higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

ORBIT TVET COLLEGE

ANNUAL PERFORMANCE REPORT 2023

TABLE OF CONTENTS

VISION, MISSION & KEY VALUES STATEMENT

1. INTRODUCTION

2. ABBREVIATIONS AND ACRONYMS

PART A: GENERAL OVERVIEW

3. MESSAGE FROM THE COUNCIL CHAIRPERSON

4. ACCOUNTING OFFICER'S FOREWORD

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

6. LEGISLATION AND OTHER DIRECTIVES

6.1 LEGISLATIVE FRAMEWORK

6.2 LEGISLATIVE AND OTHER MANDATES

PART B: GOVERNANCE

7. REPORT OF COUNCIL CHAIRPERSON

7.1 CONSTITUTION OF COLLEGE COUNCIL AND GOVERNANCE STRUCTURES

7.2 REPORTS BY COMMITTEES OF COUNCIL

7.2.1 Report of Finance Sub-committee

7.2.2 Report of Conditions of Employment Sub-committee

7.2.3 Report of Audit & Risk Sub-committee

7.2.4 Report of Planning & Resource Committee

7.3 ACADEMIC BOARD REPORT

7.4 STUDENT REPRESENTATIVE COUNCIL REPORT

PART C: PERFORMANCE INFORMATION

8. REPORT BY PRINCIPAL ON MANAGEMENT AND ADMINISTRATION

9. COLLEGE PERFORMANCE AND ORGANISATIONAL ENVIRONMENT

10. PERFORMANCE REPORTING

10.1 STUDENT ENROLMENTS

10.2 STUDENT ACADEMIC PERFORMANCE

10.3 COMPLIANT GRADUATES

10.4 COLLEGE ANNUAL PERFORMANCE ACHIEVEMENTS IN TERMS OF TVET SYSTEM TARGETS

10.5 STRATEGY TO DEAL WITH UNDERPERFORMANCE

PART D: FINANCIAL INFORMATION

11. AUDITED ANNUAL FINANCIAL STATEMENTS

Responsibilities and Approval of Council

Report from Council

Statement of Financial Position as at 31 December 2023

Statement of Changes in Net Assets

Cash Flow Statement

Accounting Policies

Notes to the Annual Financial Statements

VISION, MISSION AND KEY VALUES STATEMENT

VISION

A global institution of excellence, surpassing community needs

MISSION

To provide high quality Education and Training that is affordable, relevant, learner-centred and that contributes to the total development of individuals through:

- Optimal utilisation of resources
- Creative and innovative modes of delivery
- Appropriately skilled staff and
- Community upliftment

KEY VALUES

ORIBT College believes in

Transformation

Policies, procedures, activities and programmes are responsive to community needs and redress imbalances of the past, thereby ensuring increased inclusivity and accessibility

Accountability

Decision-making processes are transparent with proper financial management systems and procedures with the focus on efficiency and effectiveness, including

being fair, ethical and trustworthy in all that we do

Respect

We respect the values of human dignity, equality, human rights and freedom, non-racism and non-sexism

Teamwork

Co-operating with one another, the community, business stakeholders and partners in education in an open and supportive way to achieve shared goals

1. INTRODUCTION

This Annual Performance Report for 2023 aims to present and showcase the performance and achievements of ORBIT TVET College during the 2023 academic year. The report serves to provide an honest overview of the extent to which strategic targets have been met in terms of academic, enrolment, management and administrative performance.

2. ABBREVIATIONS AND ACRONYMS

AB	Academic Board
AGSA	Auditor General of South Africa
AI	Artificial Intelligence
ARPL	Artisan Recognition of Prior Learning
ASB	Accounting Standards Board
ASD	Assistant Director
ARC	Audit and Risk Committee
BMS	Business Management System
BS	Business Studies
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sports Sector Education and TRAINING Authority
CET	Continuing Education and Training
CET Act No.16 of 2016	CET Act
CETA	Construction Education and Training Authority
CfERI	Centre of Entrepreneurship Rapid Incubator
CoECOM	Conditions of Employment Committee
CoS	Centres of Specialisation
CoSACSA	College Sports, Arts & Culture Championships
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
ES	Engineering Studies

ETDP SETA	Education, Training and Development Practices Sector and Training Authority
EWSETA	Energy and Water Sector Education and Training Authority
EXCO	Executive Committee
FASSET	Finance and Accounting Services Sector Education and Training Authority
FINCOM	Finance Committee
FTE	Full Time Equivalent
GRAP	Generally Recognised Accounting Practice
HC	Head Count
HE	Higher Education
HEI	Higher Education Institution
HIRA	Hazard Identification and Risk Assessment
HoD	Head of Department
HWSETA	Health and Welfare Sector Education and Training Authority
ICASS	Integrated Continuous Assessment
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IOD	Injury on Duty
INSETA	Insurance Sector Education and Training Authoriy
IPSAS	International Public Sector Accounting Services
ISAT	Integrated Summative Assessment Tasks
ISO9001:2008	International Quality Standard of the International Organisation for Standardisation
MANCO	Management Committee
MerSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MICTSETA	Media, Information and Communication Technologies Sector Education and Training Authority
MIS	Management Information System
MOU	Memorandum of Understanding
MQA	Mining Qualifications Authority
NAFBI	National African Federation for the Building Industry

NATED	National Department of Education Report 190/191 Programmes
NC	National Certificate
NC(V)	National Certificate (Vocational)
NDP	National Development Plan
NEETs	Not in Employment, Education, nor in Training
NGO	Non-profit Government Organisation
NQF	National Qualifications Framework
NSC	National Senior Certificate
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
NTC	National Technical Certificate
NYDA	National Youth Development Agency
OHS	Occupational Health and Safety
OIHD	Occupations in High Demand
PAL	Peer Academic Leaders
PL	Post Level
PLP	Pre-learning Programme
PQM	Programme Qualification Mix
PPN	Post Provisioning Norms
PRC	Planning and Resource Committee
PRO	Public Relations Officer
PSET	Post School Education and Training Sector
QCTO	Quality Council for Trades and Occupations
QMS	Quality Management System
RMC	Risk Management Committee
SABEN	South African Broadcast Education Networks
SABS	South African Bureau of Standards

SACPO	South African College Principals' Organisation
SAICA	South African Institute of Chartered Accountants
SARS	South African Revenue Services
SDG	Sustainable Development Goal
SETA	Sector Education and Training Authority
SL	Salary Level
SMME	Small Medium Macro Enterprise
SNE	Students with Special Needs for Education
SoP	Schedule of Particulars
SRC	Student Representative Council
THETA	Tourism, Hospitality and Sport Education and Training Authority
TVET	Technical and Vocational Education and Training
Umalusi	Quality Assurance Body for the General and Further Education and Training Sectors in South Africa
UN	United Nations
VAT	Value Added Tax
W & R SETA	Wholesale and Retail Sector Education and Training Authority
WAN	Wide Area Network
WBE	Workplace-based Education
WIL	Work Integrated Learning

References in this Annual Report are to the FET Colleges Act No.16 of 2006 as amended by Act No.3 of 2012 and the Continuing Education and Training (CET) Colleges Act (No 16 of 2006)

GENERAL OVERVIEW



3. MESSAGE FROM THE COUNCIL CHAIRPERSON

The United Nations' 2030 Agenda has less than a decade left to be achieved. The Sustainable Development Goals (SDGs) in the Agenda serve as a global plea to eradicate poverty, safeguard the environment, and guarantee universal peace and prosperity for all. The interconnected 17 SDGs comprise 169 objectives. Sustainable Development Goal 4 (SDG 4) is one of the 17 Global Goals outlined in the 2030 Agenda for Sustainable Development.

SDG 4 states the importance of providing fair and inclusive education of high quality, as well as encouraging people to continue learning throughout their lives. The attainment of several Sustainable Development Goals will rely on education. As per the UN Agenda, nations must ensure that all students possess the necessary skills to promote sustainable development by 2030.

The African Union has officially approved the Sustainable Development Goals of the United Nations, with a special focus on SDG 4, under the Africa We Want 2063 Agenda. To speed up the achievement of SDG 4, the African Union intends to cultivate educated individuals who are motivated by science, technology, and innovation. The SDG 4 is closely connected to Chapter 9 of the South Africa's National Development Plan (NDP).



The NDP goal for education and training is to guarantee high-quality education for individuals. More specifically, the Post-School Education and Training system (PSET) should aim to develop highly skilled individuals. TVET Colleges are designed to form the foundation of the PSET system. Public TVET colleges should, therefore, expand, improve their programmes, and position themselves as the top choice for offering PSET. By 2030, it is anticipated that a total of 2.5 million students will be enrolled in TVET and skills development programmes, offered by both public and private providers.

The mapping exercise above serves to identify the common areas between the AU Agenda 2063, the UN SDG agenda, and South Africa's NDP. This Annual Report aims to give South Africans and the global community insight into the performance of ORBIT TVET College in 2023 in alignment with those agendas. I would like to thank those who contributed to the publication of this Annual Report and wish to acknowledge the essential roles played by the college council, college management and staff, SRC, private sector organisations, students, as well as the Department of Higher Education and Training in achieving the 2023 performance targets of the College.



MOLOANTOA K (Dr)

CHAIRPERSON OF COUNCIL

4. THE ACCOUNTING OFFICER'S FOREWORD

Mo ntsamaisa bosigo ke mo leboga bo sele

Those who came before us coined this beautiful phrase, which literally translates to "the one who walks me through the night, I thank him in the morning". As I draw together the 2023 Annual Report it pains me to accept that the term of the 20219 to 2024 Council has come to an end. This was a team of men and woman, under the leadership of Dr Moloantoa, who selfishly worked to shape the College.



The greatest artist of them all Michael Angelo once said, ***"under a marble block, dwells a beautiful statue. All we need to do is to chisel away access material".*** There is no better way to explain what Council had done for the College. They continuously had a hammer and chisel to bring out a beautiful College. For trimester three of 2023, our engineering studies students outperformed all engineering students in the country. ORBIT College was ranked position one.

The hammer and chisel, identified talent within the student population. The ORBIT soccer team was promoted to National First Division of the professional soccer league in the country. This was a mile stone which differentiated the College from many others.

Any person who goes through the 2023 financial audited statements would agree with me to say the College has a positive financial trajectory. This comes as a result of controls informed by Council approved policies and College staff who are willing to comply to the policies. I will not be able to narrate the success of the College and leave out the entire staff and students, for the sterling work performed. Once again the College has maintained the previous year's audit opinion, unqualified. Kindly accept my profound deepest appreciated for the work done. As you were able to bring this sun shine to the College.



MOKOENA DF
PRINCIPAL/ACCOUNTING OFFICER

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 annual report are consistent.
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 control 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, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of ORBIT TVET College for the financial year ended 31 December 2023



MOKOENA DF
PRINCIPAL/ACCOUNTING OFFICER

6. LEGISLATION AND OTHER DIRECTIVES

6.1 Legislative Framework

ORBIT 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 achievement of its strategic and performance objectives.

6.2 Legislative and Other Mandates

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 achievement of its strategic and performance objectives.

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*.

GOVERNANCE



7. REPORT OF COUNCIL CHAIRPERSON

The following report on Governance is extracted from the ORBIT TVET College Statute and serves to point out the constitution, duties, governance structure and terms of reference for Council Committees.

Subject to the Continuing Education and Training (CET) Colleges Act no. 16 of 2006 (as amended) and the College Statute the Council governs ORBIT TVET College. To facilitate good governance and effective management, the boundaries between the two must be discussed and clearly defined. If the boundaries between governance and management are blurred, it may lead to tensions, conflicts of interest and ultimately to organisational non-performance.

While governance is the process of making, and monitoring compliance, of policies to regulate the delivery of services towards the achievement of organisational goals, management is the process of planning, organising, leading and controlling the resources of an organisation to achieve organisational goals as effectively and efficiently as possible.

Furthermore, the King I, II, III and IV Reports on Corporate Governance, which is applicable to all organisations, including TVET Colleges, emphasises the need for the Council of a College to be independent and to avoid conflicts of interest.

The following 2 quotations from the King III report provide credence to this statement:

(i) *"A director is a steward of the company. The ethics of governance requires that in this stewardship role, each director be faithful to the four basic ethical values of good corporate governance (responsibility, accountability, fairness and transparency)."*

(ii) *"The non-executive director plays an important role in providing judgment independent of management on issues facing the company. Not being involved in the management of the company defines the director as non-executive. Non-executive directors are independent of management on all issues including strategy, performance, sustainability, resources, transformation, diversity, employment equity, standards of conduct and evaluation of performance.*

The independence of the Council demands that non-executive or independent members:

(i) do not have direct or indirect interest in the College.

(ii) do not function in any executive capacity nor have not been employed by the College in any such capacity for the preceding three financial years.

(iii) are not professional advisers to the College.

(iv) are free from any business or other relationship that could be seen to interfere materially with the individual's capacity to act in an independent manner.

7.1 CONSTITUTION OF THE COLLEGE COUNCIL AND GOVERNANCE STRUCTURES

7.1.1 COLLEGE COUNCIL 2023 AND ITS DESIGNATED FUNCTIONS

Executive Committee (EXCO)

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP	DATE APPOINTED
Moloantoa K (Dr)	Ministerial Appointee Section 10 (4) (b) member Chairperson of College Council	Appointed 16 April 2019
Bogopa MB	Ministerial Appointee Section 10 4) (b) member Deputy Chairperson of College Council Chairperson of Finance Committee Chairperson of Planning and Resource Committee	Appointed 16 April 2019
Magolego PM	Section 10 (4) (d) Donor Appointee Chairperson of Conditions of Employment Committee	Appointed 16 April 2019 Replaced Ms Kabini as Chairperson of Conditions of Employment Committee in May 2021
Mathye MG (Ms)	Section 10 (6) Additional member appointee Chairperson of Audit and Risk Committee	Appointed 16 April 2019
Mokoena DF	Internal Member Section 10 (4) (a) member Principal of College	Appointed 10 January 1992
Matjiane MS	Internal invitee Deputy Principal Corporate Services of College	Appointed 05 October 1992
Sebaetse MT	Internal Invitee Deputy Principal Finance of College	Appointed 01 May 2023

Council Members

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP	DATE APPOINTED
Letsoalo SM	Section 10 (4) (c) Academic Board Representative	Appointed 1 May 2019 but backdated to 16 April 2019
Ramaru MS	Section 10 (4) (e) member Lecturing staff representative	Appointed 1 May 2019 but backdated to 16 April 2019
Mokale AT	Section 10 (4) (f) member Support staff representative	Appointed 1 May 2019 but backdated to 16 April 2019
Singh R	Section 10 (6) Additional member appointee	Appointed 16 April 2019
Dubazana T	Section 10 (6) Additional member appointee	Appointed 16 April 2019
Mangoma APC (Ms)	Section 10 (6) Additional member appointee	Appointed 16 April 2019
Molope M (Dr)	Ministerial Appointee Section 10(4) (b) member	Appointed 1 August 2021 but appointment was backdated to 16 April 2019 Replaced Dr Mamaile as Council member
Ramdass K (Prof.)	Ministerial Appointee Section 10 (4) (b) member	Appointed 1 August 2021 but appointment was backdated to 16 April 2019 Replaced Ms Kabini as Council member
Lefophane H (Dr)	Ministerial Appointee Section 10 (4) (b) member	Appointed 16 April 2019
Tawana A (Ms)	Section 10 (4) (g) SRC President	Term started March 2023
Seitlhobogeng K (Ms)	Section 10 (4) (g) SRC Secretary-General	Term started March 2023

7.1.2 COUNCIL SUB-COMMITTEES

Audit and Risk Sub-committee members

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP
Mathye M (Ms)	Section 10 (6) Additional member appointee Chairperson of Audit and Risk Sub-committee
Carrim I	External Appointee
Fourie W (Ms)	External Appointee
Kgalaki R	External Appointee
Sebaetse MT	Internal invitee Deputy Principal Finance of College
Mokoena DF	Internal Member Section 10 (4) (b) member Principal of College
Matjiane MS	Internal Invitee Deputy Principal Corporate Services
Tsabangwe MM	Internal invitee Internal Audit and Assurance Manager

Finance Sub-committee members

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP
Bogopa B	Ministerial Appointee Section 10(4) (b) member Chairperson of Finance Sub-committee
Molope M (Dr)	Ministerial Appointee Section 10 (4) (b) member
Singh R	Section 10 (6) Additional member appointee
Mokoena DF	Internal Member Section 10 (4) (a) member Principal of College
Sebaetse MT	Internal invitee Deputy Principal Finance of College
Visser M (Ms)	Internal Invitee – ASD Finance

Conditions of Employment sub-committee members

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP
P Magolego	Section 10 (4) (d) Donor Appointee Chairperson of conditions of employment committee
B Bogopa	Ministerial Appointee Section 10(4) (b) member
T Dubazana	Ministerial Appointee Section 10(4) (b) member
K Ramdass (Prof)	Ministerial Appointee Section 10 (4) (b) member
G Mafojane	Internal invitee – ASD Human Resource Management & Development
MS Matjiane	Internal invitee Deputy Principal Corporate Services of College
DF Mokoena	Internal Member Section 10 (4) (a) member Principal of College

Planning and Resource sub-committee members

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP
Bogopa B	Ministerial Appointee Section 10(4) (b) member Chairperson of Planning and Resource Committee
Dubazana T	Section 10 (6) Additional member appointee
Magolego P	Section 10 (4) (d) Donor Appointee
Mangoma P	Section 10 (6) Additional member appointee
Sebaetse MT	Internal invitee Deputy Principal Finance of College
Mokoena DF	Internal Member Section 10 (4) (b) member Principal of College
Moleko KD	Internal invitee ASD Partnerships and Linkages
Merementsi A	Internal invitee Capital Infrastructure & Efficiency Grant Project Manager
Motlhaga T	Internal invitee ASD Supply Chain and Asset Management

Council Members serving on the Academic Board

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP
Lefophane MH (Dr)	Ministerial Appointee Section 10 4) (b) member
Ramdass K (Prof)	Ministerial Appointee Section 10(4) (b) member

Note: The Term of Office of external members serving on the College will come to an end in April 2024.

