



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



Great Place. Great Choice for Lifelong Learning.

**ANNUAL PERFORMANCE REPORT
FOR
TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING
COLLEGES**

**Department of Higher Education and Training
2019**

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1. INTRODUCTION

2. ABBREVIATIONS AND ACRONYMS

AG	Auditor General
AGRISETA	Agriculture Sector Education and Training Authority
ASB	Accounting Standards Board
APP	Annual Performance Plan
CAT	Continuous Assessment Task
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Education and Training Authority
CHIETA	Chemical Industries Education & Training Authority
CIP	College Improvement Plan
COSACSA	College, Sport, Arts & Culture South Africa
COSSA	College Sports South Africa
CSAS	College Students Attainment Strategy
CSRC	Campus Student Representative Council
DHET	Department of Higher Education & Training
DOH	Department of Health
ECD	Early Childhood Development
ETDP SETA	Education, Training and Development Practices Sector Education & Training Authority
EW SETA	Energy and Water Sector Education and Training Authority
FASSET	Financial, Accounting, Management, Consulting and other Financial Services Sector Education & Training
GEHS	Government Employees Housing Scheme
GRAAP	Generally Recognised Accepted Accounting Principles
HR	Human Resources
HRD	Human Resources Development
HRM	Human Resources Management
HoD	Head of Department
IDC	Industrial Development Corporation
IEC	Independent Electoral Commission
ICASS	Internal Continuous Assessment
ISAT	Integrated Summative Assessment
IT	Information Technology
MERSETA	Manufacturing, Engineering & Relating Services Sector Education & Training Authority
MICTSETA	Media, Information and Communication Technology Sector Education & Training Authority
MIS	Management Information System

MoU	Memorandum of Understanding
MQA	Mining Qualification Authority
NATED	National Technical Education Diploma
NC (V)	National Certificate (Vocational)
NGO	Non -Governmental Organisation
NQF	National Qualifications Framework
NSF	National Skills Fund
NSFAS	National Students Financial Aid Scheme
NYDA	National Youth Development Agency
PoA	Portfolio of Assessment
PoE	Portfolio of Evidence
PLP	Pre -Vocational Learning Programme
PSETA	Public Sector Education & Training Authority
PQM	Programme Qualification Mix
QMS	Quality Management System
SABS	South African Bureau of Standards
SACPO	South African College Principal's Organisation
SANDF	South African National Defence Force
SARS	South African Revenue Service
SANBS	South African National Blood Services
SATICA	South African Tertiary Institution Choral Music Association Festival
SETA	Sector Education and Training Authority
SHERQ	Safety Health Environment Risk and Quality Management
SLO	Student Liaison Officer
SRC	Students Representative Council
SSS	Students Support Services
TETA	Transport Education and Training Authority
TVET	Technical & Vocation Education and Training
WBE	Workplace-based experience
WE	Workplace exposure
WIL	Work-integrated learning
WSSA	World Skills South Africa
W&R SETA	Wholesaler & Retailer Sector Education & Training Authority
VAT	Value Added Tax

PART A: GENERAL OVERVIEW

3. MESSAGE FROM THE COUNCIL CHAIRPERSON

We have entered an age of newness which necessitates a new way of thinking. The World we live in is complex and unpredictable. The question is how to deal with the complexity, more so the predictability. There are different ways of seeing the world. The world we live in is in revolutionary era full of surprises and innovation. We need to think like Revolutionaries. People who do not act as revolutionaries in a revolution; we have one word for them: Victims.

We have to adapt our old thinking to the New World. When Isaac Newton's Physics failed to explain how things worked at a sub atomic level; his theories were not dumped; rather Einstein's theory proved that Newton's laws had to be modified for objects moving at a higher speed. As a College Council we have experienced the age of newness filled with complexity and unpredictability. The newly appointed Council commenced its work diligently in March 2019. The Council took its fiduciary responsibility seriously and immediately took to drafting the Strategic Plan and an Annual Performance Plan of Maluti TVET College. The newly appointed Council gracefully accepted the baton passed on to it by the previous Council that played a pivotal role in guiding the College to be a beacon sterling corporate governance.

None of us predicted the COVID- 19 pandemic. The COVID-19 pandemic is first and foremost a health crisis before it could be termed an education crisis. The crisis crystallises the dilemma policymakers are facing between closing schools (reducing contact and saving lives) and keeping them open (allowing workers to work and maintaining the economy). The severe short-term disruption is felt by many families around the country. Teaching is moving online, on an untested and unprecedented scale. Student assessments are also moving online, with a lot of trial and error and uncertainty for everyone. Many assessments have simply been cancelled. Importantly, these interruptions will not just be a short-term issue, but can also have long-term consequences for the affected cohorts and are likely to increase inequality. The closure of our College did not only interrupt the teaching for students at our various campuses; the closure also coincides with a key assessment period and many exams have been postponed or cancelled. The effects of the closure are largest for students from disadvantaged backgrounds.

The careers of this year's College graduates may be severely affected by the COVID-19 pandemic. They have experienced major teaching interruptions in the final part of their studies, they are experiencing major interruptions in their assessments, and finally they are likely to graduate at the beginning of a major global recession. Evidence suggests that poor market conditions at labour market entry cause workers to accept lower paid jobs, and that this has permanent effects for the careers of some. The Council will monitor the labour movements of its students in the coming years.

COVID-19 has caused major (and likely unequal) interruption in students' learning; disruptions in internal assessments; and the cancellation of public assessments for qualifications or their replacement by an inferior alternative.

The Maluti College Council has committed itself to mitigate these negative impacts. The College needs resources to rebuild the loss in learning. Preventing a learning crisis from becoming a generational catastrophe requires urgent action from all. Education and Training is not only a fundamental human right. It is an enabling right with direct impact on the realization of all other human rights. It is a global common good and a primary driver of progress across all 17 Sustainable Development Goals as a bedrock of just, equal, inclusive peaceful societies. When education systems collapse, peace, prosperous and productive societies cannot be sustained. In order to mitigate the potentially devastating consequences of the COVID-19 pandemic, the Maluti TVET College Council encourages stakeholders to pursue the following policy responses:

▪ **SUPPRESS TRANSMISSION OF THE VIRUS AND PLAN THOROUGHLY FOR THE COLLEGE RE-OPENINGS:**

The single most significant step for the Maluti College Council is to suppress transmission of the virus to control outbreaks. Once they have done so, to deal with the complex challenge of reopening, it is important to be guided by the following parameters: ensure the safety of all; plan for inclusive re-opening; listen to the voices of all concerned; and coordinate with key actors, including the health community.

▪ **PROTECT EDUCATION FINANCING AND COORDINATE FOR IMPACT:**

The pandemic has pushed the world into a deep global recession in living memory which will have lasting effects on economies and public finances. The College Council need to protect education financing through the following avenues: strengthen revenue mobilization, preserve the share of expenditure for education as a top priority and address inefficiencies in education spending; strengthen debt collection; and protect student development and assistance for education.

▪ **BUILD RESILIENT EDUCATION SYSTEMS FOR EQUITABLE AND SUSTAINABLE DEVELOPMENT:**

The Council is committed to strengthening the resilience of education systems that will enable South Africa to respond to the immediate challenges of safe education and training and positions them to better cope with future crises. In this regard, the Council commits itself to focus on equity and inclusion; reinforce capacities for risk management, at all levels of the system; ensure strong leadership and coordination; and enhance consultation and communication mechanisms.

▪ **REIMAGINE EDUCATION AND ACCELERATE CHANGE IN TEACHING AND LEARNING:**

The massive efforts made in a short time to respond to the shocks to education systems remind us that change is possible. We should seize the opportunity to find new ways to address the learning crisis and bring about a set of solutions previously considered difficult or impossible to implement. The following entry points could be to the fore of our efforts:

- focus on addressing learning losses and preventing dropouts, particularly of marginalized groups;
 - offer skills for employability programmes; support the teaching profession and teachers' readiness; expand the definition of the right to education to include connectivity;
 - remove barriers to connectivity;
 - strengthen data and monitoring of learning;
- strengthen the articulation and flexibility across levels and types of education and training.



Dr. R A Patel
Council Chairperson

VISION

To provide excellence, innovation and success that inspires entrepreneurship and employability to transform lives.

MISSION

- Offer relevant and responsive areas of learning, knowledge and skills
- Provide world class programmes in partnership with institutions of excellence nationally and internationally.
- Sustain public confidence in Maluti TVET College.
- Maintain a world class culture of teaching and learning.
- Provide opportunities for lifelong learning.

CORPORATE VALUES

At Maluti TVET College we are guided by the following values which are important to us as an organisation.

VALUE	BEHAVIOUR
Leadership	We value leadership in directing performance of others in the TVET sector and leading the way.
Teamwork	Our employees work as a team and value the contributions of each individual. We know that our people are our most important resource.
Integrity	At Maluti TVET College we observe uprightness and sincerity in all our conduct.
Accountability	At Maluti TVET College we commit to be responsible for our actions at all times.
Innovation	At Maluti TVET College we are in the forefront of change and are open to future developments and strive to continuously be open-minded in conducting our core business without diminishing new possibilities.
Professionalism	At Maluti TVET College we accept that we should conduct ourselves ethically and with discipline. We must always show commitment, reliability and present ourselves in ways that are exemplary to others.
Transparency	At Maluti TVET College we strive for sound management and leadership hence we strive for openness in all our operations.
Redress	At Maluti TVET College we are conscious of the historical background of our country hence we strive for the upliftment of previously disadvantaged individuals.
Inclusiveness	At Maluti TVET College we work as a team and value the contribution of each individual and each stakeholder. We know that our people are our most important resource.

Sustainability	At Maluti TVET College we strive to meet the needs of the present without diminishing future opportunities.
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4. THE ACCOUNTING OFFICER'S FOREWORD

As one of the 50 colleges in South Africa and through its mandate from the CET Act 16 of 2006 which drives the acquisition of knowledge, practical skills and applied vocational and occupational competencies the college placed its resources to support this core business in 2019.

As a results, the College placed its resources to support the holistic development of students and the section under student support services and curriculum address this goal. The academic performance of students improved through the involvement of various industries where such students were placed to ensure that they gained practical skills. The initiative was further taken through placement even in China through the various SETA funding, which was one of the greatest development. Furthermore, the delivery of quality teaching and learning was further enhanced through the retention of SABS accreditation of the College in ISO 9001:2015 certification which benchmark the College with international standard. The benchmark resulted in the participation of Maluti TVET College in the World Skills Competitions initiatives and obtaining bronze in the national preliminaries.

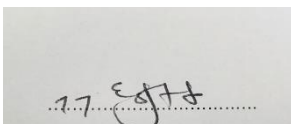
The marketing drives were very effective and efficient hence the College obtained good performance in the national Sasol exhibitions. Another recognition was through the Golden Arrow Award from PMR Africa which conducted the provincial surveys to measure, amongst others, the brand awareness and the contributions to economic growth and development of the regional. Furthermore, the College was nominated in the finalists for TOPCO awards on the driver for change category and in Education and Development category which sought to acknowledge initiatives that drive the Vision 2030 milestones.

The College regressed in the AGSA opinion from unqualified to a qualification and systems have been put in place to remedy the regression. Furthermore, the investment in the staff development programmes was driven well.

A stakeholder-approach was needed in order for Maluti TVET College to fully achieve its objectives where they invested through various resources for sound administration of the College. I acknowledge:

- The College management in their core function of planning, organising, leading and controlling functions.

- The College Council, even though their appointment was long overdue but upon its appointment it redirected the College to provide excellence, innovation and success that inspired entrepreneurship and employability to transform lives.
- The staff which included the lecturers, administration and support of the Maluti TVET College for their outstanding performance in the various aspects of their responsibility areas.
- The Campus Management and Unit Managers for their excellent work.
- The SRC of the College for articulating the views of the students in a manner that enhanced the smooth running of the College and further ensured that students are incorporated in the governance structures and day to day processes of the College
- The employers who have allowed “their working spaces to be the teaching and learning spaces”.
- The funders who availed various funds to ensure the full complement of the curriculum is achieved.
- DHET for their support in ensuring that the mandate of Colleges is carried out. The maintenance budget and the funding through NSFAS which really assisted various categories of students.
- Various partners who joined hands with Maluti TVET College in shaping the exposure students had in teaching and learning.

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VE Mabena

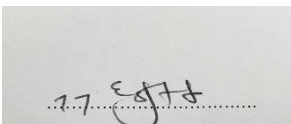
Principal

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

To the best of my knowledge and belief, I confirm the following:

1. All information and amounts disclosed throughout this annual report are correct.
2. The annual report has been prepared in accordance with the guidelines issued by the Department of Higher Education and Training.
3. The annual financial statements have been prepared in accordance with the relevant standards, frameworks and guidelines issued by National Treasury.
4. The Accounting Officer, i.e. the Principal, is responsible for the preparation of the annual financial statements and for the judgements made in this document.
5. The Accounting Officer, i.e. the Principal, is responsible for establishing and implementing a system of internal controls that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
6. The Auditor-General and/or external auditors express an independent opinion on the annual financial statements.

In my opinion, this annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of Maluti TVET College for the financial year ended 31st December 2019

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VE Mabena (Mr)

Principal

6. LEGISLATION AND OTHER DIRECTIVES

6.1 LEGISLATIVE FRAMEWORK

Maluti TVET College is enjoined by Section 44(3) of the Act, read in conjunction with section 25(3) of the same Act to prepare and submit to the Minister for Higher Education and Training an annual report.

In terms of Sections 25(3) and 25(4) of the Continuing Education and Training (CET) Colleges Act, No. 16 of 2006 (as amended), public technical and vocational education and training (TVET) colleges are required to produce annual financial reports and to comply with any reasonable additional reporting requirement established by the Minister. Moreover, Section 44 of the Act requires colleges to annually report to the Minister in respect of its performance and its use of available resources.

In addition, these pieces of legislation govern and steer the College in terms of the achievement of its strategic and performance objectives.

6.2 LEGISLATIVE AND OTHER MANDATES

The legislative and policy mandates as captured in the 2015/16 - 2019/20 strategic plan of the college.

The *Constitution of the Republic of South Africa* (Section 29(1) - (4)) provides for the right to basic and further education to everyone in the official language of their choice provided equity, redress and practicability are taken into account. In addition, the *Continuing Education and Training (CET) Colleges Act (No 16 of 2006)* provides for the regulation of continuing and further education and training through the establishment, governance and funding of public technical and vocational education and training (TVET) colleges and the promotion of quality in continuing education and training.

Further sets of legislation that impact on the TVET colleges' sector and its strategic and national imperatives are listed below:

- *National Qualifications Framework (NQF) Act (No 67 of 2008);*
- *Higher Education (HE) Act (No 101 of 1997);*
- *Skills Development Act (No 97 of 1998);*
- *Skills Development Levies Act (no 9 of 1999);* and
- *General and Further Education and Training Quality Assurance Act (No 58 of 2001).*

In addition, the *White Paper for Post-School Education and Training* mandates delivery and strategic priorities in the TVET colleges' sector.

Other policy mandates include:

- *National Trade Testing Regulations;*
- *SETA Grant Regulations;*
- *National Skills Development Strategy;*
- *Public TVET College Attendance and Punctuality Policy;* and
- *Policy on the Conduct of National Examinations and Assessment.*

PART B: GOVERNANCE

7. REPORT OF COUNCIL CHAIRPERSON

The College Council identified the following risks and the controls in place to mitigate them:

No.	Description of Risk	Root Cause	Existing Controls
1.	Inconsistency in NSFAS Funding	- Funding decision not concluded; - Inconsistency in communicating with the college	Payments done according to NSFAS remittance list; Weekly sessions with NSFAS
2.	Shortage of classrooms	- High progression rate; - Lack of funding for additional classrooms; - Lack of implementation of blended learning	- Mobile classrooms; - Introducing LMS; - Introducing Wi -Fi at all sites. - Avail laptop resources to lecturers
3.	Low experiential learning targets achieved and employability skills	- Lack of SETA funding for stipends	- Source funding from other potential funders.
		Students lacking soft skills	Students are provided with professional counselling as well as enterprise and employability skills
4.	System failures	Technology neglect, Cyber attacks	Firewalls, maintenance, Leadership skills
5.	Ransom Hack of our Central Server	Security gaps that we are not aware off	Firewall, Routine Maintenance, Management

7.1 CONSTITUTION OF THE COLLEGE COUNCIL AND GOVERNANCE STRUCTURES

Report on:

i. Names of Council Chairperson and members as well as their designated functions;

No.	Title	Name or Initial	Surname	Designation
1.	Mr.	Veli E	Mabena	Principal
2.	Dr.	Raymond Andrew	Patel	Council Chairperson
3.	Mr.	Qhegu Wilson	Lefora	Deputy Council. Chair
4.	Mr.	Mpho	Mokhantso	External Council Member
5.	Dr.	Veronica Zanele	Masuku	External Council Member
6.	Ms.	Penelope Nkhiki	Nthunya	External Council Member
7.	Mr.	Makheo	Mahamotsa	External Council Member
8.	Mr.	Lehasa Oupa	Mazibuko	External Council Member
9.	Advocate	Thomas Edward	Tsoeu	External Council Member
10.	Mr.	Tsietsi Godfrey	Makgale	External Council Member
11.	Dr.	Tsoabisi Pakiso Ensley	Tondi	External Council Member
12.	Mr.	Ditlakala Frans	Mokale	External Council Member
13.	Mr.	Lehlohonolo Joshua	Zwane	Educator
14.	Mrs.	Sibongile Merriam	Mthabela-Mosia	Support staff
15.	Ms.	Kehilwe Sophia	Manzini	Secretary for Council
16.	Mr.	N	Motaung	Student Representative Council Member

17.	Mr.	B	Mabizela	Student Representative Council Member
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ii. **Appointments made in the year in terms of sections 10(4) and 10(6) of the CET Act;**

Title	Name or Initial	Surname	Appointment	Designation	Appointment Date
Mr.	Veli E	Mabena	Internal College Member-Section 4(a)	Principal	01/08/2019
Dr.	Raymond Andrew	Patel	External - Section 10(4)(b)	Council Chairperson	02/03/2019
Mr.	Qhegu Wilson	Lefora	External - Section 10(4)(b)	Deputy Council. Chair	02/03/2019
Mr.	Mpho	Mokhantso	External - Section 10(4)(b)	External Council Member	02/03/2019
Dr.	Veronica Zanele	Masuku	External - Section 10(4)(b)	External Council Member	02/03/2019
Ms.	Penelope Nkhiki	Nthunya	External - Section 10(4)(b)	External Council Member	02/03/2019
Mr.	Makheo	Mahamotsa	External - Section 10(6)	External Council Member	01/08/2019
Mr.	Lehasa Oupa	Mazibuko	External - Section 10(6)	External Council Member	01/08/2019
Advocate	Thomas Edward	Tsoeu	External - Section 10(6)	External Council Member	01/08/2019
Mr.	Tsietsi Godfrey	Makgale	External - Section 10(6)	External Council Member	01/08/2019
Dr.	Tsoabisi Pakiso Ensley	Tondi	External - Section 10(6)	External Council Member	01/08/2019
Mr.	Ditlakala Frans	Mokale	External - Section 10(6)	External Council Member	18/11/2019
Mr.	Lehlohonolo Joshua	Zwane	Internal college member-Section 10(4)(e)	Educator	14/08/2019
Mrs.	Sibongile Merriam	Mthabela- Mosia	Internal college member-Section 10(4)(f)	Support staff	14/08/2019
Ms.	Kehilwe Sophia	Manzini	Internal college member- Secretary	College Management and Council Member	01/08/2019
Mr.	N	Motaung	Internal college member-Section 10 (4)(g)	Student Representative Council Member	2019
Mr.	S	Msimanga	Internal college member-Section 10(4)(g)	Student Representative Council Member	2019

Office Bearers of the Council

The election of the Chairperson and Vice Chairperson were done in accordance with Section 10(5) of the CET Act and the following were positioned as per the regulation:

- (a) Council Chairperson 10(4) (b) appointment - Dr R A Patel
- (b) Deputy Chairperson also elected form the Section 10(4)(b) –Mr QW Lefora
- (c) Secretary, also an internal member-Mrs KS Manzini

To ensure that Council members have the background on how colleges operate and understand their role, induction was arranged by both the Department of Higher Education and Training and also the college as follows:

- The Ministerial appointees and Principal attended induction arranged by DHET on the 3rd -4th May 2019 at Kopanong Hotel.
- The College arranged induction for all Council members 16-17 August 2019 at Lalanathi Country Guesthouse.

iii. **Number of meetings held;**

NUMBER OF MEETINGS HELD	
TYPE OF MEETING	DATE
Council	03 October 2019 & 29 November 2019
Special Council	20 March 2019 & 07 June 2019
Executive Committee of Council	30 September 2019 & 15 November 2019
Human Resources Committee	12 September 2019 & 29 October 2019
IT Committee	30 June 2019, 13 September 2019 & 01 November 2019
Resources and Planning	05 September 2019 & 16 October 2019
Finance committee	13 September 2019 & 01 November 2019
Audit and Risk Committee	13 September 2019, 23 September 2019 & 08 November 2019

iv. **Maluti TVET College Council performance and functions were in compliance with Section 10(1-3) of the CET Act;**

- The statute that was approved in 2014 was still effective and adhered to.
- Even though 2019 started at a slow pace due to the late appointment of Council, the College finally received the Minister's appointments according to Section 10(4) (b) which later appointed the Section 10 (6) in consultation with the Minister and all the other sections of Section 4 were in place.
- Strategic Plan was reviewed on the 13-14 September 2019

v. **Statement of College Council Functionality;**

The College Council is responsible for giving strategic direction for the College, setting the tone for good governance whilst ensuring that the College achieves its mandate through review of corporate strategy, monitoring compliance with applicable laws and monitoring performance against set standards. The College Council was also responsible for;

- Development of the College Strategic Plan: The current Council approved the current Strategic Plan and placed its emphasis on the review of the vision, mission and the strategic goals,
- It ensured that Council Statute which was developed was followed in governing the College,
- Development and approval of policies: The College Council approved the policies that went for review. The approved policies were in Human Resources, Finance, Student Support Services and Curriculum.
- Monitored and reported on performance of the College to the Minister: An Annual Report for 2018 was submitted to the Minister.

- Ensuring that the College, in consultation with the SRC, provided Student Support Services (structure) which advised on the policy for the Student Support Services: The SRC is part of the governance structure and sits in Academic Board and in Council to deliberate on services students receive.
- Approval of college PQMs: The Council approved the College PQMs in 2019 as mandated by the CET Act 16 of 2006.
- Approval of 2019 tuition and hostel fees
- The establishment of Council Committees: The College Council established various committees in compliance with the CET Act and those committees are chaired by experts in the relevant field.

vi. **Statement of Council on Governance;**

The College Council of Maluti TVET College has been complying with the CET Act and other related codes and laws. The Council has observes the King IV Code King IV Principles of Good Governance and therefore understands its roles, responsibilities, organizational expectations and what expected of committees.

The sections below set out the ways in which the Council applies the key principles of the King Code in support of the Council's medium to long-term success.

The primary responsibility of the Chair is to lead the Council effectively and this includes overseeing the adoption, delivery and communication of the Maluti College Council's corporate governance model. The College Secretary assists and reports directly to the Chair and Council on corporate governance matters. The Chair ensures that the Council as a whole plays a full and constructive part in the development and determination of the Council's strategy, overall objectives and Annual Performance Plan. The Council ensures that the College adopts policies and procedures that the Council Members consider appropriate with regard to the College's mandate and activities.

The Council is committed to ensuring that a strong governance framework operates throughout the College, recognising that good corporate governance is a vital component to support management in their delivery of the Colleges strategic objectives, and to operate a sustainable business for the benefit of all stakeholders. The Council recognises that the process of identifying, developing and maintaining high standards of corporate governance suitable for the College's sustainability as a going concern.

The Council consider that the King IV Principles is most appropriate to the College, the regulatory framework that applies to public entities and government departments are best aligned to the expectations of the Colleges stakeholders. The Council considers that the College does not depart from any of the principles of KING IV and the relevant explanations are set out in this execution of the Maluti Councils adherence of the 10 principles of corporate governance below

Deliver growth

1. Establish a strategy and business model which promote long-term value for shareholders.
2. Seek to understand and meet shareholder needs and expectations.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.

Maintain a dynamic management framework

5. Maintain the Council as a well-functioning, balanced team.
6. Ensure that between them the College Council Members have the necessary up-to-date experience, skills and capabilities.
7. Evaluate Council performance based on clear and relevant objectives, seeking continuous improvement.
8. Promote a corporate culture that is based on ethical values and behaviours.
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Council.

Build trust

10. Communicate how the College is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Role and Functioning of the Council

As per Section 10 (4) of the CET act 16 of 2006 as amended the college council is made up of;

- a) The Principal
- b) Five external persons appointed by the Minister
- c) One member of the Academic Board elected by the Academic Board
- d) One external member representing the donor
- e) One lecturer of the Public College, elected by the lecturers of the College
- f) One member of support staff of the Public College, elected the support staff and;
- g) Two students of the Public College elected by the student representative council of the Public College.

The Principal and his executive team have a balance and depth of skills and experience, together with long-standing knowledge of the College, which enables them to discharge their respective duties and responsibilities effectively.

The Council is collectively responsible for the long-term success of the College. The College's strategy and business model are developed by the Chief Executive Officer and the senior management team and approved by the Council. The management team, led by the Chief Executive Officer, is responsible for implementing the strategy and managing the business at an operational level. This strategy and business

model, designed to promote long-term value for shareholders, is described in the Strategic Plan and in the detailed Annual Performance Plan.

The College is controlled through the Council, which has established Committees for Audit and Risk, Information Technology, Finance and Investment, Human Resource Committee and Academic Board, to which it delegates clearly defined powers. The Terms of Reference for the Committees are available.

