



**MINISTRY
HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA**

Private Bag X893, Pretoria, 0001, Tel (012) 312 5555, Fax (012) 323 5618

Private Bag X9192, Cape Town, 8000, Tel (021) 469 5150, Fax: (021) 465 7956

Memorandum from the Parliamentary Office

NATIONAL ASSEMBLY

FOR WRITTEN REPLY

QUESTION 537

DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 9 MARCH 2012

(INTERNAL QUESTION PAPER 7)

Mr D A Kganare (Cope) to ask the Minister of Higher Education and Training:

- (1) (a) At which universities has he appointed assessors since his appointment in 2009, (b) what gave rise to the appointment of each assessor, (c) what were the findings of each assessor, (d) how long did each assessor take in each university and (e) how much did each assessor get paid for their task;
- (2) whether he has found that assessors gave value for money spent; if not, what is the position in this regard; if so, what are the reasons for the conclusion? NW691E

Reply:

Reply to question 1 is tabulated below:

	(a) At which universities has he appointed assessors since his appointment in 2009	(b) what gave rise to the appointment of each assessor	(c) what were the findings of each assessor	(d) how long did each assessor take in each university	(e) how much did each assessor get paid for their task
1	Tshwane University of Technology	<p>The decision to appoint an independent assessor arose due to continued governance problems and the lack of progress by Council in respect of recommendations made by both Sithole Commission as well as the KPMG Audit in 2009. On 24 January 2009, the Council decided to set up a Commission of Inquiry, chaired by Advocate MNS Sithole SC to look into the causes of the ongoing student unrest and strikes which had been occurring since the merger of Technikon Northern Gauteng (TNG), Technikon North West (TNW) and Technikon Pretoria (TP) into TUT on 1 January 2004. However by June 2010 very little progress had been made towards implementing the recommendations.</p>	<ul style="list-style-type: none"> ○ The need for Council to re-form and to build a strong Council around people who are professional and understand the concept of fiduciary responsibility. ○ The need for Council to revisit and revise the delegation of authority document in accordance with the guidelines espoused in the King Codes of Good Corporate Governance. ○ Particular care must be exercised to ensure that the management of tenders and large expenditure, or appointment of staff is conducted in an open and transparent manner so that there can be no suspicion of favour. ○ To develop an action plan that was would be submitted to the Department of Higher Education and Training in December 2010. The plan identified the actions needed to restore proper governance and management at the university including the responsibility of Council to receive training in good corporate governance. Council also had the primary responsibility to appoint the Vice-Chancellor and senior management. 	30 working days	R150 000,00

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			<ul style="list-style-type: none"> ○ The essential actions that needed to be implemented by Council if the institution were to be transparent and correct in the performance of good governance were: <ul style="list-style-type: none"> ○ Appointing the Vice Chancellor and other Senior Management based on agreed principles of defined prerequisites and advertised criteria, after advice from the Institutional Forum, usually on performance-based fixed-term contracts. ○ A particular responsibility of Council is to ensure that the University has identified the greatest risks to its reputation, academic quality and fiscal good practices. ○ More especially Council needed to monitor the implementation of actions that contain, reduce, eliminate and quality assure against these risks. This process of monitoring must also stretch to include elected members of Council. 		
2	University of Zululand	The Vice-Chancellor wrote a letter to me highlighting a range of concerns including the functioning of Council and Executive	<ul style="list-style-type: none"> ○ University Governance <p>The relationship between the Vice-Chancellor of the university and Council was unhealthy and bordered on</p>	30 working days initially but	R82 445,00

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		<p>Management, financial and procurement procedures, problems with the work of the Registrar's Office, management of NSFAS allocations, and concerns about student governance. After in depth consideration of the Vice-Chancellor's letter and reports submitted to my Department it was concluded that the institution was not functioning optimally and that intervention was necessary.</p>	<p>dysfunctional.</p> <ul style="list-style-type: none"> o Management and Administration No concrete, overt evidence of wrong-doing by the Rector was submitted, except for the fact that the loyalties of the managers were divided between the old establishment and Council. o The Office of the Vice-Rector and Vice Chancellor The senior executive staff felt inadequate or felt that the new incumbent had no faith and confidence in them. o Student Governance The University operated without an SRC from 2009 to 2010, after the aborted elections held in 2009. o Financial Management and Procurement Practices It was clear from the submissions received that there were gross irregularities in policy and practice under this heading. There was constant reference to the involvement of Council members or their relatives in lucrative University tenders and businesses. 	<p>extended with 18 working days because of December recess</p>	
3	Walter Sisulu University	In May 2011 the Chairperson of Council wrote a formal letter requesting	<ul style="list-style-type: none"> o Financial Stability o The institution had severe cash flow problems and 	10 working	R50 000,00