7.1.3 APPOINTMENTS MADE IN 2023 IN TERMS OF SECTIONS 10 (4) AND 10(6) OF THE CET ACT

No new appointments were made on the ORBIT TVET College Council in 2023

7.1.4 MEETINGS HELD BY COUNCIL IN 2023

EXCO Meetings	
Date of Meeting	**Type of Meeting**
11April	Virtual General Meeting 1 of 2023
10 August	Virtual General Meeting 2 of 2023
3 October	Virtual General Meeting 3 of 2023
4 December	Virtual General Meeting 4 of 2023

Council Meetings	
Date of Meeting	**Type of Meeting**
30 March	Virtual General Meeting 1 of 2023
18 April	Virtual Special Meeting 1 of 2023
23 August	Virtual General Meeting 2 of 2023
16 October	Virtual General Meeting 3 of 2023
12 December	General Meeting 4 of 2023

Other Council Meetings	
Date of Meeting	**Purpose of Meeting**
January	Launch of Manamela Project
1 February	PPN CIC Meeting
6 February	PPN CIC Meeting
23 March	PPN CIC Meeting
27 March	PPN CIC Meeting
28 March	PPN CIC Meeting
31 March	PPN CIC Meeting
14 April	Virtual Council Training
17 May	Graduation Ceremony

Other Council Meetings	
Date of Meeting	**Purpose of Meeting**
18 May	Graduation Ceremony
13 June	Meeting with AGSA
4 July	Meeting with Principal
11 July	Visit from British Council
27 July	Virtual Stakeholder Meeting
8 August	Virtual Stakeholder Meeting
16 August 2024	Virtual Stakeholder Meeting
5 September	Virtual Stakeholder Meeting
7 September	PSET Meeting
16 September	VR Launch
30 October	PPN CIC Meeting
6 – 10 November	Shortlisting and interviews of DPA and DPI posts
15 – 16 November	PQM Meeting
5 December	Shortlisting of DPI post (DHET)

Audit and Risk Committee Meetings	
Date of Meeting	**Type of meeting**
22 March	Virtual General Meeting 1 of 2023
29 March	Virtual Special Meeting 1 of 2023
3 August	Virtual Special Meeting 2 of 2023
13 September	Virtual General Meeting 3 of 2023
30 November	Virtual General Meeting 4 of 2023

Finance Sub-Committee Meetings	
Date of Meeting	**Type of Meeting**
28 March	Virtual General Meeting 1 of 2023
31 March	Virtual Special Meeting 1 of 2023
13 June	Virtual General Meeting 2 of 2023
13 September	Virtual General Meeting 3 of 2023
24 November	Virtual General Meeting 4 of 2023

Conditions of Employment Committee Meetings	
Date of Meeting	**Type of Meeting**
24 February	Virtual General Meeting 1 of 2023
22 May	Virtual General Meeting 2 of 2023
8 August	Virtual General Meeting 3 of 2023
27 November	Virtual General Meeting 4 of 2023

Planning and Resource Committee Meetings	
Date of Meeting	**Type of Meeting**
21 February	General Meeting 1 of 2023
23 May	Virtual General Meeting 2 of 2023
15 August	Virtual General Meeting 3 of 2023
29 November	Virtual General Meeting 4 of 2023

Academic Board Meetings	
Date of Meeting	**Type of Meeting**
24 March	Virtual Academic Board Meeting 1 of 2023
6 July	Virtual Academic Board Meeting 2 of 2023
19 September	Virtual Academic Board Meeting 3 of 2023
30 November	Virtual Academic Board Meeting 4 of 2023

7.1.5 PERFORMANCE OF COUNCIL TERMS OF ITS STATUTORY FUNCTIONS, EXPLAINED IN SECTION 10(1) – (3) OF THE CET ACT

7.1.5.1 Duties of the College Council

Without derogating from the generality of subsection (1), the Council -

a. makes rules for the College;
b. establishes the Council Committees and determines the composition and functions of each committee;
c. establishes, in consultation with the Academic Board, joint Committees of the Council and the Academic Board to perform functions which are common to the Council and the Academic Board;
d. subject to applicable policy and the approval of the Director-General, determines the student admission policy of the College, after consultation with the Academic Board;
e. determines and provides student support services after consultation with the SRC;
f. subject to the approval of the Director-General, determines the language policy of the College, after consultation with the Academic Board;
g. determines tuition fees, accommodation fees and any other fees payable by students as well as accommodation fees payable by employees;
h. approves the annual budget of the College; and
i. may conclude a loan or overdraft agreement, with the approval of the Minister.

Without derogating from the generality of subsection (1), the Council –

a. determines conditions of service, code of conduct and privileges and functions of its employees and may, in the manner set out in the code of conduct, suspend or dismiss employees of the College; and
b. may order an employee of the College who has been suspended to refrain from being on any premises under the control of the College and to refrain from participating in any of the activities of the College, or issue such other conditions as it may consider necessary.

7.1.5.2 Composition of Council

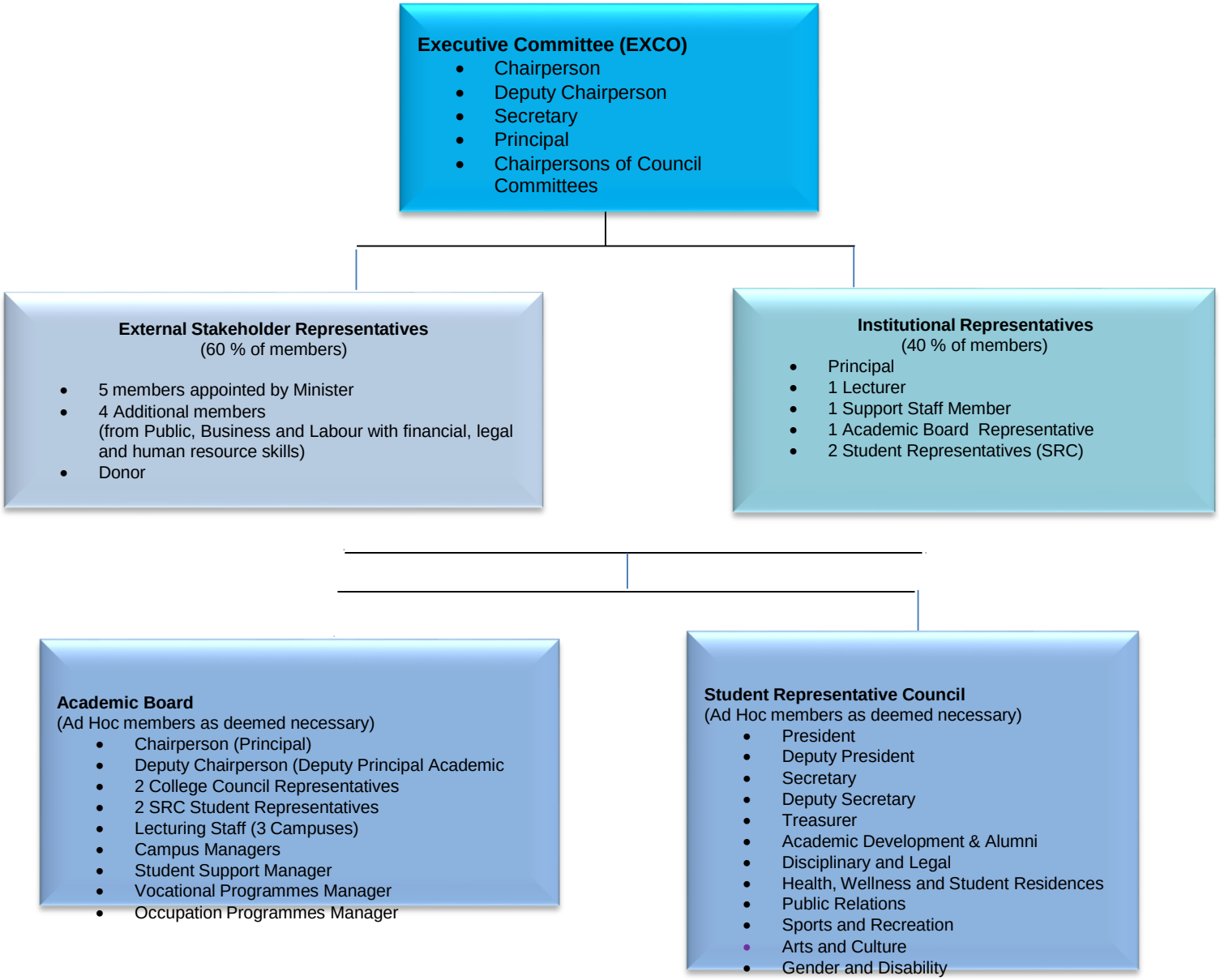
The Council, as contemplated in section 10(4) of the Act, consists of –

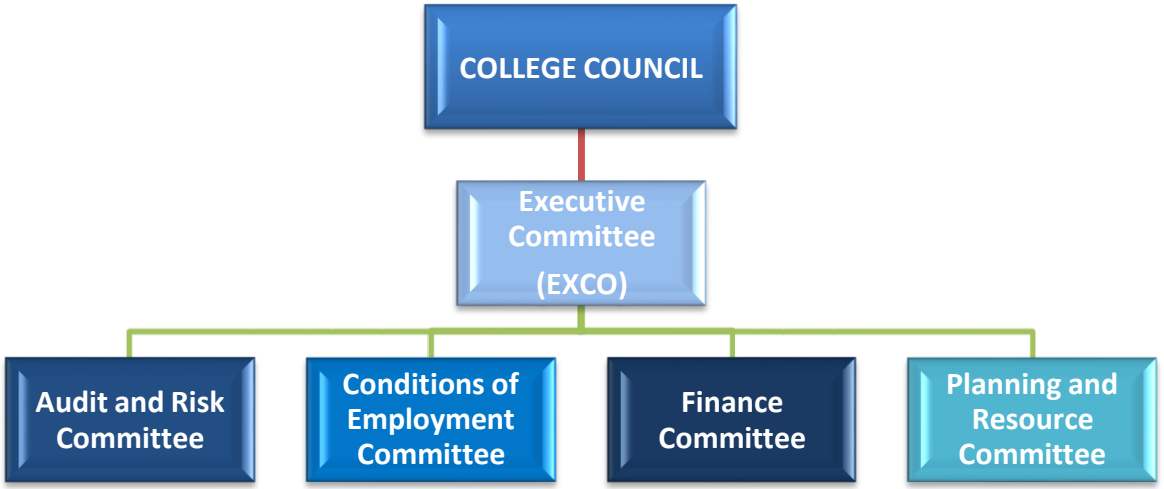
a. the Principal;
b. five external persons appointed by the Minister;
c. one member of the Academic Board elected by the Academic Board;
d. one lecturer elected by the lecturers at the College;
e. two students of the College elected by the SRC;
f. one member of the support staff elected by the support staff of the College;
g. one external member representing donors; and
h. at least four members contemplated in section 10(6) of the Act with a broad spectrum of competencies in the fields of education, business, finance, law, marketing, information technology and human resource management appointed by the Council in consultation with the Minister.

At least 60% of the members of the Council must be external persons who are not employed by the Minister or Council, or are not students of the College.

The Council members contemplated in Section 10(8) and (9) of the Act must have knowledge and experience relevant to the objects and governance of the College.

7.1.5.3 Council Governance Structure





External stakeholder representatives constitute 60% of members and institutional representatives constitute 40% of members 11

members (Chairperson, Deputy Chairperson, Secretary, Principal, Chairpersons of Council Committees, Deputy Principals)

6 Committee members (1 x external member of Council to chair, 3 external members with appropriate expertise in the field of Information Technology, Finance, Risk Management, Law and Auditing, appointed by Council and 2 internal staff members, namely the Principal and Internal Audit and Assurance Manager)

5 Committee members (3 External members of Council (one of whom is the Chairperson) and 1 internal staff member namely the Deputy Principal Corporate Services and 1 invited member, namely the ASD Human Resource Management)

6 Committee members (3 External Members of Council (one of whom is the Chairperson) and 3 internal staff members namely the Principal, Deputy Principal Finances and 1 invited member, namely the ASD Finance)

7 Committee members (3 External Members of Council (one of whom is the Chairperson) and 3 internal staff members namely the Principal, 2 Deputy Principals and 1 invited member, namely the ASD Supply Chain & Asset Management)

7.1.5.5 TERMS OF REFERENCE FOR GOVERNANCE AND COUNCIL COMMITTEES

a) Terms of Reference for Council Committees

Executive Committee

The Executive Committee meets:

- one week before scheduled Council meetings
- when the need arises when an urgent matter needs attention, and decision needs to be made
- when a mandate has been received from the Council to finalise a specific matter

Purpose of the Executive meeting before regular scheduled Council Meetings:

To receive and discuss reports and recommendations from Council Sub Committees and Management.

b) Audit and Risk Committee

An independent Audit and Risk Committee fulfils a vital role in corporate governance. The Audit and Risk Committee is a critical component in ensuring the integrity of integrated reporting and financial controls, the proper identification and management of financial risks and the integrity of the reporting practices.

The Audit and Risk Committee should meet as frequently as necessary to perform its role, but should meet at least four times a year.

Purpose of the committee:

To ensure compliance with the best financial and accounting practices and standards, and to oversee the management of risk in the organisation.

The Audit and Risk Committee should oversee the College's reporting and assurance functions and review aspects of risk and sustainability issues where it is mandated to do so by the Council.

c) Finance Committee

The Finance Committee should meet at least four times per year or more often as circumstances require, keep minutes of proceedings and report regularly to Council. The Finance Committee may invite to its meetings any council member, officer of the College or such other person as it deems appropriate to assist it in performing its responsibilities.

Purpose of the committee:

To consider matters of financial strategy and policy and to optimise the use of financial resources

d) Conditions of Employment Committee

The Conditions of Employment Committee should meet regularly, not less than four times per year, and at such other times as may be requested by the Chairperson of the Committee. No executive officer should attend a portion of any meeting where such an executive's performance or compensation is discussed, unless specifically invited by the Conditions of Employment Committee.

Purpose of the Committee:

To approve Human Resource Management policies and monitor their implementation.

e) Planning and Resource Committee

The Planning and Resource Committee should meet regularly, not less than four times per year, and at such other time as may be requested by the Chairperson of the Committee. A member must attend a minimum of 3 meetings in a financial year, failure of which, the member's conduct should be referred to the Chairperson of the College Council for intervention and may lead to permanent dismissal from the Committee.

Purpose of the committee:

To assist the Council in its duties relating to the planning, management and maintenance of infrastructure and capital expenditure for infrastructure expansion and diversification of programmes inclusive of ICT infrastructure and compliance with health, safety and environmental legislation and policies

7.2 REPORTS BY COMMITTEES OF COUNCIL

7.2.1 REPORT OF THE FINANCE COMMITTEE TO THE COUNCIL OF ORBIT COLLEGE FOR THE YEAR ENDED 31 DECEMBER 2023

7.2.1.1 TERMS OF REFERENCE

In terms of section 25 of the Continuing Education and Training (CET) Act 2006 the Finance Committee (FINCOM) was established as an independent Oversight Committee on financial affairs of ORBIT College. The Committee has adopted formal Terms of Reference, which are regularly updated and approved by Council. The Committee presents its report on quarterly basis and annually for the financial year ending 31 December 2023.

7.2.1.2 FINANCE COMMITTEE MEMBERS AND ATTENDANCE

The Committee's Terms of Reference requires a minimum of 3 external members of Council (one member appointed as the Chairperson of the FINCOM), and consists of the members listed below. During the period under review, five meetings were held.

Member	Role	Meetings held	Meetings attended
B Bogopa B	Member	5	5
Molope M (Dr)	Member	5	5
Singh R	Member	5	2
Mokoena DF	Member	5	4
Sebaetse MT	Member	4	4
Visser M (Ms)	Invitee	2	2

7.2.1.3 FINANCE COMMITTEE RESPONSIBILITY

As at the 31 December 2023 the FINCOM reported that it has, as far as possible, complied with its responsibilities arising from its charter, including all relevant legislative requirements. The FINCOM has during the period under review considered all matters of financial strategy and policy and optimised the use of ORBIT college financial resources.

7.2.1.4 EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

During the period under review the FINCOM has effectively and efficiently executed the following responsibilities:

a) Approved finance policies and monitor compliance.
b) Overseen the preparation of the annual budget and financial statements.
c) Considered and approved financial strategies and objectives as recommended by the Deputy Principal Finances in support of adopted development and growth plans for the College.
d) Monitored financial performance against budgets.
e) Overseen the administration, collection, and disbursement of the financial resources of the College.
f) Advised the Council with respect to making significant financial decisions.
g) Considered and assessed all investment opportunities available to the College, in respect of all funds which it administers, and to determine the manner and extent to which funds are to be invested with a view to ensuring both security and optimisation of income.
h) Reviewed the actual and projected financial situation of the College as required, including among other matters, the respective level of debt, the sources of financing and the College's financial ratios.
i) Reviewed the financial aspects of any acquisitions submitted to the Council; and as delegated to the Finance Sub-Committee by the Council, to review and approve any acquisitions covered by such delegation.
j) Monitored the performance of the Finance Component of the College.

