGING STAKEHOLDER EXPECTATIONS

Support agreements (SD4) in the form of a service level agreement (SLA) is entered into with all the faculties. These SLA's are reviewed on an bi-annual basis to maintain a thorough understanding of the needs and expectations of the stakeholders and thereby regulate the level of service.

In support of the various strategies and objectives of the faculties and other service environments the University's formal planning and budgeting process makes provision for these environments to highlight their needs as contained in their environment plans so that the Finance Division can consider it against the budget. (SD5)

### 3.5 COMMUNICATION

Effective communication is a formal standing point on the agenda for the divisional head meetings and is critically evaluated on a continuous basis. In addition to this, there are scheduled bi-annual workshops, for all the staff of Finance that serves as a platform to measure progress/performance against divisional objectives.

### 3.6 MANAGING OBJECTIVES AND PERFORMANCE

Performance contracts with every member of staff have been in place since 2007. Objectives, with attainable targets, are set out in each contract on which performance evaluation can be based. There are also regular 360° evaluations of each member of staff to support the performance management process. During each performance evaluation, both personal and environment development objectives and plans are compiled.

Actions flowing from these objectives are linked to responsibilities and managed on a continuous basis according to agreed timelines. These actions are followed up on a regular basis. Divisional heads discuss progress according to the agreed timelines with the Chief Director: Finance during their one-on-one discussions to ensure timeous delivery.

The Finance Division fully adheres to the financial management principles as laid out in "SD3 - Principles of Financial Management".

The most important of these are:

- The budget is a central instrument in change management. The budget process must help to realize the priorities of change.
- The University is managed as a whole: holistic, systemic.
- There are subdivisions in the whole, and each subdivision is also managed in accordance with the same principles as those of the whole.
- The interests of the whole weigh heavier than the self-interest of any subdivision thereof (and similarly, recursively, further down in the system).
- The management of a subdivision is linked to decision-making competence, as well as with the associated responsibility to manage the subdivision to the benefit of the whole. Decision-making competence that is decentralised to a greater extent involves the management of a budget and should bring about greater operational and cost-effectiveness.

# CHAPTER 4

## STRATEGIC PLANNING

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Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy.

Strategy has many definitions, but generally involves setting goals, determining actions to achieve the goals, and mobilizing resources to execute the actions. A strategy describes how the resources will achieve the goals.

In the context of this definition, strategic planning at SU has become an institutionalized practice with the highest level of the strategy contained in Vision 2030. Supporting Vision 2030 in a strategic manner there is the core strategic planning process:

- Rectorate Planning Meeting
- Institutional Planning Forum
- RC Environment Plans
- Faculty Environment Plans
- Executive Managers' Meeting
- Institutional Plan

The SU core strategic planning process is unpacked further in SD6.

The mission, vision, values and derived priorities, objectives and action plans for the Finance Division are modelled in support of the University's strategic objectives, as contained in the Strategic Framework, IIS and Vision 2030. All these strategic initiatives are driven by the annual IPF that guides the subsequent strategic planning process for the University.

### 4.1 MISSION AND VISION

Annually the Division is tasked with developing an environment plan (SD7) in support of the overarching SU rolling vision as currently embodied in Vision 2030.

When compiling an environment plan it becomes important to look at the core Finance processes. The core function of the Finance Division is the development, maintenance and extension of transparent and justifiable financial policies, processes and systems with which to manage the University's financial sustainability goals at all the diverse levels of the business.

In order to fulfill this core support function the Division has identified the following five strategies that summarize the various actions in its environment plan and the normal day-to-day activities:

#### 4.1.1 KEY ROLE PLAYER IN THE ESTABLISHMENT OF LONG-TERM FINANCIAL SUSTAINABILITY:

- Institutional and strategic priorities and the related environment plans of the respective RC's
- Responsible utilization of the available government funding in the form of subsidies within the evolving framework of the funding matrix as dictated by the DHET.
- Increasing exploitation, diversification and commercialization of the various funding streams and myriad of assets.

#### **4.1.2 KEY ROLE PLAYER IN EQUIPPING MANAGEMENT, STAFF AND STUDENT LEADERSHIP WITH REGARD TO FINANCIAL MANAGEMENT. THIS TAKES PLACE BY MAKING THE FOLLOWING AVAILABLE:**

- Financial Systems and processes
- Standardised Policies
- Relevant management information

#### **4.1.3 KEY ROLE PLAYER WITH REGARD TO APPROPRIATE AUDITING TO ENSURE PERFORMANCE AND QUALITY:**

- Internal and external audit processes
- Controls that are cost effective
- Optimal use of systems and processes in order to increase effectiveness and productivity

#### **4.1.4 CREATING A POSITIVE CULTURE WITH REGARD TO INTERNAL AND EXTERNAL SERVICE RENDERING. THIS TAKES PLACE BY WAY OF:**

- Development of practice oriented expertise through workshops
- Establishing attainable service level agreements with faculties and other support environments
- Developing key performance indicators (KPI)
- Transparent community interaction

#### **4.1.5 SUPPORTIVE OF THE HOLISTIC WELLNESS OF ITS STAFF:**

- Employing high – quality staff by way of recruitment, appointments and career development
- Providing the ability to exploit opportunities and recruit expertise

When comparing the above points to the environment plan it will be noticed that all the core goals are in support of the SU rolling vision.

## **4.2 CORE FINANCE GOALS**

- Investigation into and implementation of new ERP system following thorough RFI process.
- Further refinement of the integrated budget model with regard to the five income streams.
- Further refinement of integrated reporting in line with DHET guidelines.
- King IV gap analysis and implementation project plan.
- Effective recovery of outstanding student fees and loans within the guidelines of the NCA.
- Embedding and further refinement of the combined assurance plan with the help of internal audit and other role players.
- Effective investment management and executing the decisions of the Investment Committee
- Investigating product options for cashless environments.
- Effective cash flow management to service the needs of the ICT and Campus Renewal projects.
- Preparation for the Quality Assurance Review.
- Sound financial management of funds sponsored to key projects by council (ICT, Campus Renewal and Sport).
- Readily available high-level financial information for financial managers to assist with planning.
- Ongoing improvement to communication within the Division as well as with all the relevant internal and external stakeholders. This includes updating the Finance website (SD10).
- Further implementation and support for the Campus Mobility Plan.
- Developing financial indicators for the SMI's.
- Expansion and optimization of third stream income.
- Embedding systemic sustainability and the associated social impact.
- Implementation of SunRecords within the Division.
- Successful alignment with the SU Vision.

A planning workshop is held at the beginning of every year by the heads of the Finance Division, during which the various inputs for the Environment plan of Finance are discussed and documented. The implementation of the actions in the plan takes place by way of agreed timelines and responsibilities. The execution and finalization of our action plans are evaluated regularly during the monthly meetings of the heads of subdivisions and in the one-on-one discussions between the deputy directors/directors and the Chief Director: Finance. Overarching feedback and evaluation also take place in one-on-one discussions between the Chief Director: Finance and the COO.

# CHAPTER 5

## STAFF FOCUS

THE MANAGEMENT OF THE FINANCE DIVISION IS IN THE CAPABLE HANDS OF THE FOLLOWING TEAM:



**MANIE LOMBARD**

*Chief Director: Finance*

**First date of appointment:** 15 February 1995  
**Appointed in current position:** 1 October 2007  
**Qualifications:**  
BAcc, BCommHons (Stell), BComptHons (Unisa), CA (SA)



**ANNEMI MURRAY** *Director:  
Financial Planning and Budgeting*

**First date of appointment:** 1 May 2011  
**Appointed in current position:**  
1 April 2016  
**Qualifications:**  
BAcc, BCommHons (Stell),  
BComptHons (Unisa), CA (SA)



**WERNER ABRAHAMS** *Deputy Director:  
Student Finances and Debtors*

**First date of appointment:**  
1 May 2016  
**Qualifications:**  
Bcom (UCT), BComHons (UKZN),  
BComptHons (Unisa), CA (SA)



**ELIZEBETH DE BEER** *Deputy Director:  
Financial and Management Systems*

**First date of appointment:** 1 May 1993  
**Appointed in current position:**  
1 October 2008  
**Qualifications:**  
BAHons, HED (PU for CHE), MA (Stell)



**FAIZA MAJIET** *Director:  
Financial Services*

**First date of appointment:**  
1 March 2005  
**Appointed in current position:**  
1 November 2010  
**Qualifications:**  
BAccHons (Stell), CA (SA)



**CARO OLIVIER** *Deputy Director:  
Funds and Asset Management*

**First date of appointment:**  
1 January 2017  
**Qualifications:**  
BCom (Stell), BCommHons (Stell),  
MBA (Stell)



**RIAAN BASSON** *Director:  
Purchasing and Provision Services*

**First date of appointment:**  
1 September 1996  
**Appointed in current position:**  
1 November 2010  
**Qualifications:**  
BCommHons (Stell), LLB (Unisa)



**PIETER WEVER** *Director:  
Transport Services*

**First date of appointment:**  
1 October 1984  
**Appointed in current position:**  
1 June 2017  
**Qualifications:**  
B Econ (Stell)



**BRENDON GRINDLAY-WHIELDON** *Financial Controller*

**First date of appointment:**  
1 February 2017  
**Qualifications:**  
ND: Cost & Management (CPUT),  
BCompt, BComptHons (Unisa), CA (SA)



**TABLE 5.1 HISTORIC STAFF COMPOSITION**

POST LEVEL	2010	2011	2012	2013	2014	2015	2016	2017
3	1	1	1	1	1	1	1	1
5	4	4	4	4	3	3	4	4
6	4	4	4	3	3	2	3	4
7	10	9	9	9	12	11	10	4
8	14	12	13	21	22	24	31	23
9	18	19	23	22	20	19	20	16
10	28	30	34	43	45	44	43	17
11	15	15	16	13	19	23	20	19
12	21	21	25	24	28	34	28	21
13	8	5	4	19	24	8	12	5
14	1	1	2	4	2	9	10	7
15	8	7	2	5	12	20	25	17
16	1	-	3	2	3	1	1	-
17	4	5	3	4	3	1	1	-
19	-	-	1	-	-	8	8	1
<b>Total</b>	137	133	144	174	197	208	217	139
<b>COMMERCIAL SERVICES</b>	(48)	(47)	(50)	(60)	(71)	(82)	(80)	(-)
<b>FIN TOTAL</b>	89	86	94	114	126	126	137	139

It must be noted that the sharp decline in the staff numbers for 2017 is a direct result of the sub-division Commercial Services moving to InnovUS. In essence, the sub-division still reports to the COO but through a different channel and no longer through the Chief Director: Finance. The move was motivated by a desire to align the strategic goals of the COO with SU and to keep associated functions together. The net increase in Finance personnel relates to the roll out of the Mobility Plan in the Transport sub-division.

**TABLE 5.2 PLANNED DIVISIONAL BUDGET (R'000)**

	2018 ACTUAL	2019 FORECAST	2020 FORECAST	2021 FORECAST	2022 FORECAST	2023 FORECAST
<b>INFLATION FORECAST (%)</b>	6.00	5.10	5.30	5.60	5.56	5.56
<b>STAFF</b>	42,124	44,273	46,619	49,230	51,967	54,856
<b>OPERATIONS &amp; EQUIPMENT</b>	3,257	3,423	3,605	3,807	4,018	4,242
<b>TOTAL</b>	45,381	47,696	50,224	53,037	55,985	59,098

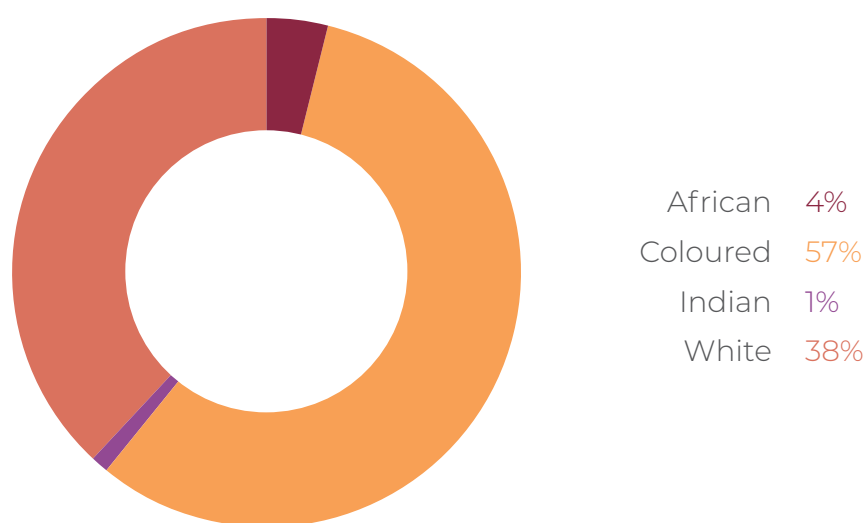
The followings staff challenges are highlighted in the Environment Plan of the Division:

- **Implementation of diversity and equity plans**

There have been numerous challenges when filling senior vacant posts with suitable BCI candidates as it was found that the salary bands of the University could not effectively compete with the greater commercial market.

For all senior appointments the stipulated recruitment and advertising process is followed and in order to remain financially sustainable the Division appoints prospective employees at 90% of basic remuneration levels. As the Division has no revenue streams besides the main budget allocation it becomes a balancing act to appoint above market value and remain financially sustainable. Even when taking these constraints into account the Division has performed remarkably well. In 2010, the diversity ratio was 49%. Currently the ratio is as depicted below.

#### PERSONNEL BY RACE



The Division has consistently maintained a 50/50 split between male and female employees.

- **Staff Volumes**

The staff complement has remained reasonably steady over the last couple of years but the work volume has increased exponentially as well as the various legal and reporting requirements given the growth that the University has experienced.

- **Financial Sustainability**

The Division has consistently maintained a sustainable personnel plan and will continue to do so in the foreseeable future. In order to expand the Division to cope with the increasing work volumes a request will be made for funding from the strategic funds and balance funds that fall under the control of the COO. These funds were the result of prior year savings.

## 5.2 FOCUSED TRAINING COMPONENT

The Finance Division focuses strongly on quality assurance and a value-driven institutional culture. We therefore are not only aware of the value of investing in our staff, but also the necessity thereof. As part of its mission and vision statement, and also to align it with the employment equity plan of SU, the Division started in the middle of 2005 to place a strong emphasis on the establishment of a structured training framework, from which not only the staff members of finance but also its clients would benefit.

### **5.2.1 STAFF TRAINING WITH A FOCUS ON STAFF DEVELOPMENT**

- Create opportunities for optimal promotion of the skills levels of staff (for example courses by HESA, HERS and PWC tax update).
- Establish a culture of service rendering and focus on objectives as a career.
- Work contracts that are used for performance evaluation are updated annually to include relevant institutional and environment objectives in their entirety.
- Create a climate in which staff are equipped with human dignity, are valued and have the necessary expertise.

### **5.2.2 STAFF TRAINING WITH FOCUS ON CAREER DEVELOPMENT**

- Creation of opportunities for career-oriented development.
- Exploitation of skills that can make a key contribution to providing immediate but also future career development and offer funds for this.
- Measure performance according to realistic expectations and link it to performance and work contracts.

### **5.2.3 STAFF TRAINING WITH A FOCUS ON INTERNAL CLIENTS**

- Creation of internal skills workshops to raise internal expertise. Therefore, accountant workshops and training opportunities regarding policy and procedures will be established.
- Training of managers
- Systems training

## **5.3 Wellness**

Integration into SU's established Wellness program is incorporated by way of the monthly meetings between the COO and the Chief Director: Finance on strategic matters and on the evaluation of delivery on agreed action plans in terms of specific objectives. This process between the Chief Director, heads of Divisions, as well as between heads of Divisions and their teams, takes place within a context of constructive participation and a service/objective predisposition. In this way a positive climate in the workplace and the satisfaction of the staff are pursued.

# CHAPTER 6

## STAKEHOLDER FOCUS (CLIENT FEEDBACK)

### 6.1 PURPOSE AND METHODOLOGY

With a view to the external evaluation of the Finance Division in May 2018, it was essential to obtain the opinion of a representative group of SU clients who liaise with the Division regularly on an operational and strategic basis. This information forms a key component of the Division's comprehensive self-evaluation and must therefore be handled objectively and confidentially.

With due allowance for the Division's vision/mission and service functions, a questionnaire (SD8) was compiled, comprising 16 statements for which 5 answer options were possible for each statement. The questionnaire was left unchanged from the one used in the 2010 survey cycle so that effective benchmarking could be performed. To reduce cost and work overhead the questionnaire was distributed by way of SU's online survey portal (SunSurvey). Clients were identified in a strategic manner to provide the most diverse range of opinions. It was felt that the identified individuals/groups were the most representative of the Division's diversified client base. The information received from the questionnaire has been processed and coded statistically in a table and diagram format (Table 6.1 and Diagram 6.1).

### 6.2 GENERAL TRENDS

The statistical results of the questionnaire surveys are presented at two distinct levels:

- All the clients combined
- At client subgroup level

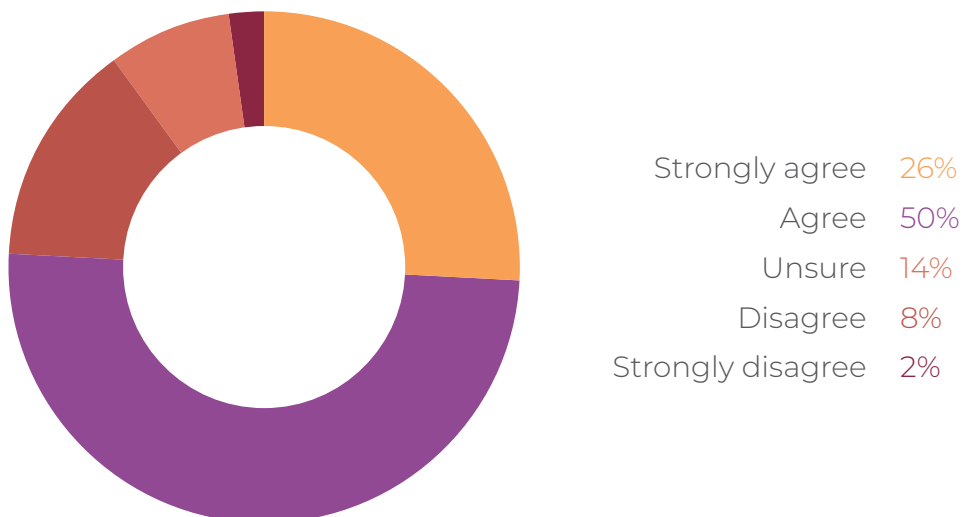
#### 6.2.1 ALL THE CLIENTS COMBINED

Table 6.1 lends itself to a variety of observations, analyses and interpretations according to specific needs. The following observations are probably the most evident:

- The average level of satisfaction for all clients is 3.95 out of a maximum of five. This translates to 79.1% (2010: 83.5%) which testifies to a very high level of performance. Compared to 2010 the level of satisfaction has only seen a modest decrease of 5.3%.
- The following statements received an average mark of below 4 out of 5 (80%), namely 5, 6, 7, 8, 12, 13, 14, 15, 16. In contrast to the 2010 survey the only ones were 12,13,14,15,16
- The three statements that performed best (more than 85%) focused on the contribution of Finance to the University's General Functioning (3), Strategic Management Decisions (2) and Institutional Objectives (1).