There is a formal schedule of matters reserved for consideration by the Council, which include responsibility for the following:

- approval of overall College strategy and objectives
- approval of the College annual budget and monitoring progress towards its achievement
- changes to the College's capital expenditure
- changes to the College's principal activities
- review and approval of the annual financial statements
- changes to the senior management structure
- approval of College financing arrangements and treasury policy
- approval of major investments, disposals and additional investments in existing operations
- approval of major unbudgeted expenditure
- approval of student tuition and hostel fees

These reserved matters are reviewed by the Council, at least annually, to ensure they remain appropriate and complete. In tandem, the Council also reviews an approved schedule of operational matters, which are delegated to management of the operating subsidiaries.

vii. **Executive Committee of Council.**

The Chair persons of different Committee's seats in the Executive Committee of Council and two meetings were held during the 2019 Academic year

No.	Name	Position	30 th September 2019	15 th November 2019
1.	Dr. RA Patel	Committee Chairperson (External Member)	✓	✓
2.	Mr Mahamotsa	External Member	✓	✓
3	Mr TG Makgale	External Member	✓	✓
4.	Mr VE Mabena	Principal (Accounting Officer)	✓	✓
5.	Ms KS Manzini	Internal Member (Committee Secretary)	✓	✓
6.	Ms NM Msimanga	Internal Member (Committee Secretary)	✓	✓

In the first meeting the different committees presented their subcommittees reports. The purpose for that meeting was to deal with outstanding matters that had not been finalised by the previous Council.

7.2 REPORTS BY COMMITTEES OF COUNCIL

The College Council formed committees of Council as stipulated in the CET Act and these are chaired by experts in various fields. Each committee has to develop a charter which is approved by the Council and operate within parameters set by charter. According to Act, Council and its Committees must hold quarterly meetings i.e. four annually.

i. Audit & Risk Committee.

No.	Name	Position	13 th of September 2019	23 rd of September 2019	08 th of November 2019
1.	Mr. TG Makgale	Committee Chairperson (External Member)	✓	✓	✓
2.	Mr. Mazibuko	External Member	✓	✓	✗
3.	Advocate Tsoeu	External Member	✓	✗	✓
4.	Mr. VE Mabena	Principal (Accounting Officer)	✓	✓	✗
5.	Ms S Wiggett	Deputy Principal: Finance	✓	✓	✓
6.	Ms KL Mkhalihi	Head of Internal Audit Unit (Committee Secretary)	✓	✓	✓

The Audit and Risk Committee is a Council Committee made up of three internal members of the College and three external members who are free from any business or other relationship that could materially interfere with them exercising their independent/objective judgment as members of these Committee.

Performance in terms of its statutory functions.

The Audit Committee had three meetings during 2019 which were on the: 13 September 2019, 23 September 2019 and 08 November 2019.

(a) First Meeting Date: 13 September 2019 Reasons and Performance:

- Audit Committee Charter
- Internal Audit Charter
- Internal Audit Plan
- Auditor General Report and Audited Financial Statement
- Due Diligence Report

(b) Second Meeting Date: 23 September 2019 Reasons and Performance:

- Internal Audit Report: Curriculum Affairs
- Internal Audit Report: Fleet Management
- Internal Audit Report: Human Resources (Leave Administration)
- Risk Management

(c) Third Meeting Date: 08 November 2019 Reasons and Performance:

- Management Audit Action Plan
- SABS Report
- Non-Conformance Register

- Risk Register

The Committee considered the various risks facing the College and conducted its meetings to ensure that it covered the various risks as identified.

The following matters of importance were discussed and recommended to the Council, where appropriate:

- Approval of 2019 Audited Financial Statements;
- Approval of the Institutional Risk Register;
- Approval of Audit Strategy and AG's Fees for the financial year ending 31 December 2019.

Based on the information provided in the various reports above, it is evident that Risk Management is an integral part of the strategic and operational activities of the College and not a stand-alone process, driven on its own. The Committee will continue with its work to ensure that College Risks and Strategic Objectives are reviewed and monitored during 2020.

ii. Finance Committee.

Finance Committee Members:

No	Name	Position	13 th of September 2019	01 st of November 2019
1.	Mr. L. Mazibuko	Chairperson (External Member)	✓	✗
2.	Mr. W. Lefora	Deputy Chairperson (External Member)	✓	✓
3.	Mr. M. Mokhantso	External Member	✗	✓
4.	Ms. S. Wiggett	Internal Member (CFO)	✓	✓
5.	Mr. AJ. Jordaan	Internal Member	✓	✓
6.	Mrs. I. K. van Heerden	Internal Member (Secretary)	✓	✓
7.	Ms. N. Zulu	Internal Member	✓	✓

The Finance Committee operates in accordance with the Finance Committee Charter, which is reviewed and approved by the Council on an annual basis.

Role of the Committee:

The Committee assists the Council in assessing financial operations and performance of the College. The committee was formed to ensure that the interests of all stakeholders are taken into account when decisions are made. The authority to accept or reject the recommendation of the Finance Committee remains with the Council.

Frequency of meetings and performance for the year:

The Committee meets on quarterly basis and reviews the management accounts, supply chain management reports, asset management as well as finance policies. This Committee discusses the principles of various accounting matters, the standardisation of accounting practices, and other finance issues which will have an impact on other activities.

The committee met twice in 2019 on the following dates:

- 13th of September 2019; and on the

- 01st of November 2019

The Financial Committee meeting reports were forwarded for presentation in the Council meetings.

iii. Information Technology Committee

Information Technology Committee Members:

No	Name	Position	20 th of September 2019	01 st of November 2019
1.	Vacant	Chairperson (External Member)	x	x
2.	Mr. T. G. Makgale	Acting Chairperson (External Member)	✓	✓
3.	Dr. R. A. Patel	External Member	✓	✓
4.	Mrs. IK van Heerden	Finance Manger (Internal Member)	✓	✓
5.	Mr. M. Ramokhoahla	IT Technician (Internal Member)	✓	✓

Role of the Committee:

The Committee assists the Council in overseeing and evaluating ICT operations of the College. The Committee was formed to ensure that ICT operations and services are executed to the best of our resources' capabilities. The committee oversees the policy, rules and regulations related to ICT at the college and RSA legislation that affects the College's ICT operations. The authority to accept or reject the recommendation of the ICT Committee remains with the Council.

Frequency of meetings and performance for the year:

The Committee meets on quarterly basis and reviews the IT report which covers IT infrastructure, IT related capital investments, IT equipment, software licenses, and risk management aspects. Strategically, the Committee assesses if governance best practices are being adhered to.

The Committee met twice in 2019 on the following dates:

- 20th of September 2019; and on the
- 01st of November 2019

The IT Committee meeting reports were forwarded for presentation in Council meetings.

iv. Conditions of Employment Committee.

Conditions of Employment Committee Members:

No.	Name	Position	12 th September 2019	29 th October 2019
1.	Mr Mahamotsa M	Committee Chairperson (External Member)	✓	✓
2.	Dr. Masuku VZ	External Member	✓	✓

3.	Advocate Tsoeu TE	External Member	✓	✓
4.	Mr Tsotetsi ME	Deputy Principal: Academic	✓	✓
5.	Ms Wiggett S	Deputy Principal: Finance	X	✓
6.	Ms Manzini KS	Internal Member	✓	✓
7.	Mr. Basson HT	Human Resource Manager (Resource person)	✓	✓
8.	Ms. Mosikili G	Committee Secretary	✓	✓

The Committee held two ordinary HR Committee meetings for the same reasons that were mentioned that there was a delay in the appointment of external Council members which also affected the schedule of meetings as per Statute and HR Charter. Fortunately the committee was led by HR specialist who was able to provide appropriate guidance in Labour Relations issues.

The first meeting scheduled prioritised policies which had not been approved by the previous Council. The meeting then adopted the following policies which were recommended to Council for approval:

- Recruitment and Selection Policy
- Employee Bursary and Financial Assistance Policy
- Payroll Policy
- Awards and Long Service Recognition Policy
- Grievance Management Policy
- HR Planning Policy
- Job Profiles and Titles Policy
- Normal Working Hours & Working Arrangements Policy
- Professional & Protective Clothing Policy
- Remuneration and Conditions of Service Policy
- Termination of Service & Exit Interview Policy

The second meeting was a scheduled to one where the following reports were presented and adopted by the Committee members.

Appointments Report	January-March 2019, April to June 2019 & July– September 2019
Terminations Report	January –March 2019, April-June 2019 & July – September 2019
Leave Report	January –March 2019, April-June 2019 & July- September 2019
Salaries Report	January-March 2019, April to June 2019 & July– September 2019
Staff Attendance Report	January-March 2019, April to June 2019 & July– September 2019
Staff Training Report	January-March 2019, April-June 2019 & July – September 2019
Staff statistics Report	January-March 2019, April to June 2019 & July– September 2019

Employment Equity Report	January-March 2019, April to June 2019 & July– September 2019
Performance Management Report	January-March 2019, April to June 2019 & July– September 2019
Injury on Duty Report	January-March 2019, April to June 2019 & July– September 2019
Labour Relations Report	January-March 2019, April to June 2019 & July– September 2019

v. **Planning and Resources Committee.**

Planning and Resource Committee Members

No.	Name	Position	04 th September 2019	16 th October 2019
1.	Dr. Tondi P	Committee Chairperson (External Member)	X	x
2.	Mr. Mahamotsa M	External member	✓	✓
3.	Mr. Lefora QW	Committee Acting Chairperson (External Member)	x	✓
4.	Mr. Mabena VE	Internal Member & Principal	✓	x
5.	Mr. Tsotetsi ME	Acting Principal	N/A	✓
6.	Mr. Jordaan AJ	Internal Member	✓	✓
7.	Ms. Wiggett S	Deputy Principal: Finance	✓	✓
8.	Mr. Mollo KA	Internal Member (Resource person)	✓	✓
9.	Ms. Molete MM	Internal Member (Committee Secretary)	✓	✓

To fulfil its fiduciary responsibility, the Committee was guided by the Continuing Education and Training Act. 2006 (Act No. 16 of 2006) and King IV Principles of good Governance. The following is a brief report on the two (2) meetings that were held by the Committee during 2019 for the purpose of the 2019 Annual Report. The following issues were identified for inclusion in the said report:

Principal's Report

- Class boycott at three campuses: Lere la Tshepe, Bonamelo and Itemoheleng,
- Infrastructure budget from DHET to renovate campuses.

HR Matters

- Labour Relations Matters affecting lecturers

Partnerships

- MoU signed between Maluti TVET College and Jiangsu Agri-Animal Husbandry Vocational College in China.
- Two officials visited China from the 13th to 21st September 2018.
- Nomination of Maluti TVET to host China Conference in 2020.

- HEIEAA meeting of the 14th - 17th October 2019 in California for preparation 2020 Conference.
- Possible solar project to partner with the owner of Total garage, who was a former Council member which was halted.

Strategic Planning Session

- Development of Strategic Plan session and proposed dates
- Programmes to be introduced and phased in and out in 2022.

7.3 ACADEMIC BOARD REPORT

7.3.1 The Academic Board consisted of 29 members during 2019:

- 7.3.1.1 Three Council members
- 7.3.1.2 The College Principal
- 7.3.1.3 Three Deputy Principals (Academic, Corporate and Finance)
- 7.3.1.4 Three Managers of different departments (Curriculum, SSS and TVETMIS)
- 7.3.1.5 Eight Campus Managers from the eight different campuses
- 7.3.1.6 Eight Heads of Department from the eight different campuses
- 7.3.1.7 Two SRC members (Secretary-General and Academic Officer)
- 7.3.1.8 The Secretary

7.3.2 The Academic Board held two meetings in 2019:

- 7.3.2.1 The first meeting was held on 5 September 2019.
- 7.3.2.2 The second meeting was held on 16 October 2019.
- 7.3.2.3 Normally the Academic Board schedules four meetings per year, once every quarter, but during 2019 the Academic Board could not meet until the new College Council was appointed.

7.3.3 Matters that were discussed in detail and recommended for approval by the Academic Board during 2019:

- 7.3.3.1 Student Code of Conduct
- 7.3.3.2 Students' Grievance Policy
- 7.3.3.3 Student Residence Policy
- 7.3.3.4 Admission Policy
- 7.3.3.5 Admission Requirements
- 7.3.3.6 The reviews to the SRC Constitution
- 7.3.3.7 The reviews on the Assessment Policy
- 7.3.3.8 The reviews on the Moderation Policy

- 7.3.3.9 2020 Class Fees
- 7.3.3.10 2020 Programme Qualification Mix
- 7.3.3.11 Skills Centre 2020 Programme Qualification Mix and Fees
- 7.3.3.12 Transport and Logistics Level 4 at Harrismith Campus commencing 2020

7.3.4 Other items discussed:

- 7.3.4.1 The Annual Performance Plan, the Strategic Plan and the Operational Plan for 2020 were discussed and adopted as working documents.
- 7.3.4.2 Online registration introduced from the third Trimester of 2019 in order to reduce the amount of time spent during students' registration.

7.3.5 The reports not discussed, but copies distributed:

- 7.3.5.1 The SRC Report.
- 7.3.5.2 The Bursary Report detailed the NSFAS and SETA funding received, the allowances paid to students and the challenges experienced.
- 7.3.5.3 The Results Analysis Report on the performance of students on strategic targets in terms of certification rate, throughput rate, retention rate, subjects pass rate, programme pass rate and lecturers' performance.
- 7.3.5.4 The Examination Report gave an overview on the preparations for the examinations, how these were conducted and irregularities handled.
- 7.3.5.5 ISAT/ICASS Reports of quarters 1 to 3 of 2019 provided information about the scheduling, setting, progress, monitoring and compliance on the Internal Continuous Assessments.
- 7.3.5.6 The College Improvement Plan (CIP) that provided details about the interventions to improve student retention and performance in general, and the specific interventions to improve the performance in the lowest performing subjects per campus.
- 7.3.5.7 The Feedback Report on the Lecturer Support System (LSS) provided information on the implementation of the LSS initiated by DHET.
- 7.3.5.8 The Placement Report which gave an overview of the number of NC (V) students per campus who received Work-Based Experience in relation to the strategic targets, the partnerships with industry where exit level N6 students received SETA, National Youth Development Agency (NYDA) and National Skills Fund (NSF) funding for placement for experiential learning, and international placement of students in China.
- 7.3.5.9 The Academic Support Report that provided information about the activities of the SSS Unit and the respective Student Liaison Officers at each campus to recognise and improve student performance.

7.3.5.10 The Disability Report provided information about students with disabilities and the support provided at the College.

7.3.5.11 The Health, Sport and Recreation Report provided an overview of the extra-curricular activities to improve students' wellbeing at the College.

7.4 STUDENT REPRESENTATIVE COUNCIL REPORT

Elections were held as follows:

SRC ELECTIONS PER CAMPUS	
CAMPUS	DATE
Bethlehem Campus	28/01/2019
Harrismith Campus	
Itemoheleng Campus	
Kwetlisong Campus	
Lere la Tshepe Campus	
Main Campus	
Sefikeng Campus	
Bonamelo Campus	29/01/2019

College SRC elections were held at Black Mountain Hotel and Resort on 01st February 2019 and the following office bearers were elected:

NAME	PORTFOLIO	CAMPUS	GOVERNANCE PARTICIPATION
Motaung N	President	Bethlehem	Council & Financial Aid Committee
Mahoa B	Deputy President	Main	
Mabizela S	Secretary General	Harrismith	Academic Board & Council
Mokoena T	Academic	Itemoheleng	Academic Board
Moloi V	Finance	Lere la Tshepe	Financial Aid Committee
Lelimo J	Media, Marketing & Projects	Bonamelo	
Molefe E	Sports, Arts & Recreation	Sefikeng	
Mofokeng D	Placement, Wellness & Disabilities	Kwetlisong	



The members of Institutional SRC



Training session: Institutional SRC & Members of Campus SRCs.

Topics discussed among others:

- CET ACT
- NSFAS guidelines
- College organogram
- College infrastructure developments for 2019
- SSS Unit calendar
- SRC Constitution and portfolios
- 2019 SRC Year Plan

The Management also arranged external provider, Ithute Empowerment Agency to train them in leadership skills.

SRC inauguration was held on the 21st February 2019 at Corporate Office hosted by the Principal Mr VE Mabena, Office Manager Ms MM Molete, Deputy Principal Mr ME Tsotetsi, and SSS Manager Mrs E Els.

From 18th - 20th March 2019 the Management arranged with Ithute Empowerment Agency to train SRC and SLOs at Drakensburg Holiday Resort Bergville on student governance and support. (See photos below)





Attendees at SRC Policy Conference at Aldam Resort: 18 – 20 March 2019

On the 12th April 2019 the College students attended Heritage Careers Expo at Constitutional Hill arranged by DHET Deputy Minister Buti Manamela, the SRC supported students in sport, arts and culture activities. The importance of the Heritage Career Expo was to provide a platform for TVET colleges to showcase their various study opportunities.



Participants at cultural event: Constitutional Hill Johannesburg.

SRC Portfolios

The SRC Academic officer assisted in the following academic activities:

- The College Best Academic Performers Awards held at Kwetlisong Campus.
- The College Maths Olympiad Competition held at Bonamelo Campus.
- Programme in identifying students struggling with certain subjects at the various campuses
- Participated in the College annual graduation ceremony hosted at the University of the Free State, Qwa-Qwa Campus.

SRC Governance

- The SRC President and the Secretary General served in the College Council, whilst the Secretary General and the Academic officer represented the SRC on the Academic Board. The President and the Finance Officer served on the Financial Aid Committee, where NSFAS bursary matters were handled.

The SRC Health & Wellness Officer

- The officer serving in the portfolio was taken to University of Mpumalanga-Mbombela Campus, where he attended training sessions on matters relating to his portfolio.
- Several mass meetings were held between the SRC and students where feedback and reports were given, to promote good governance and keep students informed.



Students mass meeting at Bonamelo Campus

The year's highlight of SRC activities was holding of student body Lekgotla at Thabo Mofutsanyana District Municipality Chambers on 25th October 2019.



Participants at SRC Lekgotla

PART C: PERFORMANCE INFORMATION

8. REPORT BY PRINCIPAL ON MANAGEMENT AND ADMINISTRATION

The College regressed from the clean audit opinion for 2018 to a qualified one for 2019. Challenges that led to regression were identified and corrective action will be taken for 2020. Be that as it may the cash-flow remains positive except the NSFAS backlogs which have wobbling effect on the stability of the College. (See attached report on qualified opinion)

As far as improvement of qualifications for staff is concerned, the office is happy to report that 16 staff members obtained their teaching qualifications during 2019. This is a massive boast to a quality of teaching our students will enjoy from now on. The administrative section will also benefit immensely from the improve quality of service that its newly qualified staff will render to College community. The College is delighted that this improved qualifications have led to individuals receiving performance bonuses or pay progression.

The College further retained its ISO 9001:2015 certification by SABS.

The long delay in the appointment of a new Council, notwithstanding, the new Council wasted no time in adopting a new vision for itself: “To provide excellence, innovation and success that inspires entrepreneurship and employability to transform lives”.

Furthermore, the College received the *Golden Arrow Award* from PMR Africa for brand awareness and its contribution to regional economy. We also pleased that the College was nominated for awards in two categories: namely the *Driver of Change and Education & Skills Development* in the TOPCO competitions which identify entities having an impact in realising National Development Plan Vision 2030.

The curriculum processes were carried out well and are covered in the curriculum section. An overall progression rate of 81% was obtained. The rate of students passing all subjects in one sitting has improved from 53% in 2018 to 58% in 2019. Our Annual Indaba Results was held at Christian Centre at Bethlehem in February 2019. This initiative is by and large responsible for the impressive improvement we have seen on pass rate. The guest addressed at this occasion Dr Radile Deputy Principal: Academic Gold Fields TVET College.

CHIETA and P&T Technology played a critical role in the selection of local students for participation in the *World Skills* Competition. The two lecturers were placed with P&T Technology for training in electrical installation. Prior to the WSSA Competitions, P& T Technology capacitated our students, in electrical installations, welding, panel beating and motor mechanics. The two students obtained bronze medal each in Durban. It is with pride that we mention here that three of our lecturers- themselves having been capacitated by P& T Technology – served as judges in WSSA Competition.

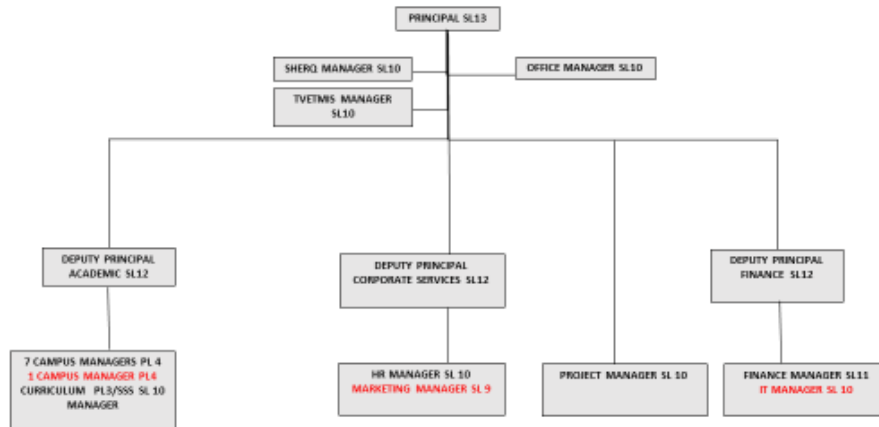
One of the most outstanding achievements of SSS Section, was the successful placements of several groups of students from different fields for internships in China. During the year under review the College appointed the dedicated professional to oversee all matters relating to students with disabilities.

8.1 CORPORATE SERVICES

8.1.1 Human Resource Management

8.1.1.1 Management Organisational Structure

MANAGEMENT



8.1.1.2 Human Resources Administration

- HRM developed and implemented the Standard Operating Procedure for Leave and all office managers were workshopped on leave matters.
- All new appointments were vetted by an independent company (MIE). This was the first for the College.
- The College website is being used for the advertising of vacancies which reduced expenses on advertising.
- For critical skills positions we have started advertising via the national newspaper e. g *City Press* in order to attract a larger pool of applicants
- We have also implemented a Route form for all service terminations which addresses any over/under payments of salaries and employee benefits.
- We have also issued numerous internal memos the purpose of which was to assist Campuses/Sites in ensuring compliance with Policies/Directives and all other Departmental (DHET) Circulars.
- Assisted in vetting of Council specialists through MIE which resulted in only suitable people being appointed.
- Inducted newly appointed staff members at two inductions attended by HR Personnel
- The Section also held a workshop for Office Managers where Work plans for the following positions were standardised:
 - a. Groundsmen
 - b. Cleaners
 - c. Student Liaison Officers
 - d. Campus Office Managers
 - e. COLTECH clerks
- Arranged a workshop for all staff who would qualify for Early Retirement without reduction of pension benefits, 27 people attended including HR personnel.

8.1.1.3 Human Resources Development

8.1.1.3.1 Quarterly Training Reports

The HRD unit, despite the vacant key position of HRD Officer managed to timeously submit the following report to DHET;

Report	Quarter 1	Quarter 2	Quarter 3
Training report	10 April 2019	11 July 2019	10 October 2019

8.1.1.3.2 2019 Financial Assistance (Bursaries) Offered to Employees

- A total number of 38 employees received financial assistance. 31 of the recipients are from the academic section, while the remaining 7 are from admin and support staff.
- Given the core function of the College, priority was given to employees who are pursuing teaching-related qualifications and 16 out of the 31 educators did enrol for such qualifications.
- The rest of the employees enrolled for qualifications which are directly related to their career paths and the outcomes thereof would be to improve service delivery within their respective work areas.
- The College therefore recognise the good work done by the following employees who completed their studies successfully;

Surname & Initials	Position	Qualification obtained
Motsima PM	Educator	PGDHE
Charlie DT	Educator	PGDHE
Ntsebe ET	Educator	PGDHE
Kabi T	Educator	PGDHE
Gambu MO	Educator	PGDHE
Mofokeng TJ	Educator	PGDHE
Sekhoto PC	Educator	PGDHE
Motsamai NR	Educator	PGDHE
Simelane XP	Educator	PGDHE
Machaa NI	Educator	PGDHE
Maleke PU	Educator	PGDHE
Molatuli DJ	Educator	PGDHE
Majoale NA	Educator	PGDHE
Zulu N	Senior State Accountant	Advanced Diploma in Accounting Science
Malinga NJ	Educator	PGDHE
Mkhaliphi KL	SHERQ Manager	Bachelor of Business and Administration
Mofokeng KP	Educator	BED Hons in Education

Rasutha PM	Educator	BED Hons in Education
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8.1.1.3.3. ETDP SETA Bursary

The HRD unit facilitated an ETDP SETA bursary scheme and a total number of eight (8) educators was awarded bursaries to pursue advanced qualifications.

8.1.1.3.4. Statutory Compliance: Workplace Skills Plan (WSP) & Annual Training Report (ATR)

- The HRD unit was tasked to coordinate and collate inputs from all campuses and sites which enabled the College to comply with the National Skills Development Act.
- Not only was the above mentioned documents compiled for compliance, but the HRD unit also ensured that the following documents were successfully submitted via the online portals;
 - 2019/2020 WSP
 - 2018/19 ATR

8.1.1.3.5. Sourcing of additional funding for training interventions

- The HRD unit submitted a proposal to ETDP SETA for funding from their Discretionary Grants and an amount of R200 000 was secured which was utilised for Classroom Management training.