7.2.1.5 CONCLUSION

The FINCOM fully supports the College in its vision, as embodied in the strategic documents, and in its journey of improved service delivery to the students of the College.

7.2.1.6 APPRECIATION

The FINCOM would like to express its sincere appreciation to the Council Chairperson and all members, Principal (Accounting Officer), Management, Officials, Auditor-General South Africa (AGSA) and the ORBIT College Finance Unit for their support to the FINCOM during the year under review.



BOGOPA MB
CHAIRPERSON: FINANCE COMMITTEE

7.2.2 REPORT OF THE CONDITIONS OF EMPLOYMENT COMMITTEE TO THE COUNCIL OF ORBIT COLLEGE FOR THE YEAR ENDED 31 DECEMBER 2023

7.2.2.1 TERMS OF REFERENCE

The Conditions of Employment Committee (CoECOM) has been established as an independent Committee, in terms of section 25 of the Continuing Education and Training (CET) Act 2006. The Committee has adopted formal Terms of Reference, which are regularly updated and approved by Council. The Committee presents its report for the financial year ended 31 December 2023.

7.2.2.2 CONDITIONS OF EMPLOYMENT COMMITTEE MEMBERS AND ATTENDANCE

The Committee's Terms of Reference requires a minimum of 3 external members of Council (one of whom is the Chairperson), and consists of the members listed below:

Member	Role	Meetings held	Meetings attended
Bogopa B	Member	4	4
Dubazana T	Member	4	4
Mafojane G	Invitee	4	3
Magolego P	Member	4	4
Matjiane MS	Invitee	4	4
Mokoena DF	Member	4	3
Ramdass K (Prof.)	Member	4	4

7.2.2.3 CONDITIONS OF EMPLOYMENT COMMITTEE RESPONSIBILITY

The CoECOM reports that it has, as far as possible, complied with its responsibilities arising from its charter, including all relevant legislative requirements.

7.2.2.4 EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The CoECOM has effectively and efficiently executed the following responsibilities:

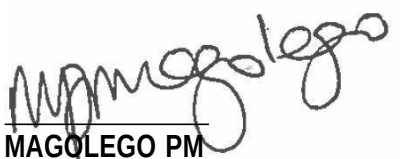
a. Periodically reviewed and approved new human resource policies of the College.
b. Monitored the College performance against its HR or workforce plan.
c. Reviewed the total compensation practices of the College.
d. Monitored the performance management and development systems and their impact on individual and organisational performance.
e. Reviewed and approve the organisational structure and post establishment of the College.
f. Monitored the College performance against defined strategic HR targets.
g. Monitored systems and procedures for all Council-approved human resources and employment equity policies
h. Monitored the management development programmes of the College.
i. Reviewed and reported to the full Council, with recommendations, the following:
    (i) the ethical standards of the College to ensure that Management has identified the values that determine acceptable behaviour in the College and has put in place a process that ensures these values are reflected in actions that are taken within the College.
    (ii) the periodic review of the College's Code of Ethics and Conduct.
    (iii) compliance under the College's Code of Ethics and Conduct.

7.2.2.5 CONCLUSION

The CoECOM fully supports the College in its vision, as embodied in the strategic documents, and in its journey of improved service delivery to the students of the College.

7.2.2.6 APPRECIATION

The CoECOM expresses its sincere appreciation to the Council, Accounting Officer, Management, Officials, Auditor-General South Africa and the Human Resource Unit for their support to the CoECOM during the year under review.



MAGOLEGO PM
CHAIRPERSON: CONDITIONS OF EMPLOYMENT COMMITTEE

7.2.3 REPORT OF THE AUDIT AND RISK COMMITTEE TO THE COUNCIL OF ORBIT COLLEGE FOR THE YEAR ENDED 31 DECEMBER 2023

7.2.3.1 TERMS OF REFERENCE

The Audit and Risk Committee (ARC) has been established as an independent Committee, in terms of section 25 of the Continuing Education and Training (CET) Act 2006. The Committee has adopted formal Terms of Reference, which are regularly updated and approved by Council. The Committee presents its report for the financial year ended 31 December 2023.

7.2.3.2 AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

The Committee's Terms of Reference requires a minimum of four members, and consists of the members listed below. During the year under review, five meetings were held which includes meetings with the Accounting Officer, Internal Audit and Senior Management. Various stakeholders such as the Auditor-General were invited to some of the meetings.

Member	Role	Meetings held	Meetings attended
Carrim I	External Member	5	1
Fourie W (Ms)	External Member	5	4
Kgalaki R	External Member	5	5
Mathye M (Ms)	Council Member	5	5
Matjiane SM	Invitee	5	2
Mokoena DF	Member	5	3
Sebaetse MT	Invitee	3	3
Tsabangwe MM	Invitee	5	5

7.2.3.3 AUDIT AND RISK COMMITTEE RESPONSIBILITY

The ARC reports that it has, as far as possible, complied with its responsibilities arising from its charter, including all relevant legislative requirements.

7.2.3.4 EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The ARC has considered the work performed by Internal Audit on a quarterly basis and has reviewed the Internal Audit Annual Report on Internal Controls for the year ended 31 December 2023. In line with relevant legislation and good cooperate governance requirements, Internal Audit provides the ARC and Management with the assurance that the internal controls are appropriate and effective with emphasis on continuous improvement to strengthen the internal controls. The majority of audit findings reported to the Committee related to the control activities and monitoring components. In relation to the aspect of monitoring, the audits indicated a lack of management and supervisory reviews to ensure:

- compliance with legislation, regulations, policies and procedures;
- the design and implementation of adequate controls; and
- that implemented controls operate effectively.

Management intervention is required to effect improvement in these areas. Focus and prioritisation should be given to identified control areas that put at risk the College achieving its key objectives.

7.2.3.5 RISK MANAGEMENT

Risk management has been formalised within the College, in relation to the establishment of various structures, processes and systems to give effect to risk management. Further initiatives are required to further embed risk management in the College's processes. This includes further clarifying roles and responsibilities, improving training, developing performance measurements, monitoring compliance with the integrated risk management policy and framework, and consistent application of approach.

7.2.3.6 ACCOUNTING POLICIES

Accounting Policies that forms part of the Annual Financial Statements (AFS) were reviewed during each ARC meeting were the AFS were discussed. The ARC is content with appropriateness and compliance of the accounting policies with all relevant legislation.

7.2.3.7 REVIEW OF ANNUAL FINANCIAL STATEMENTS

The ARC noted and recommended approval of the Annual Financial Statements for the year ended 31 December 2023 as presented by Management.

The ARC noted the progress to date and advised Management to address outstanding balances and disclosures for final review by the ARC. The Committee further advised Management to ensure that the AFS are submitted to the Auditor-General before on the submission date.

7.2.3.8 COMBINED ASSURANCE

Regular engagements occurred between assurance providers to give effect to the Combined Assurance Framework. These engagements continue to be developed and enhanced to make combined assurance in the College more effective. The Committee regularly reviews developments in this area.

7.2.3.9 INTERNAL AUDIT

The ARC is satisfied that the internal Audit activity is operating effectively and that it has addressed the risks pertinent to the College in its Audit engagements.

The ARC approved internal Audit's strategic documents for 2023. The 2023 operational plan was implemented by internal Audit and monitored by the ARC on a quarterly basis.

7.2.3.10 PROHIBITED EXPENDITURE

The ARC is recommending that Management improve and develop a standardised mechanism in ensuring that unauthorised, irregular, fruitless and wasteful expenditure is avoided.

7.2.3.11 INFORMATION TECHNOLOGY (IT) GOVERNANCE

The ARC is recommending to Management to give more focus on the IT Governance framework for the College. This will enable the Committee and College to achieve their objectives in relation to IT governance.

7.2.3.12 CONCLUSION

The ARC concurs and accepts the conclusions of both Internal Audit and the Auditor-General. The Committee is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the Report of the Auditor General. The Committee fully supports the College in its vision, as embodied in the strategic documents, and in its journey of improved service delivery to the learners of the College.

7.2.3.13 APPRECIATION

The ARC expresses its sincere appreciation to the Council, Accounting Officer, Management, Officials, Auditor-General South Africa and the Internal Audit for their support to the ARC during the year under review.



MATHYE MG (Ms)
CHAIRPERSON: AUDIT AND RISK COMMITTEE

7.2.4 REPORT OF THE PLANNING AND RESOURCE COMMITTEE TO THE COUNCIL OF ORBIT COLLEGE FOR THE YEAR ENDED 31 DECEMBER 2023

7.2.4.1 TERMS OF REFERENCE

The Planning and Resource Committee (PRC) has been established as an independent Committee, in terms of section 25 of the Continuing Education and Training (CET) Act 2006. The Committee has adopted formal Terms of Reference, which are regularly updated and approved by Council. The Committee presents its report for the financial year ended 31 December 2023.

7.2.4.2 PLANNING AND RESOURCE COMMITTEE MEMBERS AND ATTENDANCE

The Committee's Terms of Reference require a minimum of 4 external members of Council (one of whom is the Chairperson), and consists of the members listed below. During the year under review, four meetings were held.

Member	Role	Meetings held	Meetings attended
Bogopa MB	Member	4	4
Dubazana T	Member	4	3
Magolego P	Member	4	4
Mangoma P (Ms)	Member	3	2
Merementsi A	Invitee	4	4
Mokoena DF	Member	4	2
Moleko KD	Invitee	3	3
Motlhaga T	Invitee	4	4
Sebaetse MT	Invitee	3	3

7.2.4.3 PLANNING AND RESOURCE COMMITTEE RESPONSIBILITY

The PRC reports that it has, as far as possible, complied with its responsibilities arising from its charter, including all relevant legislative requirements.

7.2.4.4 EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The PRC has effectively and efficiently executed the following responsibilities:

a. Recommended to Council to approve the College infrastructure planning, management and maintenance and supply chain policies and monitor compliance and implementation.
b. Monitored the management of the facilities register and its associated maintenance and construction activities.
c. Reviewed the actual and projected capital needs of the College as required, including among other matters, the sources of financing and related implications noting the mandate of expansion for TVET Colleges.
d. Recommended the College five-year capital expenditure programme.
e. Oversaw the execution of capital projects, including that:
    - each project meets the strategic and technical specifications and deliverables.
    - all project-related risks have been identified and mitigated.
    - critical decisions, project parameters and governance processes are followed and addressed prior to committing funds.
    - each project enhances the portfolio value of the College.

f) Reviewed the performance of the College Supply Chain component of the College in terms of operational targets

g) Oversaw the compliance to Health, Safety and Environmental legislation

h) Monitored the achievement of targets in respect of the Environmental Plan as contained in the annually approved College Operational Plan

7.2.4.5 CONCLUSION

The PRC fully supports the College in its vision, as embodied in the strategic documents, and in its journey of improved service delivery to the students of the College.

7.2.4.6 APPRECIATION

The PRC expresses its sincere appreciation to the Council, Accounting Officer, Management, Officials, Auditor-General South Africa and the Supply Chain Unit for their support to the PRC during the year under review.



BOGOPA MB
CHAIRPERSON: PLANNING AND RESOURCE COMMITTEE

7.3 DRAFT REPORT OF THE ACADEMIC BOARD TO THE COUNCIL OF ORBIT COLLEGE FOR THE YEAR ENDED 31 DECEMBER 2023

7.3.1 TERMS OF REFERENCE

The Academic Board has been established as an independent Committee, in terms of section 25 of the Continuing Education and Training (CET) Act 2006. The Board has adopted formal Terms of Reference, which are regularly updated and approved by Council. The Board presents its report for the financial year ended 31 December 2023

7.3.2 ACADEMIC BOARD MEMBERS AND ATTENDANCE

a) The Board's Terms of Reference requires that the Board consist of the following 22 members:

- Principal
- Deputy Principal Academic Programmes and Student Support Services
- Vocational Programmes Manager
- Occupational Programmes Manager
- Student Support Manager
- Council Members (2 external Council members)
- SRC Members (2 members)
- Campus Managers (Brits, Mankwe and Rustenburg Campuses)
- Head of Department Artisan Development and Partnership (1 to represent all 3 Campuses)
- NC(V) Engineering Lecturer Representatives (X3 [1 per Campus])
- Report 191 Business and Utility Studies Lecturer Representatives (X3 [1 per Campus])
- Occupational Programmes Lecturer Representatives (X3 [1 per Campus])

b) The criteria to elect the 3 lecturer representatives are:

i. Representatives can be elected from any Post Level (PL 1 to 3) – it therefore implies that there is no need for representatives for each level.
ii. Representatives must be permanently appointed.
iii. Representatives must have a proven success rate for programmes that they are teaching or have been teaching.
iv. Representatives must have a thorough understanding of the programme (NC(V)/Report 191/ Occupational Programmes) which they will be representing.
v. Members of Academic Board do not represent any constituents; they are not stakeholders who are representing the mandates of the constituents they come from.
vi. Academic Board members must participate in the deliberations in the best interest of the College and deliberate on the College matters to the best of their knowledge in their functional area in order to improve governance of the College.

c) The Chairperson of the Academic Board is the Principal of the College.
d) The Deputy Chairperson of the Academic Board is the Deputy Principal Academic Programmes and Student Support Services of the College.
e) The Academic Board consists of the members listed below. During the year under review, four meetings were held.

Member	Role	Meetings held	Meetings attended
Tawana A	SRC President	4	1
Rammole N	Academic Development and Alumni Representative of the SRC	4	1
Kekana S	Student Support Services	4	3
Kgaboesele B	Campus Manager Rustenburg Campus	4	2
Lefophane HM	Council Representative	4	3
Letsoalo SM	NC(V) Engineering Studies Rustenburg Campus	4	3
Lupuwana LG	NC(V) Business and General Studies Brits Campus	4	3
Matlou P	Centre of Entrepreneurship Manager	4	3
Mokoena DF	Principal ORBIT TVET College	4	2
Molapi W	Acting Mankwe Campus Manager	4	3
Moleko K	ASD Partnerships & Linkages	3	3
Molele BS (Ms)	NC(V) Business and General Studies Rustenburg Campus	4	2
Mosito TJ	Deputy Principal Academic Programmes and Student Support Services	2	2
Ngobeni A	Lecturer	2	1
Nkau P	ASD Curriculum Implementation	4	3

Member	Role	Meetings held	Meetings attended
Phiri KA	Report 191 Engineering Studies Brits Campus	4	2
Ramdass K	Council Representative	3	2
Tlhopile T (Ms)	Brits Campus Manager Brits Campus & Acting Deputy Principal Academic	4	2
Viljoen JCH (Dr)	Acting Deputy Principal Innovation and Development	1	1

7.3.3 ACADEMIC BOARD RESPONSIBILITY

The Academic Board reports that it has, as far as possible, complied with its responsibilities arising from its charter, including all relevant legislative requirements.

7.3.4 DUTIES AND RESPONSIBILITIES OF THE ACADEMIC BOARD

Subject to the Act, the Academic Board of the College is:

a) is accountable to the Council for:

i. all the teaching, learning, research and academic functions of the College;

ii. the academic functions of the College and the promotion of the participation of women and the disabled in its learning programmes;

iii. establishing internal academic monitoring and quality promotion mechanisms;

iv. ensuring that the requirements of accreditation to provide learning against standards and qualifications registered in the National Qualifications Framework are met;

v. identifying training needs of lecturing staff; and

vi. performing such other functions as may be delegated or assigned to it by the Council;

b) must:

i. advise the Council on a Code of Conduct and rules concerning students;

ii. determine, in accordance with any relevant deed or gift and after consultation with the Principal, the conditions applicable to any scholarships and other academic prizes;

iii. determine the persons to whom scholarships and academic prizes are awarded;

iv. determine the functions of its Committees as well as the procedure of meetings of these Committees; and

v. take note of any action taken by a Committee in exercising its delegated powers or functions when such Committee reports its actions to the next meeting of the academic board; and

c) may:

i. establish Committees to perform any of its functions, and may for this purpose deem a single person to be a committee;

ii. make standing orders on procedures and delegation of powers; and

iii. delegate its functions to a Committee.

d) Without derogating from the generality of subsection (1) the organisation and supervision of instruction and examinations, and of lectures and classes, vest in the Academic Board.

e) The Academic Board submits to the Council:

i. such reports upon its work as may be required by the Council;

ii. recommendations on matters referred to it by the Council; and

iii. recommendations on any other matter affecting the College that the Academic Board considers useful.

7.3.5 CONCLUSION

The Academic Board fully supports the College in its vision, as embodied in the strategic documents, and in its journey of improved service delivery to the learners of the College.

7.3.6 APPRECIATION

The Academic Board expresses its sincere appreciation to the Council, Accounting Officer, Management, Student Representative Council, Officials, Auditor-General South Africa and the Academic Unit for their support to the Academic Board during the year under review.



MOKOENA DF

CHAIRPERSON: ACADEMIC BOARD

7.4 STUDENT REPRESENTATIVE COUNCIL REPORT FOR 2023

7.4.1 TERMS OF REFERENCE

The ORBIT TVET College Student Representative Council (SRC) Constitution is promulgated with reference to the Continuing Education and Training (CET) Colleges Act 16 of 2006 and the CET Colleges Amendment Act 3 of 2012 in line with the Constitution of the Republic of South Africa. Being the umbrella body of all student organisations, the SRC aims at unifying students of the College, in order to contribute to the advancement of the students' interest in the academic, social and extra-curricular spheres.