Analysing the data based on how the responses were split reveals the following:

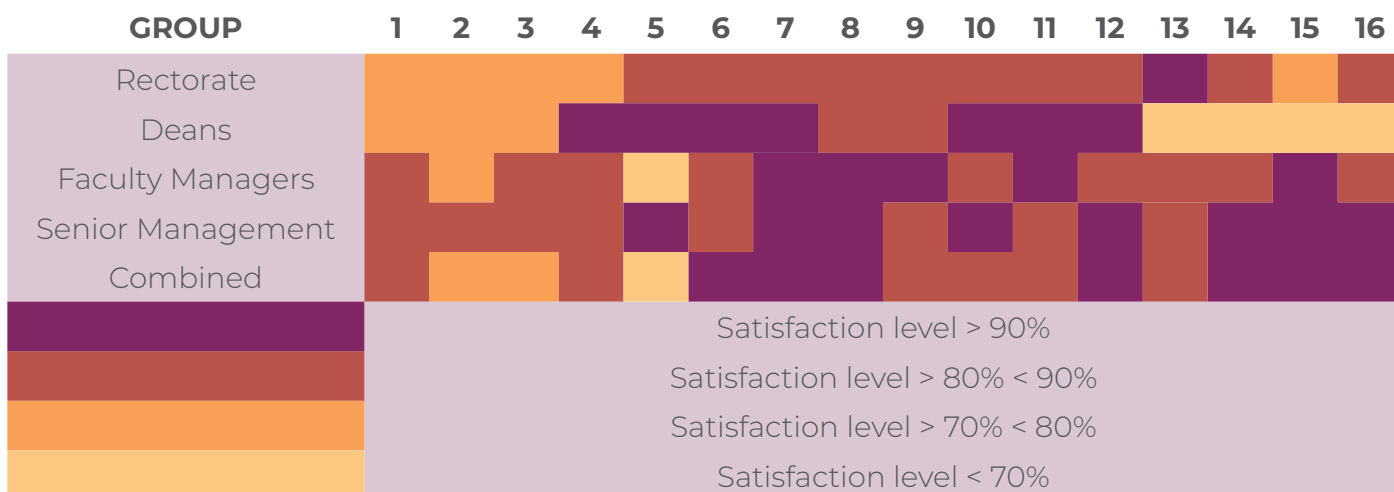
### RESPONSE SATISFACTION



It would appear as though the overwhelming majority of the responses were positive (76%). The balance of the responses were split between Unsure (14%), Disagree (8%) and Strongly Disagree (2%).

When viewing this data objectively it points to an excellent level of service rendering.

If one tries to remove the inherent subjectivity of the responses and look at the individual statements to identify any underlying trends that may be evident across the entire spectrum, we see the following:



When analyzing the above table the following stand out:

- The perceived impression of executive management does not appear to translate to on the ground action for statements 5, 6, 7, 8, 12, 13, 14, 15, and 16. This may indicate a large disconnect between executive and operational management.
- The only statement on which there is consensus is number 13, which relates to how well the Finance Division understands the needs of their clients.
- There is a contradictory statistic between the Deans and Faculty Managers on statements 14, 15 and 16. These statements relate to the budget process and one would have expected consensus between the Deans and Faculty Managers. As the majority of Deans are newly elected it is to be expected that they may not yet fully understand the process whereas the Faculty Managers have been through quite a few budget cycles.

- Of particular concern are the findings for statements 5 and 13. Given the nature of the financial environment it may not always be able to provide the necessary information to the satisfaction of its clients as certain SU policies and procedures have to be adhered to that may be perceived as unnecessary red tape. With statement 13 (*The staff of Finance understand the needs of their clients (academics, students and support services)*) further investigations will have to be performed to fully understand the perceived lack of satisfaction.

## 6.2.2 CLIENT SUBGROUPS

Table 6.1 also provides a statistical comparison between the various client groups that were surveyed.

The following observations are the most evident:

- The group with the highest level of satisfaction is the Rectorate and this is also the only group that showed an increase in satisfaction levels when compared to 2010.
- The remaining groups recorded an average decrease in satisfaction of 7.1%.
- Of the remaining groups, the one with the lowest level of satisfaction is the Deans (75.6%).
- For the Rectorate the highest marks were for statements 1, 2, 3, 4 and 15 (more than 90%), while the lowest performance levels are found for statement 13 (less than 80%).
- Among the Deans statements 1,2 and 3 emerge towards the top end of the scale (more than 90%), while 4, 5, 6, 7, 10, 11, 12, 13, 14 and 16 are the lowest (below 80%).
- For the Faculty Managers statement 2 emerged towards the top end of the scale (more than 90%), while the 7, 8, 9, 11, 12, 13 and 15 are the lowest (below 80%).
- Among the Senior Management there were no statements that scored above 90% and the statements that scored below 80% were 5, 7, 8, 10, 12, 13, 14, 15 and 16.

## 6.3 PROBLEMS AND SUGGESTIONS

When looking at the items where low scores were recorded it needs to be emphasized that these opinions are subjective perceptions.

As a point of departure it needs to be accepted that the Finance Division is confronted by a particularly challenging task at SU in that:

- They have to perform a diverse service function that is spread across a myriad of clients.
- They are dependent on a wide variety of other role players within and outside of SU for information and interaction that is sometimes dominated by other agendas.
- They constitute the financial engine room that needs to feed the academic activities of SU in a sustainable manner.
- Academic colleagues usually have an aversion to being dictated to by financial rules and therefore this Division is often experienced as an unpopular administrative entity that hampers the academic process.
- The University's external image as a well-managed institution starts at its financial front.
- The division is accessible and it is easy and quick to get information from Finance, can sometimes be a problematic area given that financial policy and procedure is in place to protect not only the University but also the various employees and this may delay certain requests at times.
- Finance may have a different focus with regard to financial sustainability compared to academics and researchers. This potentially leads to a harmful "them-us relationship". A better understanding of the role and function of Finance is therefore required.

## 6.4 A FINAL COMMENT

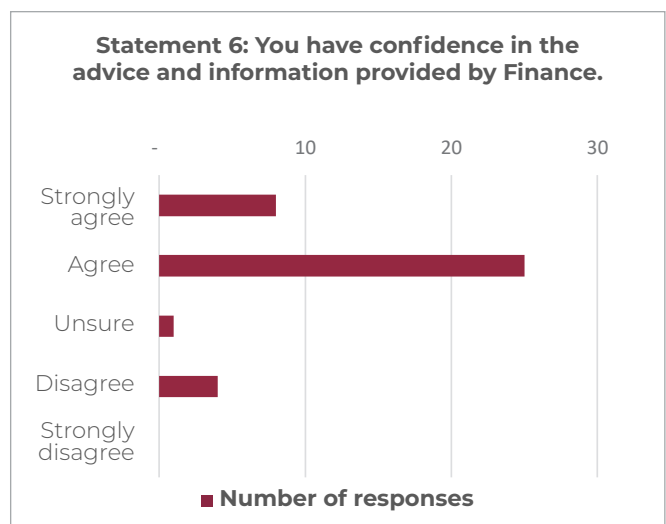
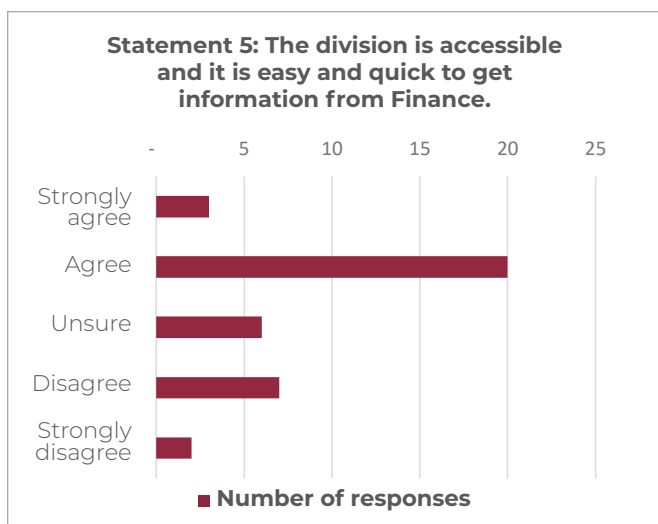
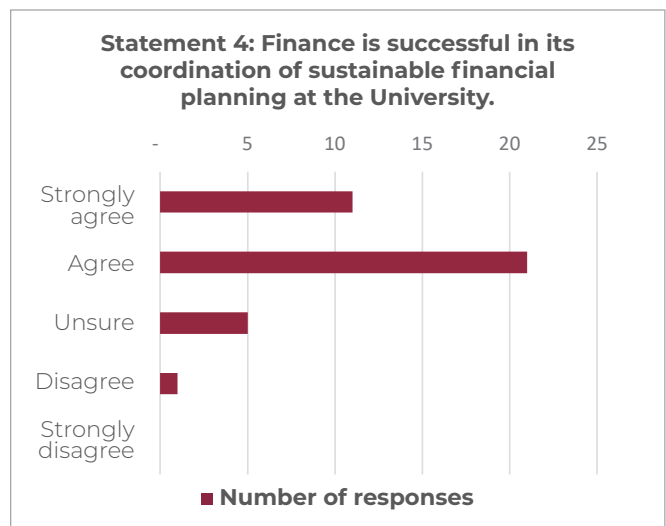
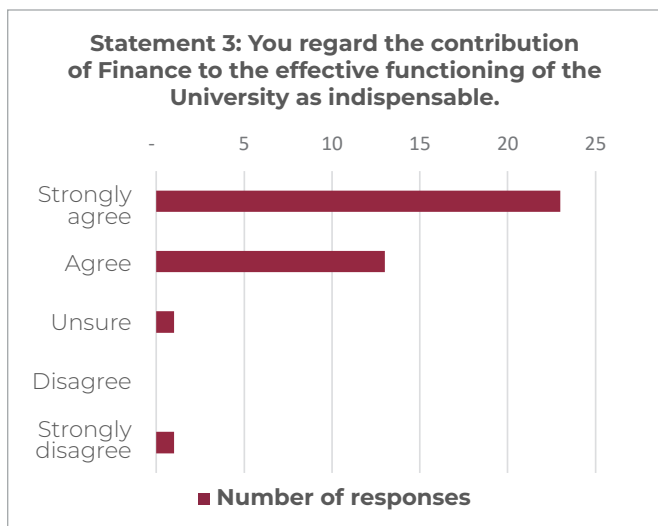
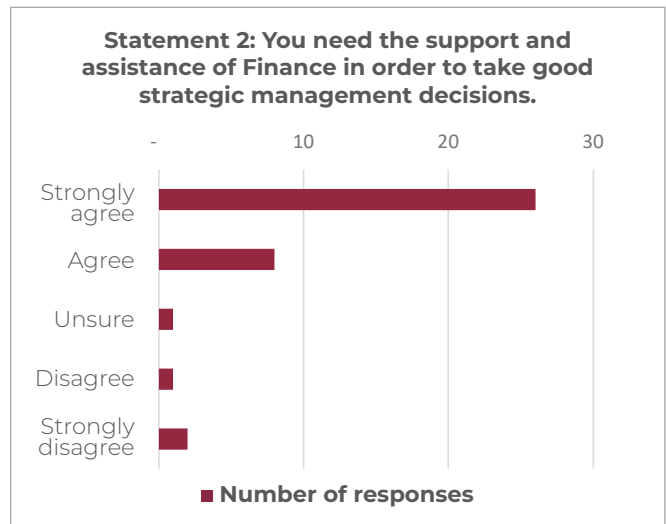
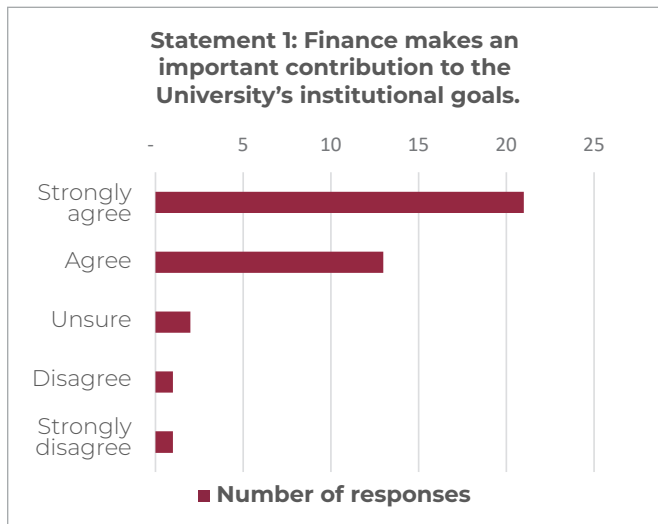
It has to be emphasized that the quality and performance levels of the Finance Division was rated very highly by all the respondents. Against the backdrop of the #FeesMustFall campaign, student protests and seven new deans recently taking office the Division still performed better than expected. It is however gratifying to note that the Division was fairly rated based on performance.

It should also be noted that some of the ratings achieved may be due to misconceived perceptions that can easily be corrected by way of good communication. Although effective communication is always a high priority for the Division, the instances where less than ideal satisfaction levels were obtained will be addressed in a special effort to remedy any gaps in understanding. In order to better service our client the Division is investigating new financial systems that will improve interaction and workflow processes to support the decentralised operating model. With regard to policies and procedures that may sometimes appears onerous it is helpful to note that SU has good financial ratios and a financially sustainable budget which is ascribed to sound financial control and the consistent adherence to policy and procedures. To support the sound financial control environment the tenders for internal and external audits draw from the big recognized global service providers.

In an effort to better serve its clients the Division entered into support agreements with stakeholders. The support agreements also made provision for an open dialogue to discuss any perceived shortcomings in the the support process or further enhancements that the stakeholders would like to see. Please refer to point 9, "Outcome of support agreements discussions", in SD4.

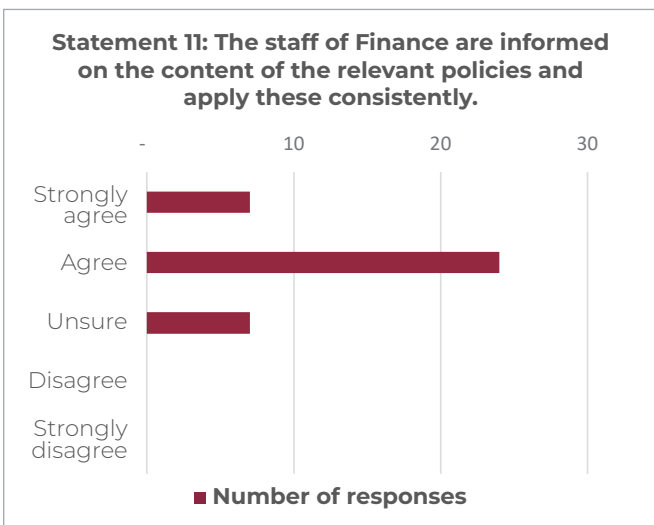
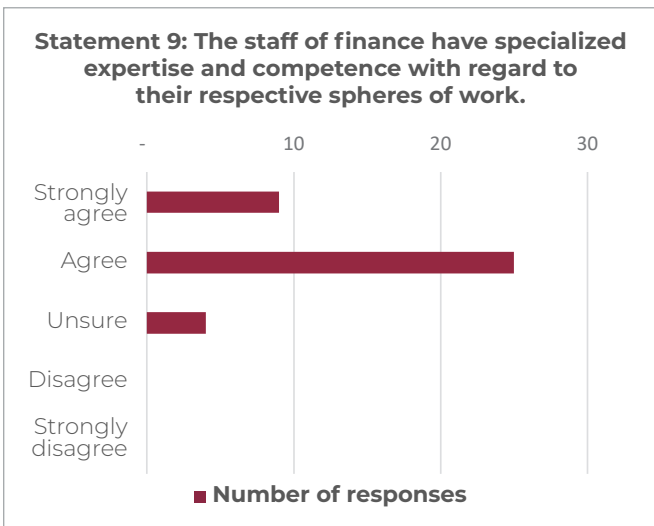
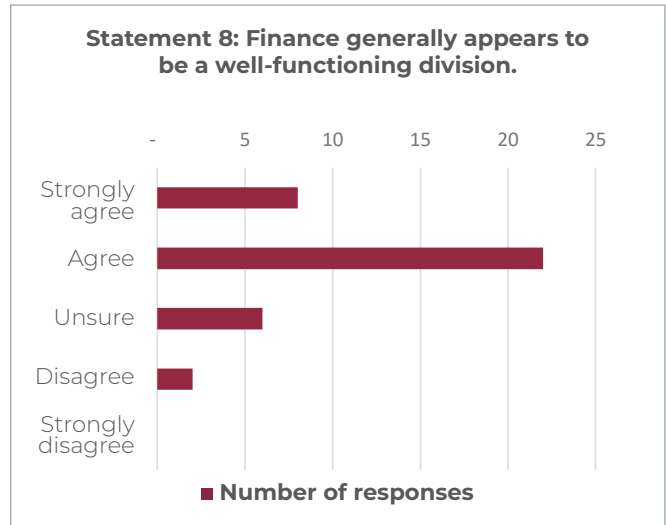
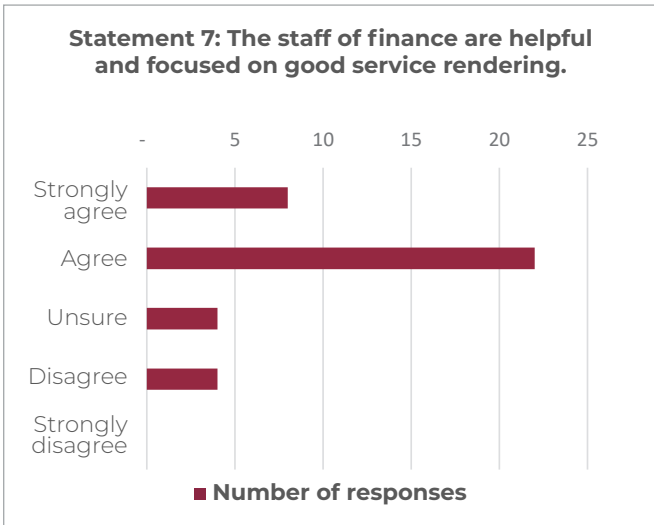
The Division remains committed to operational service excellence. When looking at the performance levels achieved the Division is proud thereof.