SUMMARY OF TRAINING CONDUCTED FROM JANUARY 2019 TO DECEMBER 2019

Type of Training	Linked to PIVOTAL Yes/No	Management	Support Staff	Council College	Lecturer	Interns	Total	Gender		Total	Age Group			Total
								F	M		<35	<35-55	>55	
								January to June						
ETDP SETA Roadshow	NO	1	3				4	3	1	4	2	2		4
Learner Profile Training	NO		2		1	1	4	4		4	3	1		4
WIL Training	Yes				4		4	3	1	4	2	2		4
Assessor	NO				21		21	12	9	21	15	6		21
Moderator	NO				19		19	8	11	19	11	7	1	19
Mentoring and Coaching	NO		5		12		17	8	9	17	5	11	1	17
Assessor (Kwetsisong)	NO		5		8	2	15	11	4	15	8	6	1	15
Call to Train Lecturer	NO				2		2		2	2		2		2
PERSAL Training Decentralisation	NO	1	2				3	2	1	3	1	1	1	3
Early Retirement Workshop		1	20		6		27	10	17	27	2	18	7	27
PDMS Refresher	NO	1	11				12	8	4	12	2	9	1	12
Agricultural Workshop	NO		2		2		4	2	2	4	2	2		4
A+ Exam	NO		6				6	1	5	6	6			6
Capacity Building TVET&CET Workshop	NO		2		1		3		3	3		3		3
Assessor	NO				18		18	12	6	18	12	5	1	18
Moderator	NO				20		20	9	11	20	14	6		20
Facilitator	NO				20		20	11	9	20	8	12		20
Mentoring and Coaching	NO				20		20	10	10	20	5	14	1	20
SUBTOTAL		4	58		154	3	219	114	105	219	98	107	14	219
July to December														
PMDS Workshop	NO	1	10				11	9	2	11	5	5	1	11
MIS Online Registration	NO		34				34	22	12	34	15	19		34
Assets Management Training	NO		5				5	4	1	5	3	2		5
PCM Roll out Training	NO	1	2				3	2	1	3	1	2		3
Advance Excel Training	NO		20				20	17	3	20	11	9		20
Regional Capacity Building Workshop: Student admission, Placement, Fourth Industrial, Financial Aid and NSF	NO	2	8		1	1	12	7	5	12	4	8		12
PMDS Refresher	NO	1	2				3	2	1	3	1	2		3
GEPF Workshop	NO	1	20				21	15	6	21	12	9		21
First Aid	NO		31		12	1	44	25	19	44	17	25	2	44
Classroom Management Training					25		25	11	14	25	13	12		25
Advance Excel Training	NO		17				17	12	5	17	14	3		17
Classroom Management Training	NO				12		12	3	9	12		11	1	12
SUBTOTAL		6	149		50	2	207	129	78	207	96	107	4	207
GRAND TOTAL		10	207		204	5	426	243	183	426	194	214	18	426

- Funding was also secured from the Mining Qualifications Authority and College employees including the College Council members were to be trained on Corporate Governance matters.



Participants in a training session

8.1.1.3.6 Performance Management

- The College has recognised the excellent performances of its employees for the 2018/2019 performance cycle and as a result performance bonuses and pay progressions were paid out to all deserving employees.
- It must be noted that all College employees are expected to perform according to set standards and for the 2018/2019 performance cycle, none of the entire employees was rated as a poor performer.

8.1.1.4 Payroll

8.1.1.4.1 Salaries:

- The HR Officer ensured that all data received from Campuses in terms of salaries are correct according to the Cost of Living Adjustment (COLA)
- Reconciliation of both PERSAL and College salary reports for the 4th quarter 2019 and the 1st quarter 2020 was done.
- HR Officer ensured compliance to payroll requirements deadlines
- Implemented leave without pay for affected individuals
- Wage deductions were correctly done and it was ensured that finance section timeously made payment and submitted deduction schedules together with the proof of payment to the relevant service provider.
- Delivered payroll payslips for both PERSAL and College paid staff.

- Submitted EMP201 returns to SARS plus monthly payment.
- Captured Part time claims, Subsistence allowances, Invigilation and tutoring fees and all other claims that need to go through the payroll system.
- Submitted all payroll files to finance section for payment on BIS
- Payment of Intern stipends per group (other belongs to NSF and other attached to the College through placement office).

8.1.1.4.2. Staff queries

The following matters received attention:

- Improvement of qualifications still outstanding due to DHET processes.
- GEHS withdrawal savings were paid out.
- Pension pay outs were made.
- Affinity medical insurance still not resolved.

8.1.1.4.3. Pay progressions paid on time for Council paid staff:

- Paid 45 educators and 20 non educators.
- Paid 10 cash bonuses
- Paid 02 late cash bonuses

8.1.1.4.4 UIF claims:

- Prepared reconciliation for return of Earnings to be submitted to Department of Labour.
- Processed to 10 UIF claims and only 01 was still outstanding, wait for DHET to complete their part

8.1.1.4.5. Housing Scheme

- Received 10 new College paid housing scheme applications.
- Received 19 PERSAL GEHS saving withdrawals for housing and 02 still outstanding
- Paid 04 Council employees for Improvement of qualifications.

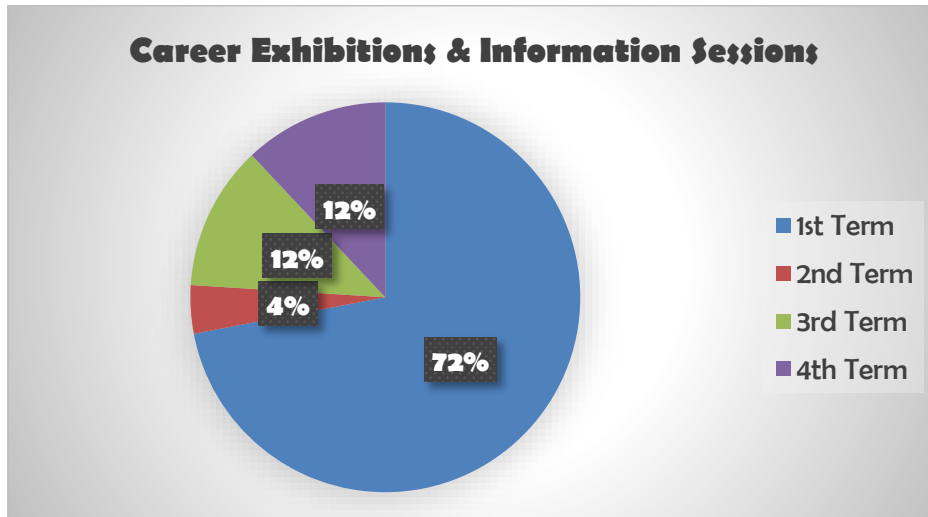
8.1.1.5. General Matters

- The HRM unit compiled and implemented a Standard Operating Procedure (S.O.P) for Leave Management which will assist the College to comply with departmental policies and directives.
- We realised that it was difficult to attract applicants for vacant critical skills positions. As a result we have started advertising in National Newspapers so that a larger pool of applicants can be secured.
- To assist in managing employee exits, we have implemented an internal route form which will assist the College in dealing with any over/under payments of salaries, employee benefits and the recovery of any College property.
- Numerous HR internal memorandums were issued to all campuses and sites which was part of information sharing and to providing assistance in terms of the interpretation and application of College and Departmental policies, directives and circulars

8.1.2. Marketing

Marketing by reaching out to prospective students, communities and customers has played a vital role in promoting the college and has resulted in the increase of student's intake. The following marketing activities were undertaken;

8.1.2.1 Career exhibitions & information sessions



Students who participated in Dihlabeng Career Jamboree



Stalls for Marketing: Coca Cola & Marketing Level 4 Students

Sasol held the Annual Sasol Techno X Career exhibition at Secunda, Sasol Recreational Centre for five (5) days.

The College scooped a 2nd position for Best TVET College Exhibitor.

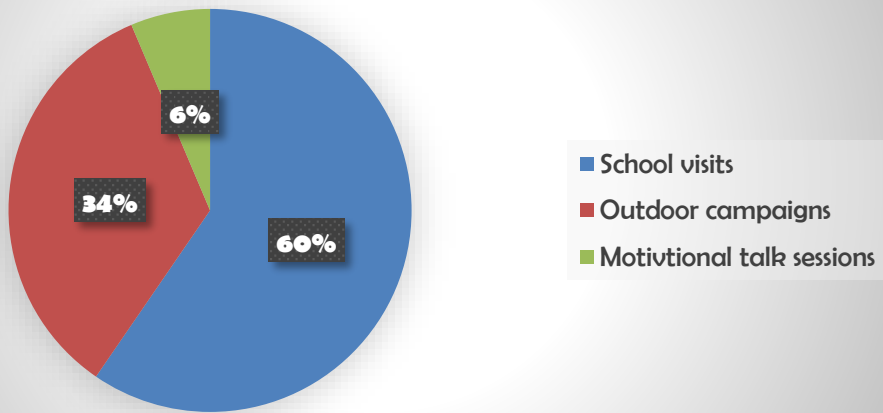


Marketing Staff, Lecturers & Interns: attending Sasol Techno X Career Exhibition at Secunda

8.1.2.2 School visits, Outdoor campaigns & motivational talks

School visits, outdoor campaigns & motivational talks are diagrammatically represented as in graph below.

Number of visits



Local school visited by Marketing Staff



Dress up function at Letotolo Intermediate School: (Information session)

8.1.2.3 TVET Month Celebration

TVET Month is one of the DHET's annual special events. Events staged during this month play a pivotal role in establishing the TVET Sector as one of the preferred choices for students who seek a qualification in the FET band or training in artisan development.

TVET Artisan month 2019, was extremely successful in terms of preparations and the Marketing Team played a vital role in ensuring its success. All secondary school learners around Thabo Mofutsanyane District and Bergville were invited to visit Kwetlisong Skills Academy to learn more about the fields of engineering and artisan development training.

Marketing Division organised a Science Competition in which competing learners had to come up with inventions in areas of solar energy or water preservation. Four (4) schools were qualified as finalists. Tshibollo Secondary School took the first prize (Floating Trophy for the school & electronic gadgets for members of the group) after they showcased their solar powered vehicle.



Learners visited Skills Academy

8.1.3 Corporate Social Responsibility

- The College supported the learners of Rantsane, Mampoi, Kgola Thuto & Makabelane Secondary Schools with transport and refreshments during psychometrics assessment tests in preparation of World Skills Competition-South Africa at Kwetlisong Campus.
- During the celebrations of Artisan Month, the College supported fifteen (15) schools with transport, corporate wear and refreshments. The selected schools were around Thabo Mofutsanyana District and Bergville area.

8.1.4 Marketing Research & Survey

Three surveys namely customer market, student satisfaction and student retention & success surveys were conducted every semester and the feedback obtained assisted the College in the development and improvement of services rendered.

8.1.5 Publications & radio talk shows

Publications & radio talk shows	Name of media house/ organisations
Radio talk show regarding registrations & college programme	QwaQwa Radio
Media briefing regarding the Union strike	QwaQwa Radio
Media briefing regarding graduation ceremony	QwaQwa Radio
Media briefing regarding Engineering Trimester registrations & ETDP SETA Learnership	QwaQwa Radio
Post-Matric magazine (Advertisement)	Yes Media
The National Government Handbook South Africa 2019 (Advertisement)	Yes Media
Radio interview regarding college graduation ceremony	Mzansi Connect Radio
Media briefing regarding TVET Month celebration	Mzansi Connect Radio
TVET Month Science competition (Posters)	Hoogland Printers
College Annual Report 2019 (Inside house publication)	Hoogland Printers
Radio interview regarding second semester registration	QwaQwa Radio
Outdoor advertisement	Mabale Consultancy
Documentary for Vision 2030 Competition (Inside house publication)	TOPCO

8.1.6 AWARDS

- For the fourth time in the row the College received a *Gold Arrow Award* (i.e. second position for best educational institution that contributes to enhancement of economic growth, brand awareness and level of innovation) from PMR Africa.
- The College has been nominated for the second time as Finalists in two categories, namely *Driver for Change and Education & Skills Development* in National Development Plan 2030 Competition by TOPCO.

8.2 CURRICULUM

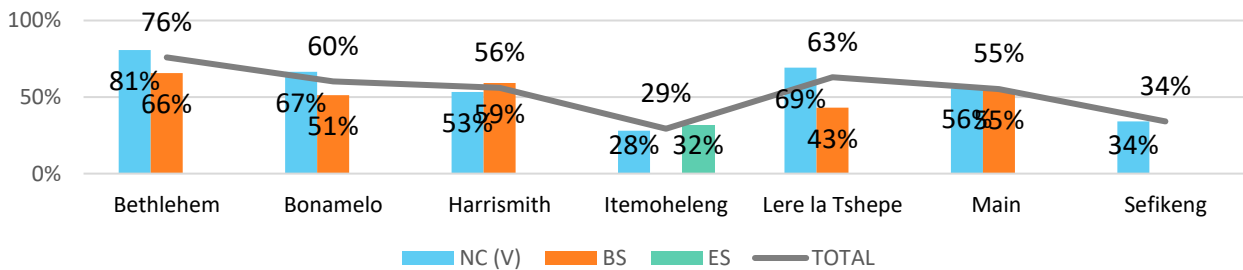
8.2.1 2019 RESULTS ANALYSIS

See table below:

CERTIFICATION, THROUGHPUT AND RETENTION RATES
After the NC (V) Supplementary examination

CAMPUS	NCV								R191 BS								R191 ES								TOTAL							
	ENROL	WROTE	PASS 7/7	PASS 5+6/7	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE	ENROL	WROTE	PASS 4/4	PASS 3/4	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE	ENROL	WROTE	PASS 4/4	PASS 3/4	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE	ENROL	WROTE	PASS 7/7 OR 4/4	PASS 5+6/7 OR 3/4	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE				
Bethlehem	472	451	364	67	81%	96%	96%	220	213	140	40	66%	85%	97%								692	664	504	107	76%	92%	96%				
Bonamelo	528	443	295	97	67%	88%	84%	345	318	163	58	51%	69%	92%								873	761	458	155	60%	81%	87%				
Harrismith	340	253	135	72	53%	82%	74%	241	228	135	48	59%	80%	95%								581	481	270	120	56%	81%	83%				
Itemoheleng	357	275	77	101	28%	65%	77%								180	165	52	39	32%	55%	92%	537	440	129	140	29%	61%	82%				
Lere la Tshepe	607	517	358	104	69%	89%	85%	181	165	71	35	43%	64%	91%								788	682	429	139	63%	83%	87%				
Main	413	350	195	92	56%	82%	85%	466	451	248	111	55%	80%	97%								879	801	443	203	55%	81%	91%				
Sefikeng	158	129	44	58	34%	79%	82%															158	129	44	58	34%	79%	82%				
TOTAL	2875	2418	1468	591	61%	85%	84%	1453	1375	757	292	55%	76%	95%	180	165	52	39	32%	55%	92%	4508	3958	2277	922	58%	81%	88%				
APP TARGET					50%	60%	91%					65%	75%	90%					45%	55%	90%											

PASS ALL IN ONE SITTING - TOTAL OF NC (V), BUSSINES STUDIES AND ENGINEERING STUDIES - AFTER SUPPLEMENTARY EXAM



National Certificate (Vocational)

CAMPUS	LEVEL 2								LEVEL 3								LEVEL 4								TOTAL							
	ENROL	WROTE	PASS 7/7	PASS 5+6/7	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE	ENROL	WROTE	PASS 7/7	PASS 5+6/7	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE	ENROL	WROTE	PASS 7/7	PASS 5+6/7	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE	ENROL	WROTE	PASS 7/7	PASS 5+6/7	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE				
Bethlehem	227	209	178	20	85%	95%	92%	154	153	110	37	72%	96%	99%	91	89	76	10	85%	97%	98%	472	451	364	67	81%	96%	96%				
Bonamelo	319	244	161	50	66%	86%	76%	120	111	71	30	64%	91%	93%	89	88	63	17	72%	91%	99%	528	443	295	97	67%	88%	84%				
Harrismith	246	167	72	57	43%	77%	68%	64	58	40	11	69%	88%	91%	30	28	23	4	82%	96%	93%	340	253	135	72	53%	82%	74%				
Itemoheleng	269	191	45	61	24%	55%	71%	53	49	19	24	39%	88%	92%	35	35	13	16	37%	83%	100%	357	275	77	101	28%	65%	77%				
Lere la Tshepe	367	286	198	48	69%	86%	78%	159	151	106	37	70%	95%	95%	81	80	54	19	68%	91%	99%	607	517	358	104	69%	89%	85%				
Main	261	205	112	47	55%	78%	79%	87	80	54	21	68%	94%	92%	65	65	29	24	45%	82%	100%	413	350	195	92	56%	82%	85%				
Sefikeng	131	104	33	44	32%	74%	79%	22	21	8	13	38%	100%	95%	5	4	3	1	75%	100%	80%	158	129	44	58	34%	79%	82%				
TOTAL	1820	1406	799	327	57%	80%	77%	659	623	408	173	65%	93%	95%	396	389	261	91	67%	90%	98%	2875	2418	1468	591	61%	85%	84%				
APP TARGET							90%							92%					50%	60%	90%											

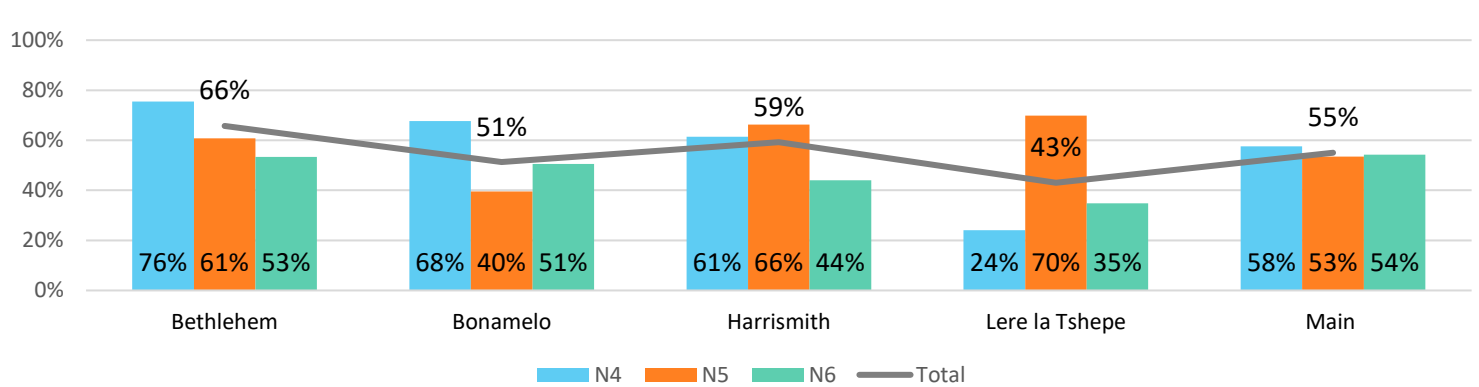
2. PROGRESSION RATE

CAMPUS	L2						L3						L4						TOTAL					
	ENROL 7 201911	WROTE 7 201911	PROGRESS 201911	PROGRESS 202003	PROGRESS RATE WRITTEN 201911	PROGRESS RATE WRITTEN 202003	ENROL 7 201911	WROTE 7 201911	PROGRESS 201911	PROGRESS 202003	PROGRESS RATE WRITTEN 201911	PROGRESS RATE WRITTEN 202003	ENROL 7 201911	WROTE 7 201911	PROGRESS 201911	PROGRESS 202003	PROGRESS RATE WRITTEN 201911	PROGRESS RATE WRITTEN 202003	ENROL 7 201911	WROTE 7 201911	PROGRESS 201911	PROGRESS 202003	PROGRESS RATE WRITTEN 201911	PROGRESS RATE WRITTEN 202003
Bethlehem	227	209	198	198	95%	95%	154	153	147	147	96%	96%	91	89	86	86	97%	97%	472	451	431	431	96%	96%
Bonamelo	319	244	207	211	85%	86%	120	111	99	101	89%	91%	89	88	78	80	89%	91%	528	443	384	392	87%	88%
Harrismith	246	167	127	129	76%	77%	64	58	50	51	86%	88%	30	28	27	27	96%	96%	340	253	204	207	81%	82%
Itemoheleng	269	191	100	106	52%	55%	53	49	38	43	78%	88%	35	35	26	29	74%	83%	357	275	164	178	60%	65%
Lere la Tshepe	367	286	246	246	86%	86%	159	151	119	143	79%	95%	81	80	72	73	90%	91%	607	517	437	462	85%	89%
Main	261	205	159	159	78%	78%	87	80	74	75	93%	94%	65	65	52	53	80%	82%	413	350	285	287	81%	82%
Sefikeng	131	104	77	77	74%	74%	22	21	21	21	100%	100%	5	4	4	4	100%	100%	158	129	102	102	79%	79%
TOTAL	1820	1406	1114	1126	79%	80%	659	623	548	581	88%	93%	396	389	345	352	89%	90%	2875	2418	2007	2059	83%	85%
APP TARGET																	60%							

R191 Business Studies

CAMPUS	N4								N5								N6								TOTAL							
	ENROL	WROTE	PASS 4/4	PASS 3/4	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE	ENROL	WROTE	PASS 4/4	PASS 3/4	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE	ENROL	WROTE	PASS 4/4	PASS 3/4	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE	ENROL	WROTE	PASS 4/4	PASS 3/4	PASS ALL IN ONE SITTING	PROGRESSION RATE	RETENTION RATE				
Bethlehem	97	94	71	9	76%	85%	97%	76	74	45	17	61%	84%	97%	47	45	24	14	53%	84%	96%	220	213	140	40	66%	85%	97%				
Bonamelo	117	99	67	17	68%	85%	85%	140	134	53	22	40%	56%	96%	88	85	43	19	51%	73%	97%	345	318	163	58	51%	69%	92%				
Harrismith	111	101	62	23	61%	84%	91%	80	77	51	7	66%	75%	96%	50	50	22	18	44%	80%	100%	241	228	135	48	59%	80%	95%				
Lere la Tshepe	89	79	19	15	24%	43%	89%	68	63	44	12	70%	89%	93%	24	23	8	8	35%	70%	96%	181	165	71	35	43%	64%	91%				
Main	155	146	84	31	58%	79%	94%	175	174	93	38	53%	75%	99%	136	131	71	42	54%	86%	96%	466	451	248	111	55%	80%	97%				
TOTAL	569	519	303	95	58%	77%	91%	539	522	286	96	55%	73%	97%	345	334	168	101	50%	81%	97%	1453	1375	757	292	55%	76%	95%				
APP TARGET							90%							90%					65%	75%	90%											

PASS ALL IN ONE SITTING - BUSINESS STUDIES - NOVEMBER 2019



Examination results were analysed and presented to the College Academic Board as follows:

- Certification, throughput and retention rates
 - Subject pass rate; retention rate and distinctions per level and campus
 - Fundamental subjects per level per campus
 - Subjects per level, course and campus
- Results were analysed to identify tendencies, areas for improvement, areas that did improve and also areas of good performance to award campuses, lecturers and students.

- Results of the NCV supplementary examinations were analysed and the impact on the November 2019 results indicated that interventions to support students in preparing for the examinations were successful.

8.2.2 NATIONAL RANKING ON EXAMINATIONS

In the results analysis nationally, there was an improvement of NCV results from 81, 3 % to 83, 8% though the position regressed from position 9 to 13. With regards to Engineering studies the College improved from position 26 to 18 though the pass percentage regressed. The Business studies results were pending at the time of going to print, hence position 46.

2019 POSITION	2019 SUBJECT PASS %	PROGRAMME	ENTERED	RETENTION	WROTE	PASSED	2018 POSITION	2018 % PASS
13	83,8%	NCV	25 151	79%	19 868	16 640	9	81,3%
46	65%	R191 BUS	8 604	87,7%	7 550	4 909	9	82,1%
18	63,2%	R191 NS	1 713	84%	1 439	910	25	70,7%

8.2.3 GRADUATIONS

The event took place on 17 July 2019.

One thousand two hundred and eighty-two (1282) students graduated.

National Diplomas conferred - 270; NCV L4 Certificates – 233; N6 Certificate R191 – 779.

In total 33 distinctions were achieved by the nine students that received the NCV in Information Technology (Scarce Skill).



College graduations

8.2.4 2019 COLLEGE IMPROVEMENT PLAN (CIP)

Upon receiving the examination results, a diagnostic analyses and interpretation of subject results per programme per level per subject were done. These results informed the College Improvement Plan. Example of analysis of subject results of R191 N6 Business Management.

N6 BUSINESS STUDIES: DIAGNOSTIC ANALYSIS OF SUBJECT PASS RATES									
DANGER ZONE		OUT OF DANGER		COMFORT ZONE		TARGET and EXCEEDING			TOTAL SUBJECTS
Cycle	0 - 39%	40 – 49%	50 – 59%	60 – 69%	70 – 79%	80 – 89%	90 – 99%	100%	
November 2018	0	1	1	2	7	11	5	0	27

INTERPRETATION OF DIAGNOSTIC ANALYSIS		
2/27 = 7% of subjects in danger zone	9/27 = 33% in comfort zone	16/27 = 60% % subjects achieved target of 80% pass rate

IDENTIFYING POOR AND GOOD PERFORMING SUBJECTS PER PROGRAM	
Subjects in bold carry large student numbers and need to improve to meet 80% pass rate target	
	MANAGEMENT ASSISTANT: Information Processing, FINANCIAL MANAGEMENT: Computerized Financial Systems
60 -79%	MARKETING MANAGEMENT: Market Communication; Marketing Management; Market Research; Sales Management.; Computer Practice FINANCIAL MANAGEMENT: Financial Accounting; Cost and Management Accounting HOSPITALITY: Applied Management HUMAN RESOURCES MANAGEMENT: Personnel Management,
80 – 100%	EDUCARE: Educational Didactics; Educational Psychology; Day Care Communication; Day Care Management, FINANCIAL MANAGEMENT: Computerized Financial Systems; HUMAN RESOURCES MANAGEMENT: Personnel Training; Labour Relations MANAGEMENT ASSISTANT: Communication; Office Practice PUBLIC ADMINISTRATION: Public Administration; Public Law: Public Finance HOSPITALITY: Catering; Communication and Human Relations; Intro Information Processing

INFORMING COLLEGE IMPROVEMENT PLAN	
Information Processing:	Bethlehem Campus conducted a workshop lead by HoD who is Provincial Chief Marker for the subject.
Computer Practice:	Best performing lecturer offered workshop to underperforming lecturers
Marketing Management:	Main Campus hosted workshop for programme – challenges and possible interventions were identified and discussed.
Financial Management:	Harrismith Campus organized workshop for lecturers to identify challenges and discuss interventions and share best practices
Other programmes were not shared	– campuses identified challenges and introduced suitable interventions in their management plans.

The CIP was also informed by **markers' and moderators' reports** during national marking. The reports indicated challenges and also **recommended possible interventions for consideration.**

Each **Campus Management Team analysed their results;** identified poor performing subjects; met with subject lecturers to get to the root of the problems and decided on suitable interventions. Campus Managers presented their results analysis during a **SPECIAL EVENT TO IMPROVE STUDENTS' PERFORMANCE in February.** The presentation consisted of the analysis of subject pass rates, diagnostic analysis, indication of poor performing subjects and a management plan on how to improve matters. The

event was a new initiative in 2019 and a success. The Campus Management plans informed the CIP as well.