7.4.2 SRC ELECTIONS

Elections are conducted annually before 31 March of each Academic Year. The election process is managed by an Independent Electoral Company. Each Campus has 8 Elected SRC Members, that make a total of 24 SRC Members from our 3 Campuses. The 24 elected SRC members then elect the College Executive which consist of 12 members. The College SRC is Elected by a democratic process through a Secret Ballot (Online Hybrid – Onsite and Offsite) andthe process is led by an Independent Electoral Company. The Campus SRC Chairpersons stand for the position of President, Deputy President and Head of Discipline and Legal. The Campus Secretaries stand for the position of Secretary, Deputy Secretary and the Gender and Disability Officer. The rest of the Office Bearers of the SRC Executive Committee must be serving the same portfolios at Campus Level. The College SRC Executive is voted for by total number of votes or by agreement amongst the three (3) Campuses.

Office Bearers for the SRC Executive Committee are as follows:

i. President
ii. Deputy President
iii. Secretary - General
iv. Deputy-Secretary
v. Treasurer - General

vi. Academic Development & Alumni

vii. Disciplinary and Legal Officer

viii. Health & Wellness

ix. Public Relations Officer

x. Sport & Recreation

xi. Arts & Culture

xii. Gender & Disability

7.4.3 MEMBERS AND ATTENDANCE OF MEETINGS

2023 SRC College Executive Committee members and attendance of meetings

Member	Portfolio	Campus	No. of meetings held	No. of meetings attended
Tawana A (Ms)	**President**	Rustenburg	**4**	**4**
Mohajane P (Ms)	**Deputy President**	Brits	**4**	**4**
Seitlhobogeng K (Ms)	**Secretary**	Brits	**4**	**3**
Khoza M (Ms)	**Deputy Secretary**	Rustenburg	**4**	**4**
Mdluli T (Ms)	**Treasurer**	Rustenburg	**4**	**4**
Rammole R	**Academic Officer**	Brits	**4**	**4**
Segami J	**Disciplinary & Legal**	Mankwe	**4**	**3**
Moleleki T	**Health & Wellness**	Mankwe	**4**	**3**
Makhokha Z (Ms)	**PRO**	Rustenburg	**4**	**4**
Mfati G	**Sport & Recreation**	Mankwe	**4**	**4**
Tlhabela R (Ms)	**Arts & Culture**	Brits	**4**	**4**
Maphunye A (Ms)	**Gender & Disability**	Mankwe	**4**	**4**

2023 Brits Campus SRC Members

Name	Designation
Mohajane P(Ms)	Chairperson
Seitlhobogeng K (Ms)	Secretary
Monama M (Ms)	Treasurer
Rammole R	Academic
Zindela L	Public Relations
Tshabalala T (Ms)	Sports & Recreation
Tlhabela R (Ms)	Arts & Culture
Ramashala S	Health & Wellness

2023 Mankwe Campus SRC Members

Name	Designation
Segami J	Chairperson
Maphunye A (Ms)	Secretary
Mangwegape T	Treasurer
Sereko M	Academic
Motsepe O	Public Relations
Mfati G	Sports & Recreation
Matshidiso G (Ms)	Arts & Culture
Moleleki T	Health & Wellness

2023 Rustenburg Campus SRC Members

Surname	Designation
Tawana A (Ms)	Chairperson
Khoza M (Ms)	Secretary
Mdluli T (Ms)	Treasurer
Muneer D (Ms)	Academic
Makhokha Z (Ms)	Public Relations
Mathibe O	Sports & Recreation
Motang O	Arts & Culture
Taukobong K (Ms)	Health & Wellness

7.4.4 REPRESENTATION ON OTHER BODIES

The following members were democratically elected to serve on each of the committees as indicated:

Name	Portfolio	Committee
Tawana A (Ms) **Seitlhobogeng K (Ms)**	President Secretary	College Council
Tawana A (Ms) **Mangwegape T** **Monama M (Ms)** **Mdluli T (Ms)**	President Mankwe Campus Treasurer Brits Campus Treasurer Rustenburg Campus Treasurer	Financial Aid Committee of the College
Tawana A (Ms) **Rammole R**	President Academic Development Officer	Academic Board

The SRC is established to:

a. function as a channel of communication between the Student Body and the Staff Leadership Team;
b. provide a channel of communication between the students of this College and Students of other Institutions;
c. crystallize the needs and aspirations of students and to make known their problems and point-of-views;
d. seek clarification on general academic issues and Student community issues, conducting the dialogue and consultation within the parameters of regulations embedded within the College;
e. promote the spirit of harmony and unity among Students and Staff of each Campus and the College;
f. establish a solid identity amongst the Students and to help ensure that they are treated with the respect and dignity they deserve.

7.4.5 SRC INDUCTION/TRAINING

All elected SRC members undergo training and induction in governance and leadership development immediately after their election. The training not only focuses on specific responsibilities and tasks assigned and managed by the SRC, but also bears a very strong focus on relevant legislation, regulations as well as the SRC Constitution. This enables the SRC to fulfil their role with the necessary confidence and accountability that it requires. The SRC also receives unit standard based capacity building training focusing on topics such as leadership, meeting skills, communication skills, governance, management and project management to mention a few.

Guidance and mentorship are provided by Student Support Officers at the different campuses under the supervision of the Student Support Coordinator, Student Support Manager and the Deputy Principal Academic Programmes at Central Office.

7.4.6 SRC BUDGET

The SRC is responsible for managing their own budget which is approved by Council. The execution of all SRC activities is subject to the availability of funds as allocated in the budget. The SRC budget is used to cover, amongst others; training, incentives, administrative costs (stationery, telephone calls, travelling and accommodation).

7.4.7 ACTIVITY PLAN FOR SRC

SRC members at the different campuses are responsible for drawing up and implementing annual campus activity plans. Activities that are hosted by the different campus SRCs differ from campus to campus as opposed to activities that are planned and implemented from the College SRC Executive level.

7.4.8 CONCLUSION

The Student Representative Council supports the College in its vision, as embodied in strategic documents, and in its journey of improved service delivery to the students of the College.

7.4.9 APPRECIATION

The SRC expresses its sincere appreciation to the Council, Accounting Officer, Management, Student Support Officials, Lecturers and Support Staff and all students of the College for their support to the SRC during the year under review.

TAWANA A (Ms)
SRC PRESIDENT 2023

PERFORMANCE INFORMATION



8 REPORT BY PRINCIPAL ON MANAGEMENT AND ADMINISTRATION

The ORBIT College Strategic Plan took into account the following priority areas to ensure more effective teaching and learning and improvement of student achievement and success. The strategic priority focus areas were:

1. Growth and expansion of access and articulation opportunities for the youth;
2. Improvement of academic quality and success, i.e. improving certification, throughput and retention rates;
3. Establishing partnerships and linkages with industry, sector education and training authorities (SETAs) and/or other professional bodies and/or institutions of Higher Education for articulation into the labour market and/or further and higher learning opportunities;
4. Support system efficiency and functionality;
5. Sound institutional governance, management and leadership;
6. Monitoring and evaluation and reporting of college performance; and
7. Growth and expansion of artisan development opportunities.

This report on management and administration serves to provide an overview of the extent in which College Management managed to address the strategic priority focus areas listed above. This is done by highlighting compliance with as well as improvement of all strategic management and administrative processes, procedures, systems and activities during 2023.

Significant progress was made in respect of reviewing and implementing changes to business operations, not only to ensure compliance with the requirements of government but also to support and enhance the delivery of our services. Improvements to connectivity, infrastructure, risk management and internal control, curriculum support, occupational health and safety, staff development and student support services were all planned and introduced with a considered approach to achieve maximum impact.

9. COLLEGE PERFORMANCE AND ORGANISATIONAL ENVIRONMENT

ORBIT TVET College mainly serves the Madibeng, Moses Kotane and Rustenburg communities. By being actively involved in communities, and by making sure that the College is included in relevant structures and plans, ORBIT College becomes a significant role player in growing the economy of the North West Province.

As part of our strategy to reach out to these communities the College engages with local municipalities and enters into MoUs with them. In addition, partnerships are forged with local business and industry, business forums and engagement with tribal authorities takes place on a continuous basis.

Partnerships such as these enable ORBIT College to respond meaningfully to the respective municipalities' Integrated Development Plans (IDPs) in terms of economic development, assist in addressing rural development challenges and contribute to the development of an informed and educated citizenry. Empowerment of out-of- school youth and alleviation of poverty by skilling the youth and advancing their employability levels, are strategic goals that ORBIT TVET College strive to achieve on an annual basis. To this end, the Programmes Qualification Mix (PQM) that is offed comprises:

- National Certificate Vocational NC(V) programmes
- Report 191 (NATED) programmes (Engineering Studies, Business Studies and General Studies)
- Centres of Specialisation programmes focused on Artisan Development
- Artificial Intelligence (AI) Workforce Programme
- Learnerships and skills programmes – The College has programme approval from various SETAs to offer occupational/skills programmes which comply with industry standards

9.1 Entrepreneurship Programmes

Centre for Entrepreneurship Rapid Incubator (CfERI)

In addition to offering training that is responsive to the needs of business and industry, the college also has a responsibility to support students by means of a comprehensive exit strategy. Such a strategy includes vastly expanded access to workplace-based experiential learning and strong links between colleges, employers and employer organisations. To complement the College Graduate Support Programme, the CfERI supports students who would like to establish their own businesses and provides support to Small Medium Macro Enterprises (SMMEs).

The rising trend of entrepreneurship has been fueled by the increasing desire for independence and the potential for financial success. As people seek more control over their careers and income, entrepreneurship offers an alternative to traditional employment. The accessibility of online platforms and the availability of resources have simplified the process of starting a business. With entrepreneurship training, aspiring business owners can gain the necessary skills and knowledge to navigate the challenges they may face. This includes understanding market trends, developing business plans, and honing leadership abilities. By participating in entrepreneurship training, individuals can increase their chances of success and make informed decisions in the competitive business landscape.

Students face many obstacles when entering the job market. In some fields supply outstrips demand, which has the effect of graduates ending up in jobs they did not train for. In other cases, graduates lack the minimum of three to four years of work experience in their field of study, which is often a requirement for jobs advertised. Without support from their colleges, students generally struggle to break into the job market and frequently end up in employment that is unrelated to their training.

9.2 Responsive curriculum delivery

The North West Province is one of the smaller provinces of South Africa but it still maintains strong social and economic links with the Gauteng Province. The Province has a total population of roughly 3.6 million inhabitants of which only 1.4 million are economically active.

The following five main economic sectors in the North West Province are experiencing significant and almost crippling demand for appropriately qualified human resources:

- Agriculture
- Mining
- Manufacturing

- Tourism
- Infrastructure and construction.

In order to remain relevant and responsive to the needs of our community, ORBIT TVET College continued to offer a diverse range of vocational and occupational programmes in 2023. The Programme Qualification Mix (PQM) of the College included, amongst others, the following:

- Business Studies programmes such as Office Administration, Finance and Economics, Management Assistant, Business Management and Financial Management
- Engineering-related programmes such as Electrical and Mechanical Engineering, Engineering and Related Design (Fitting and Turning/Machining and Boiler-Making/Automotive), Civil Construction and ICT
- Artificial Intelligence Programmes
- Art and Design Programmes in Jewellery Design and Manufacture
- Accredited occupational programmes that empower individuals for self-employment and enhance employability
- All programmes offered at the respective campuses are registered on the National Qualifications Framework and are fully accredited and certified by the Department of Higher Education and Training, UMALUSI and the QCTO in the case of learnerships and skills programmes or an International Accreditation Body.
- All National Certificate (Vocational) Programmes are quality assured by UMALUSI (the ETQA for Education)
- Report 191 (N1-N3) programmes are quality assured by UMALUSI and Report 191 (N4-N6) programmes are quality assured by QCTO

9.3 Provision of Student Support Services

Our College mandate is clear. On the demand side, the College must deliver on the skills needed to drive our country's economic growth and social development at an increasing rate, because available, quality skills will enhance both investment and service delivery. On the supply side, the system must serve a growing number of both young people and adults; it must provide different entry points into, and pathways through the learning system; it must provide quality learning wherever learning takes place – be it at a college or in the workplace; and, importantly, it must provide easy pathways across the different learning sites. Fully functional Student Support Centres at each campus support this goal. These centers are complete with academic support and social support officials, academic support labs, study areas, internet cafés, job portals, etc. The fully functional Student Support Centres at all campuses and sound partnerships with Business and Industry such as the mining industry, automotive industry, business sectors and the construction industry assisted in developing and improving student pass and certification rates during a very difficult year.

The Student Support Services provided to students in 2023 also focused on addressing students' different socio-economic backgrounds. The approval and implementation of a holistic Student Support Plan for the College assisted management to respond to the geographical challenges of each delivery site, and to deal with the different economic and sociological profiles of students. Mankwe Campus is the only campus with student residences and substantive amounts are annually allocated for the maintenance, refurbishment, etc. of these residences so that students live in conducive conditions

Although the implementation of physical school visits and attendance of career expos were seriously hampered by the prolonged national lockdown, the College marketing strategy was adjusted to include a number of innovative marketing initiatives to continue reaching out to our communities. The continued hosting of virtual and physical marketing and recruitment activities included mini-campus open days as well as a virtual Open Day that yet again proved to be a tremendous success as stakeholders from schools, government, business, industry and educational sectors joined and shared in this unique experience. Other creative marketing strategies that were implemented included hosting of the annual College Business Brunch, participation in physical and digital career expos, expansion of online communication with all stakeholders and distribution of care packages to business and industry partners. All these strategies were successfully implemented with the aim of:

- Increasing access.
- Informing the community of the services rendered by the college.
- Establishing links with local, provincial, national and international entities to the benefit of our learners.

9.4 Partnerships and Linkages

ORBIT TVET College understands its stakeholder base and seeks to work with everyone who has interest in creating a vibrant College system. The following stakeholders were key to the delivery of the College vision and mission in terms of partnerships in 2023.

PARTNERSHIPS ORBIT TVET College has signed Memorandums of Understanding (MoUs) with the following Business, Industry, Government, SETAs and Community partners:	
PARTNER	**PURPOSE OF PARTNERSHIP**
Business and Industry	
Seda Platinum Incubator	Incubator Business Support
NAFBI	Placement of apprentices
Bell equipment	Placement of apprentices
North west trucks/ud trucks	Placement of apprentices
Glencore	Placement of apprentices
Necsa	Placement of apprentices
Tharisa	Placement of apprentices
Mictseta	Placement of Lecturer
Baloyi Master trucks	Placement of apprentices
Ditsibi engineers	Placement of apprentices
Afrox	Placement of apprentices
Samancor	Placement of apprentices
Cell network (MTN)	Internship (WIL)
Auctus Skills Development	Internship (WIL)
Accountellus	Internship (WIL)
Golden Leopard Resort (Manyane)	Internship (WIL)
Mispel Clinic	Internship (WIL)
Masedi Electric Serve	Internship (WIL)
Anglo American (Rustenburg hub)	Internship (WIL)
Mispel Clinic	Internship (WIL)
White Leopard Security Services	Internship (WIL)
Dreamfinders Trading and Projects 115cc	Internship (WIL)
Maboe Heritage Tours and Safaris	Internship (WIL)
Kabelo Training Solutions	Internship (WIL)

PARTNERSHIPS ORBIT TVET College has signed Memorandums of Understanding (MoUs) with the following Business, Industry, Government, SETAs and Community partners:	
PARTNER	**PURPOSE OF PARTNERSHIP**
Government Departments	Internship (WIL)
Department of health	Funding and Training(CoS)
Department of Public Works	Internship (WIL)
Rakoko Senior Secondary School	Internship (WIL)
Rustenburg Hoer Tegniese Skool	Internship (WIL)
Dep. of Health (JST Hospital)	Internship (WIL)
Dep. of Education (Gauteng)	Internship (WIL)
Spring Field TVET College	Internship (WIL)
Tlhage Primary School	Internship (WIL)
Moremogolo Primary School	Internship (WIL)
Department of Health Seraleng Clinic	Internship (WIL)
Rustenburg Sub District HRD	Internship (WIL)
North West Office of the Premier	Internship (WIL)
Social Development: Lethabong	Internship (WIL)
Brits District Hospital	Internship (WIL)
Department of Correctional Services: Losperfontein	Internship (WIL)
North West CET College: Brits	Internship (WIL)
Department of Health: Madibeng sub-dis	Internship (WIL)
Osaletseng Primary School	Internship (WIL)
Department of Correctional Services	Internship (WIL)
Sarona Primary	Internship (WIL)
Segwaelane Primary School	Internship (WIL)
Kutlwano Primary School	Internship (WIL)
Kutlwano Primary School	Internship (WIL)
Odi Primary School	Internship (WIL)
Kelebogile Primary School	Internship (WIL)
Seroophata Primary School	Internship (WIL)
Gauteng Dep of Health; Tshwane	Internship (WIL)
Katakane Primary School	Internship (WIL)
Motlhake Primary School	Internship (WIL)
Lesedi Le Legolo Primary School	Internship (WIL)
Noko nya Lorato Primary School	Internship (WIL)

Itumeleng Primary School	Internship (WIL)