**DIAGRAM 6.1 CLIENT FEEDBACK PER STATEMENT**

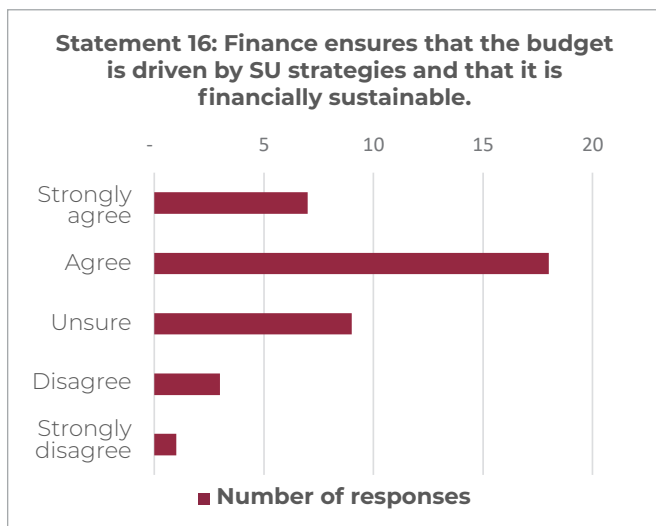
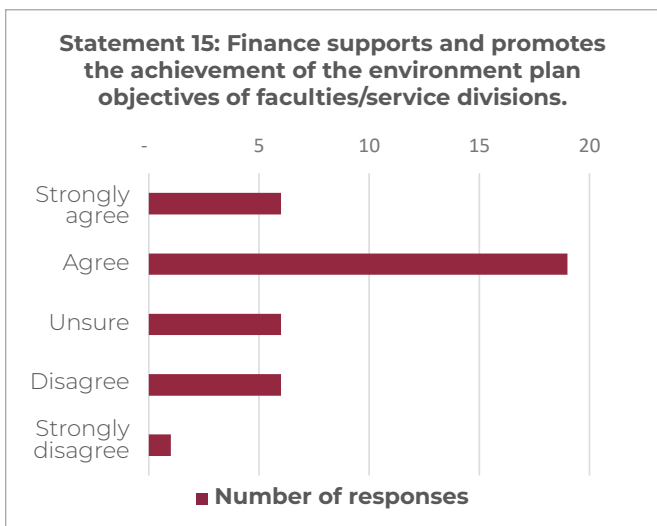
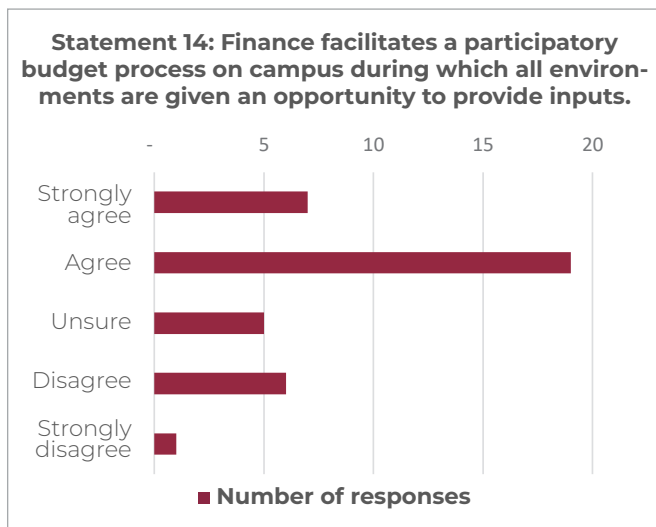
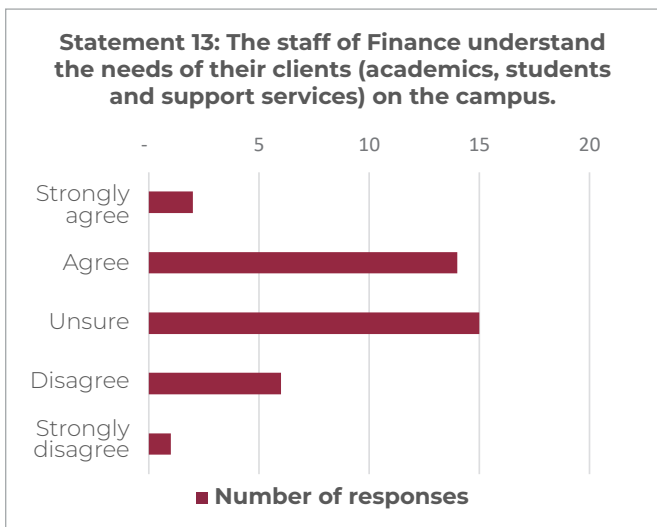




**DIAGRAM 6.1 CLIENT FEEDBACK PER STATEMENT**



**DIAGRAM 6.1 CLIENT FEEDBACK PER STATEMENT**



**TABLE 6.1 CLIENT FEEDBACK SUMMARY**

CLIENT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	AVG
<b>RECTORATE</b>																	
A1	5	5	5	5	5	5	5	5	5	5	5	5	4	4	5	5	4.9
A2	5	5	5	5	4	5	5	4	5	5	5	4	4	5	5	4	4.7
A3	5	5	5	5	5	5	5	5	5	5	5	5	4	5	5	5	4.9
A4	5	3	4	4	4	4	4	5	4	4	4	4	3	4	4	3	3.9
A5	4	5	5	4	4	4	4	4	5	4	4	4	4	4	4	4	4.2
A6	4	4	4	4	2	2	2	2	3	4	3	2	2	4	4	4	3.1
<b>AVG</b>	4.7	4.5	4.7	4.5	4.0	4.2	4.2	4.2	4.5	4.5	4.3	4.0	3.5	4.3	4.5	4.2	4.3
<b>%</b>	93.3	90.0	93.3	90.0	80.0	83.3	83.3	83.3	90.0	90.0	86.7	80.0	70.0	86.7	90.0	83.3	85.8
<b>2010</b>	96.0	92.0	96.0	80.0	88.0	84.0	84.0	84.0	88.0	92.0	88.0	76.0	76.0	88.0	80.0	80.0	85.8
<b>Δ</b>	-2.8	-2.2	-2.8	12.5	-9.1	-0.8	-0.8	-0.8	2.27	-2.17	-1.52	5.3	-7.9	-1.5	12.5	4.2	0.1

<b>DEANS OF FACILITIES</b>																	
B1	4	5	5	5	4	3	4	4	4	3	3	4	3	3	4	4	3.9
B2	5	5	5	3	4	5	5	5	5	4	4	5	4	3	2	3	4.2
B3	4	5	4	3	3	4	4	4	4	4	4	4	3	4	3	3	3.8
B4	5	5	5	4	4	5	5	5	5	5	5	5	4	4	4	5	4.7
B5	5	5	5	5	4	4	4	4	4	4	4	4	4	4	4	4	4.3
B6	4	4	4	3	1	2	2	4	4	3	3	3	4	1	4	1	2.9
B7	5	5	5	3	2	2	2	3	4	4	4	2	1	2	1	3	3.0
B8	5	5	5	4	2	4	4	4	4	4	4	2	2	4	2	2	3.6
<b>AVG</b>	4.6	4.9	4.8	3.8	3.0	3.6	3.8	4.1	4.3	3.9	3.9	3.6	3.1	3.1	3.0	3.1	3.8
<b>%</b>	92.5	97.5	95.0	75.0	60.0	72.5	75.0	82.5	85.0	77.5	77.5	72.5	62.5	62.5	60.0	62.5	75.6
<b>2010</b>	88.0	90.0	98.0	82.0	78.0	88.0	86.0	86.0	84.0	84.0	88.0	82.0	70.0	72.0	66.0	66.0	81.8
<b>Δ</b>	5.1	8.3	-3.1	-8.5	-23.1	-17.6	-12.8	-4.1	1.2	-7.7	-11.9	-11.6	-10.7	-13.2	-9.1	-5.3	-7.5

<b>FACULTY MANAGERS</b>																	
C1	4	2	4	4	2	4	4	4	4	4	4	4	3	4	4	4	3.7
C2	4	5	4	4	4	4	4	4	4	4	4	4	3	4	4	3	3.9
C3	5	5	5	5	3	4	4	4	4	4	3	2	2	2	4	4	3.6
C4	5	5	5	5	3	4	3	4	3	4	4	3	2	5	4	5	4.0
C5	4	5	4	4	2	4	3	3	4	4	5	3	3	5	5	5	3.9
C6	5	4	5	4	4	4	4	4	4	4	4	4	4	4	4	4	4.1
C7	4	5	4	4	4	4	4	4	4	4	4	4	3	4	3	4	3.9
C8	4	5	4	4	3	4	4	4	4	4	3	3	3	4	4	3	3.8
<b>AVG</b>	4.4	4.5	4.4	4.3	3.1	4.0	3.8	3.9	3.9	4.0	3.9	3.4	2.9	4.0	3.8	4.0	3.9
<b>%</b>	87.5	90.0	87.5	85.0	62.5	80.0	75.0	77.5	77.5	80.0	77.5	67.5	57.5	80.0	75.0	80.0	77.5
<b>2010</b>	95.6	95.6	97.8	88.9	88.9	82.2	84.4	88.9	88.9	84.4	84.4	77.8	73.3	75.6	77.8	73.3	84.9
<b>Δ</b>	-8.4	-5.8	-10.5	-4.4	-29.7	-2.7	-11.2	-12.8	-12.8	-5.3	-8.2	-13.2	-21.6	5.9	-3.6	9.1	-8.7

**TABLE 6.1 CLIENT FEEDBACK SUMMARY (CONTINUED)**

CLIENT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	AVG
<b>SENIOR MANAGEMENT OF PROFESSIONAL AND ADMINISTRATIVE SUPPORT SERVICES DIVISIONS</b>																	
D1	5	5	5	4	4	4	4	4	4	4	4	3	4	4	3	4	4.1
D2	5	5	5	4	4	5	5	4	4	4	4	5	4	5	5	5	4.6
D3	4	5	5	4	3	4	4	3	4	4	4	4	3	2	3	3	3.7
D4	5	5	5	4	1	2	2	2	3	3	3	2	3	2	2	4	3.0
D5	5	4	4	5	4	4	4	5	4	4	4	4	3	2	4	4	4.0
D6	3	4	4	2	2	4	3	3	4	4	4	2	2	2	2	2	2.9
D7	2	5	4	3	2	4	3	3	3	4	4	3	2	4	3	3	3.3
D8	5	4	5	5	3	4	4	4	5	5	5	3	3	5	4	4	4.3
D9	5	5	5	5	4	5	5	5	5	5	5	5	5	5	5	5	4.9
D10	5	4	5	4	4	4	4	4	4	4	4	4	4	4	4	4	4.2
D11	4	4	4	4	4	4	4	4	4	4	4	4	3	4	4	4	3.9
D12	4	5	5	4	4	4	4	4	4	3	4	3	3	3	4	4	3.9
D13	3	1	3	4	4	4	4	4	4	3	3	4	3	3	2	2	3.2
D14	5	5	5	4	5	4	4	3	4	3	4	5	4	4	4	4	4.2
D15	5	5	5	5	4	5	5	5	5	5	4	5	5	4	4	4	4.7
D16	1	1	1	4	4	4	4	4	4	4	4	4	4	3	3	3	3.3
<b>AVG</b>	4.1	4.2	4.4	4.1	3.5	4.1	3.9	3.8	4.1	3.9	4.0	3.8	3.4	3.5	3.5	3.7	<b>3.9</b>
<b>%</b>	82.5	83.8	87.5	81.3	70.0	81.3	78.8	76.3	81.3	78.8	80.0	75.0	68.8	70.0	70.0	73.8	<b>77.4</b>
<b>2010</b>	90.0	92.5	92.5	82.5	80.0	85.0	82.5	82.5	87.5	87.5	87.5	67.5	65.0	77.5	67.5	77.5	<b>81.6</b>
<b>Δ</b>	-8.3	-9.5	-5.4	-1.5	-12.5	-4.4	-4.6	-7.6	-7.1	-10.0	-8.6	11.1	5.8	-9.7	3.7	-4.8	<b>-5.1</b>
<b>TOTAL AVG</b>	4.45	4.52	4.54	4.14	3.41	3.96	3.90	3.99	4.17	4.08	4.02	3.69	3.23	3.74	3.69	3.74	<b>3.95</b>
<b>%</b>	88.9	90.3	90.8	82.8	68.1	79.3	78.0	79.9	83.4	81.6	80.4	73.8	64.7	74.8	73.8	74.9	<b>79.1</b>
<b>2010</b>	92.4	92.5	96.1	83.4	83.7	84.8	84.2	85.4	87.1	86.9	86.9	75.8	71.1	78.3	72.8	74.2	<b>83.5</b>
<b>Δ</b>	-3.7	-2.4	-5.5	-0.6	-18.6	-6.5	-7.4	-6.4	-4.2	-6.2	-7.6	-2.7	-9.0	-4.4	1.3	0.9	<b>-5.3</b>

**KEY:** 5 Strongly agree 4 Agree 3 Unsure 2 Disagree 1 Strongly disagree

## SECTION B

### FOCUS ON THE SEVEN SUB-DIVISIONS AND THE FINANCIAL CONTROLLER

## CHAPTER 7

# FINANCIAL PLANNING AND BUDGETING

## 7.1 EFFECTIVENESS OF POLICY AND PROCESSES, VISION OF THE FINANCE DIVISION AND STAFF FOCUS

The subdivision has undergone significant structural changes since the 2010 report. The old Financial Planning and Asset Management as it was known was split into two new divisions during 2014, namely: Financial Planning and Budgeting and Funds and Asset Management (Chapter 11).

The overarching driver for this split was to align key supportive processes. Financial Planning and Budgeting is now responsible for the overall budget and planning process for SU. The activities related to investment management, insurance management, treasury functions and cash flow management as well as the various components of asset management now falls within the Funds and Asset Management subdivision. The Remuneration function now reports to the Financial Planning and Budgeting subdivision.

The structure and composition of the subdivision is set out in Diagram 7.1.

The subdivision is responsible for the following functions:

- **FINANCIAL PLANNING AND BUDGETING:**

The subdivision is responsible for the preparation of SU's annual institutional budget in terms of the approved budget model, as well as monitoring thereof and reporting thereon during the year. This includes the continuous refinement and improvement of the model.

Functions includes the preparation and distribution of variance reports and dealing with all budget related enquiries from all faculties and support divisions.

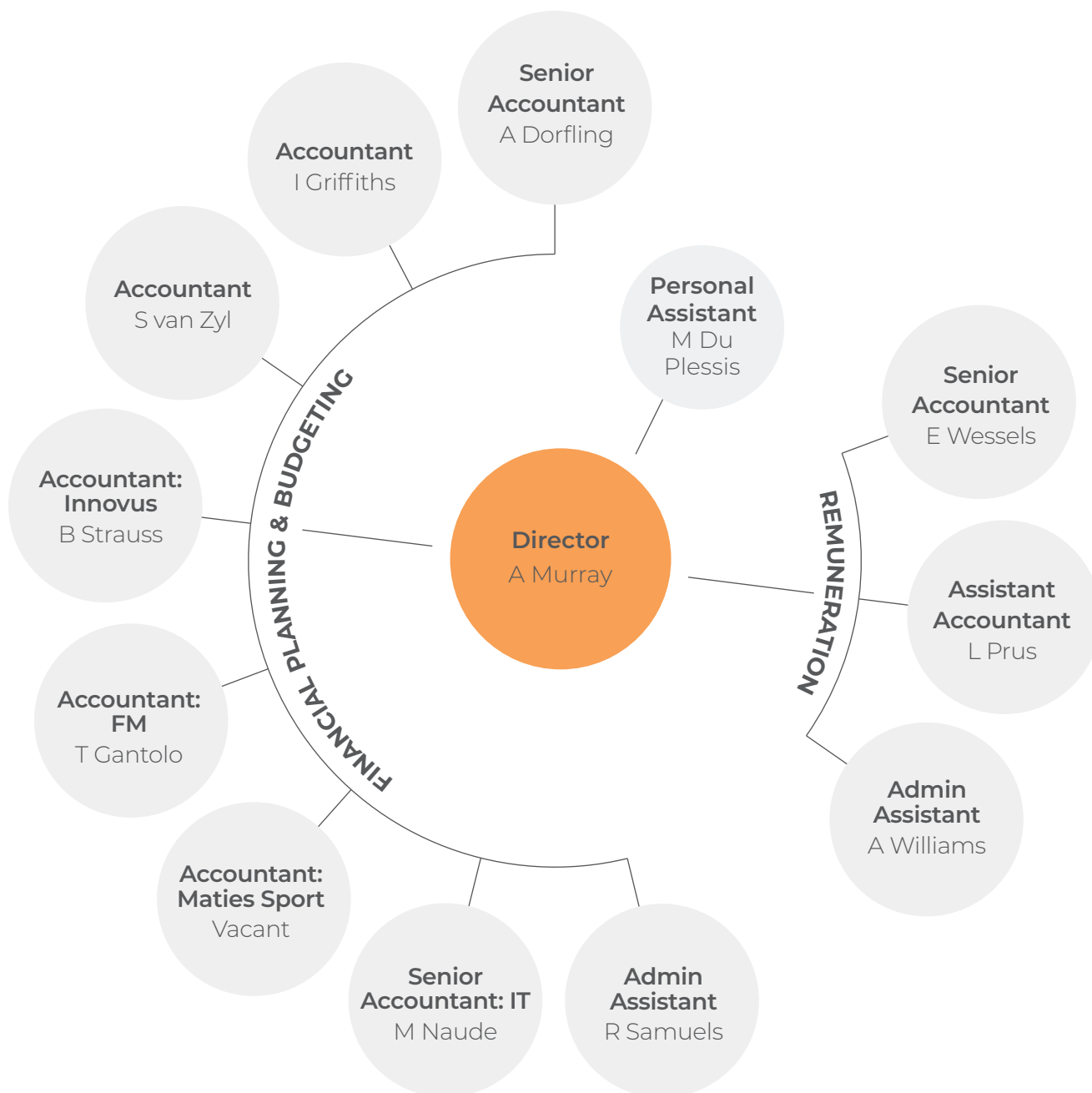
- **REPORTING:**

The subdivision drives the financial year-end close process and the preparation of the related reports for submission to Council.

In addition to the reports described above, the subdivision is also involved with the preparation of various management and other statutory reports to various stakeholders, which includes but is not limited to the following:

- Quarterly management reports submitted to Council
- Mid-year financial report as required by the DHET reporting requirements and submitted to DHET after Council approval
- Financial reports as requested by the ARC, which include debtor reports, reports on tenders and reports on the adequacy of key functions and processes;
- Financial reporting on Earmarked Grants from DHET, including the annual external audits thereof, is coordinated within the Division.

**DIAGRAM 7.1 STAFF STRUCTURE OF FINANCIAL PLANNING AND BUDGETING**



• **REMUNERATION:**

After the previous report, the reporting line of the Remuneration team was moved to the subdivision Financial Planning and Budgeting. One of the largest contributing factors for the move was that the remuneration budget of SU constitutes about 60% of the main budget, and the remuneration team therefore required a close working relationship with this subdivision.

The Remuneration team performs the following key functions:

- Administration of the monthly payment of SU salaries, including payroll functions for 5 affiliated entities

- Administration and payment of all salary related deductions and taxes
- Reviewing, balancing and the reconciliation of the salary sub-system (Oracle) to the financial system which include managing the salary control accounts
- Issuing and handling queries related to various tax certificates (IRP5/IT3)
- Assist departments with the preparation of their HR budgets
- Administration of occupational injury claims

- **FINANCIAL SUPPORT TO RC HEADS IN THE RECTORATE:**

The subdivision provides dedicated financial support to the Vice-Rectors and other support divisions of the COO. One accountant serves as the financial manager (can be compared to a faculty manager and Dean reporting line) to the Vice-Rectors and their divisions, since most of those divisions only have administrative support staff. This accountant is responsible for assisting with budgets, reports and any other related queries.

Since the previous report, funding has also been made available for two new accountant positions within Innovus and Maties Sport. The need was identified to have seconded financial staff in the other divisions of the COO, due to the strategic importance of the divisions as well as the large budgets (including Council funding) being managed within those divisions. These two positions were created and filled during 2016 and during the last year and half the incumbents have been focused on the implementation and strengthening of governance and the control environment as well as reporting in the seconded divisions, with great success.

IT and Facilities Management also have seconded finance staff, but the model and affected positions are being reviewed, since it is not functioning optimally. The position within Facilities Management became vacant during 2017 and was subsequently filled on the same basis as at Innovus and Maties Sport.

Financial support is also provided to Campus Health Services, an accountant in this division ensures the monthly update and reconciliation of the SU financial system to the external medical software package. This accountant also provides monthly financial support to the WAT (Woordeboek vir die Afrikaanse Taal).

- **INTERNAL AUDIT OVERSIGHT:**

SU makes use of an outsourced internal audit function. This subdivision in conjunction with the Financial Controller acts as the central liaison between the internal audit team and SU management to develop, manage and drive the rollout of the internal audit plan. This function was further strengthened with the appointment of the Financial Controller in 2017, who also developed the Audit Tracker to monitor progress on all audit findings. This function also includes the overall management of the Combined Assurance Model in conjunction with the internal audit team.