The CIP consisted of four parts:

AIM	ACTIVITY
Strategies to IMPROVE CLASS ATTENDANCE	Parent meetings. Enforcement of 80% attendance policy. Referring students with poor attendance for counselling. Awarding 100% class attendance – campuses issue certificates/display names on notice boards.
Strategies to IMPROVE QUALITY AND STANDARD OF ASSESSMENTS TO ENSURE A RELIABLE ICASS MARK MATCHING EXAMINATIONS RESULTS	Common assessments across campuses for shared subjects. Common subject assessment schedules across campuses. Common subject work schedules across campuses. Presentation of samples of assessments to DPA and curriculum manager before commencement of academic cycle.
Strategies to CAPACITATE LECTURERS	Class visits per quarter to identify gaps and respond with mentoring. Student questionnaires to identify gaps and respond with mentoring. In- house training sessions. Programme meetings per quarter.
Strategies to IMPROVE RESULTS IN POOR PERFORMING SUBJECTS	Results analysis per subject to identify poor performing subjects. Recommendations from markers and moderators of external examination papers on suitable interventions for identified challenges. Consultation with subject lecturers to identify challenges and decide on interventions. Introduction and monitoring of interventions.

The CIP was continuously updated, informed by the management plans of individual campuses after analysis of assessment results per assessment cycle.

The plan was desktop monitored. Campuses submitted proof of class visits; programme meetings; in house training sessions etc. Results of poor performing subjects were monitored by means of ICASS Status Reports that were presented during in - house training sessions and compared to results in the next examination cycle to determine whether interventions had been successful.

8.2.5 TEACHING AND LEARNING PLAN (TLP)

The Teaching and Learning Plan was compiled and submitted to DHET on the due date – 20th February 2019. All activities – seven areas - indicated in the TLP were reflected in the College Academic Calendar.

The detailed TLP guides all curriculum related activities and is vital to establish a sense of institutional culture; professionalism; commitment to service delivery; student-centeredness and academic success.

The activities listed aim at providing quality teaching and learning, preparing students for successful placement and readiness for the world of work and employability. It also ensures that the necessary academic support is given.

The College was rated **GOOD** in five of the seven items of the TLP: Enrolment preparation; classroom and teaching support; student assessment; lecturer support and work placement.

The overall rating for the TLP was **GOOD**.

A follow-up session to monitor implementation of the TLP was done by DHET in September and the feedback was satisfactory.

8.2.6 YEAR PLANS

- The College Assessment Plan was informed by the ICASS Guidelines, DHET Academic Calendar and DHET Management Plans.
- The College Academic Calendar was informed by the College Assessment Plan, Teaching and Learning Plan and In-house Training Plan.
- The In-house Training Plan was informed by ICASS Guidelines, Teaching and Learning Plan and academic challenges, needs and gaps that were identified during the year. e.g. When campuses presented their assessments it became clear that lecturers needed to be capacitated in how to set assessments of good standard and quality. Subject work schedules per individual subject and level are informed by the ICASS Guideline and College Assessment Schedules. These schedules indicate the scope of work to be covered per week, they set the pace and serve as guides and monitoring tools.
- Year Plans ensure that all items and activities needed to improve the quality of teaching and learning and to prepare learners for placement and eventually employment, get attention.

8.2.7 IN-HOUSE TRAINING

An in-house training plan informed by the College Improvement Plan and Teaching and Learning Plan was drafted and approved by Academic Board.

All training sessions attended by HoDs and Senior Lecturers were repeated at campus level to capacitate lecturing staff. Attendance registers are submitted to the Curriculum Manager for monitoring purposes.

During 2019 the **focus was on improving the standard and quality of assessment tasks** to ensure valid and credible ICASS marks that match examination results.

Training in this division took place as follows:

DATE	TOPICS	PARTICIPANTS/ ATTENDEES
2019-01-08	ICASS Guidelines and Templates R191/NCV College Assessment Schedule College Academic Calendar ICASS Status Reporting Template Classroom Management	HoDs Senior Lecturers Conducted by Curriculum Manager & Campus Manager: Main
2019-02-05	Results interpretation NCV and R191 NS/BS College Improvement Plan	HoDs Conducted by Curriculum Manager

	Operational Plan sheet 4 Teaching and Learning Improvement Plan Class visits – template, register, how to conduct	
2019-03-12	Presentation of ICASS Status Reports per campus Discussion of results, challenges, possible interventions and sharing of best practices for immediate action and updating College Improvement Plan	HoDs Chaired by Curriculum Manager
2019-04-16	Procedure for setting and moderation of assessments. Workshop: drafting subject assessment and moderation schedules for R191S2. Presentation of ICASS Status Reports – in small groups.	HoDs Senior Lecturers conducted by Curriculum Manager
2019 -05-03	Setting assessments informed by subject assessment guidelines and using analysis grid. Presentation of Umalusi Report November 2018.	Campus Managers HoDs Senior Lecturers Curriculum Manager Conducted by DPA
2019-05-30	Training on assessing all cognitive levels while lecturing and also setting assessments. The importance of moderation.	Campus Management Teams Curriculum Manager DPA Conducted by Mac Millain
2019-07-10	DHET Question Paper Prescriptions. Draft College Assessment Schedule for 2020. Academic Calendar Q3.	HoDs Senior Lecturers Curriculum Manager
2019-07-11	Training on assessing all cognitive levels while lecturing and also setting assessments The importance of moderation	Lecturers – 4 per campus Conducted by Mac Millain
2019-08-13	DHET Macros – customize to introduce for setting assessments of high quality. Findings of internal auditor on curriculum. ISAT Management Plan – format.	HoDs Curriculum Manager
2019-09-12	Presentation and discussion of the following reports: ICASS Status ISAT Status ICASS Monitoring per campus College Improvement Plan progress	HoDs Curriculum Manager
2019 October	Invigilators' Training per campus – informed by DHET training offered in September.	Invigilators Conducted by Chief Invigilator per campus

8.2.8 ASSESSMENTS

During in-house training subject assessment and moderation schedules were drafted for shared subjects indicating examiners, moderators and lecturers responsible for developing common subject work schedules. The subject work schedules indicated the scope of work per assessment. Tasks for 2019 were set and moderated in 2018 and samples were presented to the DPA and Curriculum Manager to ensure a good standard and quality. The quality and standard of tasks improved due to the in-house training which focussed on the improvement of tasks. Tasks were saved in folders created per programme

8.2.9 ICASS & ISAT

Maluti TVET College was invited by DHET to present best practices due to excellent performance in managing PoAs and PoEs as observed and recommended by UMALUSI.

The ICASS templates received from DHET were customized for Maluti TVET College and introduced to CMTs during in-house training on the revised ICASS Guidelines and Templates.

To ensure portfolios were prepared for all subjects, ICASS and ISATs were conducted according to the subject assessment schedules informed by the College Assessment Schedule which was informed by the DHET Academic Calendar and Management Plans. Two weeks were scheduled for marking, one week for moderation, one week for verification and capturing of marks. Once marks were captured and verified, HoDs presented the results on the ICASS Status Reporting Template during in-house training.

ICASS portfolios were monitored at campus level. Campus Managers monitored 2 sets of portfolios; HoDs 4 sets and senior lecturers 8 sets of portfolios per month and submitted monthly. ICASS monitoring reports were attached to Management plans for monitoring improvement. College ICASS & ISAT monitoring was conducted during quarters 1, 2 and 3 for NCV and quarters 1, 2, 3 and 4 for R191 Business Studies. For R191 Engineering Studies ICASS monitoring was conducted per trimester. These monitoring sessions also served to capacitate staff. Feedback reports were availed to campuses to improve and a consolidate report to the DPA.

ICASS reports, reflecting on all ICASS activities, were presented to the Academic Board. These reports were also filed in portfolios of evidence for the purpose of DHET monitoring.

8.2.10 VERIFICATION PROCESSES

The verification processes, as detailed in the Instructions for the Conduct and Administration of Examinations in TVET Programmes, were implemented at campus level to ensure:

- That the marks of each ICASS task were correctly calculated, recorded and transferred from the scripts to the composite mark sheets.
- That the marks of each ICASS task captured electronically on the Coltech System corresponds with the marks captured on the composite mark sheets.
- That the final ICASS marks were correctly calculated and corresponds with the marks captured on the DHET hard copies mark sheets.
- That all discrepancies were followed up and corrected.

Finally, all marks captured on the Coltech System were verified by the College Verification Team to ensure they correspond with the marks on the DHET hard copies mark sheets. All DHET mark sheets were signed off by the DPA before approval was granted to submit to DHET.

Verification at campus level was conducted during all phases - marking and moderation: calculating and capturing marks. At College level verification was conducted per exam cycle. All mark sheets were signed off by the DPA himself.

8.2.11 EXTERNAL VERIFICATIONS/MODERATIONS

A College monitoring team headed by the Curriculum Manager monitored files due for DHET Site based Moderation. If needed files were returned for correction or additional evidence.

Reports received for R191 Business Studies were excellent: e.g. for Semester 1 moderation the final compliance rate across the three campuses identified for moderation was 95%. The three campuses were all rated 100% for student evidence.

8.2.11 2019 EXAMINATIONS

The College successfully conducted five examination cycles during 2019:

EXAMINATION CYCLE	TIME FRAME
NC (V) Supplementary Examinations	February/March 2019
Engineering Studies First Trimester Examinations	March/April 2019
Business Studies First Semester Examinations	May/June 2019
Engineering Studies Second Trimester Examinations	July/August 2019
NC (V), Business Studies Second Semester and Engineering Studies Third Trimester Examinations	October/November 2019

Maluti TVET College examination timetable was drafted – informed by the DHET examination timetables per examination cycle.

Marking plans were drafted per individual examination centre and informed the collated College Marking Plan.

Invigilators' time tables were drafted per examination centre per examination cycle.

Chief Invigilators attended DHET training and the training was repeated per examination centre for all invigilators before the commencement of each examination cycle.

Chief Invigilators monitored the conduct of the examinations on the first day of the cycle and College monitors monitored each examination centre once during each examination cycle. Where challenges were identified the examination centre had to correct them and the centre was monitored again.

After each examination cycle, an examination compliance report was compiled and tabled for discussion at the quarterly Academic Board meetings. The examination compliance reports were compiled through desktop monitoring of evidence provided by campuses that examination procedures were completed by the due dates, as well as the monitoring tool completed by the Principal's delegates who visited campuses to monitor examination compliance. After adoption of the compliance report by the Academic Board, it was also tabled for presentation at a Council meeting. This ensured that areas of non-compliances were addressed.

College Irregularities Committee was established and members were appointed in writing.

Members consisted of Chief Invigilators and Deputy Chief Invigilators of each campus, as well as the Deputy Principal Academic; Curriculum Manager; SSS Manager and Examination Officer. The irregularities that were reported during the examination cycles were discussed to determine whether they were dealt with correctly and

common procedures for dealing with irregularities were put in place: for example the procurement of generators for each campus was an issue raised during meetings. The following meetings were held during 2019:

First Meeting	5 June 2019
Second Meeting	31 July 2019
Third Meeting	19 November 2019

No leakages of question papers were reported during the 2019 examination cycles. Fourteen candidates were identified as having committed behavioural offences, such as having notes or cell phones in their possession. These candidates were referred to the National Irregularities Committee on the necessary templates. Technical irregularities, such as computer malfunction or students who forgot their IDs, were resolved internally at the College. No incidents that occurred during 2019 put the integrity of the examination at risk and the examinations were conducted according to DHET rules and regulations.

8.2.12 SKILLS ACADEMY

8.2.12.1 P & T Technology and the CHIETA Project

8.2.12.1.1 The broad outline of the project includes:

- Assisting in workshop layout redesign of electrical workshop for effective skills development in line with the criteria of the occupational qualification.
- Establishing partnerships with additional industries in the proximity of the College and assisting with workplace approval for these organisations.
- Implementing Phase 2 of the training programme for selected lecturers.
- Capacitate potential learners that may be groomed for WSSA Skills Competition to take place in China in 2021

8.2.12.1.2 Providing assistance and guidance in the selection of learners

- Students underwent Psychometric Assessment for selection.
- Out of the 120 candidates who participated in the Psychometric Assessment, 33 candidates were recommended; 32 were recommended with caution and 55 candidates were not recommended.
- During this initiative, there were partnerships established with schools like Makabelane Technical High, Kgola Thuto Secondary School, Mampoi High School & Rantsane Senior Secondary School.
- On the 22nd May 2019 Maluti TVET College, CHIETA and P& T Technology had a Breakfast with Host Employers and School Representatives on a working relationship.
- On the 23 May 2019 CHIETA and P & T Technology visited Kwetlisong Skills Academy to do Workplace Approval Site Visits and meet with companies that were willing to place Maluti TVET College learners. They explained the benefits of working with the College.

8.2.12.2 SASSETA

Kwetlisong Skills Academy negotiated with SASSETA to train lecturers on Assessors and Moderators.

8.2.12.3 Upgrading of workshops

- Kwetlisong Skills Academy upgraded the welding workshop to the latest technology. (weld simulator)
- Building Automation Equipment was purchased for Kwetlisong Skills Academy to prepare electrical students for latest developments in the industry.

8.2.12.4 Accreditation status

CAMPUS	ACCREDITATION BODY	PROGRAMMES	NQF LEVEL
Kwetlisong	MERSETA	Boilermaking/welding/ Motor Mechanic and Panel Beating	NQF L2 – L4
Kwetlisong	MICTSETA	End user computing	NQF L3
Kwetlisong	MICTSETA	IT-Technical Support	NQF L4
Kwetlisong	SASSETA	General Security Services Specialist Security Service Paralegal Practices	NQF L3 NQF L4 NQF L5
Kwetlisong Itemoheleng	CETA	NC: Building and Civil Construction	NQF L3
Kwetlisong		PLP	
Bethlehem/ Kwetlisong	UFS	UAP	NQF L5
Kwetlisong	International Awards ABC Awards	Employability Skills	

8.2.12.5 Registered Assessors/Moderators Per Accredited Programme:

CAMPUS	ACCREDITATION BODY	ACCREDITED PROGRAMMES	NO ASSESSORS	NO MODERATORS
Kwetlisong	MerSETA	Boilermaking/welding/ Motor Mechanic/ Panel Beating	4	4
Kwetlisong	MICTSETA	IT: End user computer IT: Technical Support	1	External
Bethlehem Kwetlisong	UFS	UAP	UFS	UFS
Kwetlisong Itemoheleng	CETA	Bricklaying/Carpentry	2	1
Kwetlisong	SASSETA	General Security Services Specialist Security Service Paralegal Practices	1	External
Kwetlisong	International Awards ABC Awards	Employability Skills	1	1
Kwetlisong		PLP	4	4

8.2.12.6 Assessment and examination process

- Kwetlisong Skills Academy made use of external moderation for accredited skills and learnerships programmes (MerSETA & MICSETA). External moderations by MerSETA was on 4th April 2019.

8.2.12.7 New Project

On the 19th December 2019 Maluti TVET College received an approval of R 3 000 000.00 from SEDA to start a Centre for Entrepreneurship Rapid Incubator (CFERI), where students are to be trained in forming Cooperatives.

8.2.12.8 World Skills South Africa

- Four students from Kwetlisong Skills Academy participated at National level, where two of them received the third position. Funding of the project was from NSF.
- Two of our lecturers were selected for National experts where they served as judges during the competition.
- In August 2019 two officials, Messrs VE Mabena and TV Tshabalala represented Maluti TVET College at the World Skills Competition held in Russia.



Messrs VE Mabena and Mr Tshabalala V at World Skills Competition in Russia.

8.3 STUDENTS SUPPORT SERVICES

8.3.1 Student health & wellness

8.3.1.1 Peer educators

This was programme in which students were trained to facilitate health-promotion amongst peers. It emphasises the power of role modelling, support in developing positive group norms and in making healthy decisions about sexuality and other related issues.

8.3.1.2 Recruitment of Peer Educators at Campuses:

CAMPUS	NUMBERS
Main	10
Bonamelo	8
Itemoheleng	8
Sefikeng	11
Kwetlisong	11
Bethlehem	9
Harrismith	11
Lere la Tshepe	10

8.3.1.3 Pre/post - activations meeting

Pre/post activations meeting are meetings are held before or after the activations at campuses and after meeting.

Activation Day is the Day when partners are invited to a campus or particular spot to pitch and conduct their services for our students. This events are repeated a number of times during the year with the hope of instilling the importance of health in students.

On this day peers are given a platform to be in the lead and responsible for assisting partners with filling forms, ordering students and conducting dialogues and group sessions.

The activations of HIV/AIDS testing were conducted as follows:

CAMPUS	DATE	TESTED
Bethlehem	13-14 February 2019	138
Itemoheleng		158
Bonamelo	11-12 February 2019	161
Harrismith		62
Kwetlisong	18-19 February 2019	108
Lere la Tshepe	20-21 February 2019	156
Main		138



Activations of HIV/AIDS

8.3.1.4 Empoworx

Empoworx is a communications Company that was sourced to bring their programmes to the College. They offered four sessions where one of the sessions was screened on TV and Edutainment for institutions of Higher Education and Learning. The programme featured South Africa's Comedian Pastor Mbobo and TV personality Nimrod Nkosi.

Campuses that were visited are:

CAMPUS	DATE
Lere la Tshepe	12 March 2019
Harrismith	13 March 2019
Itemoheleng	14 March 2019
Bethlehem	15 March 2019



TV personality Nimrod Nkosi addressing students

8.3.1.6 Gender Based Violence Presentations

There were presentations held at Campuses for Gender- based Violence and the following stakeholders were invited; Department of Social Development, South African Police Services and Aadaaf.

The purpose was inform young people as to extent of violence on and off campuses and to address what needs to be done to contain the problem.

Presentations took place at the following campuses:

CAMPUS	DATE
Bethlehem	05 April 2019
Bonamelo	none
Itemoheleng	12 April 2019
Harrismith	
Lere la Tshepe	26 April 2019
Kwetlisong	
Main	03 May 2019
Sefikeng	

On the 25th April 2019, an invitation was extended to the College by HEAIDS for a dialogue on **Gender - Based Violence**.

The following officials attended:

No.	OFFICIAL	CAMPUS
1	Mofokeng L.P	Kwetlisong
2	Tsoeu M.B	Itemoheleng
3	Mofokeng NP	Lere la Tshepe
4	Masobe PE	Kwetlisong
5	Mofokeng RL	Main
6	De Jager DR	Harrismith
7	Macholo RG	Sefikeng
8	Khumalo NA	Bethlehem
9	Nthebe MJ	Bonamelo
10	Maphalala SB	Main

8.3.1.7 Peer Fridays

Peer Fridays were established at all campuses. This initiative created a platform for peer educators to conduct condom demonstrations and distribution. The main focus was to lessen the tension on students, to liberate them to take condoms without shame. The intention was to curb HIV infections and unplanned pregnancies.

There was also an expectation from DOH and HEAIDS that the College should meet the targets of distribution at the stipulated time.



Demonstration of condom use.

8.3.1.8 Medical male circumcision

Right to Care initiated a campaign for medical male circumcision. They approached the College to make presentations to our students and requested to use our peer educators as marshals during the event. The presentations were made at following campuses:

CAMPUS	DATE
Lere la Tshepe	26 April 2019
Kwetlisong	
Sefikeng	03 May 2019
Main	

8.3.1.9 Basic counselling training

All SLO's underwent basic counselling training conducted by **FAMSA** on 11th – 13th November 2019

The purpose of the training was to assist SLO's in coping skills that would enable them to deal with student related issues.

The scope of the training included the following:

- Self-awareness
- Basics of systems theory
- Egan Model of counselling
- Active listening
- Responding skills

- Emotional vocabulary
- Basic empathy
- Intro to psychosocial stages
- Understanding communication

8.3.1.10 Disability awareness day

On the 18th October 2019 an awareness day was held at Bonamelo Campus, which focused on educating people on disability and the challenges surrounding this condition. The day also addressed the surrounding misconceptions about disability and gave students an opportunity to voice their opinion.



Attendances at the Disability Awareness Day

8.3.2 Extra -curricular activities

8.3.2.1 College Athletics

8.3.2.1.1 Intercampus Athletics

College held Inter-Campus Athletics at Platberg Stadium in Harrismith on 08th February 2019:

CAMPUS	No. STUDENTS
Bethlehem	37
Bonamelo	29
Itemoheleng	33
Harrismith	21
Lere la Tshepe	35
Kwetlisong	23
Main	45
Sefikeng	47
TOTAL	270



Excited students with Platberg in the background

98 students out of 270 made it through to participate at the Inter-Provincial Athletics that were held at Goble Park Stadium at Bethlehem.

NUMBER OF ATHLETES WHO ARE GOING TO PARTICIPATE AT INTER-PROVINCIAL ATHLETICS

CAMPUSES

Harrismith	Bethlehem	Kwetsisong	Sefikeng	Main	Bonamelo	Itemoheleng	Lere la Tshepe
12	10	10	10	8	7	15	26
Total: 98							

8.3.2.2 2019 Inter Provincial athletics

Participated in Colleges performed as follows at the meeting at Bethlehem:

KEY ACTIVITIES	COLLEGES ATTENDED	NUMBER OF ATHLETES	NUMBER OF OFFICIALS
Organised and hosted the Inter Provincial Athletics at Goble Park Stadium at Bethlehem on the 06 th April 2019.	Maluti TVET College	98	16
	Motheo TVET College	90	10
	Flavius Mareka	93	8
	Goldfields	90	10

Overall results

BEST MALE ATHLETE
Ramakhabotle Tsolo (Main Campus)

BEST COLLEGE
Maluti TVET College

8.3.2.3 PROVINCIAL TRACK & FIELD CHAMPIONSHIPS

Five (5) students attended Provincial Track & Field Championships in Bloemfontein on the 22nd – 23rd February 2019. Two (2) Athletes received Bronze Medals, viz Simangele Dlamini (Lere la Tshepe Campus) and Thabang Tsotetsi (Bethlehem Campus). Maluti TVET College competed against University of the Free State (Bloemfontein Campus), ACT Athletics Club, SAPS Free State and Kimberly Diamonds Athletics Club. Our students performed as follows at this meeting:

NAME & SURNAME	CAMPUS	EVENT	POSITION
Thabang Tsotetsi	Bethlehem	High Jump	3
Tumelo Mofokeng	Itemoheleng	100M 200M 400M	5 2 2
Themba Mokoena	Lere la Tshepe	100M	7
Simangele Dlamini	Lere la Tshepe	100M 200M	2 3
Palesa Motsima	Main	100M	3

8.3.2.4 Road Running Races

Maluti TVET College students participated in the following Road Running Events:

- Clarens on 02 March 2019 (42km, 21km, 10km Fun Run).
- Welkom on 22 – 23 March 2019. (21km, 5km Fun Run).

Maluti TVET College runners who performed exceptionally well in the 10km and Fun Races are: Ramakhabotle Tsolo (Main Campus, position 2) and Lehlohonolo Makoe (Main Campus, position 8).



Race winners: R Tsolo & L Makoe



R Tsolo at VBK Athletics meeting

- Selati Pongola Road Race Marathon in Pongola (KZN) on the 26-27 April 2019, the winner Tsolo RV (Main Campus) obtained position 2 in 21.1 Km road race.



Participants of Selati Pongola Road Race Marathon

Cross Country League Results

POSITION LEAGUE 1	NAME & SURNAME	ID/DOB	DISTANCE	CAMPUS	TIME LEAGUE 1	POSITION LEAGUE 2	TIME LEAGUE 2
5	Moeketsi Motaung	9808255528082	10km	Main	39:50	9	47:35
6	Lehlohonolo	9705046140088	10km	Main	41:40	6	41:41
7	Makoe Ramakhabotle Tsolo	9609295276082	10km	Main	41:49	1	33:39
1	Puleng Khoantle	980421	8km	Main	52:44	1	49:50
2	Mamodiehi Miya	9903290623087	8km	Lere la Tshepe	55:20	4	54:18

Results Inter Provincial Cross Country in Kimberly on 18th May 2019 at N.J Heyns School

NAME OF ATHLETE	RACE	POSITION	CAMPUS
Khoantle P.J	8 Km	2	Main
Miya M.L	8 Km	3	Lere la Tshepe
Tsolo R.V	10 Km	1	Main



Winners of Provincial Cross Country

8.3.3.1 Thabo Mofutsanyane District Netball trials

Four students took part in the Thabo Mofutsanyane District (TMD) Netball Trials in Bethlehem on the 23rd February 2019 at Voortrekker Hoërskool. Trials started with the selection of the U19 team, progressed to U21, and Senior Women and Men. All 4 students performed well in the trials and each qualified for inclusion in their respective District teams. The successful participants would now be able to take part in the Provincial & National Tournaments and hosted by the Free State Netball Federation and Netball South Africa.

8.3.3.2 Inter-Campus Sport League

The Sports and Recreation Section organised Campus Netball ND Soccer Competitions. All eight campuses of the College participate in these competitions. At the end of the year, the log standings were as follows:

INTER- CAMPUS LOG STANDINGS (SOCCER)

NO.	CAMPUS	P	W	D	L	GF	GA	GD	PTS
1.	Bethlehem	4	2	1	1	9	5	+4	7

2.	Kwetlisong	4	2	0	2	6	7	-1	6
3.	Harrismith	4	1	2	1	3	3	0	5
4.	Main	2	1	1	0	3	2	+1	4
5.	Lere la Tshepe	3	1	1	1	3	3	0	4
6.	Bonamelo	3	1	1	1	4	4	0	4
7.	Itemoheleng	3	0	2	1	1	2	-1	2
8.	Sefikeng	3	0	2	1	1	4	-3	2

8.3.3.3 Inter- Campus (WafaWafa) Knockout League Challenge

The Inter- Campus (WafaWafa) Knockout League Challenge was held on the 9th November 2019 at the University of Free State Sports grounds. Itemoheleng won the soccer challenge. In the Netball Challenge: Lere la Tshepe first position; Bonamelo second position and Bethlehem third position.