PARTNERSHIPS ORBIT TVET College has signed Memorandums of Understanding (MoUs) with the following Business, Industry, Government, SETAs and Community partners:	
PARTNER	**PURPOSE OF PARTNERSHIP**
Department of Culture and Arts	Internship (WIL)
Dr George Mukhari Academic Hospital	Internship (WIL)
Relebogile Primary School	Internship (WIL)
Department of Social Development	Internship (WIL)
Mankwe SAPS Academy	Internship (WIL)
Moses Kotane Hospital	Internship (WIL)
Moses Kotane Sub-district (DBE)	Internship (WIL)
Traffic Department	Internship (WIL)
Odi Primary School	Internship (WIL)
Local Communities, NGOs and Municipalities	
Prophet Dichaba Naba Foundation	Internship (WIL)
Mabolokala HIV/AIDS Awareness Organisation	Internship (WIL)
Bokgatla ba kgafela Tribal Authority	Internship (WIL)
Lethola Local Municipality	Internship (WIL)
Rustenburg Local Municipality	Internship (WIL)
Sector Education and Training Authorities (SETAs)	
ETDPSETA	Learnership
W&RSETA	Solar PV Installation
MerSETA	Artisan Development (Discretionary grants funding)
MQA	Lecturers exposed to Industry through Skills Programmes (Discretionary grants funding)
INSETA	Internship (Discretionary grants funding)
EWSETA	Artisan Development (Discretionary grants funding)
MICTSETA	4IR Partnership
LGSETA	Artisan Development (Discretionary grants funding)
HWSETA	Artisan Development (Discretionary grants funding)

Higher Education Institutions **Cape Peninsula of Technology**	Collaboration and Exchange Agreement

9.5 Human Resource Management

Staff is one of our most valuable assets. In the interest of staff safety, health, health wellness and to meet set targets employees were assisted to compile personal development plans to determine training needs and support needed. Staff were supported through workshops, in-house training and bursaries. The approved staff establishment for ORBIT COLLEGE allow for a total number of **433** posts to be filled from 2024 onwards. By December 2023, **410** posts were filled and **23** posts were still vacant across the four sites:

VACANT POSTS AS AT DECEMBER 2023					
Category	**BRITS**	**MANKWE**	**RUSTENBURG**	**CENTRAL OFFICE**	**ORBIT VACANT POSTS**
Lecturing staff	2	4	5	0	**11**
Office based staff	0	0	0	0	**0**
Support staff	1	2	1	8	**12**
TOTAL	**3**	**6**	**6**	**8**	**23**

Critical posts that were still vacant at December 2023 included a number of management positions:

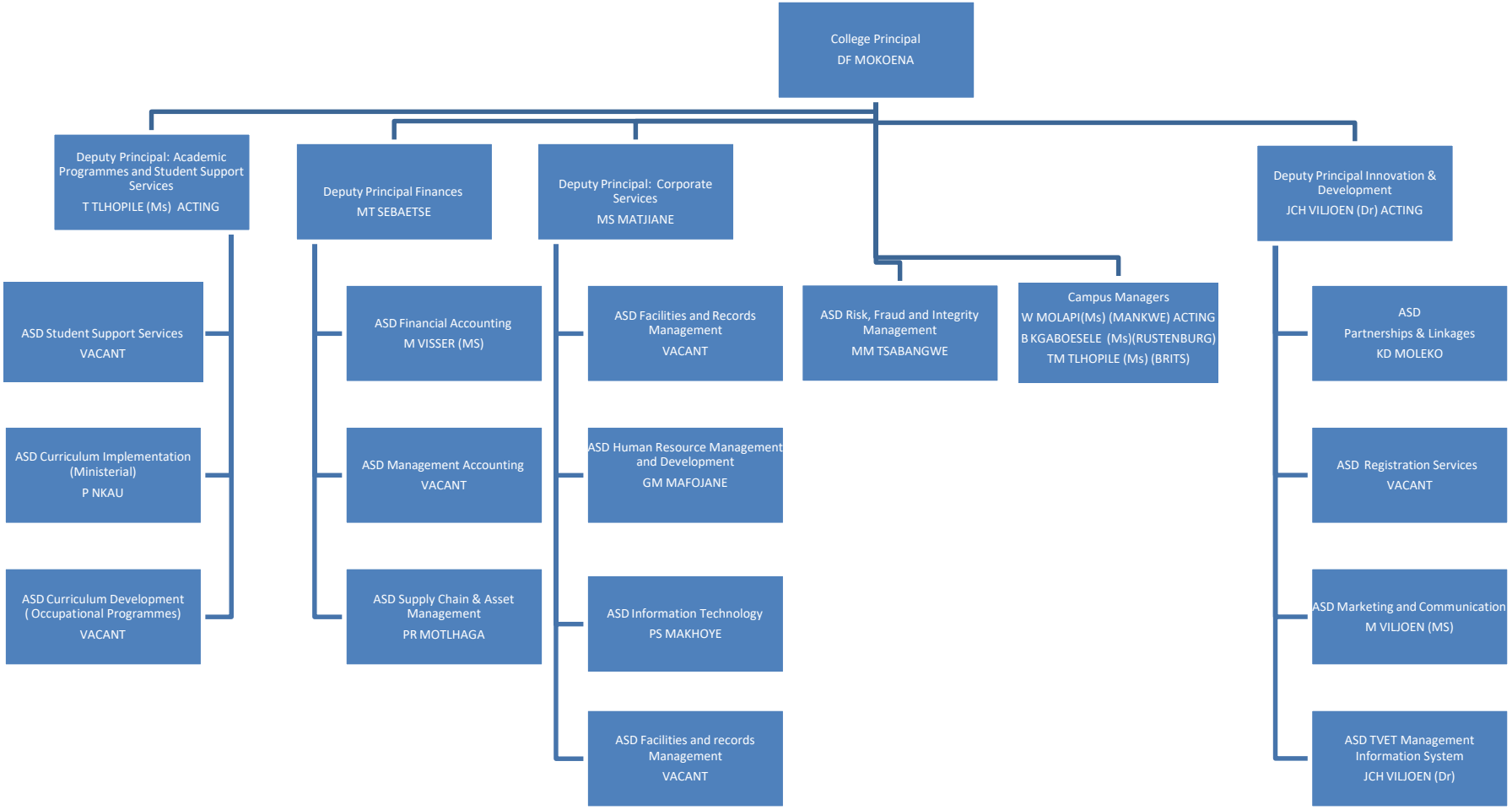
CRITICAL POST	**SITE**
HoD Artisan Development	Rustenburg Campus
Deputy Principal Innovation & Development	Central Office
Deputy Principal Academic Programmes	
Assistant Director Registration Services	
Assistant Director Occupational Programmes	
Assistant Director Student Support	
Assistant Director Management Accounts	
None	Mankwe Campus
None	Brits Campus

Critical posts in which people were acting at December 2023:

Critical Post with acting person	Acting	Site
Deputy Principal Innovation & Development	Dr JCH Viljoen was appointed as Acting Deputy Principal Innovation and Development effectively from 01 December 2023. DHET Head Office is in the process of concluding the permanent appointment	Central Office
Deputy Principal Academic Programmes	Ms T Tlhopile was appointed as Acting Deputy Principal Innovation and Development effectively from 01 December 2023. DHET Head Office is in the process of concluding the permanent appointment	Central Office
Assistant Director Student Support	Mr MS Kekana was appointed as the acting Student Support Manager upon the resignation of Ms Modiba in 2020.	Central Office
Campus Manager	Ms W Molapi was appointed as acting Campus Manager Mankwe Campus on 1 June 2019 due to Mr ZM Nkomo being co-opted to act as Principal at the Taletso TVET College. The post was advertised for permanent filling and the recommendation was forwarded to DHET Head Office for approval.	Mankwe Campus

NUMBER OF LECTURING AND SUPPORT STAFF - 2023					
Category	**BRITS**	**MANKWE**	**RUSTENBURG**	**CENTRAL OFFICE**	**ORBIT STAFF 2023**
Management Staff	0	0	0	3	**3**
Lecturing Staff	68	81	91	0	**240**
Office based	2	1	2	2	**7**
Support Staff	31	48	29	52	**160**
TOTAL	**101**	**130**	**122**	**57**	**410**

High-level organisational organogram



9.6 Finances and funding

The Deputy Principal Finance together with the Finance Manager managed the finances of the College soundly by adhering to general accounting principles, consolidating all budgets of campuses/units and by recording and keeping proper records of income and expenditure. Alternative funding secured through projects by the Business Development and Innovation Unit and value-added relations with potential investors, paying clients, donors, sponsors or partners in the private and public sectors were also managed well.

9.7 Conducting examinations and assessment

The ASD Curriculum Implementation, Campus Managers and Examination Officers were responsible for managing and administering campus examinations and assessments in compliance with the applicable legislation and regulations. By making sure that proper systems, strategies and structures were in place, the Academic Unit promoted the education and training of students effectively and efficiently and in accordance with applicable policies.

9.8 Governance, management and leadership

Proper governance, management and leadership at College and campus level are preconditions for optimal institutional functionality. The development of common standards of governance, management and leadership provided the College with a common framework of monitoring and evaluating the level of governance in the college, albeit through adapted means of virtual meetings.

The College Council of ORBIT College is responsible for the overall governance of the Institution with the focus on the optimal utilisation of College resources through an effective and appropriate organisational structure, policies and systems. Full compliance to Governance Policies was effected by Council and Council Sub-committee meetings that took place regularly and as per required schedule.

The Academic Board was fully functional and met governance policy requirements to oversee the development and implementation of the Teaching and Learning Plan by meeting quarterly as per policy requirements.

The Management Board aimed to establish and maintain an organisational culture and climate that resulted in effective teaching and learning as evident in the academic performance of students.

9.9 Risk Management

Risk identification and evaluation sessions were conducted with all ORBIT College Management in 2023. The process involved the confirmation of objectives, identification of events, the setting of the risk scoring matrix and identification and evaluation of new risks, the identification and evaluation of existing controls and identification of future actions and timeframes to mitigate the identified risks. The process was informed by the DHET Risk Management Policy.

The college has in place an approved risk management policy and risk management strategy. In the risk management policy, the college stance on an enterprise-wide risk management approach is captured. The risk management process, stakeholders and their related roles and responsibilities appear in the risk management strategy. Risk management implementation is embedded in the risk management strategy. Progress registered with the implementation of the strategy is reported at three levels, i.e. College management, Audit and Risk Committee and College Council. The college conducts strategic risk assessments on an annual basis and has adopted a process for the identification and management of emerging risks in the approved Risk Management Strategy.

The college has a Risk Management Committee (RMC) in place comprising management board members. The independent chairperson of the RMC is vacant.

The Audit and Risk Committee also provides an independent and objective view of the risk management effectiveness of the college as part of risk management oversight every quarter. The Audit and Risk Committee has recommended the approval of the strategic risk register to the council. Though the college has registered progress with regards to the mitigation of risks as captured in the strategic risk registers, there still are some deficiencies identified. Consequently, measures have been designed and put in place in the 2023 financial year to strengthen both the monitoring and reporting of risk treatment plans.

Senior Management prioritised ten (10) risks for quarterly reporting to the Audit & Risk Committee. These risks included:

- Ineffective inventory management

- Absence of ICT governance
- Ineffective administration of accounts receivables and accounts payable
- Non-compliance to health and safety regulations
- Unstable student body (Strikes, protests and riots)
- Late commencement of classes
- Lack of policy and procedure manual for conference centre & guesthouse, staff village, Business Development and Innovation and student residences.
- Prior years' student debtors account with a credit balance not refunded. Unclaimed NSFAS amounts not refunded to NSFAS for prior years.
- Unavailability of WIL opportunities
- Unavailability of WBE (L4 and N6) opportunities (Engineering and HR studies)

The internal audit and assurance unit monitored the implementation of existing controls and future actions, updated the college risk register and reported to the management board, Audit and Risk Committee and council every quarter.

9.10 Occupational Health and Safety

Health and safety in the workplace is regulated by the Occupational Health and Safety (OHS) Act, No. 85 of 1993. In terms of the Act, the Accounting Officer (Principal) is charged with the responsibility of ensuring that the workplace that is safe and without risk to the health of employees.

The employer has a duty in terms of this Act to report all injury-on-duty (IOD) cases to the compensation commissioner. IOD cases for the year 2023 were reported to the compensation commissioner and claim numbers were given to the affected employees for claim tracking purposes. Periodic servicing of fire equipment, generators, first aid kits and deep cleaning of offices etc. was conducted at the respective college sites. Hazard identifications and risk assessments were conducted for all campuses. Health and safety committees at campus are continuously closing gaps as per the Hazard Identification and Risk Assessment (HIRA) report.

9.11 Quality Management System

The College is certified against the ISO 9001:2015 by the South African Bureau of Standards (SABS). The college uses the SABS logo on some of its material according to the signed agreement. The logo is displayed on the college website, college memos and letterheads to name a few. The college internally implements the management system and also conducts audits on its management system. The Quality Management System policy is displayed on the College website and is also displayed across all college sites as an awareness to both the staff members and customers/contractors.

The third cycle re-certification audit was conducted in October 2023. A detailed report with findings of the audit together with the conclusion was issued to the college. The issued audit non-conformance findings have all been addressed. Mankwe Campus, Rustenburg Campus and Central Office were audited. The college was successfully re-certified for the next 3 years until April 2027.

9.12 Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

The key objective of the internal audit is to provide a value-added risk-based internal audit service to the college. For the financial year ended 31 December 2023, three assurance and advisory reports were issued to the college. Work performed was based on a risk-based internal audit plan and included audits of: supply chain management; debtor's management and inventory management; reviewing draft annual financial statements for the year 2023 and follow up on internal and external audit action plans. Based on the audit, work performed in terms of internal control, risk management and governance processes is generally adequate and effective and recommendations for further improvement have been made to the college. This will occur through timely and adequate implementation of agreed-upon audit action plans.

9.13 Conclusion

As the Accounting Officer/Principal of ORBIT TVET College I committed myself and the resources of the college to achieving the targets outlined in the College Strategic and Operational Plans. This Annual Report is a reflection of the extent to which the College managed to achieve these targets in spite of challenges that the College were faced with. As a College, we are justifiably proud of the initiatives and achievements accomplished over the past year. As an education and training institution of choice, we have no option but to remain relevant and accessible, offering services to meet our clients' unique needs within the landscape for the TVET College Sector. I am of the opinion that the Management and Council of ORBIT College will remain committed to keep improving, growing and sustaining the College, steering it to even greater heights, going forward.

The fundamental principle and vision of ORBIT TVET College is that it is a global institution of excellence, surpassing community needs. This is a principle that commits everyone involved with the College to tirelessly strive to make sure that our students enjoy quality learning environment, opportunities and stimulation, regardless the circumstances we are confronted with. We will continue to embrace our core values of Transformation, Accountability, Respect and Teamwork. For us, meeting and exceeding the expectations of the communities we serve is not a process but rather an ethos.



MOKOENA DF

ACCOUNTING OFFICER/PRINCIPAL

10. PERFORMANCE REPORTING

The graphical information displayed in this section of the Annual Report aims at providing a visual presentation of the performance of ORBIT TVET College during 2023 in terms of:

Enrolment targets

A growth analysis has been done, based on comparative headcounts covering 2019 – 2023. This graph provides an indication of the growth rate per campus over a period of five years.

A breakdown of the total headcount (HC) for Vocational/Ministerial funded programmes is also provided per campus. All headcounts indicated in this section exclude exemptions, cancellations and exam-only enrolments.

Headcount is based on an average calculation of 1 HC = 7subject enrolments for NCV, 1 HC = 4 subject enrolments for Report 191 programmes and 1 HC = 1 student for occupational programmes.

Academic Compliance

The graphs presented in this section focus on certification rates, pass rates and retention rates for NCV and Report 191 (Semester and Trimester) programmes respectively. Certification rates were calculated based on the number of students who enrolled for a full qualification. Pass rates were calculated based on subject enrolments.

Graduation Compliance

A comparative analysis of graduation statistics was done for the period 2022-2023 for exit level qualifications only, i.e. NCV Level 4 and National N Diploma. The compliance of NCV Level 4 graduates with the admission requirements of Higher Education Institutions such as Universities and Universities of Technology is also presented as this provides an indication of articulation of NCV graduates into Higher Education as one of the exit level options.