- **SECRETARIAT:**

The subdivision performs the secretarial functions of the following Rectorate sub-committees:

- Finance Committee
- Strategic Funds Committee (Strategic Funds allocations)

This function includes the preparation and circulation of documentation prior to meetings as well as the minute taking and communicating actions/feedback from the meetings as well as reporting to the Rectorate.

- **OPERATIONAL MANAGEMENT AND OVERSIGHT OF THE FINANCE DIVISION:**

The subdivision head is responsible for the overall operational management of the Finance Division, including the salaries budget and oversight of all HR matters within the Division.

- **KEY INTEREST GROUPS**

The subdivision is mainly responsible for serving internal, and to a lesser extent, external clients. Internal clients include the faculties as well as Professional and Academic Support Service divisions. During the last couple of years, the Division has successfully liaised with the Student Fees Division to engage with students and representative bodies regarding the student fee matters currently occupying the sector.

The subdivision also acts as the central communications point with the DHET from within the Finance Division.

## **7.2 EFFECTIVENESS OF POLICY AND PROCESSES**

The environment's effectiveness and areas for improvement are measured by their contribution to the pursuance of the vision statement of the Finance Division.

### **7.2.1 KEY ROLE PLAYER IN THE ESTABLISHMENT OF FINANCIAL SUSTAINABILITY**

As the main responsibility of the Division is the preparation and management of the central budget of the university, it directly contributes to the financial sustainability of the university. The Finance Division also assists in establishing a climate of saving, by identifying and implementing possibilities for saving including efficiency measures to optimally utilize resources.

Management of the budget includes the responsible management with regard to levels of balance funds and contingency reserves through regular reporting to management, the Deans and RC heads in the Rectorate. It also includes the preparation and distribution of relevant management information to enable divisions to actively manage their budgets.

In 2011, the university procured and implemented IDU, a budget- and reporting software package that assists with the budget reporting processes, since the current financial system has limited budget reporting functionalities. IDU interfaces with Oracle to provide detailed HR budget reporting as well. The subdivision drove the implementation and rollout of the package. Annual refinement is being performed which includes expanding the budget reporting function for other funding streams.

In 2017, the subdivision liaised with the Institutional Research and Planning division to develop the budget dashboard, based on reporting needs registered by senior management.

In 2013 a budget task team was formed which proposed a revised budget model and this was approved by Council in June 2014. Since then various refinements have been made as required. The task team (with new members) was again instituted during 2017 to investigate various matters and topics related to the budget, including the proposed changes to the state subsidy and the impact of the #FeesMustFall movement in 2015, which had material impacts on University budgets and underlying processes.

In October 2013, SU adopted the new Indirect Cost Recovery Policy. The management and implementation thereof is done in conjunction with the Division for Research Development under the direction of the Vice-Rector Research, Innovation and Post Graduate Studies.

Staff of the subdivision is also involved in a number of task teams as an outcome of the Institutional Planning Forum (IPF) that took place in February 2017, the most important of which is the Budget task team. Other task teams include the:

- Feasible Contracting
- Indirect Cost Recovery Rate (ICCR)
- Bursary and Loans



## **7.2.2 KEY ROLE PLAYER IN EQUIPPING THE MANAGEMENT, STAFF AND STUDENT LEADERSHIP**

Some areas where the Division adds value in this regard are:

- Accountants are available to senior management to provide assistance in terms of the compilation of budgets, as well as providing continuous financial information in order to support decision making and budgeting provision of management information during the budget process
- The subdivision cooperates with other environments, including Institutional Research and Planning, for the development of management information to support long-term strategic decision making
- Provision of relevant management information and variance reports to all divisions
- Providing direction through policy documents that set out required processes
- Development and presentation of relevant training for senior management and students relating to the budget process.

## **7.2.3 KEY ROLE PLAYER WITH REGARD TO APPROPRIATE AUDITING TO ENSURE PERFORMANCE AND QUALITY**

- Knowledgeable staff with relevant expertise are appointed in the subdivision.
- The systems and processes of the subdivision are subjected to annual external and cyclical internal audits.
- Benchmarking takes place against other universities via forums in which the Finance Division is represented (i.e. USAF, FEF, FSG, and Purco).

## **7.2.4 CREATING A POSITIVE CULTURE WITH REGARD TO INTERNAL AND EXTERNAL SERVICE RENDERING**

- Staff are always available to provide information and offer assistance. The subdivision is focused on good client service and timely responses to queries. Staff are informed of positive feedback on service rendering in the environment.
- Monthly divisional meetings are held to communicate all relevant matters and events to staff members and provide feedback on communications received.
- One of the elements of performance measurement is service rendering, which is measured by sending questionnaires to clients to become aware of the perceived levels of service rendering by the members of staff. Refer to Questionnaire in SD.

## **7.2.5 SUPPORTIVE OF THE HOLISTIC WELLNESS OF STAFF**

Staff are encouraged to join the holistic wellness program of the university. They are also encouraged to attend relevant courses/workshops or to study further.

In the recent years, staff in the subdivision attended the following courses (amongst others):

- Most staff in this subdivision have attended Excel courses (basic, intermediate and/or advanced)
- One staff member completed the PLUS program funded through SETA's
- Two staff members completed part-time Post-Graduate degrees and/or diplomas enhancing their qualifications
- Annual IDU conferences
- Oracle and tax related workshops
- SAICA workshops and updates
- Office administration course

As part of the performance management process, a Personal Development Plan is prepared for each staff member where training and development needs are identified and addressed in the following year.

## 7.3 QUALITY OF OUTCOMES AND RESULTS

The various needs as well as feedback from interested parties are evaluated on a continuous basis by means of regular communication.

The quality of outcomes and results can be measured by the client feedback (refer to Chapter 6) and the accuracy of budgets (both the total budget of SU, as well as aspects of the budget that are compiled by different members of staff within this environment).

# CHAPTER 8

## STUDENT FINANCES AND DEBTORS

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### 8.1 BRIEF DESCRIPTION OF THE SUBDIVISION

The responsibilities and functions of this subdivision are centered around the following five categories and is explained further in Section 8.2:

- Student fees budgeting and reporting on deviations.
- Student fees administration and management of accounts.
- Administration of student loans.
- Financial administration of debtor income and invoicing.
- Collecting outstanding balances from non-registered students.

The structure and composition of the subdivision is set out in Diagram 8.1.

### 8.2 EFFECTIVENESS OF POLICY AND PROCESSES

There are specific policies and processes that support the effective functioning of each of the preceding five functions:

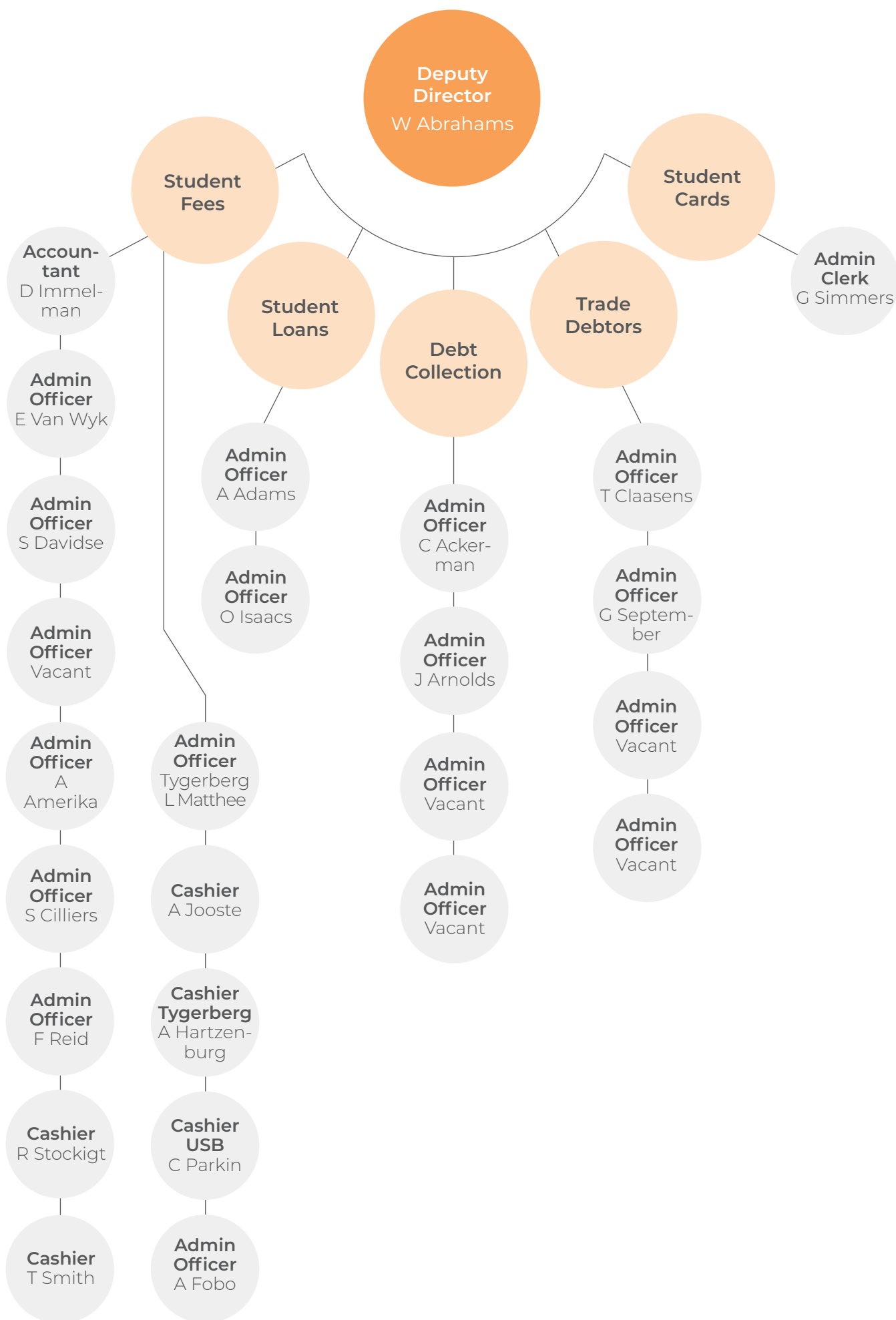
#### 8.2.1 STUDENT FEES BUDGET AND REPORTING ON DEVIATIONS

The student fees budgeting process is guided by the Student Fees Committee (SFC) regulations. As per the regulation document, the SFC convenes 3 times per annum and provides a platform for all relevant stakeholders to participate in the budgeting process. The faculties, housing committee, bursaries and loans, international office and the Student Representative Council (SRC) all play an active role in conjunction with Finance to determine any increment, which would add to a holistically sustainable budget.

Various factors are considered during these meeting and a particular emphasis is placed on any available sectoral information from Universities South Africa (USAF), The Finance Executive Forum (FEF) or The Department of Higher Education and Training (DHET). A rigorous benchmarking process is also undertaken where all fees and levies are compared to other South African universities in order to align SU with the market (SD9). Faculties, especially faculties where there are overarching modules also compare and align prices in order to facilitate a standardised module rate per credit.

All faculty managers have access to the information criteria where the actual student fees are available on a monthly basis in order to conduct a budget comparison. This ensures that any deviations are timeously investigated and followed up.

DIAGRAM 8.1 STAFF STRUCTURE OF STUDENT FINANCES AND DEBTORS



## **8.2.2 STUDENT FEES ADMINISTRATION AND MANAGEMENT OF ACCOUNTS**

All levies on student accounts have migrated to an electronic process with the various inputs taking place at faculty level through the Faculty Managers and verified by the accountant from student fees. An exception report is generated to identify any anomalies, which are then rectified and followed up before any transactions are loaded on the respective student accounts.

These accounts are distributed electronically on a monthly basis with real time account data available on the online student portal.

This process ensures efficient and effective communication with the various role players including faculty managers, chairpersons of student societies, the various bursary institutions, banks as well as students and parents that assists in the timeous collection of outstanding fees.

## **8.2.3 ADMINISTRATION OF STUDENT LOANS**

SU has a unique process by which it provides and subsequently manages its loan book. Part of the annual budgeting process at SU is the provision of a considerable value of funds to be made available to financially strained students. These funds have to be managed in a very effective manner as portions thereof may be converted to a bursary if certain academic performance requirements are met in the preceding year.

The communication with regard to student loans has also been improved to be more effective than in previous years. Students are now receiving statements while they are still registered and not only when the loan becomes due. This has the inherent advantage of queries being attended to whilst the student is still enrolled and on campus. By communicating with the student at such an early stage, proactive planning for repayment can also be considered.

## **8.2.4 FINANCIAL ADMINISTRATION OF DEBTOR INCOME AND INVOICING**

The Debtors Division of SU invoices, all incomes that by their nature does not constitute student fees. The Division has implemented further standardized operating procedures. These procedures are communicated with the various faculties and departments to facilitate a streamlined process that is effective at all levels. The Debtors Division also provides an important support platform for SU to facilitate the correct treatment of Value Added Tax, as prescribed by law, and the subsequent business processes that are directly and indirectly applicable to it.

# **8.3 VISION OF THE FINANCE DIVISION AND STAFF FOCUS**

The overarching vision of the Division Finance and the SU is pursued at all times. The following five objectives will now be evaluated:

## **8.3.1 KEY ROLE PLAYER IN THE ESTABLISHMENT OF FINANCIAL SUSTAINABILITY**

The Student Fees Division plays an integral role in the collection of all second stream income for the University, which has a significant impact on the long-term sustainability and viability of the institution as a whole.

Student Fees therefore prepares monthly management reports, which are also distributed to the various faculties in order to monitor and evaluate progress concerning debt management. This assists in proactive short and medium term planning for faculties in order to ensure long-term sustainability.

The cash flow receipts for all categories within student fees are also monitored monthly with various planning and marketing mechanisms being implemented to ensure continuous positive cash flow returns as budgeted.

### **8.3.2 KEY ROLE PLAYER IN EQUIPPING THE MANAGEMENT, STAFF AND STUDENT LEADERSHIP**

In conjunction with Finance, Student Fees have presented various information roadshows to furnish all stakeholders with the latest available information. These includes faculty staff, the SRC, clusters and residences.

Information is also distributed using various electronic initiatives including a dedicated student fees website containing all information relevant in order to equip management, staff and student leadership in their decision-making.

A continuously updated frequently asked questions document is also distributed electronically at critical payment periods, which has greatly reduced the number of queries received around these times.

### **8.3.3 KEY ROLE PLAYER WITH REGARD TO APPROPRIATE AUDITING TO ENSURE PERFORMANCE AND QUALITY**

The systems, processes and policies of Student Fees are subject to annual internal and external audit review. Corrections that are based on Audit report findings are timeously implemented with formal feedback including action plans reported to management as well as the auditors.

The appropriate internal controls also exist where the required segregation of duties is in effect with regard to the approvals and signing off daily inputs.

All key aspects concerning Student Fees are benchmarked and compared with other tertiary institutions on a national basis. This report contains a complete comparison of student fees between universities in South Africa, but also attempts to expose the differences in terms of payment methods, date of payments, possible handling of interest and other factors that are relevant to finance.

### **8.3.4 CREATING OF A POSITIVE CULTURE WITH REGARD TO INTERNAL AND EXTERNAL SERVICE RENDERING**

All employees play an integral role in discussing planning initiatives as well as giving input to standardized operating procedures.

Meetings are also scheduled where we reflect on registration or payment dates to discuss areas for improvement or where a streamlined process is could be implemented.

These platforms create an opportunity to obtain finality on normal work procedures, but also to provide answers to possible individual problems that normally have an influence on service rendering.

### **8.3.5 SUPPORTIVE OF THE HOLISTIC WELLNESS OF STAFF**

The university's comprehensive, holistic wellness program is marketed to the staff at all times. Staff are accordingly encouraged to study further, with possible financial assistance as incentive. At the same time, the staff are encouraged to enrich themselves through the attendance of workshops and programs that are presented free of charge by the university.

## **8.4 QUALITY OF OUTCOMES AND RESULTS**

The Subdivision Student Finances and Debtors consists primarily of service environments that work very closely with the greater campus community and specifically with students. Students consequently form a critical stakeholder group, whilst parents, companies providing bursaries, faculty managers, deans, administrative/secretarial staff and even attorneys are viewed as business partners. Also refer to Chapter 6 for the results of the larger survey.

The student feedback has been obtained from a questionnaire survey. This feedback reflects the opinions of students across a broad spectrum of the student community.

The eight statements below were posed to students. The students were afforded the opportunity to indicate their level of satisfaction on a five-point scale. (Results summarised in Table 8.1)

1. You regard the contribution of Finance to the effective functioning of the University as indispensable.
2. The division is accessible and it is easy and quick to get information from Finance.
3. You have confidence in the advice and information provided by Finance.
4. The staff of finance are helpful and focused on good service rendering.
5. Finance generally appears to be a well-functioning division.
6. The staff of finance have specialized expertise and competence with regard to their respective spheres of work.
7. Communication with clients is professional, timely and understandable.
8. The staff of Finance understand the needs of their clients (academics, students and support services) on the campus

**TABLE 8.1 SUMMARY OF STUDENT RESPONSES**

Client	1	2	3	4	5	6	7	8	AVG
<b>Residence Head Students</b>									
<b>G1</b>	5	4	4	5	2	4	5	4	4.1
<b>G2</b>	5	4	5	4	4	4	4	3	4.1
<b>AVG</b>	5.0	4	4.5	4.5	3.0	4.0	4.5	3.5	4.1
<b>%</b>	100.0	80.0	90.0	90.0	60.0	80.0	90.0	70.0	82.5
<b>2010</b>	95.0	80.0	80.0	90.0	80.0	85.0	80.0	65.0	81.9
<b>Δ</b>	5.26	-	12.5	-	-25.0	-5.9	12.5	7.7	0.8
<b>Society Chairpersons</b>									
<b>H1</b>	4	2	3	5	2	4	5	4	3.6
<b>AVG</b>	4.0	2.0	3.0	5.0	2.0	4.0	5.0	4.0	3.6
<b>%</b>	80.0	40.0	60.0	100.0	40.0	80.0	100.0	80.0	72.5
<b>2010</b>	100.0	90.0	100.0	100.0	100.0	90.0	100.0	100.0	81.9
<b>Δ</b>	-20.0	-55.6	-40.0	-	-60.0	-11.1	-	-20.0	-25.6
<b>Total</b>									
<b>AVG</b>	4.5	3.0	3.75	4.8	2.5	4.0	4.8	3.8	3.9
<b>%</b>	90.0	60.0	75.0	95.0	50.0	80.0	95.0	75.0	77.5
<b>2010</b>	97.5	85.0	90.0	95.0	90.0	87.5	90.0	82.5	89.7
<b>Δ</b>	-7.7	-29.4	-16.7	-	-44.4	-8.6	-5.6	-9.1	-13.6

**KEY:** 5☺Strongly agree      4☺Agree      3☺Unsure      2☺Disagree      1☺Strongly disagree

Given the uncertain times of the past couple of years and with the effects of the #FeesMustFall protests still fresh in the minds the results above are testament to ongoing excellent service levels. The only worrying finding that may require further introspection is statement number five.

Trade debtors also fall under this subdivision but was not included as a survey group in 2010. This has now been rectified and the results are included below. As the result speaks to excellent service levels no further analysis will be performed.

The five statements below were posed to Trade Debtors. The Debtors were afforded the opportunity to indicate their level of satisfaction on a five-point scale. (Results summarised in Table 8.2)

1. The division is accessible and it is easy and quick to get information from Finance.
2. The debtor's staff are helpful and focused on good service rendering.
3. The debtor's staff have specialized expertise and competence with regard to their respective spheres of work.
4. Communication with clients is professional, timely and understandable.
5. Debtors generally appears to be a well-functioning division.