Winner of WafaWafa Knockout League Challenge

8.3.3.4 DISABILITY SPORTS

Sports & Recreation arranged for Neo Lowerlot, student from Main Campus, to join Thiboloha Goal-ball Team. Furthermore four disability students took part in the Inter-Campus Athletics. The distribution of disable persons were as follows:

Name & Surname	Campus	Event	Disability Type
SD Salemane	Kwettisong	400M	Blind
NL Gumede	Kwettisong	800M	Deaf
B Monareng	Kwettisong	1500M	Deaf
N Lowerlot	Main	100M	Visually Impaired

Neo Lowerlot has been selected for Free State Provincial Goal-ball team and will participate in the National Goal ball Competitions in March 2021. Lowerlot was further empowered being given an opportunity to participate in Free State Sport for Physically Disabled and Visually Impaired Athletics Trials on 2nd November 2019. During the trials, Lowerlot qualified for 3 events. In 2021 he will be taking part in the SA Champs Paralympics.

8.3.4 ARTS & CULTURE

8.3.4.1 Debate

An Inter-Campus debate workshop was held on 14th August 2019 at Main Campus.

Campus	Number of participants
Lere la Tshepe	6
Bethlehem	2
Harrismith	8
Kwettisong	1
Main	7
Itemoheleng	2
Bonamelo	0
Sefikeng	15

2019 National DHET Debate Competition

The College participated in this event:

Name and Surname	Campus
Jeremiah Mokoena	Harrismith

Both students made it to the top 20 National Speakers; (Jeremiah Mokoena top 4 and Motshidisi Dikate top15)



Jeremiah Mokoena



Motshidisi Dikate

8.3.4.3 College choir

- Maluti TVET College Choir took part in the Lesedi FM & LECMA choral music festival at Kagisanong Hall in Bloemfontein on the 28th April 2019. The choir recorded with Lesedi FM and SABC and are now being played on air every Saturday Morning at 7:00am.
- Maluti TVET College Choir took part in the South African Tertiary Institution Choral Association (SATICA) Competition on the 1st – 7th July 2019. The College received a bronze award in the vernacular piece.



Maluti TVET College Choir

8.3.4.4 PERFORMING AND VISUAL ARTS

Students from different campuses competed in the visual & performing arts competitions held on the 04 April 2019 at Main Campus; SSS Hall:

CAMPUSES PRESENT	CATEGORIES	QUALIFYING No.
Main	Traditional Dance	12
Lere la Tshepe	Hospitality (Traditional meal)	6
Itemoheleng	Sneaker painting (African Print)	2
	Fashion show	3

All qualified students attended Heritage Expo on the 12th April 2019 in Johannesburg Constitutional Hill organised by CATHSSETA & Department of Higher Education & Training.



Participants at Heritage Expo

Higher Education Institutions Performing Arts Festival (drama)

Students attended the Higher Education Institution Performing Arts Festival on 4-6 July 2019. Maluti TVET College performed a drama piece called "Taking it back to Sophia Town. 6 Universities, 3 Universities of Technology and 2 TVET Colleges participated. A student from Lere la Tshepe received Best Actress Award.



Drama

8.3.5 PLACEMENT UNIT

8.3.5.1 WIL

Work Integrated Learning (WIL) is a strategic priority at Maluti TVET College. This view arises from the fact that the phase following the theoretical training of a student, is a key aspect to ensure that the respective students are prepared for the working environment and trained in the field they studied. The placement unit consist of several sub-sections which included:-

- Work Based Exposure (WBE):
 - Exit Support
 - Ministerial Placement programmes
- Student Placements:
 - SETA Partnerships
 - International Partnerships
 - Not Funded students
- Host Employer Partnerships
- Work Readiness Workshops
- NSF Programmes

8.3.5.2 Work Based Exposure (WBE)

WBE is a short period of structured workplace learning in a real-world workplace, as part of an institution-based programme of study. Aimed at developing basic job competence through the application in the workplace of knowledge and skills acquired in the College. Workplace-Based Experience is essential in preparing students for employability. It provides students with an understanding of the nature of the workplace in their chosen field of training. It capacitates them to apply College learning in the context of real workplace operations.

WBE L4 students placed during 2019:

CAMPUS	TOTAL L 4 STUDENTS PLACED
Bethlehem	148
Bonamelo	107
Harrismith	51
Itemoheleng	41
Lere la Tshepe	100
Main	88
Sefikeng	21
TOTAL	556

Total WBE students placed during 2019:

QUARTER 1		QUARTER 2		QUARTER 3		QUARTER 4		TOTAL
WBE (Pre-Exit Level)	56	WBE (Pre-Exit Level)	375	WBE (Exit-Level)	284	WBE (Exit-Level)	15	987
WBE (Exit-Level)	31	WBE (Exit-Level)	226					
TOTAL:	87	TOTAL:	601	TOTAL:	284	TOTAL:	15	

KEY RESULT AREA	KEY ACTIVITIES OUTPUTS	HOST EMPLOYERS	LEVEL	NO OF DAYS	TOTAL NO OF STUDENTS PLACED
Excursion	Ministerial WBE Programme	Ilse Lombard Boerdery Stoet	Level 2	1	126
		Nampo Agriculture Show	Level 3 Level 4	1	118
		Makoane Piggery	Level 3	1	52
		Seotlong	Level 2	1	62
		Fyvie Farms	Level 3	1	56
		Pietermaritzburg Royal Show	Level 2	3	17
				Total:	431

8.3.5.3 Student placements

SETA Partnerships:

SETA's facilitate training for out-of-school youth as well as anyone who needs additional skills and further training. The members of a SETA include employers, trade unions and Government Departments. SETA's have been established by the Labour Department to assist with the Skills Development Act.

NAME OF SETA	AMOUNT FUNDED	STIPEND	No. INTERNS	DESCRIPTION
AGRI SETA	R 572 400,00	R3975,00	13	(WIL) Internship
BANK SETA	R 1 890 000,00	R2 500,00	35	(WIL) Internship
BANK SETA	R1 417 500,00	R2 500,00	30	(WIL) Internship
CATHSSETA (GROUP 1)	R1 123 200,00	R3 000,00	21	(WIL) Internship
CATHSSETA (GROUP 2)	R1 476 000,00	R3 500,00	30	(WIL) Internship
CETA	R 332 136,00	R 3 854,00	7	(WIL) Internship
CETA	R 332 136,00	R 3 854,00	20	(WIL) Internship
CHIETA (Project01)	R144 000,00	R3 000,00	5	(WIL) Internship
CHIETA (Project02)	R36 000,00	R3 000,00	1	(WIL) Internship
CHIETA (Project03)	R216 000,00	R3 000,00	6	(WIL) Internship
CHIETA (Project04)	R72 000,00	R3 000,00	2	(WIL) Internship
ETDP SETA (Project03)	R 270 000,00	R2 500,00	60	(WIL) Internship

ETDP SETA (Project 4)	R4 455 000.00	R2 500.00	Group 1: 28 Group 2: 35 Group 3: 36	(WIL) Internship
ETDP SETA (SLO PROJECT)	R 300 000.00	R2 500.00	6	(WIL) Internship
FOODBEV SETA	R2 484 000,00	R2 000.00	58	(WIL) Internship
INSETA	R252 000.00	R3 500.00	6	(WIL) Internship
INSETA	R591 500.00	R3 500.00	13	(WIL) Internship
PSETA	R 3 870 000.00	R2 500.00	76	(WIL) Internship
TETA SETA	R1 026 000,00	R2 500.00	20	(WIL) Internship
W&R SETA	R 4 140 000.00	R2 500.00	92	(WIL) Internship
NYDA	R 2 400 000,00	R 2 500.00	40	Apprenticeship
			10	Apprenticeship
			20	Apprenticeship
NSF	R360 000,00	R 3000.00	28	Learnership
NSF	R1 080 000,00	R 1 500.00	56	Learnership
ETDP SETA			95	Learnership
MICT SETA			20	Learnership
TOTAL			868	



Interns hard at work

8.3.5.4 International placements

The South African Government has identified a shortage of skills as an imperative for South Africa's participation in the 4th Industrial Revolution. Maluti TVET College students participating in the Chinese Culture Exchange programme will be in a better position to contribute to the development and growth of our economy.

Participants in the Chinese Exchange Programme:

No	SURNAME	NAME	GENDER	CAMPUS	FUNDED BY
1	Hlalele	Mabatho	Female	Lere la Tshepe	MICTSETA
2	Dlamini	Matshepiso Josephine	Female		
3	Mokoena	Seipati Jeanett	Female		
4	Tshabalala	Maspetele Sylvia	Female		
5	Lesenyeho	Nteboheng Sylvia	Female		
6	Mosia	Mkeresemese Violet	Female		
7	Mokhwane	Mpho Elias	Male		
8	Mafanyolle	Josephine Polo	Male		
9	Mzizi	Tokoloho Calvin	Male		
10	Pitso	Tankiso Edwin	Male		
11	Mangangi	Rampho	Male		
12	Nkutha	Bongane	Male		
13	Ratia	Swatsi	Male		
14	Sepale	Thato	Male		
15	Radebe	Thabiso	Male		
16	Mabesele	Molefe	Male		
17	Mofokeng	Mpheane	Male		
18	Mohale	Lebohang	Male		
19	Motsoeneng	Palesa	Female		
20	Sibeko	Mmanakedi	Female		



Exchange students graduated in China

The following 9 students were placed in China for a 12 months' exchange internship programme funded by MerSETA:

No	SURNAME	NAME	GENDER	COURSE	CAMPUS	FUNDED BY
1	Mtshali	Busisiswe	Female	Mechanical Engineering N6	ITEMOHELENG CAMPUS	MERSETA
2	Xulu	Sibusiso	Male	Mechanical Engineering N6		
3	Lenyane	Relebohile Patience	Female	Mechanical Engineering N6		
4	Mokhobo	Calvin Thato	Male	ERD L4		
5	Buthelezi	Ndumiso	Male	Mechanical Engineering N6		
6	Mooko	Lerato	Female	ERD L4		
7	Makhalemele	Lebohang	Male	Mechanical Engineering N6		
8	Tsotetsi	Lefu	Male	ERD L4		
9	Miya	West	Male	ERD L4		

The following 2 students were placed in China for an exchange internship program funded by the Chinese Culture and International Education exchange Centre:

INTERNATIONAL PLACEMENT OF 06 ECD AND EDUCARE STUDENTS					FUNDED BY
No	SURNAME	NAME	GENDER	COURSE	CHINESE CULTURE AND INTERNATIONAL EDUCATION EXCHANGE CENTRE
1	Mahatle	Moipone	Female	Edu Care N6	
2	Ncubuka	Thandi	Female	ECD L4	



ECD Exchange graduates

8.3.5.6 Students Placed without Funding:

QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
275	157	126	83

8.3.5.7 Host- Employer Partnerships:

A host-employer partnership is a partnership between Maluti TVET College and private and government institutions with the goal of placing students for a certain timeframe within that host company. The ultimate purpose of placement of students within the institution is to ensure that students receive adequate work experience that will enable them to become proficient employees or small business owners in their chosen fields of study.

Total number of host-employer partnerships:

HOST EMPLOYERS	TOTAL PARTNERSHIPS
Private Entities	111

Public Entities	188
TOTAL:	299

8.3.5.7.1 Host- employer breakfast events

The purpose for the Host Employer Breakfast Events was three-fold: firstly it was an opportunity to thank our current host - employers for their partnerships in the WIL/WBE and skills projects; secondly, it was to introduce the Placement Department officials and explain how the processes and procedures of placement takes place during the placement of students at host companies. The Host Employer Forums was launched at one of this events.



Host-employer breakfast Meeting

8.3.5.7.2 Host- employer Forum meetings

Forum meetings take place once every quarter at various sites (Bethlehem, Harrismith and Phuthaditjhaba). During these forum meetings, best practices are shared, challenges highlighted and problems attended to.



Host-employers participants at work

8.3.6 Work readiness workshops:

Work Readiness workshops are offered to exiting level students to ensure that workplace skills and ethics, interviewing and job searching skills are acquired.

NYDA conducted training at various campuses to assist students in job preparedness and Life Skills. Exiting N6 and L4 students were prepared in Interview Skills and CV writing.

CAMPUS	TOTAL STUDENTS
Bonamelo	67
Harrismith	45
Lere la Tshepe	73
Main	45

Sefikeng	23
TOTAL STUDENTS	253

8.3.7 NSF Internship programme placements

LEARNERSHIP PROGRAMMES	NO. STUDENTS PLACED	APPRENTICESHIP	NO. STUDENTS PLACED
End-User Computing	56	Motor Mechanics	18
		Boiler maker	6
		Welding	4
TOTAL	56	TOTAL	28



Interns at work

8.3.8 2019 BURSARY REPORT

8.3.8.1 DHET FINANCIAL AID SCHEME

The provision of student financial aid through the Department's TVET Bursary Scheme and from other funders is critical to an able access to TVET colleges. Maluti TVET College has sound administrative processes in place to disburse the funds. The Department has developed Bursary Rules and Guidelines which are reviewed annually. The bursary section ensured that students are

kept informed of the availability of financial aid. A financial aid committee meets on a monthly basis. The SRC Chairperson, SRC Finance Officer and CSRC Finance officers all serve on this committee.

V119, T119, S119, T219, S219 & T319 STUDENTS ON REMITTANCE LIST:

CAMPUS	No. STUDENTS	TUITION FEE	ALLOWANCES	TOTAL FEE
Bethlehem	1025	R 5 778 130,45	R 14 630 681,00	R 20 408 811,45
Bonamelo	1388	R 7 353 160,36	R 12 636 722,00	R 19 989 882,36
Harrismith	905	R 4 409 893,71	R 8 895 197,00	R 13 305 090,71
Itemoheleng	1242	R 7 422 698,90	R 8 501 753,00	R 15 924 451,90
Kwetlisong	49	R 196 000,00	R 521 750,00	R 717 750,00
Lere la Tshepe	1107	R 10 954 620,48	R 10 921 125,00	R 21 875 745,48
Main	1342	R 5 892 140,83	R 10 942 205,00	R 16 834 345,83
Sefikeng	213	R 4 620 065,90	R 3 946 750,00	R 8 566 815,90
Grand Total	7271	R 46 626 710,63	R 70 996 183,00	R 117 622 893,63

2019 Paid Allowances:

PAID ALLOWANCES	No. STUDENTS	AMOUNT
1st tranche (January & February)	5200	R 12 637 705,00
2nd tranche (March)	3619	R 4 564 691,11
3rd tranche (April)	3494	R 4 463 666,17
4th tranche (May)	3571	R 4 480 604,17
5th tranche (June)	3675	R 4 563 270,83
6th tranche NCV only (July)	2456	R 3 066 416,66
7th tranche T219 (May & June)	137	R 409 196,67
8th tranche NCV (Aug)	2165	R 2 737 729,17
8th tranche S2 NATED (Jul & Aug)	1096	R 2 446 764,00
9th tranche NCV (Sep)	2158	R 2 732 541,67
9th tranche NATED (Sep)	1041	R 1 156 024,17
10th tranche T2 NATED (July)	118	R 181 019,33
11th tranche NCV (Oct)	2429	R 3 043 062,50

11th tranche NATED S2 (Oct)	1114	R 1 217 754,17
12th tranche T3 NATED (Oct)	109	R 158 384,00
13th tranche NCV & NATED S2 (Nov)	4374	R 5 343 639,00
14th tranche NCV, NATED S2 & T3 (Dec)	4298	R 7 217 221,17
TOTAL		R 60 419 689,77

8.3.8.2 OTHER FUNDING:

8.3.8.2.1 W&R SETA BURSARIES

2018 W&R SETA BURSARY (CONTINUING STUDENTS FOR 2019)				
CAMPUS	NO OF STUDENTS	TOTAL FUNDING	1ST TRANCHE PAID (Tuition & Allowances)	BALANCE TO BE PAID TO THE COLLEGE
Bethlehem	1	R 173 014,60	R 727 293,79	R 1 695 720,81
Bonamelo	1	R 48 913,04		
Harrismith	5	R 146 739,12		
Lere la Tshepe	40	R 1 956 521,60		
Main	2	R 97 826,24		
Total	49	R 2 423 014,60		

2019 W&R BURSARY (New Students)		
CAMPUS	NO. OF STUDENTS	TOTAL FUNDING (TUITION & ALLOWANCES)
Bonamelo	3	R 67,398.08
Harrismith	8	R 213,639.52
Lere la Tshepe	8	R 278,862.00
Main	9	R 260,134.75
TOTAL	28	R 820,034.35

8.3.8.2.2 CATHSSETA FUNDING:

2018 CATHSSETA BURSARY (NCV CONTINUEING STUDENTS FOR 2019)				
CAMPUS	NO. OF STUDENTS	1 st TRANCHE PAID (TUITION ALLOWANCES)	2 nd TRANCHE TO BE PAID	BALANCE TOTAL APPROVED
Lere la Tshepe	5	R 232,000.00	R 58,000,00	R 290,000.00

2019 CATHSSETA BURSARY (NCV NEW STUDENTS)		
CAMPUS	NO. OF STUDENTS	TOTAL APPROVED (TUITION & ALLOWANCES)
Lere la Tshepe	10	R 580 000,00
TOTAL	10	R 580 000,00

8.3.8.2.3 INSETA FUNDING:

2019 INSETA BURSARY (NEW)		
CAMPUS	NO. OF STUDENTS	TOTAL FUNDING (TUITION FEE ONLY)
Bethlehem	11	R 25,677.92
Bonamelo	16	R 33,778.09
Harrismith	9	R 21,162.24
Lere la Tshepe	11	R 11,533.84
Main	3	R 5,718.08
TOTAL	50	R 97,870.17

9. COLLEGE PERFORMANCE AND ORGANISATIONAL ENVIRONMENT

The College performance has been consistently improving with measures in place to improve on poor performance. The students' enrolment showed that the programmes offered attracted students especially in NCV. The poor background from the College catchment area resulted in a huge number of students benefitting from the DHET Financial Aid Scheme as without it the College would have failed in its primary objectives. The effort in that space needed constant monitoring and engagement with NSFAS in order to improve the servicing of students.

The other area where much attention is given is the placement of students with host - employers. The partnerships with the various local employers showed that small and big companies are needed to achieve the goals: hence the large number of partners that signed the MoUs to allow students in their work place. Much effort is needed to change the low number of placement of lecturers with employers and such a situation will not be left unattended.

10. PERFORMANCE REPORTING

10.1 ANNUAL PERFORMANCE ACHIEVEMENTS

STRATEGIC OBJECTIVES	PERFORMANCE INDICATORS	TVET COLLEGE 2019 PLANNED TARGET	TVET COLLEGE 2019 ACHIEVEMENT	EXPLANATORY REMARKS
SO 1 To provide quality technical and vocational education and training services and increase academic achievement and success of students	Appropriate teaching and learning support plan developed and implemented (n)	1	1	College annual achievement
	Appropriate student support plan developed and implemented (n)	1	1	College annual achievement
	Improved certification rates in: NC(V) L4 N3 & N6 (%)	55 50 65	56 28 50.50	College annual achievement
	Throughput rate for NC(V) L4 (%)	13%	45%	College annual achievement, definition of the new guidelines on throughput rate used
	Funded NC(V) L4 students obtaining qualification within stipulated time (%)		45%	Majority of students funded by NSFAS
	TVET students enrolled in PLP (n)	105	57	College annual achievement
	Students completing artisan-related programmes (n)	0	0	College annual achievement
Established centre/s of specialisation (COS) (n)	0	0	College annual achievement	
SO2 To have adequate infrastructure and systems in place to	2019 Headcount enrolment (n) - state funded	6670	8252	College total annual achievement as more pipeline students returned to

STRATEGIC OBJECTIVES	PERFORMANCE INDICATORS	TVET COLLEGE 2019 PLANNED TARGET	TVET COLLEGE 2019 ACHIEVEMENT	EXPLANATORY REMARKS
increase access and provide effective services to students				the College complete eg. NCV level 4 were automatically qualifying for bursary to complete their fourth year.
	2019 Headcount enrolment (n) - college funded	2567	2988	More pipeline students qualify to registered and not be covered by NSFAS funding
	2019 Headcount enrolment (n) - funded from other sources	1868	821	Skills learnerships and Apprenticeship College achieved
	Percentage occupation rate of college accommodation (%)	100	80	College annual achievement
	Qualifying students obtaining financial assistance (n)	4830	8252	Annual bursary students
SO3 To develop partnerships and maintain good stakeholder relations to increase the number of students who are adequately prepared to enter the labour market or further and higher learning opportunities	Beneficial and functional college partnerships (n)		288	College annual achievement
	TVET lecturers placed in workplaces for specified periods (n)	76	4	Annual lecturers placed.
	TVET students placed in workplaces/industry for specified periods for work exposure, experiential learning and/or certification purposes (n)	1800	2094	More students were placed at the beginning and at the end of the year as more places were available for placement of our students.
SO4 To ensure continuous business excellence in terms of good corporate governance and effectual management of all college resources as well as information and data reporting	Compliance to governance standards (%)	100%	91%	College annual achievement
	Compliance to policies and regulations applicable to the TVET College sector (%)	100%	91%	Annual Compliance average to policies and regulations applicable to the TVET College
	Obtaining unqualified audits or assessments (n)	1	1	Qualified outcome
	Compliance with national policy of college examination centres conducting examinations and assessments (%)	100%	93%	The college achieved examination circles average per annual
SO5 To monitor and evaluate all college	Accurate performance quarterly reports submitted for M&E purposes (n)			All submissions were made quarterly as

STRATEGIC OBJECTIVES	PERFORMANCE INDICATORS	TVET COLLEGE 2019 PLANNED TARGET	TVET COLLEGE 2019 ACHIEVEMENT	EXPLANATORY REMARKS
processes in terms of the framework for TVET college performance and report quarterly in this regard		4	4	required per annual schedule.

10.2 COLLEGE ACHIEVEMENT IN TERMS OF TVET SYSTEM TARGETS

Use the table below to report on achievement of TVET college system targets.

System Target	2019/2020 planned National Target (TVET Branch)	TVET College 2019 Planned Target	TVET College 2019 Achievement	Explanatory Remarks
2018 Headcount enrolment (n) - state funded [must be audited]	493 991	6670	8252	College annual achievement
2018 Headcount enrolment (n) – college funded [must be audited]	170 757	2567	2988	College annual achievement
2018 Headcount enrolment (n) – funded from other sources [must be audited]	45 787	1868	821	College annual achievement
Certification rate NC(V) L4 (%)	50%	55	56	College annual achievement
Certification rate N3 (%)	65%	50	28	College annual achievement
Certification rate N6 (%)	65%	65	50.50	College annual achievement
Throughput rate for NC(V) L4 (%)	38%	40	45	College annual achievement, definition of the new guideline
College examination centres compliant with national policy (%)	100%	100%	93%	College annual achievement
Qualifying TVET students obtaining NSFAS financial assistance (n)	484 111	4830	8252	College annual achievement

10.3 STRATEGY TO DEAL WITH UNDERPERFORMANCE

A new initiative -**Academic Indaba**- was held in order to address a challenge of poor performance by students. Campus Managers had to present their 2018 results analysis, explain challenges for not meeting targets and present a management plan to improve results in underperforming subjects. The event took place in the stakeholder environment where they had to justify the outcome of the results and plans for improvement.

An interpretation of the subject analysis was done to identify challenges and introduce specific interventions for underperforming subjects. Results were also compared to ICASS marks. These informed the College Improvement Plan. The plan included quarterly class visits to support and mentor newly appointed lecturers and lecturers who offered underperforming subjects. Challenges were also indicated in student questionnaires. Where programmes/subjects were shared by campuses. Best performing lecturers/campuses offered in-house training sessions to poor performing lecturers/campuses. Programme meetings were scheduled per quarter where best practices and challenges could be discussed and inter-campus moderation of student scripts be administered.

Lecturer capacity to set assessments of the required standard was identified as a challenge and addressed. Campus Management Teams and lecturers attended training in the moderation of assessments; setting assessments that cover different cognitive levels and how to use the analysis grid. Campus Managers had to present assessments to the DPA and Curriculum Manager for approval.

An ICASS Status Reporting Template was introduced to monitor the progress of ICASS per assessment. HoDs presented these reports during monthly in-house training sessions, reflecting on achievements, challenges and indicating planned interventions (management plans) to address challenges and improve ICASS Marks. A monthly campus ICASS monitoring reporting template was introduced whereby the campus manager had to monitor 2 sets of portfolios, the HoD 4 and each senior lecturer per month and submit the report to the Curriculum Manager. These reports were also presented during College ICASS monitoring sessions.

A variety of intervention strategies were introduced by SSS as well.

10.3.1 TOOLS TO MONITOR UNDER-PERFORMANCE

10.3.1.1 MONTHLY CAMPUS ICASS MONITORING

Campus Management teams monitored portfolios continuously and submitted monthly reports indicating successes, challenges and management plans to improve matters. The number of portfolios that needed to be monitored ensured that all lecturers were monitored at least once per quarter.

PART D: FINANCIAL INFORMATION

11. FINANCIAL REPORTING

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

GENERAL INFORMATION

Controlling entity

Department of Higher Education and Training (DHET)

Financial Statements relate to	MALUTI TVET COLLEGE (Individual entity and not group)
Domicile, legal form and jurisdiction	The College is a Public Technical and Vocational Education and Training College, constituted in terms of the Continuing Education and Training Act No. 16 of 2006, as amended (CET Act), and operates within the Republic of South Africa.
Nature of business and principal activities	To provide continuing education and training to registered students for all learning and training programmes leading to qualifications or part qualifications at levels 1 to 4 of the National Qualifications Framework.
Council Members	Dr RA Patel - Chairperson Mr W Lefora – Deputy Mr M Mokhantso Dr VZ Masuku Mrs PN Nthunya Mr M Mahamotsa Mr LO Mazibuko Dr TP Tondi Adv. TE Tsoeu Mr TG Makgale
Principal	Mr VE Mabena
Chief Financial Officer (CFO)	Ms S Wiggett
Registered office	Mampoi Street, Witsieshoek, 9870
Business address	Mampoi Street, Witsieshoek, 9870
Postal address	Private Bag X870, Witsieshoek, 9870
Bankers	ABSA Bank
Auditors	Auditor General

11.1 REQUIRED ATTACHMENTS FOR FINANCIAL REPORTING

MALUTI TVET COLLEGE

Financial Statements for the year ended 31 December 2019

Council's Responsibilities and Approval

The council is required by the Continuing Education and Training Act No. 16 of 2006, as amended, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of council to ensure that the financial statements fairly present the state of affairs of the College as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with GRAP. The Auditor- General was engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records, related data and relevant parties.