10.1 STUDENT ENROLMENTS

10.1.1 Growth Analysis (Comparative Headcount: 2019-2023)

5 Year Headcount Growth Analysis						
Campus	**2019**	**2020**	**2021**	**2022**	**2023**	**% Growth / Campus**
BRITS	4046	2352	3022	2874	4084	**42%**
MANKWE	4953	3007	3663	4006	5539	**38%**
RUSTENBURG	4909	3113	3915	3768	5220	**39%**
ORBIT COLLEGE TOTAL	**13908**	**8472**	**10600**	**10648**	**14843**	
% College Growth / Year	**13%**	**-64%**	**20%**	**0,45%**	**28%**	

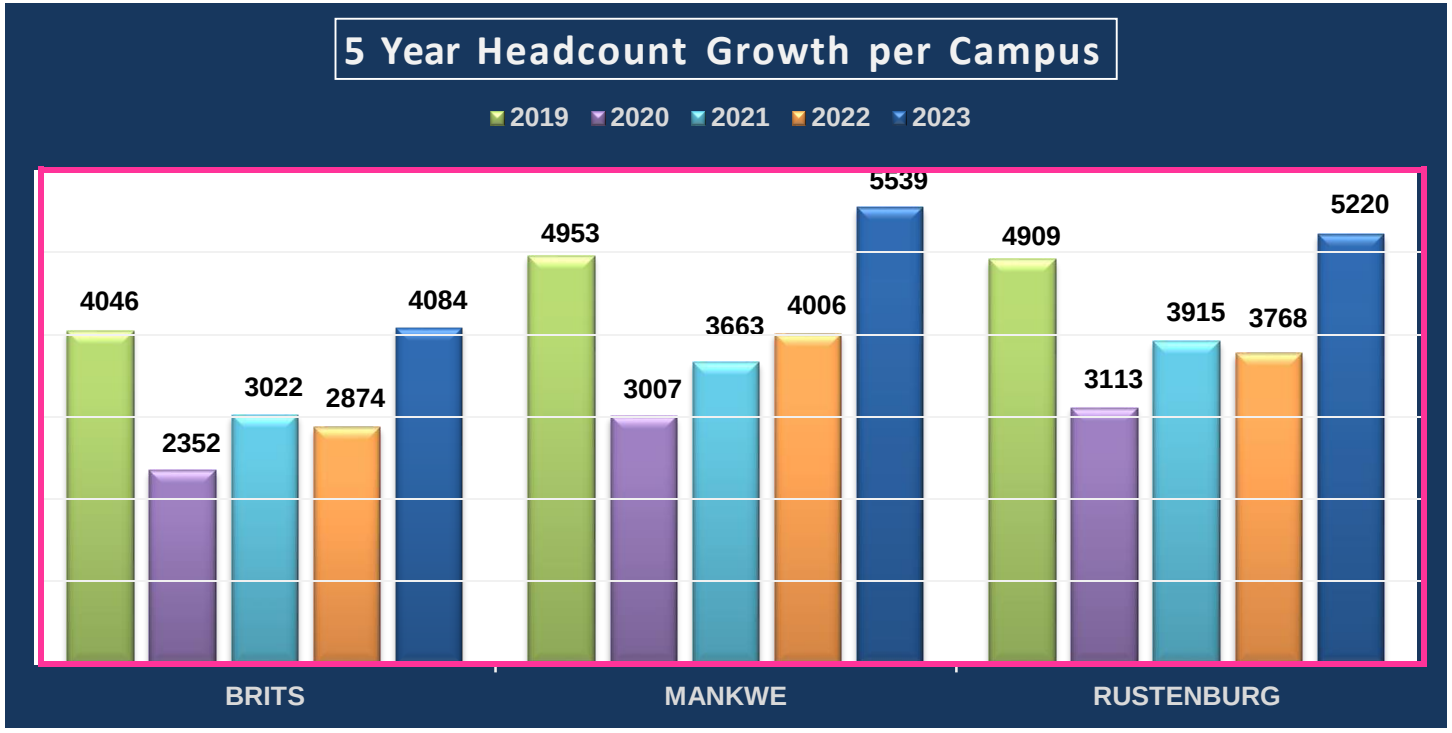


Figure 10.1.1

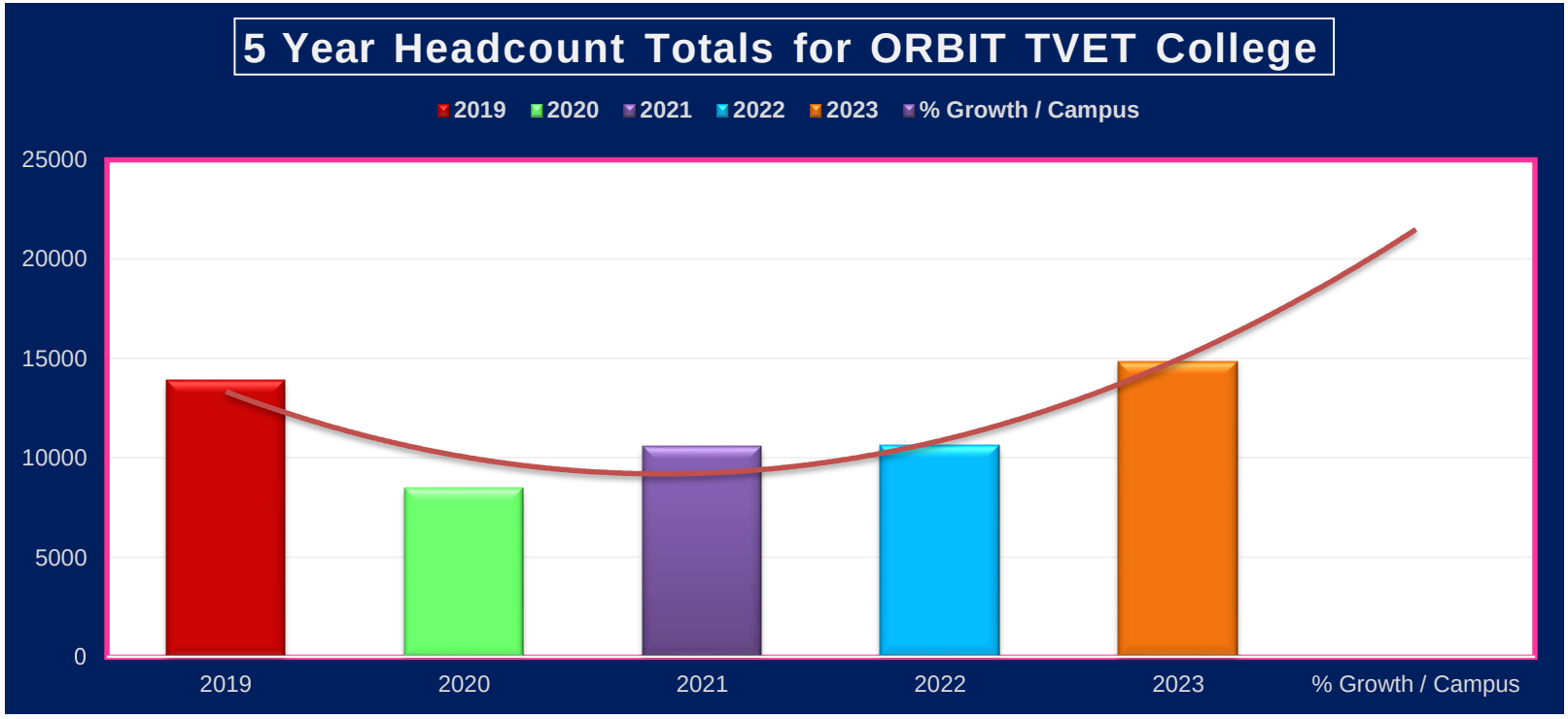

5 Year Headcount Totals for ORBIT TVET College
2019
2020
2021
2022
2023
% Growth / Campus
25000
20000
15000
10000
5000
0
2019
2020
2021
2022
2023
% Growth / Campus

Figure 10.1.2

10.1.2 Subject Headcount (HC) Vocational & Occupational Programmes (Unduplicated) – 2020 - 2023

(Subject) HC NC(V) Programmes - 2020-2023				
Campus	**2020**	**2021**	**2022**	**2023**
Brits	1077	874	948	1092
Mankwe	1223	1068	1246	1288
Rustenburg	1215	1167	1258	1351
Total	**3515**	**3109**	**3452**	**3731**

HC (PLP) per Campus - 2020-2023				
Campus	**2020**	**2021**	**2022**	**2023**
Brits				
Mankwe	52	45	62	56
Rustenburg	50	40	31	49
Total	**102**	**85**	**93**	**105**

HC (Occupational & CoS) per Campus - 2020-2023				
Campus	**2020**	**2021**	**2022**	**2023**
Brits	59	**25**	45	65
Mankwe	54	**65**	112	15
Rustenburg	91	**61**	67	41
Total	**204**	**151**	**224**	**121**

(Subject) HC Report 191 Programmes -2020- 2023				
Campus	**2020**	**2021**	**2022**	**2023**
Brits	1216	2123	1881	2927
Mankwe	1678	2485	2586	4180
Rustenburg	1757	2647	2412	3779
Total	**4651**	**7255**	**6879**	**10886**

Figure 10.1.2.1

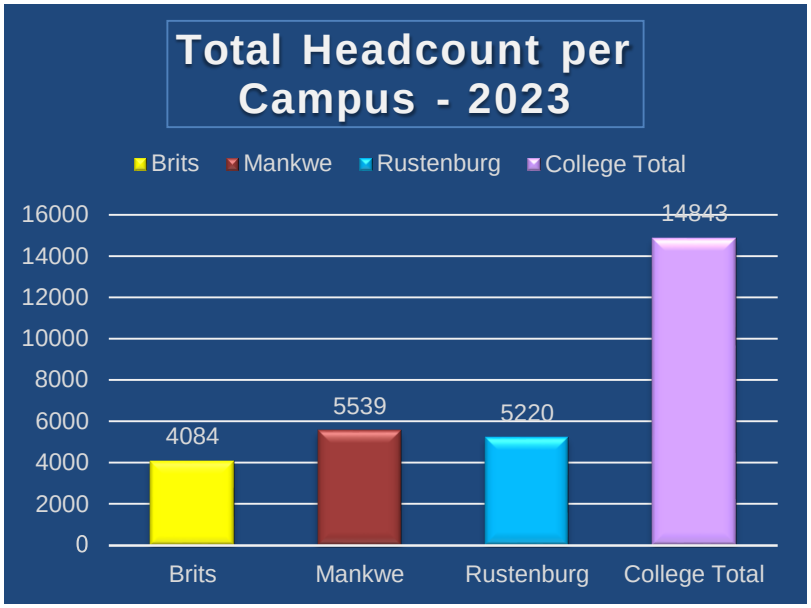
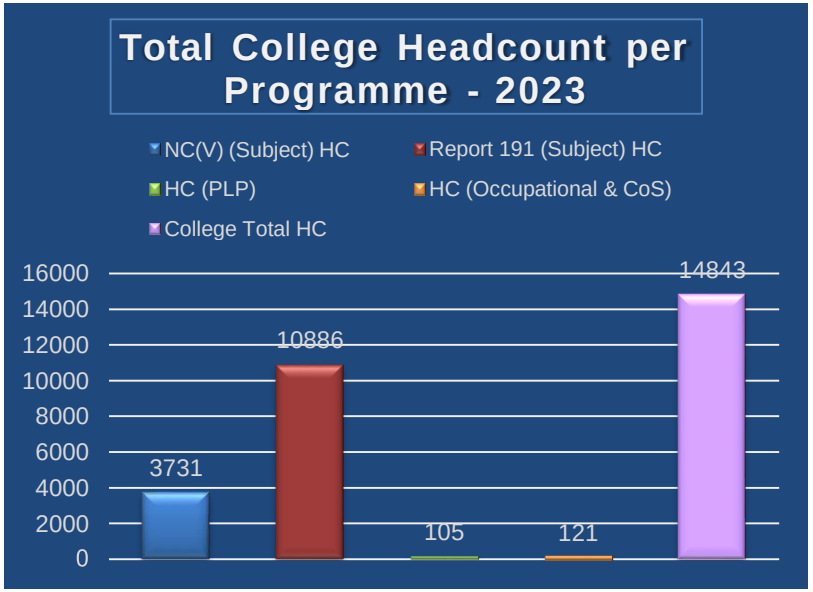


Figure 10.1.2.2



10.2 STUDENT ACADEMIC PERFORMANCE

10.2.1 NCV: CERTIFICATION RATE: 2020 - 2023 (Based on number written vs number passed)

	2020					2021					2022					2023				
	CERTIFICATION RATE					CERTIFICATION RATE					CERTIFICATION RATE					CERTIFICATION RATE				
	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention
Level 2	1300	578	469	81,14	44,46	876	595	478	80,34	67,92	1207	773	696	90,04	64,04	1182	652	499	76,53	55,16
Level 3	553	413	318	77,00	74,68	477	399	334	83,71	83,65	456	373	304	81,50	81,80	692	564	418	74,11	81,50
Level 4	398	330	222	67,27	82,91	334	292	215	73,63	87,43	328	311	248	79,74	94,82	317	277	204	73,65	87,38

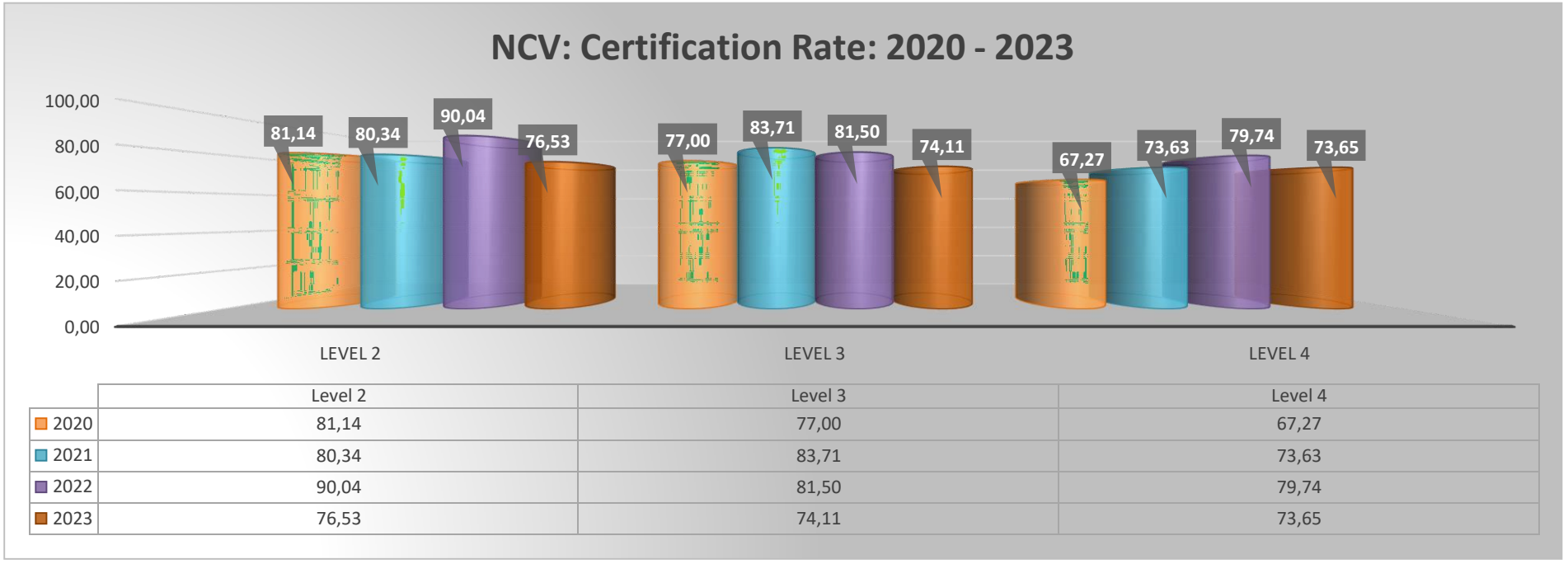


Figure 10.2.1

10.2.2 NCV: PASS RATE: 2020 - 2023 (based on subject enrolments)

	2020					2021					2022					2023				
	SUBJECT ENROLMENTS					SUBJECT ENROLMENTS					SUBJECT ENROLMENTS					SUBJECT ENROLMENTS				
	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention
Level 2	10266	6122	5391	88,06	59,63	7127	5548	4900	88,32	77,84	9320	7041	6558	93,14	75,55	8946	6243	5539	88,72	69,79
Level 3	6142	4708	4147	88,08	76,65	5494	4665	4096	87,80	84,91	4884	4129	3603	87,26	84,54	6614	5530	4744	85,79	83,61
Level 4	4923	4035	3249	80,52	81,96	4239	3694	3092	83,70	87,14	4102	3754	3228	85,99	91,52	3849	3294	2725	82,73	85,58

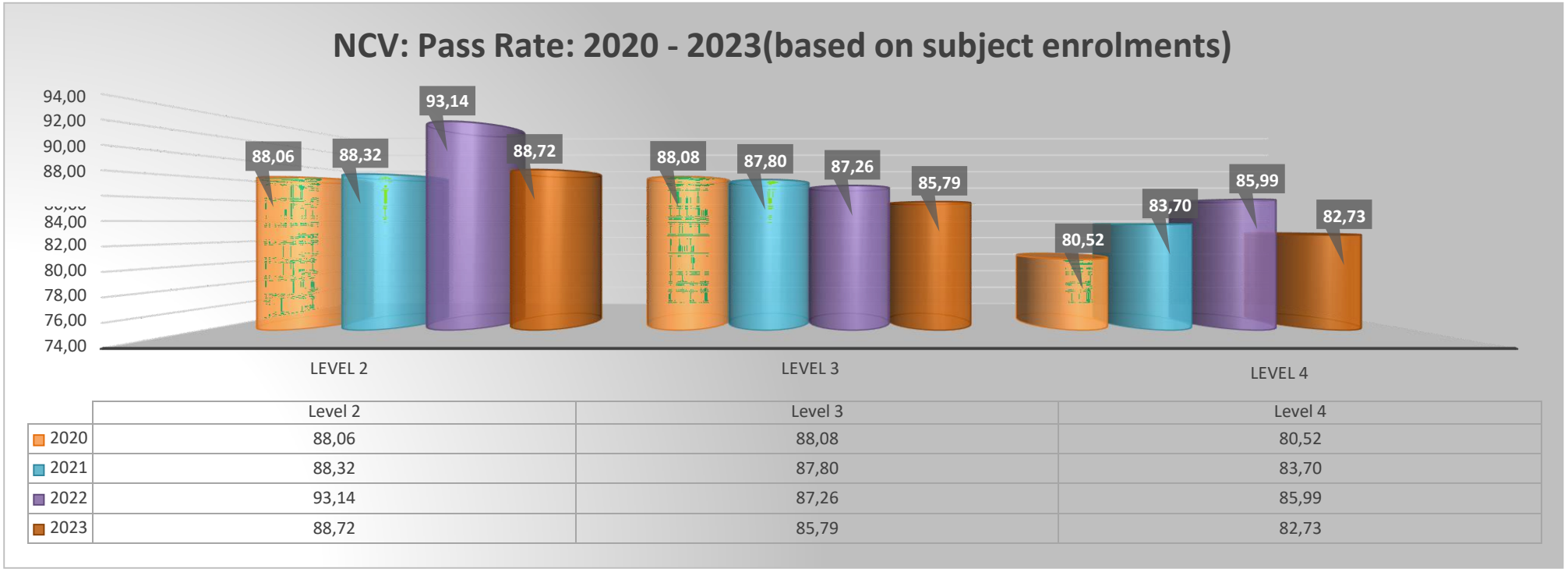


Figure 10.2.2

10.2.3 NCV: RETENTION RATE: 2020 - 2023 (based on subject enrolments)



	Level 2	Level 3	Level 4
2020	59,63	76,65	81,96
2021	77,84	84,91	87,14
2022	93,14	87,26	85,99
2023	69,79	83,61	85,58