**TABLE 8.2 – SUMMARY OF TRADE DEBTOR RESPONSES**

Client	1	2	3	4	5	AVG
<b>Trade Debtors</b>						
<b>F1</b>	4	5	4	4	4	4.2
<b>F2</b>	4	5	4	4	3	4.0
<b>F3</b>	5	5	4	4	5	4.6
<b>F4</b>	4	5	4	4	4	4.2
<b>AVG</b>	4.25	5.0	4.0	4.0	4.0	4.3
<b>%</b>	85.0	100.0	80.0	80.0	80.0	85.0

**KEY:** 5👉Strongly agree      4👉Agree      3👉Unsure      2👉Disagree      1👉Strongly disagree



# CHAPTER 9

## FINANCIAL AND MANAGEMENT SYSTEMS

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### 9.1 BRIEF DESCRIPTION OF THE SUBDIVISION

The responsibilities and functions of this subdivision are centered around the following two functions:

- Financial and Management Systems (FMS)
- Financial Creditors

#### 9.1.1 FINANCIAL AND MANAGEMENT SYSTEMS (FMS)

The functions and responsibilities of this team are primarily geared towards the functional maintenance and operational aspects of SU's ERP system (TeraTerm) and their responsibilities extend across the following roles:

- The maintenance and renewal of the operational financial system of SU.
- Systems related administration and the maintenance of account codes and structures.
- Administrating system based user access and profiles.
- Month and year end balancing of subsystems and ledgers.
- Debugging and error correction of transactional data.
- Systems training and facilitation.

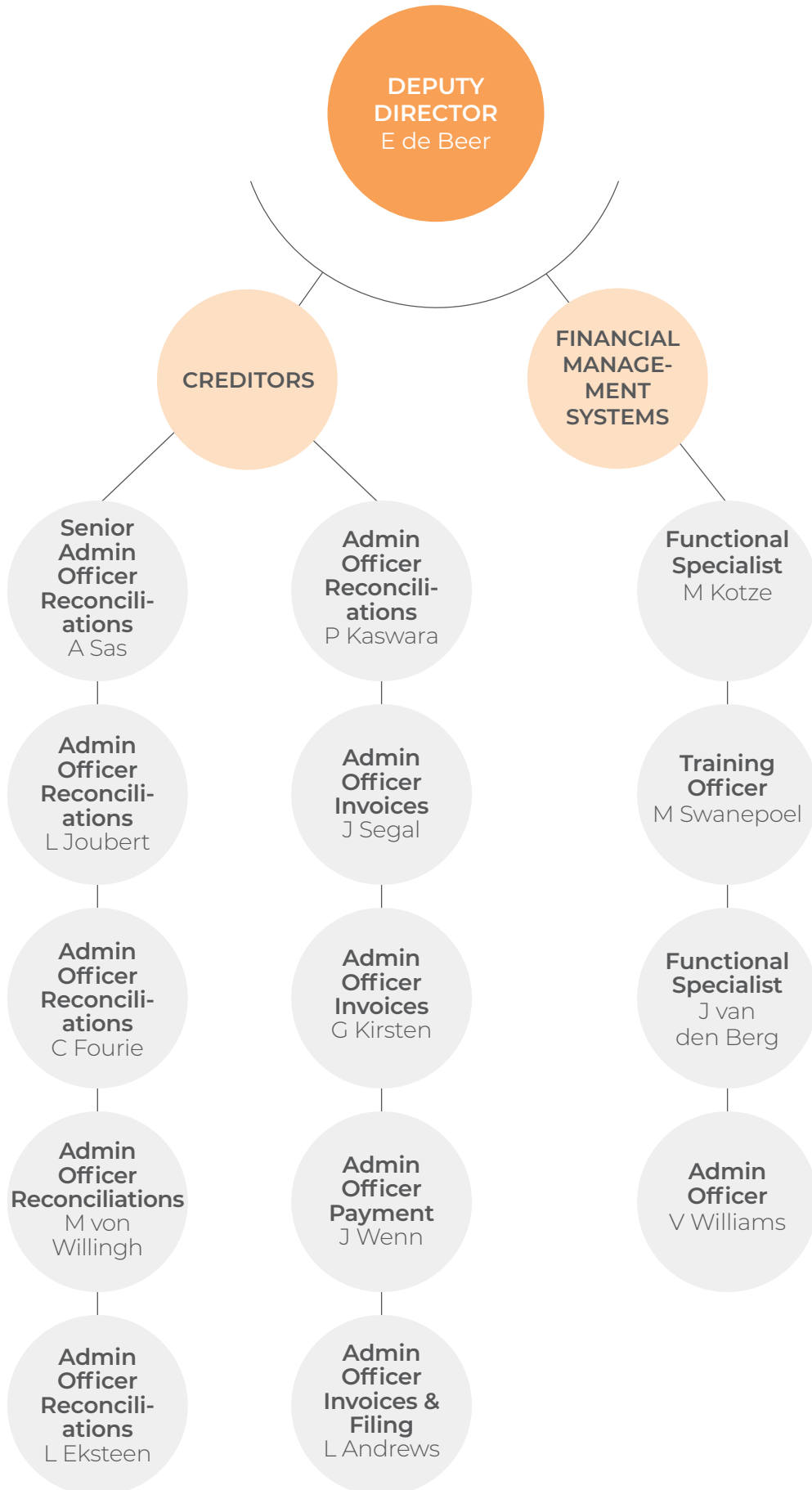
#### 9.1.2 FINANCIAL CREDITORS

The Financial Creditors team's functions and responsibilities consists of:

- Capturing creditor related invoices for payment on the financial system according to predefined payment terms.
- Reconciliation of all creditor accounts on a three monthly cycle.
- Administration and maintenance of the credit master data file on TeraTerm.
- Aligned business processes to meet month-end driven goals.

The structure and composition of the subdivision is set out in Diagram 9.1.

DIAGRAM 9.1 STAFF STRUCTURE OF FINANCIAL AND MANAGEMENT SYSTEMS



## 9.2 EFFECTIVENESS OF POLICY AND PROCESSES

The Financial and Management Systems team fulfils the management, coordination and maintenance of SU's operational financial system. This system consists of a number of integrated modules that supports Finance in achieving its strategic, legislative and business objectives. This team is charged with determining new business requirements, prioritization according to functionality, feasibility determination and urgency as well as auctioning the outcomes of audit reports and new legislation.

System changes and enhancements are implemented in conjunction with an Information Technology (IT) developer and all changes and enhancements are subject to policy governed change control procedures in the system. Regular meetings take place between the main users, functional team and the IT developer/programmer. Thorough testing takes place in a secure test environment and is only approved by the principle functional user of the business area if it meets all the required specifications that were provided. Strict version control processes ensure that all the necessary controls are in place, and once there has been clear communication and/or training with regard to the new process, program and/or method, the modules are migrated from the test environment to the production environment. Once in the production environment they are available for immediate use by the end-user.

### 9.2.1 SYSTEMS ADMINISTRATION AND MAINTENANCE

All code and structure maintenance is administered by this team. Maintenance of codes can be the result of organizational structural changes such as changes to the OU structure (refer to example in Table 1, as approved and communicated by Council on 29 September 2017) or merely the day to day operational requirements which include the creation of new codes for organizational cost centres, general ledger accounts, maintenance of the VB consolidations and more. These code creations and/or modifications of specific parameters adheres strictly to the financial policy and procedures. For the period January to September 2017, 777 new cost centres have been created by the team to ensure operational fluency. Data management spans multiple domains across the enterprise and these processes ensure that underlying financial data is valid, accurate and complete. This facilitates accurate reporting and ensures that any subsystem has access to the most up to date data.

"Council took note of the following changes made by management to reporting lines at the University:

1. The ten deans will now report to the Vice-Rector: Research, Innovation and Postgraduate Studies (VR: RIPS) instead of to the Rector as is currently the case. This will be piloted next year and will be reviewed in September.
2. Innovus currently forms part of the responsibility centre of the Chief Operating Officer (COO). However, the Vice-Rector: Learning and Teaching (VR: LT) will now be involved in the development of short courses by Innovus.
3. There will be no change at Innovus in terms of its other functions, i.e. technology transfer, the protection of intellectual property, and the commercialisation of other SU assets.
4. Since information technology is inherently part of the University's operations, IT will be moved from the responsibility centre of the VR: RIPS to that of the COO.
5. To allow for the establishment of a Division for Information Governance, the component of Institutional Research and Planning (IRP) that focuses on planning and data will move to the responsibility centre of the Vice-Rector: Strategy and Internationalisation. The component of IRP that focuses on academic programme planning and quality assurance will remain under the VR: LT, but will be reallocated to another division.

These decisions will take effect on 1 October 2017 and are intended for full implementation from 1 January 2018. The changes will result in amendments to the Rectorate's delegation framework.

TABLE 9.1: EXAMPLE OF OU STRUCTURAL CHANGES

Error correction with regard to faulty user transactions as well as inter-structure, month and year end balancing and closing forms part of the operations of this team and ensures credible and up to date general ledger information. These error corrections are audit and time stamped and subject to the annual external audit process. User errors that occur regularly on the system are identified and addressed by conducting top up skill training sessions. The year-end program that governs the financial closing process is thoroughly documented and the underlying processes and dates are well communicated to all stakeholders.

The process of creating, allocating and changing of user profiles, cost centre access and systems security levels according to the function and responsibility that is to be performed by the decentralized end-user is well documented and strictly adhered to. The team services approximately 2,300 end-users and an approved, audited process is in place for the execution of these functions as well as an annual review of access. This ensures that information is being protected through a concise access management process.

### **9.2.2 SYSTEMS TRAINING AND FACILITATION**

The aim of this function is the creation of a focused training and support platform through which the end user skills in the financial system is improved to enable staff to complete the day-to-day operations successfully on TeraTerm, cognisant of the applicable policies and procedures. This includes the practical training of new administrative and technical officers, cost centre managers (Faculty Managers, Deans and Departmental Chairpersons) and treasurers who are responsible for the management of house funds. Included in this function is the roll out of new developments and extensions of the financial system to the production environment that is accompanied by thorough training and communication to the end-user in order to be able to execute the processes successfully. Current system processes are extensively documented in user manuals. As part of general client service, the team also handles general systems-related e-mail and telephonic enquiries.

### **9.2.3 ACCOUNTS PAYABLE (TRADE CREDITORS)**

Financial Creditors is a process-based environment where the accounts payable procedure depicts the flow of activities and is driven by month-end goals. The underlying processes adhere strictly to the financial policies and procedures. All payments are made subject to predefined payment terms.

Steadily increasing transactional volumes facilitated the re-evaluation of three posts. This enabled the Deputy Director to strategically reallocate and align responsibilities and tasks in a more efficient manner to reach the divisional goals.

## **9.3 LEADERSHIP, MANAGEMENT AND STAFF FOCUS**

The FMS team, which consists of four functional staff members and the Creditors team that consists of ten functional staff members are managed by the Deputy Director: FMS, who reports directly to the Chief Director: Finance. In most cases, a participatory leadership style is applied in managing the two teams but the Deputy Director will vary the approach based on a calculated analysis of the matter at hand and the desired outcome. This ensures effective management and yields the desired result.

As both teams are primarily support orientated where effective client service is key, emphasis is continuously placed on the value of relationship building with all stakeholders as well as within the respective teams. Weekly roundup meetings are held to ensure effective and timely communication. The need for these meetings are driven by the fast paced environments in which the teams operate. In these meetings, important matters and feedback from the different areas of responsibilities are discussed and disseminated, solutions are brainstormed and an atmosphere of knowledge sharing and cohesion is created. Ownership and responsibility is continually established and recognition for excellent service is given where it is due.

To foster staff potential, streamline activities and develop future leaders the Deputy Director: FMS conducts regular one on one sessions with the Senior Reconciliation Officer: Creditors who will then meet with the creditor's payment- and reconciliation teams respectively. The Deputy Director: FMS conducts a formal monthly gathering with the creditor's team where in an interactive session all operational matters and individual staff member's business area and processes are discussed in order to ensure continuous improvement and enforce quality control. A strong emphasis is placed on teamwork and specifically each individual's role in the team. A process that is fair and transparent is important to ensure that a sound relationship of trust is built.

## 9.4 STRATEGIC PLANNING

The mission, vision, values, priorities, objectives and action plans for the two teams are driven by the Finance environmental plan, which is compiled by the divisional Finance Heads and the Chief Director: Finance in an annual strategic session.

The Chief Director: Finance communicates the overarching goals and objectives as defined by the Environmental Plan at a Finance Forum, which is subsequently disseminated in divisional strategic planning sessions where goals and objectives are workshopped and aligned in support of Environment Plan.

## 9.5 VISION OF THE FINANCE DIVISION

The evaluation of the effectiveness of policy and processes is based on the overarching vision statements of the greater Finance Division:

### 9.5.1 KEY ROLE PLAYER IN THE ESTABLISHMENT OF FINANCIAL SUSTAINABILITY

A stable and reliable real time ERP system is in place that does not permit overspending with regard to operating and capital expenditure, and with the necessary testing and securities to enforce policy and procedure. All transactions carry the necessary audit trails.

Security authorization and profile compilation with regard to users of the system take place with strict adherence to audited processes and applications.

In terms of creditor payments, reporting on the age analysis and outstanding commitments is part of the month-end processes and reported to the Deputy Director, which forms part of the integrated report presented to the Audit and Risk committee.

Ensuring long-term financial sustainability within a changing operational climate, optimization of the financial system is a continuous action to support the various business needs of the diverse institution that is SU. The overarching focus is on improved reporting and access to relevant management information.

For the past two years the subdivision has been involved in the SU Systems Renewal Program (SRP) with the objective of replacing the current home grown ERP. The functional staff members serve as subject matter experts (SME) on various components of this exciting project.

### 9.5.2 KEY ROLE PLAYER IN EQUIPPING THE MANAGEMENT, STAFF AND STUDENT LEADERSHIP

Formal training sessions and workshops regarding TeraTerm are made available to all levels of staff and students that have access to the system. User manuals are always current and up to date.

### 9.5.3 KEY ROLE PLAYER WITH REGARD TO APPROPRIATE AUDITING TO ENSURE PERFORMANCE AND QUALITY

To support the audit process all system processes, transactions and operational business processes that relate to systems maintenance, administration and creditor payments are subject to continuous, approved internal and external audit review. As far, as is practically possible, audit

report recommendations are incorporated into the financial system by way of new extensions and developments. In this way, it is not only possible to put cost-effective controls in place, but a continuous evaluation of the system and its processes take place. Value is continuously added by analysing and incorporating decentralized user needs where practically possible. The need must be financially sustainable and comply with international audit and accounting principles. Needs determination takes place by way of discussions that are held during support agreements, meetings of faculty managers, meetings of the main users and other forums. Not only are the needs of the decentralized client met in this manner, but it also ensures consistency in that integrated processes are implemented across faculties, which means that the SU strategy is improved and carried out throughout the organization.

#### **9.5.4 CREATING A POSITIVE CULTURE WITH REGARD TO INTERNAL AND EXTERNAL SERVICE RENDERING**

All employees play an integral role in planning and discussing initiatives as well as providing input to standardized operating procedures.

An individual performance management process is in place according to which service rendering is measured in terms of client feedback obtained from a 360° evaluation process. A formal feedback discussion is held with the staff member during which the various aspects are discussed.

Staff are also encouraged to think proactively and innovatively within their respective business areas and processes in order to propose solutions that will promote effectiveness, productivity and quality throughout the organization. The outcome of this is also managed within the performance process, although sufficient acknowledgement is also given in various other forums. The needs of the decentralized client are taken into consideration as embodied in the support agreements and are incorporated in the daily processes.

#### **9.5.5 SUPPORTIVE OF THE HOLISTIC WELLNESS OF STAFF**

The challenges within a support environment with high transactional volumes and fast turnaround times does not pass unnoticed and therefore the subdivision focuses strongly on quality assurance and a value-driven institutional culture by becoming involved in the wellness and transformation program of the university. Staff are encouraged to participate in the activities and available courses and are given an opportunity during the divisional discussions to share the value of such wellness sessions with their colleagues. A formal Social Committee has been established in the greater Finance Division with representation from this division and staff are encouraged to take part in Casual Day, Mandela Day and various other fun activities that contributes to team and morale building. Also on Finance's year calendar, there are two Finance Forums, where information is shared with the greater Finance Division but the value lies in the more informal out-of-the office get together as an added incentive.

Staff are also encouraged and nominated to attend courses that will benefit career or staff development and financial support is made available for them to do so.

## **9.6 QUALITY OF OUTCOMES AND RESULTS**

The quality of deliverables within the subdivision can be measured against client feedback, system processes that are in place, availability of financial system that has no downtime, availability for client training and accuracy of code maintenance that affects such a wide spectrum of business facets. The client feedback from the results in Chapter 6 are also applicable to this subdivision.

# CHAPTER 10

## FINANCIAL SERVICES

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### 10.1 BRIEF DESCRIPTION OF THE SUBDIVISION

#### 10.1.1 FUNCTIONS AND SERVICE AREAS

The financial Services environment focuses on the following service areas and functions:

- The implementation of financial policy and procedures
- The training of staff and students regarding financial matters
- The review of all foreign and sundry payments
- The administration and finalisation of foreign and sundry payments
- The compilation and approval of financial statements
- The provision of a financial advisory service
- Support to researchers in the compilation of budgets
- The review of all full cost research budgets
- The completion of tender, vendor forms and financial due diligence forms
- The compilation and submission of Vat and Excise returns
- Co-ordinating external audits
- Obtaining tax exemption certificates
- Project accounting for research programmes
- Financial review of short course budgets and actual reports

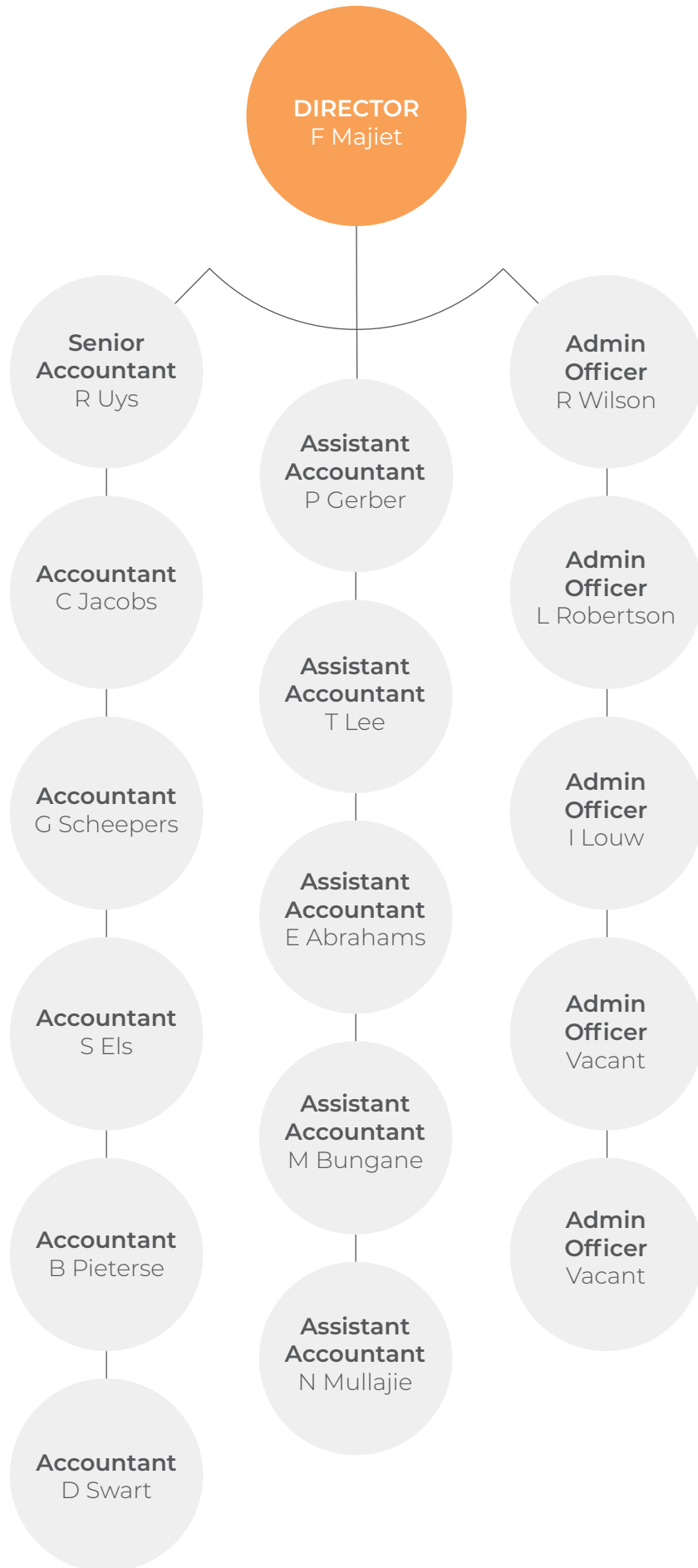
The staff of the subdivision are based mainly on the main campus (in administration building C and the Wilcocks Building), with a satellite office at Tygerberg (Faculty of Medicine and Health Sciences) in order to provide a better service to clients there.