The financial statements have been prepared in accordance with the Standards of GRAP including any interpretations, guidelines and directives issued by the ASB and in the manner required by the Minister of Higher Education and Training.

The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

Council acknowledges that it is ultimately responsible for the system of internal financial control established by the College and places considerable importance on maintaining a strong control environment, which includes the safeguarding of assets and compliance with relevant legislation. To enable the council to meet these responsibilities, the council sets standards for internal control aimed at reducing risk in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting and other procedures, and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the College and employees and management are required to maintain the highest ethical standards in ensuring the college's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the college is on identifying, assessing, managing and monitoring all known forms of risk across the college. While operating risk cannot be fully eliminated, the College endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The council accepts its responsibility to ensure that the College is managed in a responsible manner, considering the interest of all stakeholders, including the DHET, unions, employees, students, local communities and creditors. Responsible management entails, inter alia, compliance with applicable statutory and regulatory requirements, including risk management.

The council is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements and that the financial statements are free from material misstatement, whether due to fraud or error. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The council has reviewed the College's cash flow forecast for the year to 31 December 2020 and, in the light of this review and the current financial position, it is satisfied that the College has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The Council took notice of the movement in impairment to a level of R15 505 608. (2018: R5 585 944) that was incurred as a result of an estimate of irrecoverable trade debtors.

The College is dependent on the DHET for continued funding of operations in line with the annual DHET programme funding allocation. The financial statements are prepared on the basis that the College is a going concern and that the DHET has neither the intention nor the need to liquidate or curtail materially the scale of the College's operations.

The Auditor-General is responsible for independently auditing and reporting on the College's financial statements and his report is presented with these financial statements.

The financial statements set out on page XX to XX were approved by the council on 31 March 2020 and were signed on its behalf by:



Dr RA Patel
Chairperson of the Council
31 March 2020

A. AUDITED ANNUAL FINANCIAL STATEMENTS

Report of the auditor-general to the minister of Higher Education, Science and Innovation and the council of the Maluti Technical and Vocational Education and Training (TVET) College

[Report on the audit of the financial statements](#)

QUALIFIED OPINION

1. I have audited the financial statements of the Maluti TVET College set out on pages ... to ... which comprise the statement of financial position as at 31 December 2019, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report the financial statements present fairly, in all material respects, the financial position of Maluti TVET college as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Continuing Education and Training Act of South Africa of 2006 (CETA).

Basis for qualified opinion

Other expenses

3. The college did not account for other expenses in accordance with the GRAP 1, *Presentation or Financial statements*. The expenditure items were incorrectly classified between other expenses and books and learning materials expenditure. Consequently, other expenses was overstated by R 7 259 897 and the books and learning materials understated by R 7 246 157.

CONTEXT FOR THE OPINION

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
5. I am independent of the college in accordance with sections 200 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters. [Restatement of corresponding figures](#)
8. As disclosed in note 30 to the financial statements, the corresponding figures for 31 December 2018 were restated as a result of an error in the financial statements of the college at, and for the year ended 31 December 2019.

SIGNIFICANT SUBSEQUENT EVENT

9. I draw attention to note 37 in the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of Covid-19 on college's future prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this.

MATERIAL LOSSES/IMPAIRMENTS

TRADE DEBTORS

10. As disclosed in note 4 to the financial statements, material losses of R8 724 920 (2018: 14 893 523) was incurred as a result of a write-off of irrecoverable trade debtors.
11. As disclosed in note 4 to the financial statements, material impairments of R43 553 766 (2018: 36 773 078) was cumulatively incurred as a result of the possible irrecoverable trade debtors.

RESPONSIBILITIES OF THE COUNCIL FOR THE FINANCIAL STATEMENTS.

12. The council is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the CETA, and for such internal control as the council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the council is responsible for assessing the Maluti TVET College's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the college or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this C auditor's report.

Report on the audit of the annual performance report

16. The college is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the Public Finance Management Act of South Africa of 1999 and such

reporting is also not required in terms of the CETA.

Report on the audit of compliance with legislation

INTRODUCTION AND SCOPE

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the college with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
18. The material findings on compliance with specific matters in key legislations are as follows:

ANNUAL FINANCIAL STATEMENTS

19. The financial statements submitted for auditing were not prepared in accordance with generally recognised accounting practice and as required by section 25(1)(b) of the CET Act. Material misstatements of the current assets, disclosure identified by the auditors in the submitted financial statement were corrected, but the uncorrected material misstatements on expenditure resulted in the financial statements receiving a qualified opinion.

Other information

20. The council is responsible for the other information. The other information comprises the information included in the annual report and does not include the financial statements and the auditor's report.
21. My opinion on the financial statements and findings on compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
23. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that it contains a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

24. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the

qualified opinion and the findings on compliance with legislation included in this report:

25. The management of the college did not implement sufficient controls over daily and monthly processing and reconciling transactions, in a form of detailed reviews of transactions that are captured on the system.

Auditor-General
Bloemfontein
18 August 2020



Statement of Financial Position as at 31 December 2019

	Note	2019 R	2018 R
ASSETS			
Current assets		84,002,056	46,517,219
Cash and cash equivalents	3	62,659,004	44,673,611
Trade and other receivables from exchange transactions	4	1,346,584	1,843,608
Other receivables from non-exchange transactions, including transfers	5	19,996,469	-
Non-current assets		146,701,223	136,287,237
Property, plant and equipment	6	145,642,398	135,126,968
Intangible assets	7	117,986	143,976
Biological assets that form part of an agricultural activity	8	940,839	1,016,293
Total assets		230,703,280	182,804,456
LIABILITIES			
Current liabilities		40,139,745	37,362,362
Trade and other payables from exchange transactions	9	37,516,457	32,929,190
Provisions	10	547,735	495,902
Unspent conditional grants and receipts	11	586,368	3,937,270
Finance lease liability	12	1,489,185	-
Non-current liabilities		2,088,482	-
Finance lease liability	12	2,088,482	-
Total liabilities		42,228,227	37,362,362
Net assets		188,475,053	145,442,094
Accumulated surplus/(deficit)		188,475,053	145,442,094
Total net assets and liabilities		230,703,280	182,804,456

Statement of Financial Performance for the year ended 31 December 2019

	Note	2019 R	2018 R
Revenue			
Revenue from exchange transactions		71,880,657	67,340,758
Tuition and related fees	13	67,465,789	64,290,929
Sale of goods and rendering of services	14	540,813	857,346
Rental of facilities and equipment	15	202,482	123,329
Investment income	16	2,539,923	1,094,338
Other income	16	1,131,650	974,816
Revenue from non-exchange transactions		192,963,665	154,646,286
Government grants and subsidies	18	192,859,810	154,601,070
Other income	16	103,855	45,216
Total revenue		264,844,322	221,987,044
Expenses			
Employee related costs and DHET management fee	19	(143,898,389)	(131,508,243)
Impairment of debtors	20	(15,505,609)	(5,585,944)
Depreciation and amortisation	21	(6,936,184)	(5,754,994)
Books and learning materials	21	(8,831,304)	(7,706,748)
Repairs and maintenance	22	(3,438,635)	(3,074,260)
Travel, accommodation and entertainment		(5,285,501)	(4,315,897)
Security		(9,989,330)	(16,528,600)
Professional services	23	(2,830,460)	(3,025,755)
Municipal services		(3,540,509)	(4,570,941)
Telephone, postage, internet, network and communication costs		(4,382,370)	(5,134,900)
Printing and stationery		(3,514,181)	(3,059,228)
Finance costs	24	(323,507)	(10,197)
Other expenses	25	(13,052,073)	(11,874,387)
Total expenses		(221,528,051)	(202,150,094)
Other gains / losses		(283,312)	(836,770)
Gain/(Loss) on sale of assets	26	(176,801)	(678,749)
Gain/(Loss) on biological assets and agricultural produce	8	(106,511)	(158,021)
Surplus/(Deficit) for the year		43,032,959	19,000,180

Statement of Changes in Net Assets for the year ended 31 December 2019

Note	39	
<u>Accumulated Funds</u>		
Accumulated Surplus (Deficit) Total: Net Assets		
	R	R
Balance at 01 January 2018	126,441,914	126,441,914
Surplus/(deficit) for the year	19,000,180	19,000,180
As previously reported	1,645,804	1,645,804
Correction of errors	30 17,354,376	17,354,376
Balance at 01 January 2019	145,442,094	145,442,094
Surplus / (deficit) for the year	43,032,959	43,032,959
Balance at 31 December 2019	188,475,053	188,475,053

MALUTI TVET COLLEGE

Cash Flow Statement for the year ended 31 December 2019

	Note	2019 R	2018 R
Cash flows from operating activities			
Receipts		128,139,553	130,834,855
Tuition and related fees		52,457,204	59,456,184
Sale of goods and rendering of services		540,813	857,346
Rental of facilities and equipment		202,482	123,329
Interest		2,539,923	1,094,338
Government grants and subsidies		71,163,626	68,283,626
Other Receipts		1,235,505	1,020,032
Payments		(95,779,200)	(84,159,073)
Employee costs		(45,497,742)	(35,793,430)
Suppliers		(50,277,096)	(48,355,447)
Finance costs		(4,362)	(10,196)
Net cash flows from operating activities	28	32,360,353	46,675,782
		-	-
Cash flows from investing activities			
Purchase of property, plant and equipment		(13,191,140)	(5,047,581)
Proceeds from the sale of other investments		156,600	1,192,037
Net cash flows from investing activities		(13,034,540)	(3,855,544)
Cash flows from financing activities			
Finance lease repayments		(1,340,421)	-
Net cash flows from financing activities		(1,340,421)	-
Net increase/(decrease) in cash and cash equivalents		17,985,392	42,820,238
Cash and cash equivalents at the beginning of the year	3	44,673,611	1,853,373
Cash and cash equivalents at the end of the year		62,659,003	44,673,611

1.00 ACCOUNTING POLICIES

1.01 Presentation of Financial Statements and Basis of preparation

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and in the manner prescribed by the Minister of Higher Education and Training in terms of the Continuing Education and Training Act No. 16 of 2006, as amended.

These financial statements have been prepared using the accrual basis of accounting and are in accordance with the historical cost convention as the basis of measurement, unless specified otherwise.

In the absence of an approved and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenue and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies are disclosed below.

1.02 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the College.

1.03 Going concern assumption

Management and council have made the assessment that the entity is a going concern and the financial statements have been prepared on a going concern basis.

1.04 Comparison of budget and actual amounts

The College does not fall within the scope of GRAP 24 Presentation of Budget Information in Financial Statements, as its budgets are not made publicly available as per GRAP 24. Therefore, the College does not have to comply with GRAP 24. The College has decided to comply with GRAP 24 on a voluntary basis to add value to the users of the Financial Statements.

The approved budget is the budget that is approved by the Council of the College, before the commencement of the financial year. The final budget is the approved budget, updated with all the budget amendments approved by the Council of the College during the financial year.

The financial statements and the budget are prepared on a comparable basis and the budget consists of a Statement of Financial Performance budget. Therefore, the approved budget is presented on the same accounting basis, with the same classification structure, for the same period and for the same entities and activities as is reported on in the annual financial statements.

The comparison of budget and actual amounts are done through the inclusion of a separate additional statement of comparison of budget and actual amounts in the annual financial statements.

1.05 Significant judgements and sources of estimation uncertainty

The use of judgement, estimates and assumptions is inherent to the process of preparing financial statements. These judgements, estimates and assumptions affect the amounts presented in the financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

Judgements

In the process of applying these accounting policies, management has made the following judgements that may have a significant effect on the amounts recognised in the financial statements:

Programme funding

In terms of the CET Act and the Funding Norms for TVET Colleges, the Colleges are funded (Programme Funding) based on their Full Time Equivalent (FTE) student numbers. Therefore, in terms of the CET Act and the Funding Norms, a College receives Programme Funding to enroll and train a certain number of students for the year and that Programme Funding accrues to the College in terms of the CET Act and the Funding Norms and the accrual is separate and independent from how the funds are distributed to the College. The full amount of allocated Programme Funding therefore has to be paid to the College by DHET, irrespective of how it is paid. DHET settles its liability for Programme Funding towards the College in part by paying the employment cost of the College employees employed by DHET, via Persal. The remaining liability towards the College is settled in cash.

The Funding norms that is currently applicable to TVET Colleges was Gazetted on 15 May 2015 and paragraph 117 contains provisions which may cause conditions as defined in GRAP 23 to exist under certain circumstances. These conditions would be applicable to the portion of the Programme Funding which is withheld to pay for employee cost of Persal employees deployed at the College. However, DHET has indicated that the intention of the Funding Norms is not to impose conditions which may be introduced by paragraph 117 and that the intention is that a College's Programme Funding accrues to it in total. Therefore, any difference between the amount withheld for paying Persal salaries and the amount that is eventually used to pay for Persal salaries, is automatically payable to Colleges. DHET has aligned its systems to facilitate the payment of these amounts to Colleges.

Paragraph 103 of the Funding Norms provides for a claw back to be implemented if a College's enrolment figures were less than what was planned for and funded in the previous year. The effect of this paragraph is that it introduces a condition as defined in GRAP 23, which is that a portion of the Programme Funding will have to be repaid if a College enrolls less than 97% of the planned and funded enrolment target for the year. However, DHET has indicated that they do not currently have sufficient confidence in the correctness of the enrolment figures to be able to implement this claw back and that the Programme Funding Grant is therefore an unconditional grant at the moment.

The substance over form nature of the Programme Funding for a College is therefore that it accrues to the College, in full and without any conditions, in the financial year of the College during which the

enrolment and training of students occur. The date on which it accrues is 1 January of the relevant year, or the date on which the final grant amount is communicated to the College, whichever is later. The full Programme Funding allocation to the College is therefore recognised as revenue in the College's financial year.

The transactions and amounts are disclosed in Note 18.

DHET management fee

The College's staff consists of two groups:

- i) Employees and management staff appointed on Persal
- ii) Employees appointed on the College payroll

The management and other staff who are stationed at a College (College's staff) and are paid through Persal are employed by DHET on DHET's Persal payroll. Therefore, in terms of labour legislation they are DHET employees and not College employees. However, these employees are stationed permanently and exclusively at the College and are also subject to the governance and management oversight of the Council of the College and the intention is for the College to operate with relative autonomy. The employees are therefore substantively under the operational control of the College, with DHET performing and supporting certain HR related functions, e.g. administering the payroll and appointment, performance management, termination and disciplinary processes.

In terms of the CET Act and the Funding Norms for TVET Colleges, the Colleges are funded (Programme Funding) based on their Full Time Equivalent (FTE) student numbers. Therefore, in terms of the CET Act and the Funding Norms, a College receives Programme Funding to enroll and train a certain number of students for the year and that Programme Funding accrues to the College in terms of the CET Act and the Funding Norms and the accrual is separate and independent from how the funds are distributed to the College. The full amount of allocated Programme Funding therefore has to be paid to the College by DHET, irrespective of how it is paid. DHET settles its liability for Programme Funding towards the College in part by paying the employment cost of the College employees employed by DHET, via Persal. The remaining liability towards the College is settled in cash.

What happens, in layman's terms, is that DHET employs the College's management and other staff for it, performs certain HR related functions for the College and uses the College's funds to pay the salaries of the College staff in DHET's employment.

There is therefore a College expense (outflow of College economic resources) which has to be accounted for by a College and the questions that remain are how that expense should be classified and measured.

With respect to the classification, the nature of the expense is clearly related to employee cost, but is not classified as employee cost, because the College is not the employer in terms of labour and related legislation. The expense is therefore classified as a DHET management fee expense in the hands of a College. On the face of the Statement of Financial Performance, it is aggregated with the College's Employee cost expense and it is disclosed separately in the notes.

With respect to the measurement of the expense, DHET settles the liability for Programme Funding towards the College, by assuming an employee cost liability towards the College's employees employed by DHET and paid via Persal. The cost or value of the expense for the College is therefore the same as the amount by which the liability that DHET owes to the College decreases as a result of DHET assuming the employee cost liability towards the College employees. This is inclusive of all short and long term employee benefits, e.g. leave and bonus accruals, capped leave and long service awards.

The transactions and amounts are disclosed in Note 19.

DHET SAICA TVET CFO and HR Support Projects

Both the DHET SAICA TVET HR and CFO Support Projects are funded by the National Skills Fund (NSF) and managed by SAICA for DHET. SAICA appoints and manages the Project teams in accordance with the Project Business Plans. In the HR Support Project, support is provided directly to DHET by the placement of Project team members at DHET to fulfil certain functions and HR Business Partners (HRBPs) are also allocated to Colleges, with each HRBP supporting more than one College. In the CFO Support Project, there is a Project management team which assists DHET to coordinate the financial management in the sector. For the CFO Support Project, SAICA has also seconded a team member to DHET and DHET has placed the Project Team member as Acting DPF in the College [if additional support is provided by the project, it can be described here].

SAICA supports DHET with these Projects on a cost recovery basis, as part of SAICA's Nation Building initiative.

The services in kind received from these projects are judged to be significant to the operations and service delivery objectives of the College. The fair value of the services are judged to be the cost to the NSF, apportioned for the proportional time spent at the College by the SAICA Project team members.

The economic inflow arising from the service in kind being provided to the College is recognised as revenue from services in kind. The nature of the expense relates to employee cost, but as the employees placed at the College are not College employees, it is classified as management fees. On the face of the Statement of Financial Performance, it is aggregated with the Employee related costs and DHET management fee and it is disclosed separately in the notes.

The transactions and amounts are disclosed in Note 18 and 19.

Campuses or other property used and controlled, but not owned by the College

Certain campuses and other property are used by the College and are not registered in the name of the College. The lack of legal ownership could affect whether or not the college has control over the campus. Where, inter alia, control exists, the campus in question is recognised, measured and included in the financial statements as either property, plant and equipment (campuses or other property) or investment property (other property) in terms of the definition and recognition criteria of an asset as per the Framework for the Preparation and Presentation of Financial Statements and the definition of Property, Plant and Equipment in GRAP 17 Property, Plant and Equipment or Investment

Property in GRAP 16 Investment Property.

Classification of land and buildings as property, plant and equipment or investment property

Judgement is needed to determine whether a property qualifies as investment property. The College developed the following criteria so that it can exercise that judgement consistently in accordance with the definition of investment property:

- The purpose for which the property is used i.e. if for education purposes then the property is not regarded as an investment property.
- If the property is held for the purpose of generating rental income or to appreciate in value, then the property is regarded as an investment property
- If other assets used in conjunction with the property to provide education, then the property is not regarded as an investment property
- Land held for a currently undetermined future use is regarded as investment property.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash generating assets

At initial recognition, the College designates an asset as non-cash-generating; or an asset or cash-generating unit as cash-generating. The designation is made on the basis of the College's objective of using the asset. Whether the asset actually delivers significant cash flows during a specific reporting period is not assessed, only the College's objective of using the asset is assessed.

Cash-generating assets are assets used with the objective of generating a commercial return. In this respect, assets that generate a commercial return are those that generate positive cash flows which are expected to be significantly higher than the cost of the asset. These are assets that are deployed in a manner consistent with that adopted by a profit orientated entity. How the cash that is generated from cash-generating assets is used, is not considered in applying the criteria to designate assets.

Non-cash-generating assets are used with the objective to deliver services and not to generate a commercial return. Where it is not clear whether the College expects to use an asset to generate a commercial return, the asset is designated as non-cash-generating.

The material judgements made by the College in this respect, insofar it relates to the College assets are as follows:

The following assets are kept for the purposes of rendering services and any possible cash flow is not expected to be significantly higher than the cost of the asset: PPE, Heritage assets, Intangible assets, Investment property. These asset classes are therefore exclusively designated as non-cash-generating.

The following assets are kept for the purposes of generating a commercial return and the possible cash flow is expected to be significantly higher than the cost of the asset: Certain items within PPE are used for short skills courses, where the objective is to generate a commercial return. These asset classes are therefore exclusively designated as cash-generating.

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the College's accounting policies the following estimates, were made:

Debt impairment

The College assesses its financial assets for impairment at the end of each financial year. In determining whether an impairment loss should be recorded in surplus or deficit, the College makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment is considered first for individually significant financial assets and then calculated on a portfolio basis for individually insignificant financial assets, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to items in the portfolio and scaled to the estimated loss emergence period.

Refer to the respective notes for the carrying amounts of financial assets impaired.

Provisions

Provisions are measured at the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

Refer to Note 10 for the provisions affected.

Useful lives and residual values of assets; depreciation and amortisation

The College's management determines the estimated useful lives and residual values of all non-current, non-financial assets. These estimates are based on industry norms and then adjusted to be college specific. Management determines at reporting date whether there are any indications that the College's expectations of useful lives or residual values have changed from previous estimates. Where indications exist the expected useful lives or residual values are revised accordingly.

Depreciation and amortisation recognised on property, plant and equipment, investment property and intangible assets respectively are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use,

expected future use and the college's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets. Generally, depreciation is accrued over the useful lives of assets on a straight-line basis.

Refer to the respective notes for the carrying amounts of non-financial assets affected.

Effective interest rate

The College uses an appropriate interest rate, taking into account guidance provided in GRAP, and applying professional judgement to the specific circumstances, to discount future cash flows, to the present value of the item being discounted.

Refer to the respective notes for the carrying amounts of financial assets affected.

Fair value determination of properties (excluding heritage assets)

In determining the fair value of investment property (and / or property, plant and equipment) donated or acquired for no consideration, the College applies a valuation methodology to determine the fair value of the properties based on any one of, or a combination of the following factors:

- The market related selling price of the property; or
- The market related rental that can be earned for the property; or
- The market related selling price of similar properties in the area; or
- The rentals currently or previously earned by the property.

Where the above information is not available or reliably determinable the College determines an approximation of fair-value by estimating the Depreciated Replacement Cost of the asset.

Refer to the respective notes for the carrying amounts of properties affected.

Biological assets

In determining the fair value less cost to sell of biological assets the College applied the market related selling price of the biological assets as the basis for the fair value.

Refer to Note 8 for the carrying amounts of biological assets affected.

1.06 Biological assets that form part of an agricultural activity

Biological assets, other than bearer plants, that form part of an agricultural activity are measured at their fair value less costs to sell. Bearer plants are recognised as property, plant and equipment and are measured accordingly.

Agricultural produce harvested from the College's biological assets are measured at its fair value less costs to sell at the point of harvest.

A gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset are included in surplus or deficit for the period in which it arises.

A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell are included in surplus or deficit for the period in which it arises.

There is a presumption that fair value can be measured reliably for a biological asset. However, that presumption can be rebutted only on initial recognition for a biological asset for which market-determined prices or values are not available and for which alternative estimates of fair value are determined to be clearly unreliable. In such a case, that biological asset is measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, the College measures it at its fair value less costs to sell.

Depreciation is provided on biological assets that form part of an agricultural activity where fair value cannot be determined, to write down the cost, less residual value, by equal instalments over their useful lives. Refer to Note 8 for the estimated useful lives.

1.07 Property, plant and equipment

Property, plant and equipment include:

Property, plant and equipment is initially measured at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

For property, plant and equipment acquired through exchange for a non-monetary asset/s, or a combination of monetary and non-monetary asset/s, the cost is measured at fair value of the asset/s given up. Where the fair value of the asset/s given up is not reliably measurable, it is measured at the fair value of the asset/s received. Where the fair value of neither the asset/s given up, nor the asset/s received is reliably measurable, its cost is measured at the carrying value of the asset(s) given up. Any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management is included in the measurement of cost. Trade discounts and rebates are deducted in arriving at the cost.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the College is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner

intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Refer to Note 6 for the estimated useful lives.

At reporting date, it is assessed whether there are any indications that the College's expectations of useful lives or residual values have changed from previous estimates. Where indications exist the expected useful lives or residual values are revised accordingly.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Deemed cost

When the College acquired an asset prior the date of adopting the Standards of GRAP or in a transfer of functions between entities under common control or in a merger where the transferor or combining entity did not apply the Standards of GRAP on the transfer or merger date and when information about the historical cost are not available, the acquisition cost is measured using a surrogate value (deemed cost) at the date the college adopted the Standards of GRAP, or the transfer or merger date (the measurement date). Deemed cost is determined as the fair value of an asset at the measurement date.

1.08 Intangible assets

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

The cost of an item of intangible assets is the purchase price and directly attributable costs of preparing the asset for its intended use, i.e. costs that are directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management. Trade

discounts and rebates are deducted in arriving at the cost.

Where an intangible asset is acquired through a non-exchange transaction, its cost is measured at its fair value at acquisition date and directly attributable costs of preparing the asset for its intended use, i.e. costs that are directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

For intangible assets acquired through exchange for a non-monetary asset/s, or a combination of monetary and non-monetary asset/s, the cost is measured at fair value of the asset/s given up. Where the fair value of the asset/s given up is not reliably measurable, it is measured at the fair value of the asset/s received. Where the fair value of neither the asset/s given up, nor the asset/s received is reliably measurable, its cost is measured at the carrying value of the asset(s) given up. Directly attributable costs of preparing the asset for its intended use, i.e. costs that are directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management is included in the measurement of cost. Trade discounts and rebates are deducted in arriving at the cost.

The College assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

For internally generated intangible assets, expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as

indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortized over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values. Refer to Note 7 for the estimated useful lives.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

Deemed cost

When the College acquired an asset prior the date of adopting the Standards of GRAP or in a transfer of functions between entities under common control or in a merger where the transferor or combining entity did not apply the Standards of GRAP on the transfer or merger date and when information about the historical cost are not available, the acquisition cost is measured using a surrogate value (deemed cost) at the date the college adopted the Standards of GRAP, or the transfer or merger date (the measurement date). Deemed cost is determined as the fair value of an asset at the measurement date.

1.09 Financial instruments

The College has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other receivables	Financial asset at amortized cost

The College has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables	Financial liability at amortized cost

The College recognises financial assets using trade date accounting.