Figure 10.2.3

10.2.4 REPORT 191: BUSINESS &GENERAL STUDIES CERTIFICATION RATE: 2022 vs 2023 (Based on number written vs number passed)

	2022					2023				
	CERTIFICATION RATE					CERTIFICATION RATE				
	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention
N4	978	723	539	74,55	73,93	1025	748	535	71,52	72,98
N5	613	550	451	82,00	89,72	440	377	299	79,31	85,68
N6	395	364	267	73,35	92,15	452	396	273	68,94	87,61

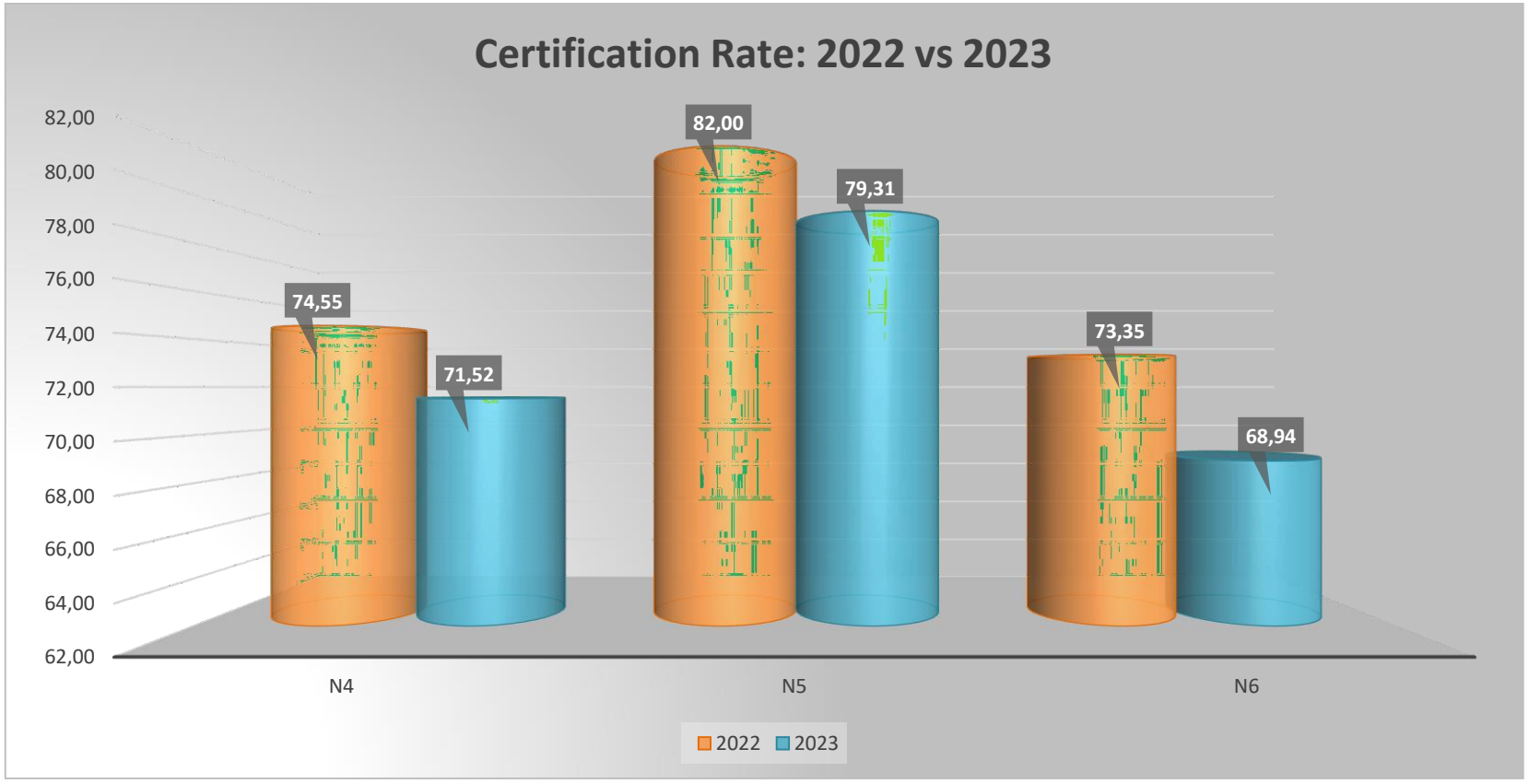


Figure 10.2.4

10.2.5 REPORT 191: BUSINESS & GENERAL STUDIES PASS RATE: 2022 vs 2023

	2022					2023				
	SUBJECT ENROLMENTS					SUBJECT ENROLMENTS				
	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention
N4	4567	3839	3260	84,92	84,06	4710	3785	3216	84,97	80,36
N5	3802	3456	3026	87,56	90,90	3157	2725	2270	83,30	86,32
N6	2920	2671	2175	81,43	91,47	3172	2852	2304	80,79	89,91

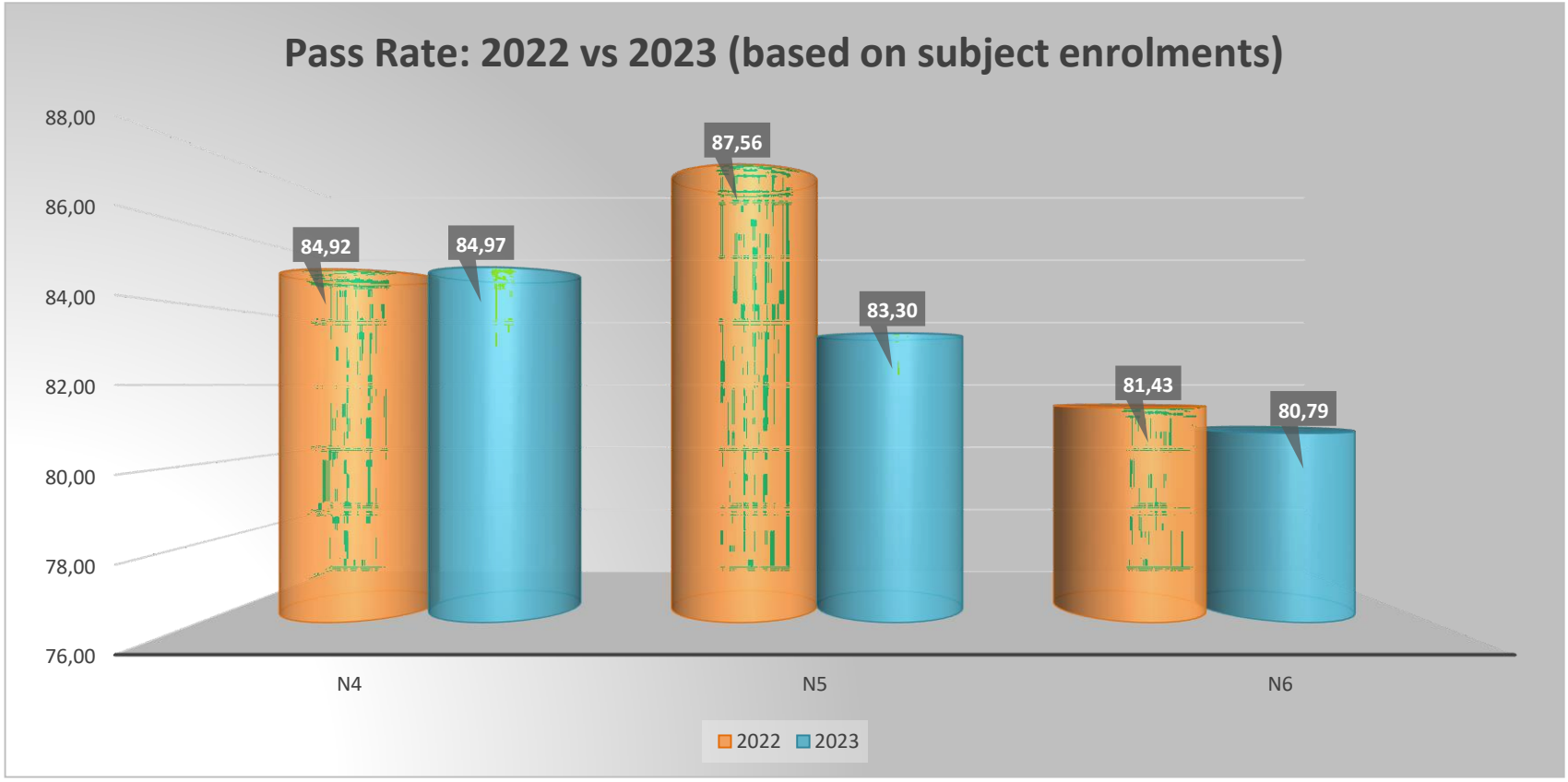


Figure 10.2.5

10.2.6 REPORT 191: BUSINESS & GENERAL STUDIES RETENTION RATE: 2022 vs 2023

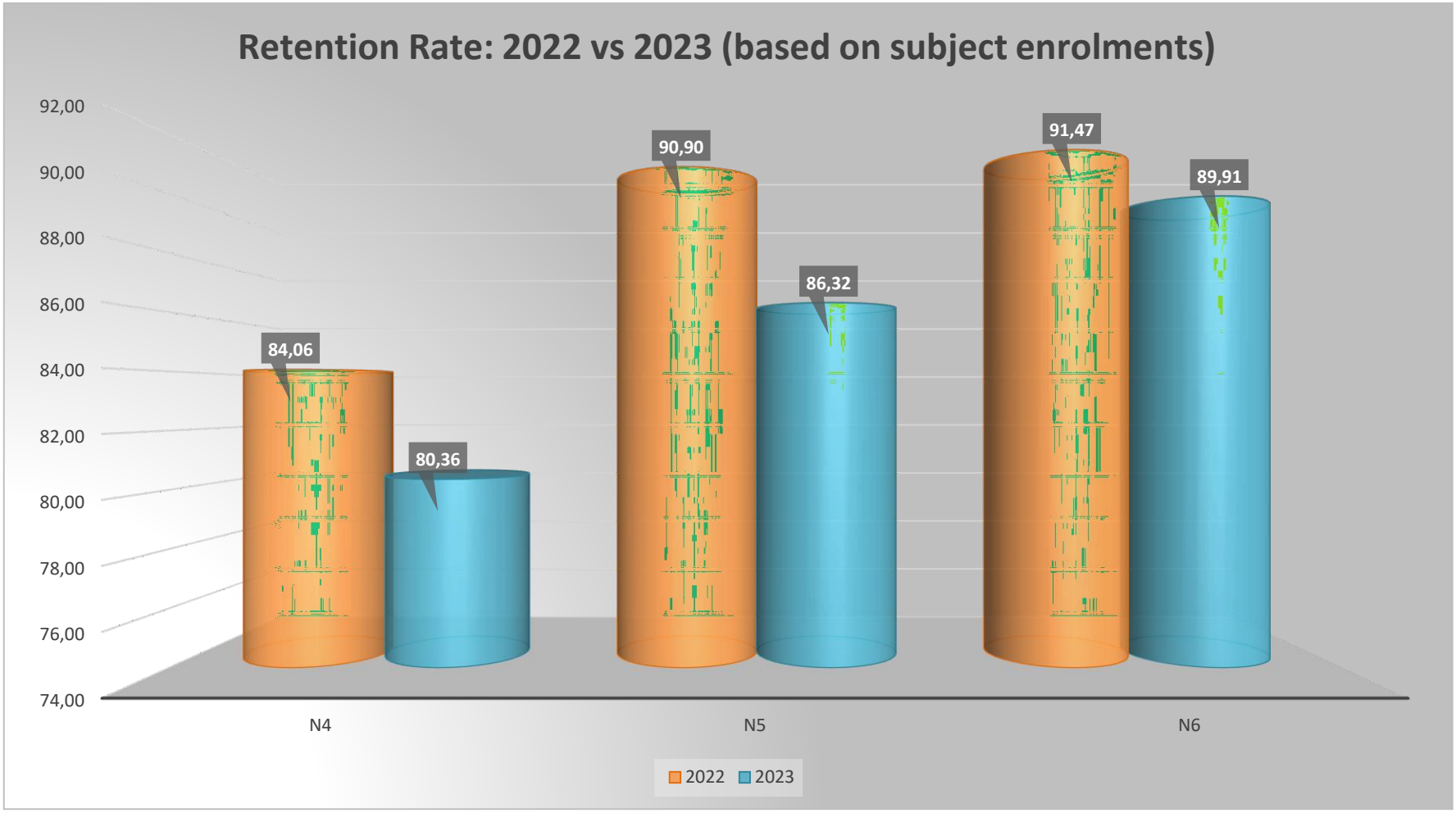


Figure 10.2.6

10.2.7 REPORT 191: ENGINEERING STUDIES CERTIFICATION RATE: 2022 vs 2023 (Based on the number written vs number passed)

	2022					2023				
	CERTIFICATION RATE					CERTIFICATION RATE				
	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention
N1	734	499	401	80,36	67,98	900	588	505	85,88	65,33
N2	684	426	188	44,13	62,28	878	519	285	54,91	59,11
N3	242	156	84	53,85	64,46	478	294	198	67,35	61,51
N4	145	96	55	57,29	66,21	285	196	135	68,88	68,77
N5	85	46	24	52,17	54,12	183	115	54	46,96	62,84
N6	51	24	11	45,83	47,06	90	47	32	68,09	52,22



Figure 10.2.7

10.2.8 REPORT 191: ENGINEERING STUDIES PASS RATE: 2022 vs 2023

	2022					2023				
	SUBJECT ENROLMENTS					SUBJECT ENROLMENTS				
	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention
N1	3285	2566	2326	90,65	78,11	4148	3154	2817	89,32	76,04
N2	4180	3325	2001	60,18	79,55	5849	4438	2848	64,17	75,88
N3	2263	1745	1058	60,63	77,11	4057	2999	2142	71,42	73,92
N4	1372	1048	732	69,85	76,38	2285	1771	1379	77,87	77,51
N5	851	644	411	63,82	75,68	1598	1233	809	65,61	77,16
N6	477	309	192	62,14	64,78	843	574	409	71,25	68,09