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		<p>intervention at WSU in order to comprehensively deal with challenges facing WSU. The Chairperson made it clear that many of the problems identified in 2005/2007 by the management still persisted and in many respects were getting worse. WSU was in dire financial straits. I met with the full Council of WSU on 12 July 2011 to discuss the problems and a request for intervention and after consultation I took a decision to appoint an Independent Assessor to assess the source and nature of problems facing the institution and to make recommendations on the way forward.</p>	<p>battled to meet payroll from month to month.</p> <ul style="list-style-type: none"> ○ At its founding on 1 July 2005, two of the three merging institutions were insolvent with the third on the way to insolvency, and WSU has operated on a deficit budget for the last five years. ○ The Academic Enterprise <ul style="list-style-type: none"> ○ The teaching and learning enterprise at WSU was beset with problems at many levels. The Senate as the statutory academic governing body was dysfunctional. ○ Academic success as measured by pass rates and graduation rates remained significantly below national benchmarks. ○ Student Affairs <ul style="list-style-type: none"> ○ The situation in student affairs was near-shambles, in part because of management's inability to establish: <ul style="list-style-type: none"> ○ A robust, competent, coherent and efficient student affairs administration, and in part because of ; ○ Political infighting and poor governance within the student community itself. 	<p>days.</p>	

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			<ul style="list-style-type: none"> o Labour Unions o Both unions had many grievances against the university over such matters as the financial crunch, human resource issues, and what they regarded as mismanagement and maladministration on many levels. 		
4	Vaal University of Technology	<p>Since 2004 the Vaal University of Technology has been plagued with problems relating to administration, governance and management. A commission of enquiry to investigate the problems at Vaal University of Technology affairs was appointed in August 2005. The report of the Commission made a number of recommendations including that the Council should institute a disciplinary process against the then Vice Chancellor, Professor Mokadi. The outcome of the disciplinary process endorsed by the Council led to the dismissal of Professor Mokadi. Even though the Council</p>	<p>Although the report has been finalised, it has not yet been sent to me for consideration.</p>	10 working days	R50 000,00

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		<p>appointed a new Vice Chancellor, problems persisted, including factions operating at cross purposes within the university management and leadership leading to a variety of protests and other disputes.</p> <p>In September 2011, I received a memorandum from a group claiming to be Black Academics at the institution requesting my intervention in what they called, the race based system of appointments that took place at the university.</p> <p>On 15 November 2011 a meeting between Departmental officials, university management and represented unions (NEHAWU and NTEU) was held to discuss the situation and smooth running of the university. It became evident that a further investigation into the affairs of VUT</p>			

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		was needed as a matter of urgency to ensure that stability and credibility of the institution is not compromised. The Council was consulted and agreed that such an Independent Assessment was required.			
5	Central University of Technology	In February 2011, I received an anonymous letter from "Concerned Staff" at the University making serious allegations of maladministration, corruption and denigration of human rights purportedly committed by a Deputy Vice Chancellor at the institution. The letter alleged that these improper acts were happening with the knowledge of the Vice Chancellor who apparently decided to turn a blind eye on the matters. The Vice Chancellor was also implicated in the letter with allegations of acts of corruption, nepotism and maladministration	The investigation started on 12 March 2012. It is not complete.	15 working days	R75 000,00

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		<p>Upon receiving the letter, my Department wrote to the University Council requesting that it address the allegations and provide me with a report. The Council indicated that it had appointed KPMG to carry out an investigation into the merits/demerits of the allegations. It further indicated that it would provide me with the report of the investigation.</p> <p>Despite several requests, by the end of October 2011 the KPMG report had not been provided as promised by Council. Instead my Department found out from sources other than the Council that the CUT Council had terminated the services of KPMG and had appointed an Advocate Lubbe to carry out the investigation.</p> <p>In early November 2011, the Ministerial appointees to the Council of CUT met with Departmental officials to brief them about</p>			

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		<p>the appointment of the audit firm KPMG, its failure to complete a report and the subsequent appointment of Adv Lubbe. It was alleged that no report had been submitted to Council by KPMG or Adv Lubbe, despite a number of contrary reports, including an e-mail from KPMG indicating that they had provided such to CUT.</p> <p>It was only after I had written to the CUT Council in January 2012 informing them that due to their failure to deal with this situation I intended to appoint an Independent Assessor, that the Council requested a meeting to present me with the Lubbe Report. I agreed and delegated my Director General to meet with the Council on my behalf.</p> <p>The Lubbe report provided by the Council suggested that the allegations did have</p>			

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		<p>merit. However, the Council suggested an Independent Assessor need not be appointed as it would start a third independent investigation itself. The Council presented an image of being in control of the situation and that the institution was under good governance and management. However, the fact that it had instituted two investigations and was about to start with a third one was an indication that there were serious problems, not only with management and governance but also with its leadership. In addition it transpired that Advocate Lubbe's investigation was terminated when it was almost complete and then re-instated about two weeks later, with no credible explanation being given as to why it was terminated prematurely in the first place. This is at best an indication of indecisiveness by Council, and at worst</p>			

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		points to suspicions of a cover up of wrongdoing. Hence I made my decision to appoint an Independent Assessor to investigate the affairs of CUT, rather than agree to Council instigating a third investigation itself, when I could have no confidence that they could manage that after having failed to effectively investigate the matter for almost a year.			

- (2) Yes assessors have given value for money spent. Assessors have been able to identify key issues that confront some of our higher education institutions which enabled/will enable me as the Minister to initiate appropriate interventions that will restore good governance and most importantly the culture of teaching and learning at these institutions