The College measures a financial asset and financial liability initially at its fair value plus transaction costs (for financial instruments at amortized cost) that are directly attributable to the acquisition or issue of the financial instrument.

The College first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the college analyses a concessionary loan into its component parts and accounts for each component separately. The College accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-

Exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

The College measures all financial instruments after initial recognition as follows:

- Financial instruments at fair value: Fair-value at reporting date
- Financial instruments at amortised cost: Amortised cost using the effective interest rate method, less any impairment losses.
- Financial instruments at cost. Cost, less any impairment losses.

Where the College cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the College reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the College reclassifies the instrument from cost to fair value.

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectability of financial assets

The College assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account (debt impairment provision). The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition Financial assets

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the College transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the College adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the college obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the college recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the College has retained substantially all the risks and rewards of ownership of the transferred asset, the College continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the college recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The College removes a financial liability (or a part of a financial liability) from its statement of financial

position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another college by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-Exchange Transactions (Taxes and Transfers).

Presentation

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the College currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the College does not offset the transferred asset and the associated liability.

1.10 Statutory receivables

Funding receivable from DHET arise from non-contracted arrangements as the basis for DHET funding is found in the Continuing Education and Training Act (CET Act) and the National Norms and Standards for Funding Technical and Vocational Education and Training Colleges. Cash receivable from DHET as part of programme funding is regarded as a "statutory receivable".

The statutory receivable is initially measured at the transaction amount and subsequently measured using the cost-method, which changes the initial measurement to reflect any impairment or amounts derecognised. An explanation on when the DHET programme funding and any related receivables or payables are recorded is provided in note 1.05 and 1.21.

The statutory receivable is included in Other receivables from non-exchange transactions. Refer to note 5.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and building elements, the College assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Cash and cash equivalents

Cash and cash equivalents consist of the following:

- i) cash;
- ii) cash in current bank accounts;
- iii) cash in interest bearing bank accounts or money market accounts where the funds are available immediately; and
- iv) fixed term deposits used to deposit funds until it is needed for the operations of the College, where the maturity date does not exceed three months from the reporting date. Longer term fixed deposits are classified as other financial assets.

1.13 Impairment of cash-generating assets

Cash-generating assets are those assets used by the College with the objective of generating a commercial return. A commercial return means that positive cash flows are expected to be significantly

higher than the cost of the assets. Refer to note 1.05 for criteria used, as well as for the judgements made in applying the criteria to designate assets as noncash-generating assets or cash-generating assets.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The College assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the College estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the College also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the College estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the College applies the appropriate discount rate to those future cash flows.

The discount rate is a rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the College recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the

individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the College determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the College does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

The College assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the College estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts

are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

When there has been a change in the manner in which the College uses an asset that is expected to result in positive cash flows that are significantly higher than the cost of the asset, the College redesignates non-cash-generating assets as a cash-generating assets. Conversely, when there has been a change in the manner in which the College uses an asset that results in positive cash flows that are not expected to be significantly higher than the cost of the asset, the College redesignates cash-generating assets as a non-cash-generating assets.

1.14 Impairment of non-cash-generating assets

Non-cash-generating assets are assets which are used with the objective of service delivery and not with the objective of generating a commercial return. Refer to note 1.05 for criteria used, as well as for the judgements made in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

The College assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the College estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the College also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset

was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the College would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units' approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.]

Recognition and measurement

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash generating asset to which it relates, the College recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The College assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the College estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

When there has been a change in the manner in which the College uses an asset that is expected to result in positive cash flows that are significantly higher than the cost of the asset, the College redesignates non-cash-generating assets as a cash-generating assets. Conversely, when there has been a change in the manner in which the College uses an asset that results in positive cash flows that are not expected to be significantly higher than the cost of the asset, the College redesignates cash-generating assets as a non-cash-generating assets.

1.15 Employee benefits

When an employee has rendered service to the College during a reporting period, the College recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the College recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The College measures the expected cost of accumulating compensated absences as the additional amount that the College expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The College recognises the expected cost of bonus, incentive and performance related payments when the College has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the College has no realistic alternative but to make the payments.

When an employee has rendered service to the College during a reporting period, the College recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the College recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; &
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

The College recognises termination benefits as a liability and an expense when the college is demonstrably committed to either:

- i) terminate the employment of an employee or group of employees before the normal retirement date; or
- ii) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The College is demonstrably committed to a termination when the college has a detailed formal plan for

the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- i) the location, function, and approximate number of employees whose services are to be terminated;
- ii) the termination benefits for each job classification or function; and
- iii) the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

Other long-term employee benefits

Other long-term employee benefits include:

- long-term compensated absences such as long service or sabbatical leave;
- other long service benefits;
- long-term disability benefits;
- bonus, incentive and performance related payments payable twelve months or more after the end of the reporting period in which the employees render the related service;
- deferred compensation paid twelve months or more after the end of the reporting period in which it is earned; and
- compensation payable by the College until an individual enters new employment.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly

The expected costs of these benefits are accrued over the period of employment using the above accounting methodology. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to surplus or deficit in the period in which they arise. These obligations are valued annually by independent qualified actuaries using the projected unit credit method.

For other long-term employee benefits, the College recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;

- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements

DHET management fee

The remuneration of management and other personnel appointed by DHET on Persal and paid through Persal using the College's funds is measured at the cost of the remuneration to DHET inclusive of leave, bonus and other employee related accruals and/or provisions, as and when incurred by DHET. The related expense is recognised as a DHET management fee expense as per note 19.

DHET SAICA HR and CFO Support Project management fee

The cost of the management fee expense arising out of the service in kind revenue from the DHET SAICA HR and CFO Support project members placed at the College is measured at the cost of the remuneration of the Project members, for the proportion of time spent at the College to the total time spent on the Project, by those team members. The cost of remuneration is measured inclusive of leave, bonus and other employee related accruals and/or provisions, as and when incurred by the NSF. The related expense is recognised as a management fee expense as per note 19.

1.16 Provisions and contingencies

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the College settles the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If the College has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the College has a detailed formal plan for the restructuring, identifying at least:

- the activity/operating unit or part of a activity/operating unit concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for services being terminated;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the College

No obligation arises as a consequence of the sale or transfer of an operation until the College is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in College combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in notes 34.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

1.17 Revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the College has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the College retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the College; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the College;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

Interest, royalties, dividends and tuition fees

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the College's right to receive payment has been established.

Tuition fees are recognised over the period of instruction.

1.18 Revenue from non-exchange transactions

When the College receives an asset or a service as part of a non-exchange transaction and the definition and recognition criteria of an asset is met, the College recognises the asset and initially measures it at its fair value as at the date of acquisition.

When there are conditions on transferred assets or services received by the College which result therein that the college has a present obligation on initial recognition, which meets the definition and recognition criteria of a liability, the College recognises a corresponding liability, initially measured as the best estimate of the amount required to settle the present obligation at the reporting date.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as

revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the College satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the College.

When, as a result of a non-exchange transaction, the College recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Programme funding

The full programme funding allocated to the College in terms of the CET Act, the Funding Norms and the final grant letter received from the department is recognised in full in the College's financial year during which the enrolment and training of students, to which the grant pertains, are performed by the College. It is measured at the total amount allocated to the College by DHET, inclusive of both the the part paid in cash and the part paid via PERSAL as per note 18.

Transfers

Apart from Services in kind, which are only recognised as indicated below, the College recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The College recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The College recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Services in-kind

The College recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured

reliably. If the services in-kind are not significant to the College's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the nature and type of services in-kind received during the reporting period is disclosed.

When the criteria for recognition are satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition.

The College recognised the services in kind received through the SAICA HR and CFO Support Projects when the College receives the services in kind. The services in kind received through these projects are measured at the direct cost incurred by the National Skills Fund on the remuneration of the resources placed at the College, for the proportion of time spent at the College to total time spent on the Project by the Project team members placed at the College. The transactions are disclosed in note 18.

1.19 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 Comparative figures

When the presentation or classification of items in the financial statements is amended due to better presentation and/or better understandability and/or comparability and/or due to the implementation of a new or amended standard, prior period comparative amounts are reclassified. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The following persons and their close family members are related parties of the College:

- Any person considered to have control or joint control over the College;
- Any person considered to have significant influence over the College; or
- Any member of the College Council, Council sub-committees and any member of the management team of the College. The management team of the College consists of the Principal and Deputy Principals of the College.

The following entities are related parties of the College:

- The College's controlling entity, being DHET and all other entities which are also controlled by DHET;
- Entities which may be associates of the College, or of which the College may be an associate, or entities which may be a joint venture of the College, or of which the College may be a joint venture. Members of the economic entity of which such entities may be part, will also be related parties of the College;
- Where the College may be party to a joint venture relationship, where the College and other entities are joint ventures of a third party, the other entities that are also part of the joint venture are related

parties of the College as well as associates of the third party, but the third party is not.

- Post-employment plans for the benefit of the employees of the College, i.e. Council appointed employees.
- Any entity which is jointly controlled or jointly controlled by a person who is considered to have control or joint control over the College;
- Any entity over which, a person considered to have control or joint control over the College, has significant influence, or of which such a person is a member of management of that entity, or its controlling entity.

Control is the power to govern financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures). Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the College, including those charged with the governance of the college in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that person in their dealings with the College. This includes at least:

- Someone married to the person, or in a similar relationship with the person; or
- A person separated by no more than two degrees of natural or legal consanguinity or affinity.

A related party transaction is a transfer of resources, services or obligations between the College and a related party, regardless of whether a price is charged.

The College only provides related party transaction disclosure in the form of narrative information about the nature of the transactions and the related outstanding balances to enable users of the College's financial statements to understand the effect of related party transactions on its financial statements, on transactions occurring within the following parameters:

- Normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the College to have adopted if dealing with that individual entity or person in the same circumstances; and
- Terms and conditions within the normal operating parameters established by the College's legal mandate.

1.22 Commitments

The College discloses commitments relating to each class of capital assets (PPE, Investment properties, Intangible assets, Biological assets and Heritage assets) recognized in the financial statements as well as future minimum lease payments under non-cancellable operating leases for each of the following periods:

- Not later than one year,

- Later than one year and not later than five years, and
- Later than five years.

1.23 Events after the reporting date

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Reporting date means the date of the last day of the reporting period to which the financial statements relate. The reporting date of the College is 31 December 2019.

The College adjusts the amounts recognised in its financial statements to reflect adjusting events after the reporting date. The College does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting date.

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2019

2 Standards, amendments to Standards, Directives and Interpretations issued but not

The following Standards of GRAP and / or amendments thereto have been approved by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The College has not early-adopted any of these new Standards or amendments thereto, but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

Title of the standard and nature of impending changes in accounting policy and expected impact	Effective date (Periods starting on or after)	Financial year in which the College plans to apply the Standard initially
GRAP 32 Service Concession Arrangements: Grantor: It is expected that there will be no impact.	Monday, 01 April 2019	It is not expected that the Standard will be applied.
GRAP108 Statutory Receivables: No changes to recognition and measurement are expected, but additional disclosures and separate classification in the notes will be done on adoption.	Monday, 01 April 2019	2020 Financial year.
GRAP109 Accounting by Principals and Agents: No changes to recognition and measurement are expected, but additional disclosures in the notes will be done on adoption.	Monday, 01 April 2019	2020 Financial year.
GRAP 110 Living and Non-living Resources: The expected impact has not been determined yet and is unknown at this stage.	Not yet set	Not yet set
IGRAP 17 Interpretation of the Standard of GRAP on Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset: It is expected that there will be no impact.	Monday, 01 April 2019	It is not expected that the Standard will be applied.
IGRAP 18 Interpretation of the Standard of GRAP on Recognition and Derecognition of Land: No changes to recognition and measurement are expected, but additional disclosures in the notes will be done on adoption.	Monday, 01 April 2019	2020 Financial year.
IGRAP 19 Interpretation of the Standard of GRAP on Liabilities to Pay Levies: It is expected that there will be no impact.	Monday, 01 April 2019	2020 Financial year.
Guideline on Accounting for Arrangements Undertaken in terms of the National Housing Programme: None	Monday, 01 April 2019	It is not expected that the Standard will be applied.
Guideline on The Application of Materiality to Financial Statements: No changes to recognition and measurement are expected, but additional disclosures in the notes will be done on adoption.	Wednesday, 01 April 2020	2021 Financial year.

3 Cash and cash equivalents

Cash and cash equivalents consist of the following:

Cash on hand	32,871	28,170
Cash at bank	28,240,196	18,089,815
Call deposits	34,385,937	26,555,626
	62,659,004	44,673,611

The College has the following bank accounts:

<u>ABSA</u> <u>DECEMBER 2019</u>	Cashbook balance - Beginning of year	Cashbook balance - end of year	Bank statement balance - Beginning of year	Bank statement balance - end of year
ABSA: 4054510287	4,529,580	2,472,345	4,529,580	2,472,345
ABSA: 4079725683	4,850,991	654,295	4,850,991	654,295
ABSA: 4074720507	8,709,245	25,113,556	8,709,245	25,113,556
ABSA: 4082686547	26,555,626	34,385,937	26,555,626	34,385,937
	44,645,441	62,626,133	44,645,441	62,626,133
<u>ABSA</u> <u>DECEMBER 2018</u>	Cashbook balance - Beginning of year	Cashbook balance - end of year	Bank statement balance - Beginning of year	Bank statement balance - end of year
ABSA: 4054510287	1,823,643	4,529,580	1,823,643	4,529,580
ABSA: 4079725683	2,056	4,850,991	2,056	4,850,991
ABSA: 4074720507	(52)	8,709,245	(52)	8,709,245
ABSA: 4082686547	536	26,555,626	536	26,555,626
	1,826,183	44,645,441	1,826,183	44,645,441

4 Trade and other receivables from exchange

Cash on hand	32,871	28,170
Total cash and cash equivalents	62,659,004	44,673,611

	Gross Balances	Provision for impairment of debts	Net Balance
	R	R	R
31 December 2019			
Student debtors	43,755,587	(43,553,766)	201,821
Payments made in advance	80,121	-	80,121
Sundry debtors	1,064,642	-	1,064,642
Total trade and other receivables	44,900,350	(43,553,766)	1,346,584

	Gross Balances	Provision for impairment of debts	Net Balance
	R	R	R
31 December 2018			
Student debtors	36,907,781	(36,773,078)	134,703
Payments made in advance	186,612	-	186,612
Sundry debtors	1,522,293	-	1,522,293
Total trade and other receivables	38,616,686	(36,773,078)	1,843,608

Students: Ageing

Current (0 – 30 days)	-	46,767
31 - 60 Days	-	(3,841)
61 - 90 Days	248,809	154,088
91 - 120 Days	526,689	459,654
121 + Days	42,980,099	36,251,113
Total	43,755,597	36,907,781

Payments made in advances: Ageing

Current (0 – 30 days)	80,121	-
31 - 60 Days	-	-
61 - 90 Days	-	186,612
91 - 120 Days	-	-
121 + Days	-	-
Total	80,121	186,612

Sundry Debtors: Ageing

Current (0 – 30 days)	-	-
31 - 60 Days	1,064,642	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121 + Days	-	1,522,293
Total	1,064,642	1,522,293

Reconciliation of the provision for debt impairment

Balance at beginning of the year	36,773,078	46,103,510
Contributions to provision	15,505,609	5,563,091
Bad debts written off against provision	(8,724,920)	(14,893,523)
Balance at end of year	43,553,766	36,773,078

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:

Neither past due nor impaired	-	-
Less than 30 days	80,121	-
31 to 60 days	1,064,642	-
61 to 90 days	201,821	186,612
91 to 120 days	-	-
Greater than 120 days	-	1,656,996
	1,346,584	1,843,608

Credit quality of financial assets carried at amortised cost

Method of determining credit quality of other non-current financial assets

The credit quality of trade and other receivables from exchange transactions are determined and monitored with reference to credit ratings obtained, for the customers included in the balance, from external credit ratings agencies.

The credit quality of trade and other receivables from exchange transactions are determined and monitored with reference to historical payment trends. Accordingly the credit quality of the customers included in the balance of trade and other receivables from exchange transactions is determined internally through application of the College's own credit policy. Based on the evaluation of the historical payment trends, customers included in the balance are categorised into the following:

High credit quality - Customers included in this category have evidenced no defaults or breaches in the contractual repayments.

Medium credit quality - Customers included in this category are prone to late payments, but seldomly default on the entire balance owing.

Low credit quality - Customers included in this balance includes customers that frequently default on their outstanding balances and breach

Fair value of trade and other receivables

The carrying value of trade and other receivables approximates their fair value. The approach used to determine the fair value is as follows:
 Student debt were impaired using the expected repayment by the students at year-end based on past experience.

5 Other receivables from non-exchange transactions, including transfers

Statutory receivable: Government grants and subsidies
Total other debtors

19,996,469	-
19,996,469	-

Other receivables form non-exchange transactions past due but not impaired

The ageing of amounts past due but not impaired is as follows:

Neither past due nor impaired
 Less than 30 days
 31 to 60 days
 61 to 90 days
 91 to 120 days
 Greater than 120 days

19,996,469	-
-	-
-	-
-	-
-	-
-	-
19,996,469	-

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31

	Not	2019 R	2018 R							
Reconciliation of Property Plant and Equipment - 2018										
	Carrying Value Opening Balance	Additions	Acquisitions through entity combinations	Disposals	Depreciation	Transfers	Impairment loss	Impairment reversal	Other movements	Carrying Value Closing Balance
	R	R	R	R	R	R	R	R	R	R
Land	10,520,000	-			-					10,520,000
Buildings	103,570,408	1,663,397		(603,127)	(2,266,558)				(1,336,709)	101,027,412
Capital projects	-	-			-					-
Vehicles	2,809,571	1,635,771		(242,715)	(736,288)					3,466,339
Furniture and Fittings	5,641,362	391,795		(398,049)	(840,564)					4,794,545
Plant, Machinery and Equipment	2,731,212	1,006,418		(40,575)	(379,105)					3,317,949
Office Equipment	5,155,017	182,731		(22,504)	(1,014,557)					4,300,686
Computer Equipment	7,158,720	1,504,178		(563,818)	(448,262)					7,650,818
Marketing material	60,095	-			(10,876)					49,218
Total	137,646,385	6,384,290	-	(1,870,788)	(5,696,211)	-	-	-	(1,336,709)	135,126,968

Estimated useful lives

The annual depreciation rates are based on the following estimated ass

Class	Useful Life Range in Years
Land	Indefinite Life
Buildings	50 years
Capital projects	n/a
Vehicles	8 years
Furniture and Fittings	10 years
Plant, Machinery and Equipment	12 years
Office Equipment	10 years
Computer Equipment	6 - 10 years
Marketing material	10 years

Property, plant and equipment which is in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment which is in the process of being constructed or developed:

	2019			2018		
	Opening Balance R	Additions R	Closing Balance R	Opening Balance R	Additions R	Closing Balance R
Buildings	-	8,984,360	8,984,360	-	-	-
	-	8,984,360	8,984,360	-	-	-

Compensation received for property, plant and equipment impaired, lost or given up – included in surplus or deficit

Buildings	-	398,239
Vehicles	156,000	782,100
	156,000	1,180,339

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31

Repairs and maintenance incurred

Buildings	2,561,157	2,001,936
Vehicles	511,169	593,177
Computer Equipment	128,692	170,902
Other property, plant and equipment	237,618	308,245
	3,438,635	3,074,260

Contractual commitments for the acquisition of property, plant and equipment

By the date that the financial statements were authorised for issue the following contractual

Land	7,500,000	
Buildings	6,634,342	
Capital projects		
	14,134,342	-

PPE for which the College does not have the legal title, but has control

Legal title vests in

Department of Public Works

Terms and conditions

Lere La Tshepe Campus, Tseki Village, Qwa Qwa

Kwetlisong Campus, Crn Mampoi and Bolata Road, Qwa Qwa

Sefikeng Campus, Tseseng Village, Qwa Qwa

Bonamelo Campus, Stadium Road, Qwa Qwa

Main Campus/Central office, Mampoi Street, Qwa Qwa

Itemoheleng Campus, Mampoi Street, Qwa Qwa

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31

	2019	2018
Note	R	R

7 Intangible assets

2019			2018		
Cost	Accumulated Amortisation and Impairment	Carrying Value	Cost	Accumulated Amortisation and Impairment	Carrying Value

	R	R	R	R	R	R
Computer Software	254,320	(136,334)	117,986	254,320	(110,344)	143,976
Total	254,320	(136,334)	117,986	254,320	(110,344)	143,976

Reconciliation of Intangible Assets - 2019

	Carrying Value Opening Balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Impairment reversal	Internally Developed	Other movements	Carrying Value Closing Balance
	R	R	R	R	R	R	R	R	R	R
Computer Software	143,976				(25,990)					117,986
Total	143,976	-	-	-	(25,990)	-	-	-	-	117,986

Reconciliation of Intangible Assets - 2018

	Carrying Value Opening Balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Impairment reversal	Internally Developed	Other movements	Carrying Value Closing Balance
	R	R	R	R	R	R	R	R	R	R
Computer Software	202,759				(58,783)					143,976
Total	202,759	-	-	-	(58,783)	-	-	-	-	143,976

Estimated useful lives

The annual amortisation rates are based on the following estimated average asset lives:

Class	Useful Life Range in Years
Computer Software	6 years

	Note	2019 R	2018 R
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8 Biological assets that form part of an agricultural activity

	2019			2018		
	Cost R	Accumulated Depreciation and Impairment R	Carrying Value R	Cost R	Accumulated Depreciation and Impairment R	Carrying Value R
Sheep	348,897.80	-	348,898	312,140	-	312,140
Cattle	591,942	-	591,942	704,153	-	704,153
Total	940,839	-	940,839	1,016,293	-	1,016,293

Reconciliation of Biological Assets - 2019

	Carrying Value Opening Balance	Purchases	Acquisitions through entity combinations	Disposals	Depreciation	Increase/Decrease Assets acquired through a non- exchange transaction	Gains/losses arising from changes in fair value less costs to sell	Decrease due to deaths / theft	Impairment loss / Reversal of impairment loss	Transfers	Other movements	Carrying Value Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	R
Sheep	312,140	-	-	(66,337)	-	-	(43,263)	(4,838)	-	-	151,195	348,898
Cattle	704,153	-	-	(188,936)	-	-	(63,249)	(12,963)	-	-	152,936	591,942
Total	1,016,293	-	-	(255,273)	-	-	(106,511)	(17,801)	-	-	304,131	940,839

Reconciliation of Biological Assets - 2018

	Carrying Value Opening Balance	Purchases	Acquisitions through entity combinations	Disposals	Depreciation	Increase/Decrease Assets acquired through a non- exchange transaction	Gains/losses arising from changes in fair value less costs to sell	Decrease due to deaths / theft	Impairment loss / Reversal of impairment loss	Transfers	Other movements	Carrying Value Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	R
Sheep	363,400	-	-	(78,248)	-	-	(70,032)	(59,490)	-	-	156,510	312,140
Cattle	802,900	-	-	(132,545)	-	-	(87,990)	(63,590)	-	-	185,377	704,153
Total	1,166,300	-	-	(210,793)	-	-	(158,021)	(123,080)	-	-	341,887	1,016,293

Quantities of the output of agricultural produce for each class of biological asset

	Units	Units
Sheep	206	167
Cattle	78	82

9 Trade and other payables from exchange transactions

Trade creditors	1,970,688	4,439,380
Payments received in advance	1,133,026	931,836
Unallocated receipts	539,304	401,722
Other Seta's	4,964,722	4,096,891
NSFAS Bursary payments	28,908,717	23,059,360
Total creditors	37,516,457	32,929,190

10 Provisions

Reconciliation of Movement in Leave Provision

Opening Balance	495,902	533,018
Provisions Raised	51,833	(37,116)
Closing Balance	547,735	495,902

Non-current provisions	-	-
Current portion provisions	547,735	495,902

Provision for Leave Pay

The outstanding leave on the Coltech payroll system were used to province the amount of outstanding leave pay for these employees.

11 Unspent conditional grants and receipts

Unspent Conditional Grants from other spheres of Government

	586,368	3,937,270
Grant: Department of HET - fee adjustment	19,644	19,644
Grant: NSF	566,724	3,917,626
Capital Grant: Department of HET	-	-

Total Unspent Conditional Grants and Receipts

586,368 3,937,270

Non-current portion of unspent conditional grants and receipts

Current portion of unspent conditional grants and receipts

- -
586,368 3,937,270

Movements during the year

Balance at the beginning of year	3,937,270	1,987,996
Additions during the year	(3,350,902)	1,949,274
Income recognised during the year		-
	586,368	3,937,270

2019	Future minimum lease payments	Future finance charges	Present value of future minimum lease payments
	R	R	R
Amounts payable under finance leases			
Within one year	1,787,224	298,040	1,489,185
Within two to five years	2,234,027	145,545	2,088,482
Later than five years	-	-	-
Total future minimum lease payments	4,021,251	443,584	3,577,667
Less: Amount due for settlement within 12 months (current portion)	(1,787,224)	(298,040)	(1,489,185)
Non-current future minimum lease payments	2,234,027	145,545	2,088,482

Finance Leases consists of the following:

The College leases some of its copiers and printers under finance leases. The lease terms are 3 years. Interest rates are 10.25%. Interest rates are linked to prime. There is no escalation on these contracts.