From an accounting perspective, there are continuous changes in internal and external needs regarding the correct managing and reporting of funds and expenses relating to it. Therefore, this environment focuses on the university's requirements regarding internal control, financial accountability and the management of financial risks, as well as compliance with legal and financial requirements as determined by the laws of South Africa, the Receiver of Revenue and any other institutions funding the university. The associated pressure concerning good corporate governance and the continuous need for timely and accurate management information compels the subdivision to base its functioning more on control, reporting and compliance.

#### 10.1.2 STAFF COMPOSITION AND POST STRUCTURE

The structure and composition of the subdivision is set out in Diagram 10.1.

DIAGRAM 10.1 STAFF STRUCTURE OF FINANCIAL SERVICES





## 10.2 STRATEGIC PLANNING

The core function of this subdivision is the development, maintenance and extension of transparent and justifiable financial policies and processes with which to maintain the university's financial sustainability in order to enable the SU to meet the challenges stated in its mission, vision and objectives at all the diverse competing levels. The Division's vision strives to achieve the following five objectives:

- Key role player in the establishment of long-term financial sustainability
- Key role player in equipping the management, staff and student leadership with regard to financial management
- Key role player with regard to appropriate auditing to ensure performance and quality
- Creating a positive culture with regard to internal and external service rendering
- Supportive of the holistic wellness of its staff

**Please see below how the Financial Services subdivision contributes to achieving these objectives and the objectives as included in the environmental plan of the Finance Division.**

## 10.3 LEADERSHIP AND MANAGEMENT

### 10.3.1 MANAGEMENT TEAM

The team reports to Faiza Majiet, Director: Financial Services, who in turn reports to the Chief Director: Finance. The subdivision holds an annual strategic session after the strategic workshop of the Finance management takes place. At this session, the environment plan for Finance is shared with the team, including the Finance objectives and goals. The objectives, which relate to the Division, are then broken down into specific goals. This session also includes a discussion of issues within the division and improving client service delivery.

### 10.3.2 FINANCE ENVIRONMENT PLAN: MISSION, VISION AND OBJECTIVES

A comprehensive Environment plan was compiled for Finance for 2018-2023. It contains the Finance Division's properly documented plans and objectives. As part of the Finance Division, Financial Services aligns to with mission, vision, values, plans and objectives of the Environment plan. The Environment plan is communicated to all the staff.

### 10.3.3 INSTITUTIONAL MANAGEMENT OF THE DIVISION

In order to ensure effective management and the effective flow of information, as well as to ensure proper alignment with the objectives and financial support needs of other centres of responsibility environments and any other interest groups, the Chief Director meets with his management team on a monthly basis, during which strategic as well as operational Division-related matters are discussed. All inputs are taken into account continuously before decisions are taken on actions. In the mentioned meetings there also is continuous evaluation of whether the objectives stated in the environment plan, as well as smaller, individual Division objectives that have been stated, have been achieved and delivered on in time. This measurement is also linked to performance management and is contracted as such.

In turn, the Director: Financial Services meets with her division during which appropriate communication and related matters are communicated and addressed. These meetings also include the discussion of operational matters – where staff members are invited to add points to the agenda.

### 10.3.4 COMMUNICATION

Effective communication is a standing point on the agenda for meetings of the heads of divisions and is critically evaluated on a continuous basis. Except for these meetings, there also are staff workshops for all staff of finance, which are held twice a year (at the end of the first and the second semester) during which objectives and performance/progress are elucidated against objectives.

### **10.3.5 EXPECTATIONS OF INTEREST GROUPS**

Support agreements have already been entered into with most of the internal interest groups and are evaluated on a continuous basis to understand and accommodate the needs and expectations of the interest groups. The university's formal planning and budget process furthermore makes provision for an opportunity for the faculties and other service environments to highlight their priorities and expectations in their environment plans so that it can be considered by finance in their planning for the university.

### **10.3.6 MANAGEMENT OF OBJECTIVES AND PERFORMANCE**

Since 2007, Finance has put staff contracts in place with every member of staff. Objectives, with targets, are set out in each contract and performance evaluation takes place accordingly. An annual 360° evaluation of each member of staff is also done. During each performance evaluation, both personal and environment development objectives and plans are compiled.

## **10.4 STAKEHOLDER FOCUS**

### **10.4.1 ENTERING INTO SUPPORT AGREEMENTS**

Internally support agreements have already been entered into with most of the internal interest groups and are evaluated on a continuous basis to understand and accommodate the needs and expectations of the interest groups.

### **10.4.2 PERFORMANCE EVALUATION**

One of the elements of performance evaluation is service rendering. Questionnaires are completed by clients and the comments received are conveyed to the staff.

### **10.4.3 TRAINING AND DEVELOPMENT**

Staff in the division provide advice and training on a continuous basis to clients (in other university departments) regarding financial policies and procedures. The project accountants are also involved in financial training, which includes budgeting, SU financial policies and procedures, funder requirements and reporting to the research community.

Formal training and coaching sessions are also held annually with the residences' financial managers, as they are elected on an annual basis. In 2017 a co-curriculum training and developing programme, in co-operation with the Centre for Student Leadership and Structures, was approved for the 2017/2018 as well as the 2018/2019 group of student financial managers. This means that student financial managers will undergo training and coaching, with the expectation of certain outcomes. If the set criteria is met, it will be recognized on the students' academic transcripts.

## **10.5 STAFF FOCUS**

The finance Division supports the total development of its staff by joining the holistic Wellness program of the university and funds are made available for the staff to attend conferences, workshops and courses. In terms of staff training the focus is on three areas, namely: Staff training, with the focus on staff development, on career development and on the internal clients. Opportunities for training are also developed with regard to policy and procedures, e.g. management training and systems training. A number of staff members in Financial Services are also currently busy with formal qualification programmes.

## 10.6 EFFECTIVENESS OF POLICY AND PROCESSES

The vision of the Finance Division is aligned with that of the university. Below follows an indication of how this subdivision, in its turn, contributes to the pursuit of the broader vision statement of the Division.

### 10.6.1 KEY ROLE PLAYER IN THE ESTABLISHMENT OF FINANCIAL SUSTAINABILITY

- Confirmation that purchasing policy has been complied with in relation to diverse payments: although the majority of purchases take place via the Procurement (Creditors) System, where the buyers check that the policy is complied with, a large number of transactions take place via the diverse payment system. This particularly includes repayments of expenditure to staff. The faculty accountants then ensure, in consultation with the buyers, that the purchasing policy was complied with. Regular audits are carried out to test the implementation of this policy. The diverse payment system is currently going through a clean up process to streamline the function going forward.
- Creation of transparent policies and their implementation: This is done consistently based on needs, as well as when deficiencies are found in the current policy, whether through experience or audit processes.
- Full costing of research contracts: Research contracts which fall under the Act on 'intellectual property rights from publicly funded research' (Act 51 of 2008) are assessed by the Accountant to ensure that funding is on a full-cost basis. Other research contracts are also reviewed to ensure that the budget makes provision for the University's indirect cost recovery. The Accountant is involved in the revision process of the indirect cost recovery rate in accordance with the policy that requires regular revision.
- The administration of CFC-accounts to limit exposure of foreign currency risks on internationally funded projects that requires payments in foreign currency to project partners: The Division provides administrative support with South African Reserve Bank applications to conduct such CFC accounts and to transact with the foreign partners, as well as with the finalization of the reports and accounting entries.

### 10.6.2 KEY ROLE PLAYER IN EQUIPPING THE MANAGEMENT, STAFF AND STUDENT LEADERSHIP

- Expertise: Workshops with accountants take place in order to promote expertise and skills in the discipline. Attendance of discipline-specific workshops is encouraged based on need e.g. tax workshops and independent contractors. Such workshops have already taken place and were attended well. Informal follow-up and training on the policy and procedures of administrative staff are presented based on how enquiries directed at accountants and other staff within the broader environment are handled. The results of informal training are measurable by the quality of requests and corroborative proof that is offered for payments.
- Systems and processes: continuous identification of deficiencies in reporting and the development of reports in order to fill these gaps (in cooperation with financial and management Systems). Regular auditing of and feedback on support agreements provide measures for the successful follow-up of user needs.
- Policies: The development of policies and processes in order to comply with statutory requirements and the principles of good corporate governance. Communication with the campus when new policies are approved takes place and all policies are available for the clients on the Finance Division webpage.
- Management information: continuous identification of deficiencies in reporting and the development of reports in order to fill these gaps (in cooperation with Financial and Management Systems). Regular auditing of and feedback on service-level agreements provide measures for the successful follow-up of user needs.

Systems, policies and processes are in place to comply with legislation and auditing standards and are communicated well. Areas for development are an extension of internal training for environments, as well as training of the Division's staff with regard to policy and procedures in order to improve expertise.

### **10.6.3 KEY ROLE PLAYER WITH REGARD TO APPROPRIATE AUDITING TO ENSURE PERFORMANCE AND QUALITY**

- Benchmarking against other universities takes place in forums (e.g. USAF's Financial Executive Forum) in which the Finance Division is represented.
- The Finance Division is currently busy with self-evaluation as part of its external evaluation process.
- The internal audit plan is focused on addressing the improvement of process quality. The outcome of the internal audit processes can be measured by the number of points that are reported in the follow-up audit reports, particularly where it is tested that the deficiencies that were reported initially have in fact been addressed and corrected.
- External auditing ensures the improvement of the quality of reporting. The results of the external audit process indicate every year that there is an improvement in the quality of our reporting and internal control measures. This can be measured against the unqualified audit report on the consolidated annual financial statement and the number of critical points that are reported by the external auditors to the audit and risk committee every year.
- The creation of policies and procedures to promote cost effectiveness for the university is crucial. The purchasing and tender policy and policies that are focused on the expenditure side are modelled on this in particular. Processes are focused on ensuring the implementation of policies, and cost effectiveness for the university overall, as well as for individual projects.
- The optimal utilization of processes and systems in order to increase effectiveness and productivity. Systems and processes are put in place to ensure compliance with legislation and policies. This is revisited internally on a continuous basis, and is also checked by means of the audit processes.

### **10.6.4 CREATING OF A POSITIVE CULTURE WITH REGARD TO INTERNAL AND EXTERNAL SERVICE RENDERING**

- Development of own, relevant workshops aimed at expertise to address policies and processes. Convey performance feedback to staff when appropriate.
- A central element of performance measurement is service rendering that can be measured in the form of questionnaires that are sent to interest groups, as part of the annual performance evaluation process.
- Entering into support agreements with environments within the university to address the need as stated by the client and the following up of feedback received from the client.

### **10.6.5 SUPPORTIVE OF THE HOLISTIC WELLNESS OF STAFF**

- The Finance Division focuses strongly on quality assurance and a value-driven institutional culture. We therefore realize not only the value of investing in our staff, but also the necessity of doing so.
- Funds and time are made available for staff development. Colleagues are encouraged to attend internal workshops, such as those presented by the human resources Division, as well as external workshops e.g. as presented by CHEC.
- The subdivision is involved in the official holistic wellness program of the university.
- Recruitment of staff takes place where there are deficiencies in both expertise and the procedural execution of tasks. Recruitment is done in terms of the policies of the human resources Division and with due allowance for of the university's diversity objectives.
- Staff of a high quality are appointed by way of recruitment and acknowledged appointment processes.

## 10.7 QUALITY OF OUTCOMES AND RESULTS

The following objectives and challenges can improve the subdivision's service rendering and effectiveness even further:

- **Staff training**

Although the subdivision meets the evaluation requirements regarding staff fairly well, an area for improvement is the training of staff with regard to policy and procedures in order to improve expertise.

- **The maintenance and improvement of levels of service rendering**

The finance Division has entered into support agreements with all the faculties and some of the support environments. It is the objective of the subdivision to ensure that all service levels stated in them are maintained and improved upon.

The quality of deliverables within the subdivision can be measured against client feedback, system processes that are in place and accurate financial data. The client feedback from the results in Chapter 6 and 12 are also applicable to this subdivision.

# CHAPTER 11

## FUNDS AND ASSET MANAGEMENT

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### 11.1 LEADERSHIP AND MANAGEMENT

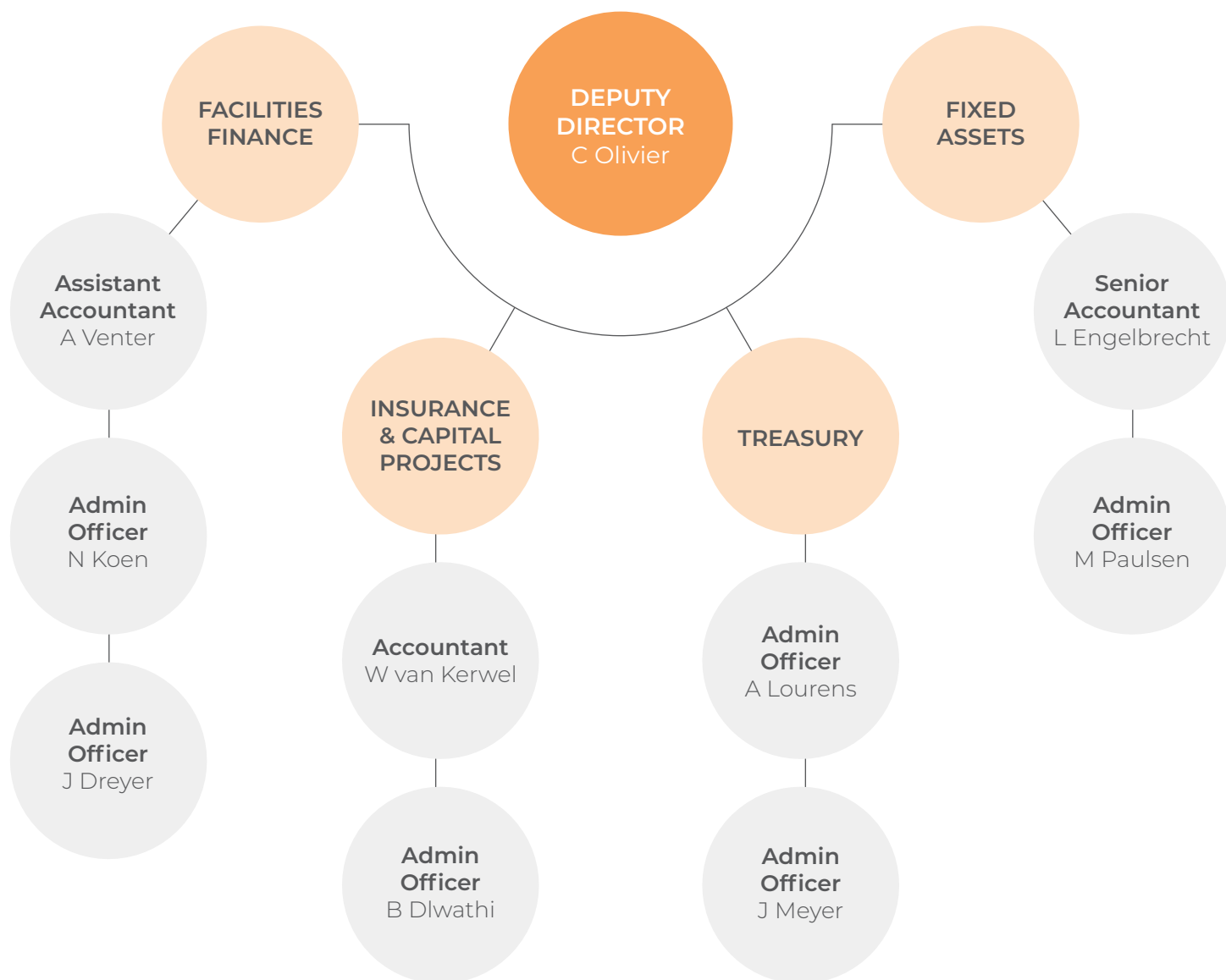
Management of the Funds and Asset Management Division have a vision to be agile and adaptable to change. The subdivision's mission is to utilize technology to improve efficiency that will result in excellent service delivery. The values of the subdivision speak of reliability, innovation and resilience.

The subdivision is responsible for the financial administration of SU's movable and immovable assets, monetary funds, bank accounts, investments and loans. The following functions are managed by the subdivision:

- Administration of movable and immovable assets
- Administration of utility services, rentals, cellphones, data cards, bulk SMS and TV license accounts
- Administration of the internal and external insurance portfolio's
- Administration of bank accounts, cash flows and e-sub systems
- Administration of short- and long-term investments and fulfilling the secretariat function of the Investment Committee
- Administration of internal interest transactions
- Administration of long-term and internal loans
- Financial administration of facilities and capital projects

The structure and composition of the subdivision is set out in Diagram 11.1.

DIAGRAM 11.1 STAFF STRUCTURE OF FUNDS AND ASSET MANAGEMENT



## 11.2 STRATEGIC PLANNING

The specific goals and objectives within the subdivision include:

GOALS	OBJECTIVES
Agile	<ul style="list-style-type: none"> <li>Propose and assist with implementation of innovative ideas, e.g. cashless solutions</li> <li>Assist with the integration of SUNfin and Planon (new SU financial system and Facility Management system)</li> <li>Propose and assist with implementation of fintech solutions, e.g. crowdfunding</li> </ul>
Effective	<ul style="list-style-type: none"> <li>Seeking optimal processes</li> <li>Using updated software</li> <li>Training of team and communication to management</li> </ul>
Collaborative	<ul style="list-style-type: none"> <li>Strive for excellent service delivery</li> <li>Support finance subdivisions</li> </ul>

The Funds and Asset Management subdivision supports the following goals of the overall Finance Division:

- Planning for the implementation of SUNfin as well as supporting the overarching Systems Renewal Plan (SRP) in terms of approved ICT goals, with a focus on the financial integration and related internal controls.
- Investment Management: Implementation of the decisions of the Investment Committee.
- Exploring cashless environments as an alternative to current practices with a view on sound financial management.
- Managing cash flows and the alignment of cash flow projections to support the requirements of the ICT project and the Campus Renewal Plan according to the Council approved mandate.
- Improving communication with staff and clients (internal and external), which includes updating and translating the Finance website.

## 11.3 STAKEHOLDER FOCUS

The key internal stakeholders served by the subdivision include the students and academic and administrative support environments of the University. External stakeholders include SU service providers in terms of banking services, insurance brokers, fund managers and investment advisors, as well as providers of municipal services.

The subdivision endeavors to respond to stakeholders within 48 hours after the receipt of any request or query. Communication mainly take place via email and where needed, SU legal services will verify all terms and conditions before contracts or mandates are signed by the authorized signatories.

## 11.4 INFORMATION FOR IMPROVEMENT

Key areas where the need for improvement was identified from information received resulted in the following ongoing projects:

- **Cashless payment system**

Payments facilitated by the web based Standard Bank (SB) Instant Money (IM) application. A decentralized administrator (e.g. the cost center owner), gains access to the funds online (monetary processing limits are enforced per profile) and has the authority to delegate processing rights (capture and release) of the payments. Details of all recipients (either individually or per batch) are loaded on the IM application and payments are released at a scheduled time. A voucher and PIN number is sent directly to the recipient's cellphone via SMS. The recipient (using the voucher number and PIN) can collect the cash at any SB ATM or IM retailer (Spar, Cambridge, Rhino or Choppies). This process substantially reduces the risks associated with managing large quantities of cash.

- **Cashless receipts system**

The CIT Project is a SU initiative investigating solutions that will provides a more cost-effective mobile point-of-sale and business portal. This will include a card (chip or swipe) reader with a point-of-sale web-based business portal application to receive payments instantly, securely and with real time reporting functionality (including business analytics, receipts, stock monitoring, sales per product and full transactional detail). This will provide SU with the ability to track informal trading per user on campus.

- **Finance website**

The website is migrating from a legacy Microsoft platform to SharePoint. The underlying corporate image is being unified throughout to comply with the SU look and feel. All content is going through a full refresh to ensure a more up to date and user-friendly experience (SD10).



## 11.5 STAFF FOCUS

The staff in the Funds and Asset Management subdivision meets fortnightly to align the schedules of all the different functions, build team spirit, train and to recognize performance.

Annual performance reviews entail in-depth discussions with each staff member to review areas of improvement and to document development plans. Staff are encouraged to develop to their full potential, attend courses, workshops or to further their studies.

The structure and composition of the subdivision is set out in Diagram 11.1

## 11.6 EFFECTIVENESS OF POLICY AND PROCESSES

The financial policy aspects that are developed and managed in the subdivision include those policies that relate to:

- Investments
- Bank accounts
- Credit cards and credit card facilities
- Check receipts and direct payments into SU bank account
- Asset register
- Insurance claims

The environment's effectiveness and areas for improvement are measured by their contribution to the pursuance of the vision statement of the Finance Division.

### 11.6.1 KEY ROLE PLAYERS IN THE ESTABLISHMENT OF FINANCIAL SUSTAINABILITY:

- Professional services through tenders in order to negotiate the best fees for SU, i.e. the tender for SU banking services that was finalized in 2014 and expires 2019, as well as the tender for the investment advisors that expires in 2018.
- The current insurance brokerage service provider was also determined through a tender process, which will be expiring in 2018.
- Responsible cash flow management with regard to the levels of balance funds and contingency reserves which is monitored through regular reporting to Management, Deans, Heads of Environments, Audit and Risk Committee and the Finance Committee.

### 11.6.2 KEY ROLE PLAYERS IN EQUIPPING THE MANAGEMENT, STAFF AND STUDENT LEADERSHIP:

- Staff always strive to assist with relevant and accurate information in a friendly manner.
- Providing direction through policy documents that set out approved processes.
- Promoting better financial management through the identification of deficiencies in terms of currently available information and related reports by developing solutions.
- Creating a positive culture with regard to internal and external service rendering.
- Entering into service level agreements with other environments to enforce better service levels.
- Inform staff members of positive feedback received related to service rendering in the environment.
- One of the elements of performance measurement is service rendering, which is measured by sending questionnaires to clients to become aware of the perceived levels of service rendering by the members of staff.

### 11.6.3 SUPPORTIVE OF THE HOLISTIC WELLNESS OF STAFF:

- Being sensitive to personal situations that may have an influence on a staff member's work.
- Encouraging staff to further their studies and offering financial support.
- Encouraging staff to attend courses/workshops.
- Acknowledging staff for good work done in the pursuit of excellent service rendering.
- Encouraging staff to join the holistic wellness program of the University.

## 11.7 QUALITY OF OUTCOMES AND RESULTS

The quality of outcomes and results can be measured by:

- Client feedback (refer to Chapter 6)
- Accuracy of budgets (compiled by different members of staff within the environment, for example for the Utility Services, Insurance, Bank Costs and Facilities Management budget)
- Accuracy and completeness of the asset register
- Accuracy and completeness of insurance claims
- Timely and accurate completion of monthly bank reconciliations
- Accurate processing of facilities management transactions
- Accuracy of building project financing and loan transactions and managing the age analysis on rental income (debtors invoices)

# CHAPTER 12

## PURCHASING AND PROVISION SERVICES

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### 12.1 BRIEF DESCRIPTION OF THE SUBDIVISION

#### 12.1.1 FUNCTIONS AND RESPONSIBILITIES

- Purchasing and provision Services is primarily responsible for the implementation of the university's purchasing and tender policy processes and entering into agreements with suppliers. By carrying out these roles, the subdivision ensures good service rendering and that purchases take place at the best price and quality. In this way, the subdivision contributes to the financial sustainability of SU.
- The subdivision is also responsible for the development and implementation of a centralized purchasing policy and procedure within a computerized purchasing system that, on a just, fair, impartial, transparent and competitive cost-effective foundation, offers all service providers, representative of all communities and without discrimination an opportunity to do business with SU in an ethical manner.
- Purchasing and provision Services, and more specifically the staff in control of the truck, are responsible for removal services and the intake and management of obsolete furniture and equipment.
- Furthermore, the subdivision controls stock stores where certain products are stored for the use and convenience of SU staff.
- The purchasing function of SU is managed and controlled by a computerized system in a centralized purchasing division. This system ensures that all purchases are channelled, coordinated and administered to and by the central purchasing office. An official university order, as issued or confirmed on the computer system by an authorized person, therefore is the only way in which the university can be committed to a purchase, service or lease. The Director of the subdivision in cooperation with the buyers will be responsible for the procurement and placement of orders for all goods and services in their respective specialized environments. The purchasing process is driven by specifications and subject to the purchasing guidelines as set out in the purchasing and tender policy, which stipulates in which way quotes and tenders must be gathered and implemented.

To facilitate the above-mentioned functions, the primary duties and responsibilities in the subdivision are divided as follows:

#### BUYERS

- Timely and accurate execution of all purchasing processes, including managing and processing purchase requisitions and orders, physical follow-up and expediting of orders, contract management, market and product research, training of staff and appointment of preferred suppliers.
- Timely management of all tender processes and strict adherence to the policy.
- Management and control with regard to storage, receipting, issuing of obsolete furniture and equipment and removal services.
- The implementation of financial policy and financial control of all purchase and tender processes.
- Management of stock and stores, including timely and accurate receipt of goods, issuing and data capturing of stock items, reconciliation of stocktaking and declaration of any differences.

- Negotiations with suppliers in order to have contracts in place that ensure the best price, quality and service for SU and the continuous management of the contracts.

### **ADMINISTRATIVE STAFF**

- The implementation of financial control regarding stock and purchase requisitions.
- Timely and accurate receipt of goods, issuing and data capturing of stock items, as well as reconciliation of stock variances.
- Timely and accurate preparation and capturing of invoices for payment.
- Control of purchase requisitions and orders, including expediting and following up of orders.
- General administration and secretarial functions of the office.
- Handling of general enquiries, including training of staff on the purchasing system.

### **STOCK STORES**

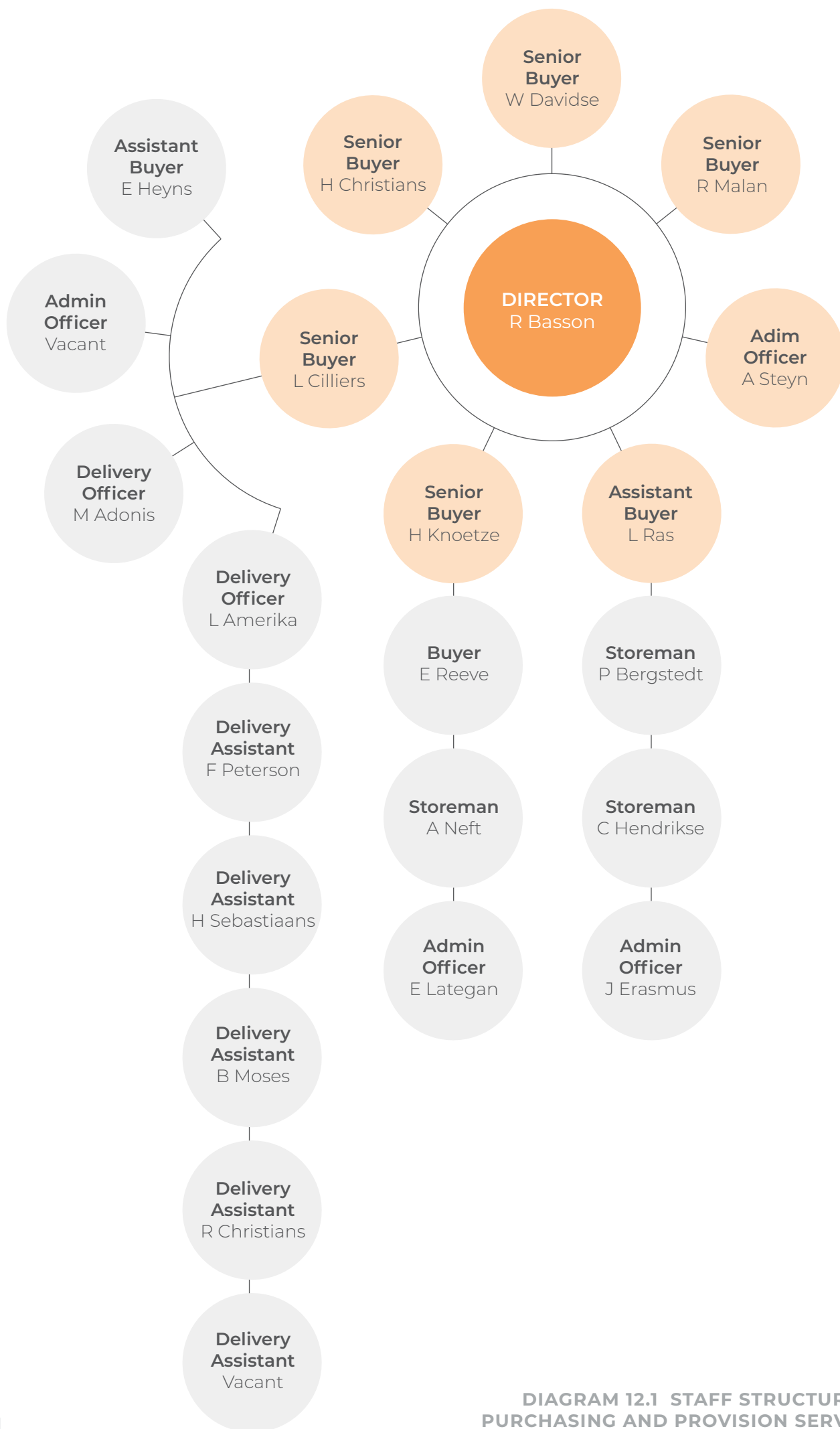
- The implementation of financial controls regarding stock.
- Timely and correct receipt of goods, issuing and data capturing of stock items.
- Control of stock items, including monthly stocktaking, maintenance of stock levels and expediting and following up of orders.

### **REMOVALS, DELIVERIES AND SECOND-HAND STORE**

- Correct and timely deliveries, removal and moving of furniture, equipment and any other items, as requested.
- Correct and timely delivery of goods and stock.
- Management and control with regard to storage, receipt and issuing of obsolete furniture and equipment.

## **12.1.2 STAFF STRUCTURE**

The structure and composition of the subdivision is set out in Diagram 12.1



**DIAGRAM 12.1 STAFF STRUCTURE OF PURCHASING AND PROVISION SERVICES**

## 12.2 STAKEHOLDER FOCUS

### 12.2.1 ENTERING INTO SUPPORT AGREEMENTS

Internally support agreements have been entered into with the majority of the stakeholder groups and are evaluated on a continuous basis to fully understand and accommodate the various needs and expectations of said stakeholders.

### 12.2.2 PERFORMANCE EVALUATION

One of the key elements of performance evaluation is service rendering. External parties are requested to complete questionnaires and the comments received are conveyed to the staff.

### 12.2.3 COMMUNITY INTERACTION

Purchasing and provision Services is currently involved in a project to offer the emerging business community in Stellenbosch an opportunity to be included in SU's list of suppliers. The emerging enterprises were not on the SU supplier list in the past and could therefore not be considered when sourcing quotations. With this project, SU does not guarantee that these emerging businesses will be used as a supplier but they do receive exposure that was not possible in the past.

### 12.2.4 SUPPLIERS

Externally there is continuous interaction with suppliers. Please also see QUALITY OF OUTCOMES AND RESULTS for the feedback received during this review.

### 12.2.5 VIABLE SOURCING

In the negotiations between the Unions and SU during the course of 2016 regarding insourcing and outsourcing, the parties agreed to a process of Viable Sourcing. Viable Sourcing is defined as *a system and process whereby the University, in a transparent manner, taking into account input from various stakeholders, decides on the optimal vehicle for the provision of essential services to the University.* With the new process of Viable Sourcing when an essential services contract is due for renewal or a requirement for a service arises, an important part of the process is the input from various stakeholders. These submissions from the various stakeholders form part of the evaluation of the viable sourcing.

## 12.3 STAFF FOCUS

The subdivision supports the total development of its staff by joining the holistic Wellness program of the university and funds are made available for the staff to attend conferences, workshops and courses. In terms of staff training the focus is on three areas, namely: Staff training, with the focus on staff development, career development and on the internal clients. Opportunities for training are also developed with regard to policy and procedures, e.g. management training and systems training

## 12.4 EFFECTIVENESS OF POLICY AND PROCESSES

The effectiveness of the environment is evaluated with reference to the overarching vision statement of the finance Division and the objectives in the environmental plan.

- **Key role player in the establishment of financial sustainability**

The overarching objectives and primary focus of the Subdivision purchasing and provision Services is to create space within the budgets of departments and thereby contributing to the long-term sustainability of SU. The objectives are achieved through the management and negotiation of contracts with suppliers, the identification of the preferred suppliers of SU with the best prices and highest quality of service, as well as the effective implementation of the purchasing and tender policy. The following actions are essential in this regard:

- **Bargaining of standard purchase contracts and fixing of standard pricelists**

The subdivision is continuously busy negotiating as many as possible contract and pricelists for SU. This enables SU to receive the best price, quality and service. In the short term, the Division is in the process of identifying key areas on which the focus will fall to unlock budget space in the short term and then to also take a more long-term view of the strategy.

- **Appointment of preferred suppliers and fixing of prices and discounts**

The appointment of preferred suppliers goes hand in hand with the fixing of standard contracts, pricelists and discounts. The alignment of the associated purchasing processes and the provision of preferred supplier portals in order to promote buying from preferred suppliers and thereby to unlock funds in the budget. The long-term objective is to establish a supplier list that will offer the best price, quality and service for Su.

- **Cooperation with other tertiary institutions**

SU is a member of PURCO (a national buying consortium) that consists of all tertiary institutions in South Africa. This cooperation with other tertiary institutions and the use of the already established platforms with economies of scale enable better prices.

- **The implementation of the purchasing and tender policy**

The Finance Division is responsible for the control of all financial activities at SU, for the purpose of which standardized financial regulations are compiled and applied. The financial policy arose from accepted financial management principals, principles of good corporate governance, statutory requirements, audit requirements and operational requirements. The implementation of the procedures ensures our funders that SU applies good financial management and that funds are applied according to the above-mentioned requirements.

The communication of this policy to the staff enjoys high priority within the Subdivision. The aim is firstly to make the staff aware of the policy, and secondly to ensure, through the implementation of the policy, that the best products or services are bought at the best price and quality

- **Storage of stock**

Bulk stock purchases are made to secure the best prices for use by the staff of SU and to effect cost savings for SU.

- **Second-hand store and removal staff**

The staff involved in the second-hand store have two main functions, namely moving furniture on campus and moving furniture to this store. These services are provided free of charge on campus and therefore effect large savings for SU. The furniture taken in by the second-hand store can be withdrawn by departments or sold on tender. Both these options create space in the budgets of the departments and of SU.

## 12.5 VISION OF THE FINANCE DEPARTMENT

### 12.5.1 KEY ROLE PLAYER IN EQUIPPING THE MANAGEMENT, STAFF AND STUDENT LEADERSHIP

- **Expertise**

Knowledgeable staff are appointed that serve as experts in their respective purchasing fields. The staff also have opportunities to attend courses in order to improve their expertise, whether through attending internal or external courses. This expertise is then applied to train other staff in relation to systems, processes and policies.

- **System, processes and management information**

The necessary programs have to be developed to make it possible for purchasing and provision Services to download the necessary data and management information. Currently, information deficiencies are being identified and then programs are developed to fill these gaps. It must be possible to follow the entire purchasing cycle electronically and to be able to withdraw timely and relevant data. The Finance Division is currently in the process of implementing a new financial system. The needs of the purchasing system will be incorporated into it.

- **Policies**

Policies are of such a nature that they set out processes, but they are not implementation documents. They guide the staff to being able to take the correct decisions to the benefit of SU and ensure peace of mind for outside funders.

### **12.5.2 KEY ROLE PLAYER WITH REGARD TO APPROPRIATE AUDITING TO ENSURE PERFORMANCE AND QUALITY**

Internal and external audits are carried out on a regular basis to ensure that the correct processes and procedures are being followed and that sufficient controls are in place. This ensures that we provide the best products at the best prices and thereby can enter into cost-effective transactions. Contracts, tenders, controls and policy contribute to cost effectiveness at SU.

### **12.5.3 KEY ROLE PLAYER WITH REGARD TO BBBEE**

As with other enterprises, the University is subject to the statutory requirements in terms of broad-based black economic empowerment (BBBEE). In order to support the University in its accreditation and strategic planning concerning BBBEE, an evaluation agent and consultant were appointed to help with the grading of the SU and to identify any possible actions that can be taken to improve the rating of the SU. The University is currently on a level eight.

## **12.8 QUALITY OF OUTCOMES AND RESULTS**

The needs of interested parties are evaluated on a continuous basis by means of regular communication. The satisfaction of the interested parties with the service rendering by the staff is evaluated annually by way of the individual performance evaluation process, during which questionnaires on service rendering are sent to the interested parties. Feedback is generally good, and in the case of deficiencies these are followed up with the individual member of staff. Feedback with regard to the support agreements of Finance with the respective environments is also taken into consideration in the further extension of the level of service rendering that is offered. Also refer to the results of chapter 6 which reflect on this subdivision as well.

As part of the Finance Division's current quality assurance review, questionnaires were sent to identified suppliers in order to evaluate the levels of satisfaction. The questionnaire was designed to address all touch points with the Division and includes areas that are handled by the following subdivisions.