12 Tuition and related fees

Tuition fees paid directly by students or private bursaries

Tuition fees - students	21,813,708	19,537,906
	21,813,708	19,537,906

Tuition fees funded by NSFAS bursaries

Tuition fees - students	44,797,081	43,646,314
Residential fees	855,000	792,000
Transport fees	-	314,709
	45,652,081	44,753,023

Total tuition and related fees

	67,465,789	64,290,929
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13 Sale of goods and rendering of services

Sale of goods

Agricultural products sales	525,513	736,956
	525,513	736,956

Rendering of services

Guesthouse and other accommodation fees	15,300	120,390
	15,300	120,390

Total sale of goods and rendering of services

	540,813	857,346
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14 Rental of facilities and equipment

Rental of facilities

- Straight-lined operating lease income	202,482	123,329
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Total rentals	202,482	123,329
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16 Investment income

Interest - Bank	2,539,923	1,094,338
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Total interest income	2,539,923	1,094,338
Total investment income	2,539,923	1,094,338

15 Other income

From exchange transactions

Graduation and education support	986,874	865,976
Recovery of bad debts written off	144,776	108,840
	1,131,650	974,816

From non-exchange transactions

Tender fees	93,330	32,128
Donations received	-	500
Insurance claims received	10,525	12,588
	103,855	45,216

18 Government grants and subsidies

Reconciliation of Movement - 2019

	Balance unspent at beginning of year R	Current year receipts / (allocations) R	Conditions met - transferred to revenue R	Conditions still to be met - remain liabilities R
Programme funding: Grants paid via Persal	-	93,726,094	(93,726,094)	-
Services in kind /Management fee (Paid via Persal or another source):	-	4,209,693	(4,209,693)	-
Grant: Department of HET	-	76,216,810	(76,216,810)	-
Grant: Department of HET - fee adjustment	19,644	-	-	19,644
Capital Grant: Department of HET	-	18,059,171	(18,059,171)	-
Services in kind from SAICA CFO Support Project	-	413,027	(413,027)	-
Grant: Seta's	-	50,655	(50,655)	-
Grant: NSF	3,917,626	(3,166,541)	(184,361)	566,724
Total Government Grant and Subsidies	3,937,270	189,508,908	(192,859,810)	586,368

Reconciliation of Movement - 2018

	Balance unspent at beginning of year R	Current year receipts / (allocations) R	Conditions met - transferred to revenue R	Conditions still to be met - remain liabilities R
Programme funding: Grants paid via Persal	-	91,303,545	(91,303,545)	-
Services in kind: Management fees paid via Persal	-	3,558,483	(3,558,483)	-
Grant: Department of HET	-	31,408,932	(31,408,932)	-
Grant: Department of HET - fee adjustment	19,644	-	-	19,644
Capital Grant: Department of HET	-	17,745,000	(17,745,000)	-
Services in kind from SAICA CFO Support Project	-	889,900	(889,900)	-
Grant: Seta's	-	1,159,932	(1,159,932)	-
Grant: NSF	1,968,352	4,637,837	(2,688,563)	3,917,626
Other Government Grants and Subsidies	-	5,846,715	(5,846,715)	-
Total Government Grant and Subsidies	1,987,996	156,550,344	(154,601,070)	3,937,270

Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 1 of 2018), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

19 Employee related costs and DHET management fee**Employee related costs**

Employee related costs - Salaries and Wages	35,066,859	27,716,519
Employee related costs - Contributions for UIF, pensions and medical aids	5,640,633	4,183,782
Housing benefits and allowances	2,312,554	1,794,521
Performance and other bonuses	2,410,338	2,071,609
Student stipends	67,360	27,000
Provision for leave movement	51,833	(37,116)
	45,549,576	35,756,314

DHET salary related cost

Employee related costs - Salaries and Wages	68,490,000	67,041,490
Employee related costs - Contributions for UIF, pensions and medical aids	14,453,092	13,912,580
Travel, motor car, accommodation, subsistence and other allowances	54,142	63,586
Housing benefits and allowances	4,186,996	4,058,877
Performance and other bonuses	6,077,618	6,177,770
Leave pay	464,244	49,242
	93,726,094	91,303,545

DHET management fee cost

Employee related costs - Salaries and Wages	3,075,706	2,587,639
Employee related costs - Contributions for UIF, pensions and medical aids	429,552	366,023
Travel, motor car, accommodation, subsistence and other allowances	478,501	391,567
Performance and other bonuses	225,934	213,253
	4,209,693	3,558,483

DHET/SAICA CFO Salary related costs

Employee related costs - Salaries and Wages	413,027	889,900
	413,027	889,900

Total employee related costs and DHET management fee

	143,898,389	131,508,243
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Services in kind /Management fee(Paid via Persal or another source):

Lecturers and support staff engaged in Report 191 and NCV courses	93,726,094	91,303,545
DHET/SAICA CFO Salary related costs	413,027	889,900
Management remuneration	4,209,693	3,558,483
	98,348,813	95,751,928

Expenses paid via College payroll:

Lecturers and support staff engaged in Report 191 and NCV courses	45,497,744	35,793,430
Provision for leave movement	51,833	(37,116)
	45,549,576	35,756,314

Total employee cost and DHET management fee:**Total funded**

Lecturers engaged in Report 191 and NCV courses	138,759,593	127,096,975
DHET/SAICA CFO Salary related costs	413,027	889,900
Management remuneration	4,209,693	3,558,483
	143,382,312	131,545,358

Total non-funded and other

Provision for leave movement	516,077	(37,116)
	516,077	(37,116)

In terms of the CET Act, employees that are employed by DHET and have a dual accountability towards the council and DHET respectively.

20 Impairment of debtors

Changes in debt impairment provision	15,505,609	5,563,091
Receivables from non-exchange transactions written off	-	22,854
	15,505,609	5,585,944

21 Depreciation and amortisation

Property, plant and equipment	6,910,194	5,696,211
Intangible assets	25,990	58,783
	6,936,184	5,754,994

22 Repairs and maintenance

Land, buildings and infrastructure	2,561,157	2,001,936
Computer equipment	128,692	170,902
Other property, plant and equipment items	237,618	308,245
Motor vehicles	511,169	593,177
	3,438,635	3,074,260

23 Professional services

Accounting and financial management fees	92,725	85,220
Legal fees	508,981	781,031
External audit cost	2,228,754	2,159,504
	2,830,460	3,025,755

24 Finance costs

Finance leases	316,250	-
Trade and other payables	7,257	9,311
Bank overdrafts	-	887
	323,507	10,197

25 Other expenses

Advertising	482,769	191,288
Bank charges	581,842	322,799
Cash shortages	2,215	-
Cleaning and pest control	712,782	606,817
Compensation commissioner contributions	83,544	65,987
Council fees	366,119	336,287
Farming expenses	1,173,836	733,329
Fuel and oil	322,595	360,302
Insurance	1,168,159	930,197
Membership and registration costs	500,700	157,248
Motor vehicle expenses: licences and insurance	41,558	48,384
Motor vehicle expenses: fuel	1,123,390	1,366,729
Professional and consulting fees	519,530	332,755
Rental of office equipment	1,105,211	240,056
Sport club expenses	90,926	18,275
Training	1,434,259	1,167,125
Travel and transport expenses	1,778,903	3,642,570
Uniforms and overalls	1,137,677	972,664
Various other expenses	426,058	381,575
	13,052,073	11,874,387

26 Gain/(Loss) on sale of assets

Property, plant and equipment disposals and assets derecognised	(176,801)	(678,749)
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(176,801) (678,749)

Notes to the Financial Statements for the year ended 31 December 2019

	2019	2018
Note	R	R
27 <u>Employee benefits</u>		
Defined contribution plans recognised as an expense:		
Government Employees Pension fund: Employees	8,911,398	8,720,007
Government Employees Pension fund: Management fees	399,841	336,392
The amounts recognised in the statement of financial performance	9,311,239	9,056,399
28 <u>Cash flows from operating activities</u>		
Surplus/(deficit) for the year	43,032,959	19,000,181
Adjustment for:		
Depreciation and amortisation	6,936,184	5,754,994
Debt impairment	15,505,609	5,585,944
Gain/loss on sale of assets	176,801	678,749
Finance costs (non-cash)	319,145	10,197
Gain/loss on biological assets and agricultural produce	106,511	158,021
	66,077,208	31,188,087
Changes in working capital:		
(Increase)/decrease in trade and other receivables from exchange transactions	(15,008,584)	(4,834,744)
(Increase)/decrease in other receivables from non-exchange transactions	(19,996,469)	7,485,209
Increase/(decrease) in unspent conditional grants and receipts	(3,350,902)	1,949,274
Increase/(decrease) in trade and other payables from exchange transactions	4,587,267	10,925,072
Increase/(decrease) in provisions	51,833	(37,116)
Net cash flows from operating activities	32,360,353	46,675,782

Notes to the Financial Statements for the year ended 31 December 2019

	2019	2018
Note	R	R
27 <u>Employee benefits</u>		
Defined contribution plans recognised as an expense:		
Government Employees Pension fund: Employees	8,911,398	8,720,007
Government Employees Pension fund: Management fees	399,841	336,392
The amounts recognised in the statement of financial performance	9,311,239	9,056,399
28 <u>Cash flows from operating activities</u>		
Surplus/(deficit) for the year	43,032,959	19,000,181
Adjustment for:		
Depreciation and amortisation	6,936,184	5,754,994
Debt impairment	15,505,609	5,585,944
Gain/loss on sale of assets	176,801	678,749
Finance costs (non-cash)	319,145	10,197
Gain/loss on biological assets and agricultural produce	106,511	158,021
	66,077,208	31,188,087
Changes in working capital:		
(Increase)/decrease in trade and other receivables from exchange transactions	(15,008,584)	(4,834,744)
(Increase)/decrease in other receivables from non-exchange transactions	(19,996,469)	7,485,209
Increase/(decrease) in unspent conditional grants and receipts	(3,350,902)	1,949,274
Increase/(decrease) in trade and other payables from exchange transactions	4,587,267	10,925,072
Increase/(decrease) in provisions	51,833	(37,116)
Net cash flows from operating activities	32,360,353	46,675,782
29 <u>Comparison of budget and actual amounts</u>		
Investment income		
Government grants and subsidies		
Impairment of debtors		
Books and learning materials		
Professional services		Decrease in legal fees.
Telephone, postage, internet, network and communication costs		In 2018 rewiring at all campuses cause a spike in network cost.
Other expenses		Increase in insurance premium and the rental of mobile classrooms.
Security		Strike action - more security on sites

During the year the following correction of errors occurred:

During 2018 the College received a multi-year grant from DHET earmarked for approved repairs and maintenance expenditure. The Grant contained restrictions on the use of these funds and a condition to return future economic benefits if such funds are not used in accordance with the restrictions.

The College classified this Grant in terms of GRAP 23 as a conditional grant and disclosed it as such.

During 2019 additional grant funding under the same terms and conditions were received by the College and again the College classified the Grant as a conditional grant in terms of GRAP 23.

However, during the audit of 2019, the status of the grant as being conditional came under scrutiny at National level. After consultations the college received feedback that gave clarity that the stipulations on this grants are more restrictions and not conditions as previous accounted for.

The College will adjust the 2018 financial statements to reflect the Grant as an unconditional grant for the reasons stated above.

	2018	2017
	R	R
The comparative amount has been restated as follows:		
Statement of financial position		
Unspend conditional grants and receipts	17,354,376	
	17,354,376	-
Statement of financial performance		
Government grants and subsidies	17,354,376	
	17,354,376	-

31 Change in estimate

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances:

	Value derived using the original estimate	Value derived using amended estimate	R-value impact of change in estimate
Change in depreciation / amortisation resulting from reassessment of useful lives. The following categories are affected:	-	540,077	274,296
Computer equipment			
		540,077	274,296

At the reporting date the College has outstanding commitments under operating leases which fall due as follows:

Operating lease arrangements

Lessee

The major category of asset leased is buildings.

At the reporting date the College had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Up to 1 year

505,425	94,875
505,425	94,875

Operating Leases consists of the following:

Leases are negotiated for an average term of 12 months and rentals are fixed. No contingent rent is payable.

There is no renewal or purchase options and no escalation clauses.

There is no restrictions imposed by lease arrangements.

33. Ccommitments

COMMITMENTS IN RESPECT OF CAPITAL EXPENDITURE

- Approved and contracted for

PPE

SA Gate and Fence - Fencing at Harrismith campus
 Courtesy management - Cracked walls at Itemoheleng Campus

 Courtesy management - Roof repair at Bonamelo Campus

 SA Gate and Fence - Fencing at Lere la Tshepe campus
 Courtesy management - Roof repair at Lere la Tshepe Campus

 Courtesy management - New building at Central office
 Farm Stillerust 461ha, Harrismith: Deed signed, Transfer and guarantees outstanding

14,134,342	-
14,134,342	-
143,900	-
468,642	-
1,465,272	-
585,500	-
1,233,399	-
2,737,629	-
7,500,000	-

Total capital commitments

14,134,342	-
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The capital commitments will be financed from

- Government Grants
 - Own resources

6,634,342	-
7,500,000	-
14,134,342	-

34. Contingent liabilities

JJ Kruger and 150 others	15,161,000	15,161,000
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This amounts relates to litigation by JJ Kruger and 150 others regarding benefits that they feel are due to them according to the employment policy.

Mathews George	3,768,740	3,768,740
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The amounts relates to litigation by Mathews George for loss of income as a result of the closure of the illegal campus ran by him in Warden in 2014. The case was against the DHET and the college was the second defendant.

35. In-kind donations and assistance

The College received the following in-kind donations and assistance which was not recognised: DHET / SAICA CFO Support Projects

The DHET SAICA CFO Projects provide support to the College through the provision of a full time Acting Deputy Principal Finance (ADPF), as well as central project management support, including technical, policy development, governance and business management systems support. The project management support also includes a provincial management and performance management support, to assist the College in managing the HRBP's and the ADPF's performance. The Project is funded by the National Skills Fund and the services are provided by SAICA as part of its Nation Building initiative on a recovery of cost basis, which is well below fair value.

The CFO Support Project came to an end on 30 June 2019. After the conclusion of the Projects, the College have started to bear the cost of appointing a Deputy Principal Finance and to create the resources to replace the central support provided by the project management.

DHET		
Payment of the TVET's management fees	4,209,693	3,558,483
Payment of the TVET's salary related costs	93,726,094	91,303,545
DHET / SAICA CFO Support Project costs	413,027	889,900

Notes to the Financial Statements for the year ended 31 December 2019

	Note	2019 R
Members of key management	<i>Management fee is paid to these persons.</i>	
DHET	<i>Funding of TVET Colleges.</i>	
SETAs	<i>Placement of Diploma students at various private and public sector organisations. The college manages the payments to the students on behalf of various Seta's.</i>	
NSFAS	<i>Bursaries are provided to qualifying students for Tuition fees, transport and accommodation. These funds are managed by the college on behalf of NSFAS.</i>	
National Skills Fund (NSF)	<i>Provides funding for non-funded programs to the college</i>	

Related party balances Controlling entity: DHET

Amounts included in Receivable (Payable) regarding related parties

Grant receivable	19,996,469	-
Amounts included in Income regarding related parties		
Grants received	192,211,767	144,015,960

Associates:

Amounts included in Receivable (Payable) regarding related parties

Mer Seta	(210,250)	(210,250)
Bank Seta	(252,983)	(106,469)
Cath Seta	(1,188,356)	(1,022,961)
Chieta Seta	(580,460)	(569,183)
FoodBEV Seta	(329,855)	(969,375)
Teta Seta	(293,113)	(528,367)
PSETA	(285,664)	(511,168)
W&R SETA	(662,916)	-
MIC SETA	(609,518)	-
Other Seta's	(495,590)	(179,118)
NSFAS Bursaries	(28,908,717)	(23,059,360)

Management

Management fees paid to related parties

Mr VE Mabena	1,092,871	1,033,621
Mrs IK van Heerden	810,958	755,708
Mr ME Tsoetsi	862,625	812,405
Mrs SK Manzini	1,008,687	956,749
Mr AJ Jordaan	775,161	889,900
Mrs S Wigggett	434,552	-

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31

	Note	2019 R	2018 R
Other related			
Sitting allowances paid to Council members			
Various Council members		366,119	336,287
Related party transactions			
Controlling entity: DHET			
Grants and donations received		188,002,075	140,457,477
Associates:			
NSFAS received on behalf of students (Tuition fees, accommodation and transport)		117,646,202	86,978,453
NSF Grant		184,361	2,688,563
Other Seta's		50,655	1,159,932
Remuneration of management			
Council Remuneration:			
Council fees for council and other activities			
Mr W Lefora: Deputy Council Chairperson		69,996	-
Mr M Mokhantso: Council member		19,838	-
Dr VZ Masuku: Council member		45,360	-
Dr RA Patel: Council Chairperson		54,154	-
Mrs M Mahamotsa: Audit Chairperson		46,818	-
Mr LO Mazibuko: Finance Chairperson		31,662	-
Dr TPE Tondi: Resource & Planning Chairperson		-	18,359
Adv. TE Tsoeu: Legal		26,433	11,765
Mr TG Makgale: HR Chairperson		53,526	-
S Mahlangeni		10,476	-
Mr TP Makae: Chairperson of Council		-	61,481
Mr PE Mmapulana: HR Chairperson		-	82,968
Mr M Selaledi: Audit and Risk Chairperson		-	47,250
Mr VFS Mudavanhu: IT Chairperson		-	48,198
Ms MB Mfanta: Council member		2,619	13,205
Ms MC Makara: Council member		2,619	14,021
Mr TE Ntsieng: Council member		2,619	39,040
Total		366,119	336,287
College management Remuneration:			
[Members of management that are also members of Council are only included under College Management]			
Mr VE Mabena - Principal			
<i>Fees for services as a member of management</i>			
Basic salary		764,385	722,717
Bonuses and performance related payments		64,496	61,308
Other short-term employee benefits		164,525	93,953
Contribution to Medical Aids		99,370	155,556
Contribution to Bargain Council		96	88
Total		1,092,871	1,033,621

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31

	Note	2019 R	2018 R
<i>Fees for services as a member of management</i>			
Basic salary		607,389	565,817
Bonuses and performance related payments		51,626	48,349
Other short-term employee benefits		55,607	50,618
Contribution to Medical Aids		17,280	17,280
Contribution to Pension funds		78,960	73,556
Contribution to Bargain Council		96	88
Total		810,958	755,708
Mr ME Tsotetsi: Deputy Principal - Academic			
<i>Fees for services as a member of management</i>			
Basic salary		605,352	570,055
Bonuses and performance related payments		48,186	45,459
Other short-term employee benefits		130,295	122,697
Contribution to Pension funds		78,696	74,107
Contribution to Bargain Council		96	88
Total		862,625	812,405
Mrs SK Manzini: Deputy Principal - Corporate			
<i>Fees for services as a member of management</i>			
Basic salary		768,357	729,051
Bonuses and performance related payments		61,626	58,138
Other short-term employee benefits		66,723	62,696
Contribution to Medical Aids		12,000	12,000
Contribution to Pension funds		99,886	94,776
Contribution to Bargain Council		96	88
Total		1,008,687	956,749
Mr AJ Jordaan: Acting Deputy Principal Finance till 30 June 2019 and Head of Projects since June 2019			
<i>Fees for services as a member of management</i>			
Basic salary		769,161	889,900
Other short-term employee benefits		6,000	-
Total		775,161	889,900
Mrs S Wiggett: Deputy Principal - Finance (since 1 July 2019)			
<i>Fees for services as a member of management</i>			
Basic salary		330,223	-
Other short-term employee benefits		61,352	-
Contribution to Pension funds		42,929	-
Contribution to Bargain Council		49	-
Total		434,552	-

Notes to the Financial Statements for the year ended 31 December 2019

Note	2019 R	
Total Management remuneration:		
	-	-
Fees for services as a member of management		
Basic salary	3,844,866	3,477,539
Bonuses and performance related payments	225,934	213,253
Other short-term employee benefits	484,501	329,964
Contribution to Medical Aids	128,650	184,836
Contribution to Pension funds	300,471	242,439
Contribution to Bargain Council	431	351
Total	<u>4,984,853</u>	<u>4,448,383</u>

37 Events after the reporting date

Non-adjusting events

The Covid-19 pandemic is certain to have an effect on TVET Colleges in the near future as is already evident in the way semesters were adjusted in the 2020 academic year. At this stage the Grant allocation for 2020 has been adjusted down by a small margin (less than 1%) to deal directly with Covid-19 expenses. While it is possible that enrolments for the 2021 academic year could be lower it is not expected to be significantly so due to the priority placed on education at national level. It is also evident that NSFAS funding is prioritised by Higher Education which will support cash-flow at college level due to the high number of NSFAS funded students enrolled. It is uncertain at this stage to what extent academic performance will be affected.

The TVET Colleges have recently commenced the strategic planning phase for 2021 and beyond under guidance of the Department of Higher Education and Training and this process will include plans and possible adjustments to deal with the effect and influence of the pandemic. It is certain that online learning processes will become a standard to supplement conventional processes.

38 Key sources of estimation uncertainty and judgements

The following areas involve a significant degree of estimation uncertainty:

- Useful lives and residual values of property, plant, and equipment
- Recoverable amounts of property, plant and equipment
- Provision for impairment of debts
- Impairment of assets

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the College's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Impairment of assets

39 Net Assets

In terms of the CET Act, the Minister of Higher Education and Training may close a public college subject to certain conditions. In such a case, the net assets of the College, comprising the accumulated surplus and reserves, will vest in the Minister of Higher Education and Training after the settlement of all liabilities.

40 Risk management and other financial instrument disclosures

Maximum credit risk exposure

Credit risk exposure arise from mainly from cash deposits, cash equivalents and trade debtors. The College only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base, comprising mainly of students of the College. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the council. The utilisation of credit limits is regularly monitored.

The financial assets expose the College to credit risk. The value of the maximum exposure to credit risk are as follows for each of classes of financial assets:
Cash and cash equivalents
Trade and other receivables from exchange transactions

62,659,004	44,673,611
1,346,584	1,843,608

Collateral held and other credit enhancements

The credit risk exposure, as posed by the financial assets detailed above, is further mitigated by the collateral held in relation to these instruments:

No such collaterals are held by the College

Liquidity risk

The College's risk to liquidity is a result of the funds available to cover future commitments. The College manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the College's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2019

Gross finance lease obligations	167,048	334,095	1,503,429	2,505,716
Grants due to students	-	-	28,908,717	-
Trade and other payables	-	-	-	-
Other Seta's	-	-	4,964,722	-

2018

Gross finance lease obligations	-	-	-	-
Grants due to students	-	-	23,059,360	-
Trade and other payables	2,725,552	480,527	1,233,301	-
Other Seta's	-	-	4,096,891	-

Defaults and breaches

During the year the College did not defaulted and / or breached any of the contractual terms of certain of its financial liabilities.

Interest rate risk

As the College has no significant interest-bearing assets, the College's income and operating cash flows are substantially independent of changes in market interest rates.

At year end, financial instruments exposed to interest rate risk were as follows:

- Call deposits	34,385,937	26,555,626
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Interest rate risk sensitivity analysis

The susceptibility of the College's financial performance to changes in interest rates is not considered to be significant.

41 Tax exemption

The College is exempt from normal taxation in terms of *Section 10(1)(cN) (confirm)* of the Income Tax Act, 1962 (Act No.58 of 1962).

Statement of Comparison of Budget and Actual Amounts for the year ended 31 December 2019 (Unaudited)

		2019	2019	2019	2019
	Note	Approved budget R	Final budget R	Actual amounts on a comparable basis R	Differences between final budget and actual amounts R
Revenue					
Revenue from exchange transactions		76,993,288	76,993,288	71,880,657	5,112,631
Tuition and related fees	29	74,069,694	74,069,694	67,465,789	6,603,905
Sale of goods and rendering of services	29	806,000	806,000	540,813	265,187
Rental of facilities and equipment	29	202,771	202,771	202,482	289
Investment income	29	1,214,823	1,214,823	2,539,923	(1,325,100)
Other income	29	700,000	700,000	1,131,650	(431,650)
Revenue from non-exchange transactions		164,264,000	164,264,000	192,963,665	(28,699,665)
Government grants and subsidies	29	164,264,000	164,264,000	192,859,810	(28,595,810)
Other income	29	-	-	103,855	(103,855)
Total revenue	29	241,257,288	241,257,288	264,844,322	(23,587,034)
Expenses					
Employee related costs and DHET management fee	29	(140,675,664)	(140,675,664)	(143,898,389)	3,222,725
Impairment of debtors	29	(10,966,588)	(10,966,588)	(15,505,609)	4,539,021
Depreciation and amortisation	29	(7,101,707)	(7,101,707)	(6,936,184)	(165,523)
Books and learning materials	29	(10,900,178)	(10,900,178)	(8,831,304)	(2,068,874)
Repairs and maintenance	29	(3,225,623)	(3,225,623)	(3,438,635)	213,012
Travel, accommodation and entertainment	29	(4,082,851)	(4,082,851)	(5,285,501)	1,202,650
Security	29	(8,400,000)	(8,400,000)	(9,989,330)	1,589,330
Professional services	29	(4,158,285)	(4,158,285)	(2,830,460)	(1,327,825)
Municipal services	29	(5,000,000)	(5,000,000)	(3,540,509)	(1,459,491)
Telephone, postage, internet, network and communication costs	29	(5,952,808)	(5,952,808)	(4,382,370)	(1,570,438)
Printing and stationery	29	(3,250,000)	(3,250,000)	(3,514,181)	264,181
Finance costs	29	(10,218)	(10,218)	(323,507)	313,289
Other expenses	29	(11,900,483)	(11,900,483)	(13,052,073)	1,151,590
Total expenses	29	(215,624,405)	(215,624,405)	(221,528,051)	5,903,646
Other gains/losses		-	-	(283,312)	283,312
Gain/(Loss) on sale of assets	29	-	-	(176,801)	176,801
Gain/(Loss) on biological assets and agricultural produce	29	-	-	(106,511)	106,511
Surplus/(Deficit) for the year	29	25,632,883	25,632,883	43,032,959	(17,400,076)

SUPPLEMENTARY SCHEDULE FOR THE CAPITAL INFRASTRUCTURE AND EFFICIENCY GRANT (CIEG) (UNAUDITED)

	2019 R	2018 R
Opening Balance in Bank account	17,354,239	-
Total CIEG Grant funding received from the Department of Higher	18,059,171	17,745,000
Plus: Interest received on the CIEG dedicated bank account	502,452	-
Total CIEG funding received	35,915,862	17,745,000
Less: Bank charges / finance charges	(3,027)	(1,286)
Less: Expenditure paid in terms of approved work package approvals issued by the Department of Higher Education and Training	(10,799,824)	(389,475)
Total CIEG funds per dedicated CIEG bank account	25,113,010	17,354,239
Less: Committed expenditure not yet paid in terms approved work package approvals issued by the Department of Higher Education and Training	(6,634,342)	-
TOTAL AVAILABLE CIEG GRANT FUNDING	18,478,668	17,354,239