- Financial and Management Systems
- Financial Services
- Purchasing and Provision Services



The six statements below were posed to suppliers. The suppliers were afforded the opportunity to indicate their level of satisfaction on a five-point scale. (Results summarised in Table 12.1)

1. Orders received are complete and accurate.
2. There are good channels of communication with the Finance Division and its relevant Subdivisions.
3. Tender processes and purchasing processes are transparent.
4. Staff are professional in their conduct and communication.
5. Staff respond quickly to requests for information with regard to orders and payments for goods and services.
6. Stellenbosch University adheres strictly to supplier payment terms.

**TABLE 12.1 SUMMARY OF SUPPLIERS RESPONSES**

CLIENT	1	2	3	4	5	6	AVG
<b>A</b>	2	2	4	4	2	2	2.7
<b>B</b>	4	4	4	4	5	4	4.2
<b>C</b>	5	4	5	5	5	5	4.8
<b>D</b>	4	5	4	5	4	5	4.5
<b>E</b>	4	4	4	5	5	5	4.5
<b>F</b>	5	5	5	5	5	4	4.8
<b>G</b>	3	4	3	4	5	5	4.0
<b>AVG</b>	3.9	4	4.1	4.6	4.4	4.3	4.2
<b>%</b>	77.1	80.0	82.9	91.4	88.6	85.7	84.3
<b>2010</b>	90.0	93.3	96.7	96.7	100	100	96.1
<b>Δ</b>	-14.3	-14.3	-14.3	-5.4	-11.4	-14.3	-12.3

From the above results, it is clear that the three subdivisions received a very positive response with an average of 4.2 out of 5. Whilst the level may be down by 12.3% when compared to 2010, the overall score still demonstrates a very high level of satisfaction. It would appear as though the feedback from client A is an anomaly and when the results from this supplier is excluded from the sample, the average satisfaction level decreased by only 6.9%.

# CHAPTER 13

## TRANSPORT SERVICES

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### 13.1 BRIEF DESCRIPTION OF THE SUBDIVISION

#### 13.1.1 FUNCTIONS AND RESPONSIBILITIES

Subdivision Transport Services provides SU and its staff with essential transport in a cost-effective and sustainable manner for training, research, sports and cultural purposes as well as for associated needs.

Our core functions include:

- Vehicle Fleet management
- Vehicle Financing
- Vehicle renting- Pool Vehicles
- Matie bike rentals
- Management of Parking
- Shuttle Services

Exciting initiatives have resulted from the University's Mobility Master Plan. This Plan was developed to counter the high volumes of vehicular traffic on campus. SU tries to serve as a catalyst for the creation of new, sustainable transport opportunities that supports and connects with existing transport options, and through our core functions, we are able to reduce the carbon footprint, which promotes environmental sustainability.

We also provide the following ancillary services:

- Consultation services for the negotiation of prices for the purchase and sale of vehicles
- Purchasing of all official SU vehicles
- Sale of vehicles through tender processes

#### 13.1.2 STAFF PROFILE

The structure and composition of the subdivision is set out in Diagram 13.1

### 13.2 EFFECTIVENESS OF POLICY AND PROCESSES

The effectiveness of the subdivision is evaluated with reference to the overarching vision statement of the broader Finance Division.

Since the last Quality Assurance Review Vehicle Fleet was renamed to Transport Services and no longer resorts under Commercial Services but has a direct reporting line to the Chief Director of Finance.

#### 13.2.1 OBJECTIVES

The subdivision has developed a number of objectives that are key for delivering a value add service to SU:

- Reducing the number of vehicles on campus by creating a people-friendly environment that will promote walking and cycling to support "going green" initiatives.

- Ensuring that the shuttle services are well established and aligned with the identified need.
- Promoting an integrated transport network through negotiations with all the relevant stakeholders to service the entire Stellenbosch.
- Refining the support systems/structures for Parking, Maties Bike Rental and Reservations in order to meet the requirements of a challenging environment.
- Develop and establish infrastructure, which allow personnel on all SU campuses to take responsibility in terms of Transport and Mobility matters.
- To provide a competitive and effective service to SU personnel with regard to the financing, purchasing and selling of vehicles.
- Identifying and managing the risks associated with our activities.
- Deliver a 24/7 service – this will enhance service delivery as well as reduce the possibility of damage and theft.
- Optimization and/or rationalization of the vehicle fleet that will enable more cost-effective/sustainable solutions.
- 

Attaining our goals is only possible if we as a team have buy-in and co-operation from all our personnel and this is why we regard Staff Wellness as an integral part of our core business operations.

### **13.2.2 MONITORING OF EFFECTIVENESS AND EFFICIENCY**

Recently we implemented a reservation booking system, which allows students to make reservations for the shuttle service. As this program is a completely new addition it is closely monitored to gauge its effectiveness. Continuous improvements are made to prevent any problems or errors, since this service is also available outside of normal working hours.

As part of SU's Integrated Transport Plan to reduce the number of motor vehicles and driving between campuses, an inter-campus shuttle service was launched in September 2017. This service operates between the Stellenbosch, Tygerberg and Bellville campuses. It is available via appointments and with constant developments; we ensure that the processes are user friendly for our patrons and beneficiaries.

We meticulously monitor these newly implemented systems and regularly meet with the necessary service providers to ensure its value, effectiveness and efficiency. With continuous technology advancements and innovation, it is important that we keep abreast and adapt to these changes.

### **13.2.3 KEY ROLE PLAYER IN THE ESTABLISHMENT OF FINANCIAL SUSTAINABILITY**

Our aim is to add lasting value to the business areas of SU through accurate financial and statistical reporting as this plays an integral part in the budget planning process of the University, which ensures our effectiveness and sustainability. Our objectives are met through high quality of service to our personnel and students in terms of Vehicle and Mobility requirements as well as strictly adhering to the Purchasing and Tender policy for vehicle purchases and sales.

### **13.2.4 KEY ROLE PLAYER IN EQUIPPING MANAGEMENT, STAFF AND STUDENT LEADERSHIP**

We equip management, staff and student leadership by way of:

- Staff availability to assist and provide the necessary information with regard to Vehicle and Mobility enquiries.
- Ad-hoc discussions with student councils to inform them of the new or existing changes to the Shuttle Services. We have also installed a LCD screen in the Neelsie to indicate the various shuttle service operating times.
- Close co-operation with other environments such as Strategic Initiatives, Facilities Management and Campus Security and Risks and Protection Services.
- Ensure regular updates on our website with regard to policies, procedures and all other relevant information.

### 13.2.4 SUPPORTIVE OF THE HOLISTIC WELLNESS OF STAFF

To support staff the holistic wellness of staff we frequently encourage them to attend the courses/workshops/wellness programs that are presented by SU. This motivates the staff and promotes career development.

We have empathy with regard to the personal situations of staff members as we recognize the importance of Work, Life, and the required inherent balance.

Information sessions with HR and Campus Health Services advise and update our staff of any new and existing products or services that are available and may be beneficial to them.

### 13.2.5 CREATING A POSITIVE CULTURE WITH REGARD TO INTERNAL AND EXTERNAL SERVICE RENDERING

We continuously aim to improve our service delivery by ensuring effective internal and external communication. We regard communication as a fundamental instrument in achieving success. Meetings are an essential way to converse and brainstorm ideas but also determine solutions and identify potential problems. Most of our staff are not office bound and effective communication becomes crucial. Our notice board is one of the mechanisms that plays a pivotal role in achieving this. We always endeavour to create an organizational culture that is attractive and stimulating, this is evident in our low staff turnover.

## 13.3 QUALITY OF OUTCOMES AND RESULTS

Our quality of outcomes and results are measured by:

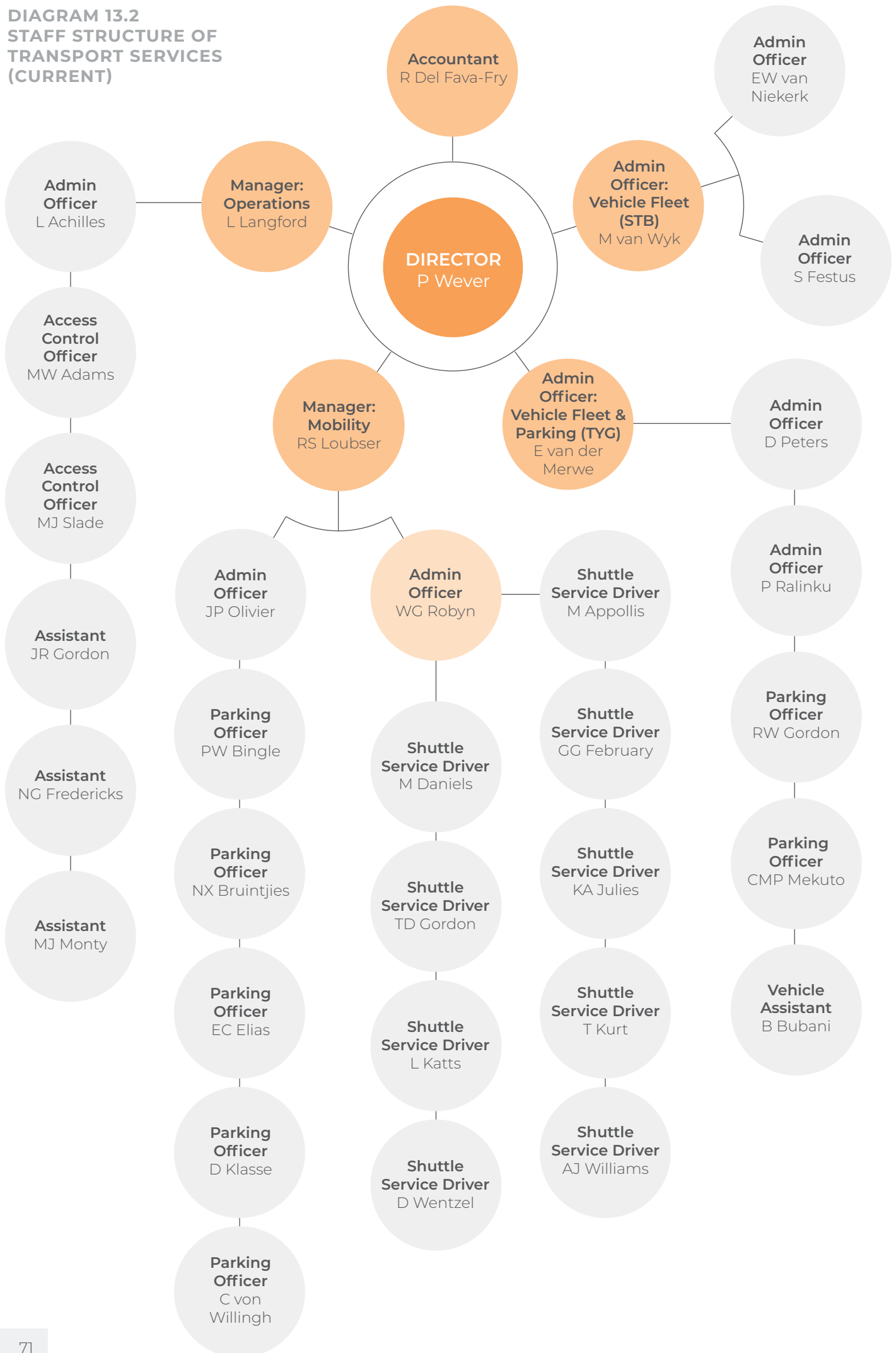
- Accurate budgets
- Relevant financial reporting
- Student and staff feedback
- Sufficient parking solutions for staff and students
- Successfully maintaining the Matie Bikes program
- The results of the survey in Chapter 6

Our Division has expanded immensely over the past few years. (Refer to Diagram 13.1 and 13.2) Through the growth, opportunity and innovations we are able to assist in sustaining the environment thereby contributing to SU being a good corporate citizen. Amidst the challenges facing our Division we continuously strive to fulfil the needs of our staff and students by sourcing new advancements and improving our existing systems. We consider our staff to be our core asset and the pillar of our success. This is testament to what we have achieved and what we know is still attainable

DIAGRAM 13.1 STAFF STRUCTURE OF TRANSPORT SERVICES (2010)



**DIAGRAM 13.2  
STAFF STRUCTURE OF  
TRANSPORT SERVICES  
(CURRENT)**



# CHAPTER 14

## FINANCIAL CONTROLLER

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The need for the function of a Financial Controller was identified in order to provide comfort to management surrounding the internal control environment and prevailing governance practices.

The tasks of the controller include but is not limited to:

- The creation and maintenance of the combined assurance model
- Performing ad hoc financial investigations as required by management and the audit and risk committee
- Improving on the underlying internal control environment where required
- Serving as a link between the Division as well as the greater SU sphere and the internal audit function
- Investigating reports lodged on the Ethics hotline
- Serving as a central support function in the selection and rollout of the new financial system

Currently the role is still in its infancy but is growing rapidly.

The functions of this role are designed to fully support the Finance Division goals by way of creating/reviewing the control environment that enforces compliance with the supporting policy and procedures.

# CHAPTER 15

## SUMMARY

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The process leading up to the finalisation of this report has been lengthy and as a Division, an enormous amount of work and time has gone into the compilation thereof.

It is therefore gratifying to see that the Division has such a service-oriented approach in all its functions and interactions with stakeholders. Summarising such a report can be a difficult task given the vast range of the services that are offered. To conclude we therefore simply include a summary of the key points that the Division will be working on to further improve the service we currently render to all stakeholders. These key points have been formulated with a singular purpose, to better service our very diverse client base. These points will be achieved through proper planning and resource management to be financially sustainable.

We are confident that once implemented it will further enrich the experience for the staff of the Division as well as the stakeholders.

- Investigation into and implementation of new ERP system following thorough RFI process.
- Further refinement of the integrated budget model with regard to the five income streams.
- Further refinement of integrated reporting in line with DHET guidelines.
- King IV gap analysis and implementation project plan.
- Effective recovery of outstanding student fees and loans within the guidelines of the NCA.
- Embedding and further refinement of the combined assurance plan with the help of internal audit and other role players.
- Effective investment management and executing the decisions of the Investment Committee
- Investigating product options for cashless environments.
- Effective cash flow management to service the needs of the ICT and Campus Renewal projects.
- Sound financial management of funds sponsored to key projects by council (ICT, Campus Renewal and Sport).
- Readily available high-level financial information for financial managers to assist with planning.
- Ongoing improvement to communication within the Division as well as with all the relevant internal and external stakeholders. This includes updating the Finance website.
- Further implementation and support for the Campus Mobility Plan.
- Developing financial indicators for the SMI's.
- Expansion and optimization of third stream income.
- Embedding systemic sustainability and the associated social impact.
- Implementation of SunRecords within the Division.

# SECTION C

## SYNOPSIS

### CHAPTER 16

## EVALUATION AGAINST GOOD PRACTICES

In a final round robin exercise held by the Heads of the various subdivisions the management team evaluated the performance of the Finance Division against a set of best practices (refer Section 1.2). The results are tabled below as the consensus opinions reached as well as the results of the previous self-evaluation review cycle. In this way benchmarking could also be performed.

### 1. LEADERSHIP

	YES	NO	PARTLY	2010
1.1 Clearly defined, documented and shared mission, vision, values, plans and goals, aligned with those of the institution?	X			YES
1.2 Two-way communication is standard practice- leaders listen, build consensus and create a sense of community?	X			PARTLY
1.3 Leaders are role models- personally involved, collaborative and tolerant of differing perspectives?	X			YES
1.4 Set improvement goals and motivate?	X			YES
1.5 Enthusiastic and effective advocacy with stakeholder groups?	X			YES
1.6 Encourage feedback on their performance – 360 approach?	X			YES
1.7 Visibly dedicated to the well-being of the organization, its employees and the community?	X			YES



## 2. STRATEGIC PLANNING

	YES	NO	PARTLY	2010
2.1 A formalized planning process and short- and long-term plans exist, and are well understood by all?	X			YES
2.2 The planning process and plans synchronize with the mission, vision, values, goals and objectives, and are integrated with resource allocation?	X			YES
2.3 Attention to assuring coordination and alignment among all organizational levels?	X			YES
2.4 Planning process accommodates crises and unexpected events?	X			YES
2.5 Clear, measurable, aggressive goals and indicators based on trends and comparisons to peers and leading organizations?	X			YES
2.6 Comprehensive communication plan for all internal and external groups?	X			PARTLY

## 3. STAKEHOLDER FOCUS

	YES	NO	PARTLY	2010
3.1 Shared view as to the priority of groups served by the division?	X			YES
3.2 Standardized and systematic approach to assessing the needs, expectations, priorities, perceptions, dissatisfies and satisfaction levels of all major stakeholder groups?	X			YES
3.3 Information on needs and expectations of stakeholder groups used to develop service standards which are implemented and measured throughout the division?	X			YES
3.4 Leaders publicly recognized locally, within state, regionally and nationally for innovation and/ or achievement in service excellence?	X			YES
3.5 Strong focus on people-to-people encounters and enhancing relationship quality and reputation?	X			YES

## 4. INFORMATION FOR IMPROVEMENT

	YES	NO	PARTLY	2010
4.1 Systematic approach to information gathering and use?	X			YES
4.2 Indicators/measures used to develop excellence?	X			YES
4.3 Criteria and measures anchored in division and institutional mission, vision, goals and priorities?	X			YES
4.4 Indicators used to focus and lead the organization?	X			YES
4.5 Systems in place to assure organization-wide access to and use of excellence indicator information?			X	PARTLY
4.6 Information gathered and used to improve efficiency and effectiveness?	X			YES
4.7 Measures link division performance to stakeholder needs?	X			YES
4.8 Information gathered and used to assess, monitor and improve employee satisfaction levels and trends?	X			YES

## 5. STAFF FOCUS

	YES	NO	PARTLY	2010
5.1 Formalized human resources plans?	X			YES
5.2 Plans synchronized individual's work and performance management with mission, vision, plans, achievement goals and service excellence goals of the division and institution?	X			YES
5.3 Systematic efforts to address and assess staff needs, expectations and satisfaction/ dissatisfaction levels?			X	PARTLY
5.4 Professional development philosophy and program with continuous training and education opportunities?	X			YES
5.5 Individual, group and department recognition programs linked with plans and goals?	X			YES

## 6. EFFECTIVENESS OF POLICY AND PROCESSES

	YES	NO	PARTLY	2010
6.1 All mission-critical (core) and support processes identified, well-defined, standardized and appropriately documented?	X			YES
6.2 Improvement efforts focus on processes that are important to users and beneficiaries?	X			YES
6.3 Continuous improvements in effectiveness, efficiency, response/ cycle time, cost, value and service?	X			YES
6.4 Problem prevention and error correction are addressed within normal work process?	X			YES
6.5 Alliances / partnerships / relationships are monitored and valued?	X			YES
6.6 Comparisons and comparative information used systematically?	X			YES
6.7 Cross-functional and cross-department groups are created for processes involving more than one department?	X			YES

## 7. QUALITY OF OUTCOME

	YES	NO	PARTLY	2010
7.1 Quality levels are documented?	X			YES
7.2 Quality levels compare favorably with peers?	X			YES
7.3 Users and beneficiaries are highly satisfied with quality of services?	X			YES
7.4 High levels of divisional staff satisfaction?	X			YES
7.5 Positive alliance, supplier and partner relationships?	X			YES
7.6 Documented and favorable comparisons in all of the above areas in relation to peer, competitor and leading organizations?	X			YES
7.7 Record of significant achievement and continuous improvement of effectiveness, productivity, value and efficiency- particularly in mission-critical processes?	X			YES
7.8 A recognized institutional, regional and national standard-setter?	X			YES