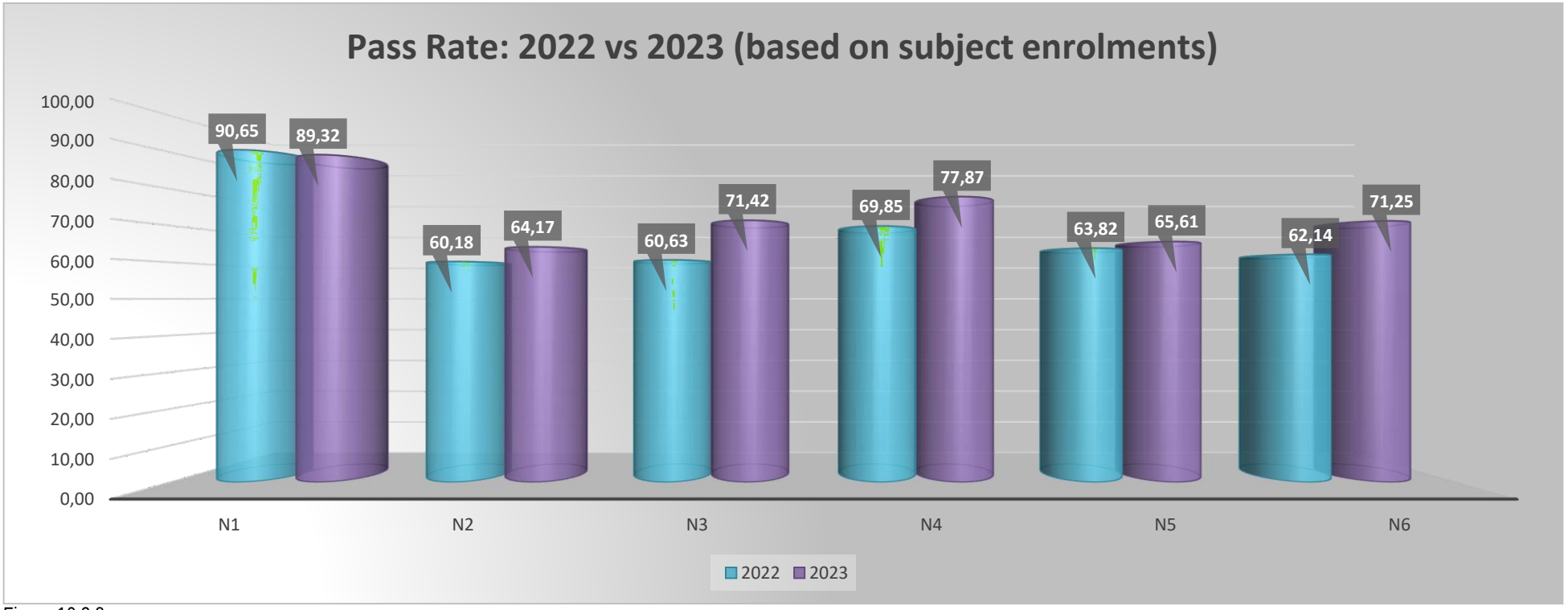


Figure 10.2.8

10.2.9 REPORT 191: ENGINEERING STUDIES RETENTION RATE: 2022 vs 2023 (based on subject enrolments)

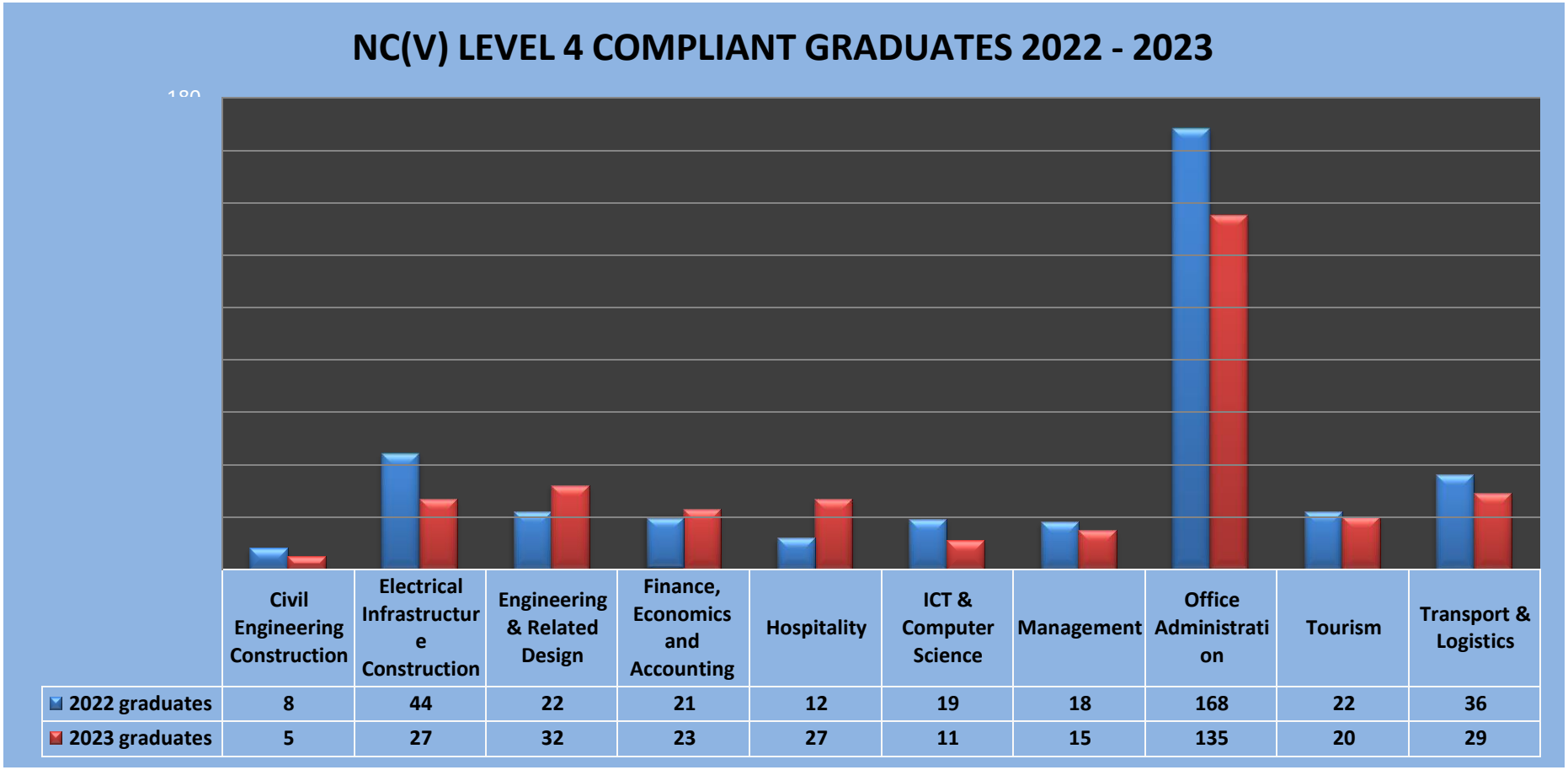


Figure 10.2.9

10.3. COMPLIANT GRADUATES

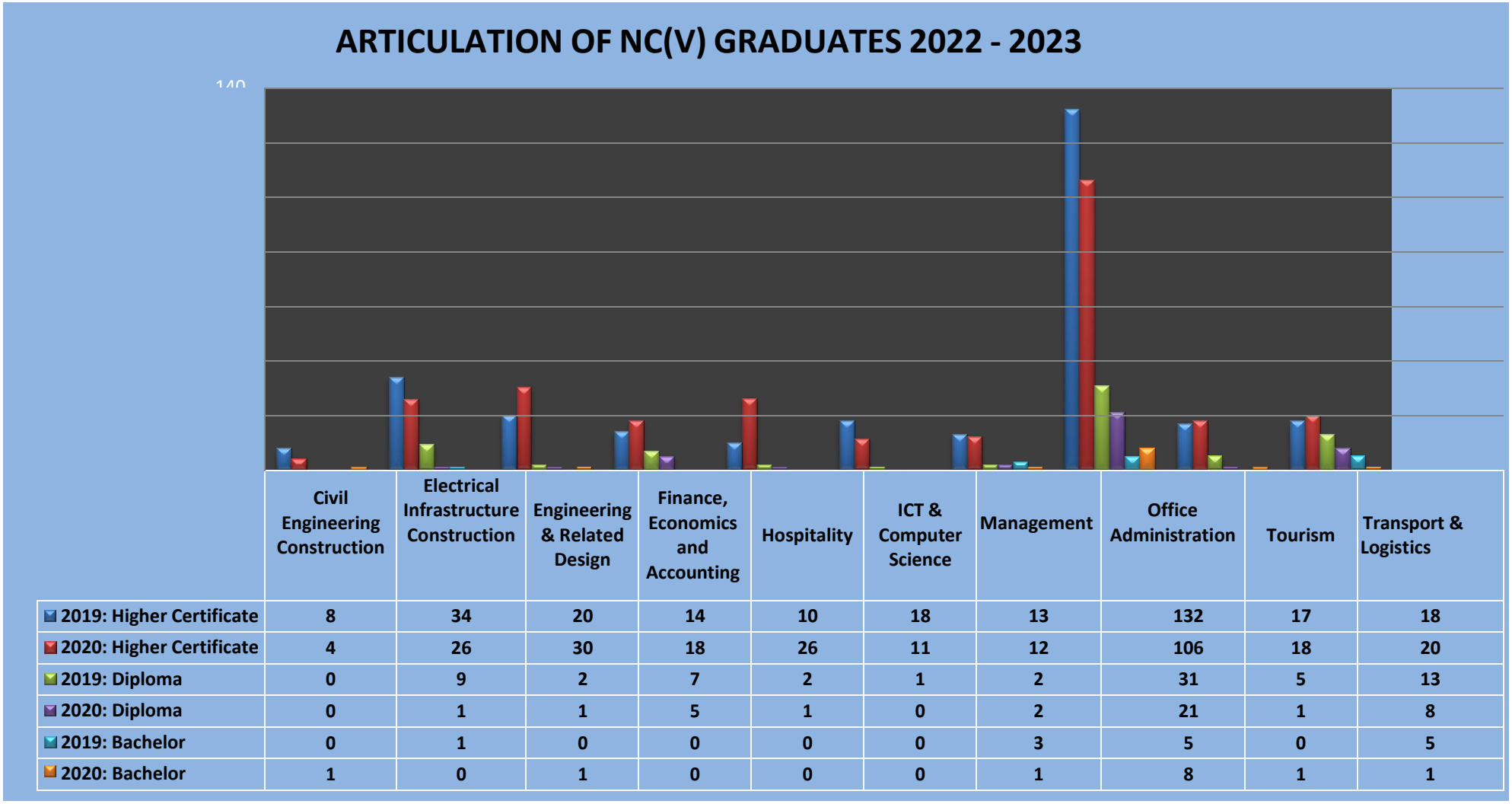
10.3.1. NC(V) COMPLIANT GRADUATES 2022 vs 2023

NC(V) LEVEL 4 GRADUATES (passing all 21 subjects) 2022 - 2023			2022 - 2023 Student compliance to HE institutional admission requirements					
Programme	**2022 Graduates**	**2023 Graduates**	**2022 Higher Certificate pass**	**2023 Higher Certificate pass**	**2022 Diploma pass**	**2023 Diploma pass**	**2022 Bachelor's Degree pass**	**2023 Bachelor's Degree pass**
			Requires an NC(V) Level 4 certificate to have been issued, passing all 21 subjects)		Requires an NC(V) Level 4 certificate having been issued with 50% in three fundamental subjects and 60% in three compulsory vocational subjects)		Requires an NC(V) Level 4 certificate having been issued with 60% in three fundamental subjects and 70% in four vocational subjects)	
Civil Engineering Construction	8	5	8	4	0	0	0	1
Electrical Infrastructure Construction	44	27	34	26	9	1	1	0
Engineering & Related Design	22	32	20	30	2	1	0	1
Finance, Economics and Accounting	21	23	14	18	7	5	0	0
Hospitality	12	27	10	26	2	1	0	0
ICT & Computer Science	19	11	18	11	1	0	0	0
Management	18	15	13	12	2	2	3	1
Office Administration	168	135	132	106	31	21	5	8
Tourism	22	20	17	18	5	1	0	1
Transport & Logistics	36	29	18	20	13	8	5	1
TOTAL COMPLIANT GRADUATES	**370**	**324**	**284**	**271**	**72**	**40**	**14**	**13**
					Total:			**324**



	Civil Engineering Construction	Electrical Infrastructure Construction	Engineering & Related Design	Finance, Economics and Accounting	Hospitality	ICT & Computer Science	Management	Office Administration	Tourism	Transport & Logistics
2022 graduates	8	44	22	21	12	19	18	168	22	36
2023 graduates	5	27	32	23	27	11	15	135	20	29

Figure 10.3.1.1



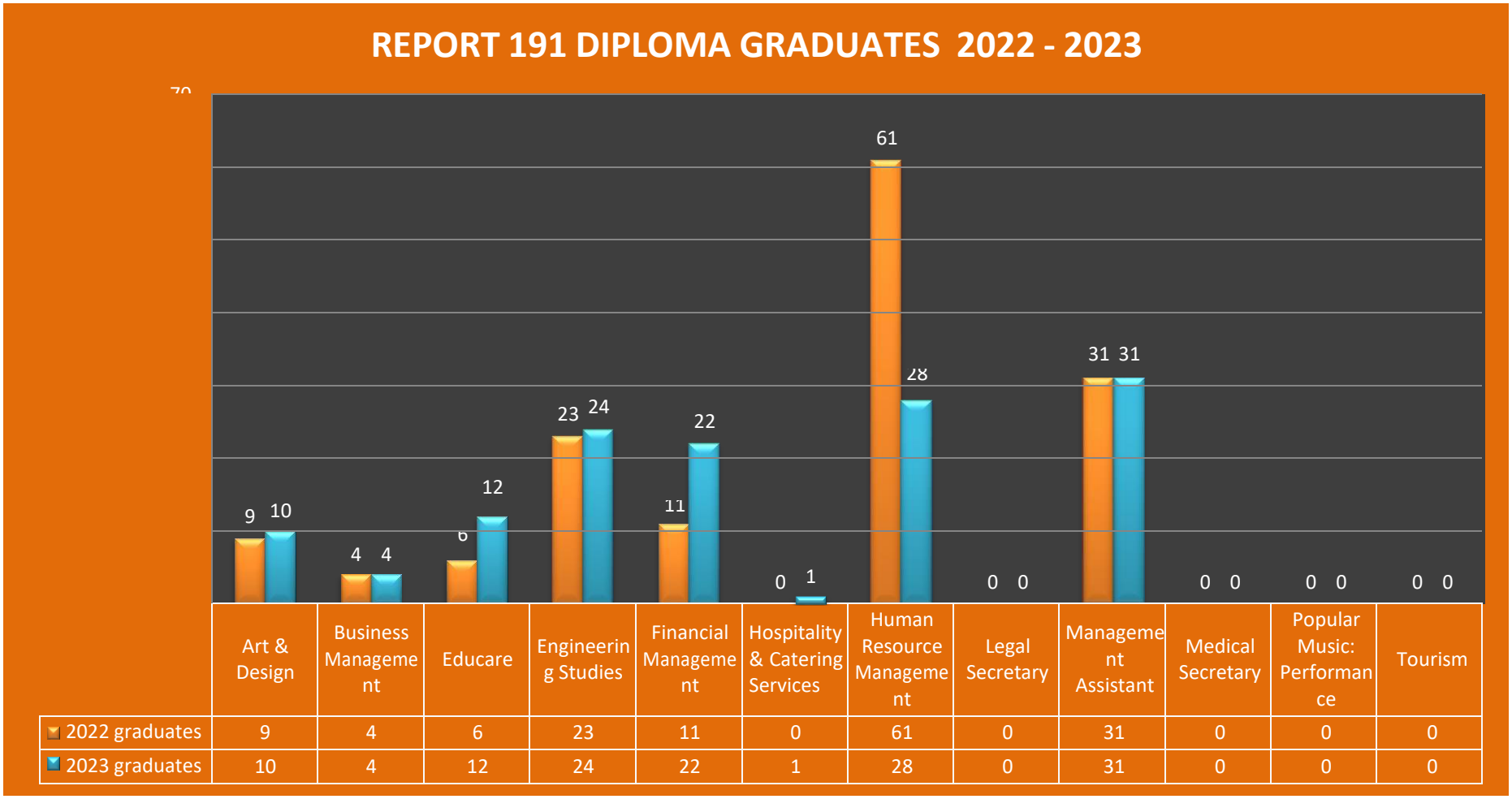
	Civil Engineering Construction	Electrical Infrastructure Construction	Engineering & Related Design	Finance, Economics and Accounting	Hospitality	ICT & Computer Science	Management	Office Administration	Tourism	Transport & Logistics
2019: Higher Certificate	8	34	20	14	10	18	13	132	17	18
2020: Higher Certificate	4	26	30	18	26	11	12	106	18	20
2019: Diploma	0	9	2	7	2	1	2	31	5	13
2020: Diploma	0	1	1	5	1	0	2	21	1	8
2019: Bachelor	0	1	0	0	0	0	3	5	0	5
2020: Bachelor	1	0	1	0	0	0	1	8	1	1

Figure 10.3.1.2

10.3.2 REPORT 191 NATIONAL N-DIPLOMA COMPLIANT GRADUATES 2022 vs 2023

Report 191 (NATED) NATIONAL N DIPLOMA GRADUATES 2022 - 2023

Programme	2022 graduates	2023 graduates
Art & Design	9	10
Business Management	4	4
Educare	6	12
Engineering Studies	23	24
Financial Management	11	22
Hospitality & Catering Services	0	1
Human Resource Management	61	28
Legal Secretary	0	0
Management Assistant	31	31
Medical Secretary	0	0
Popular Music: Performance	0	0
Tourism	0	0
TOTAL COMPLIANT GRADUATES	**145**	**132**



	Art & Design	Business Management	Educare	Engineering Studies	Financial Management	Hospitality & Catering Services	Human Resource Management	Legal Secretary	Management Assistant	Medical Secretary	Popular Music: Performance	Tourism
2022 graduates	9	4	6	23	11	0	61	0	31	0	0	0
2023 graduates	10	4	12	24	22	1	28	0	31	0	0	0

Figure 3.2.1

10.4 COLLEGE ANNUAL PERFORMANCE ACHIEVEMENTS IN TERMS OF TVET SYSTEM TARGETS

10.4.1 Annual institutional performance

The Annual Performance Plan provides a dashboard that displays to what extent strategic targets that were set for the academic year were met, not met or exceeded. Target achievement is presented by displaying achievement rate and achievement range and is mainly focused on student enrolment, student throughput rate, retention rate and progression rate as well as student placement.

Strategic Objective	Output	Output Indicator	Indicator No.	2023 Target	2023 Actual Achievement	Achievement Rate	Analysis	2023 Target Deviation
Objective 1 Expanded access to TVET College opportunities	Students enrolled and managed as per enrolment plan	No of students enrolled in NCV	1	3 080	3 763	122,2%	Exceeded	22,2%
		PLP	2	100	106	106,0%	Exceeded	6,0%
		Report 191	3	7 884	10 963	139,1%	Exceeded	39,1%
		Occupational Qualifications	4	336	113	33,6%	Not Achieved	-66,4%
		Skills Programmes & Short Courses	5	0	0	100,0%	Achieved	**0,0%**
		NQF Level 5 & 6 Qualifications	6	35	0	0,0%	Not Achieved	-100,0%
		Total number of Enrolments	**7**	**11 435**	**14 945**	**130,7%**	**Exceeded**	**30,7%**
	College student accommodation optimally utilised	Occupation rate (%) of student accommodation per enrolment cycle	8	100%	100%	100,0%	Achieved	**0,0%**
Objective 2 Improved success and	Apprentices in trade programmes qualify and pass trade test	Number (n) of artisan learners trained in COS per annum	9	54	63	116,7%	Exceeded	16,7%

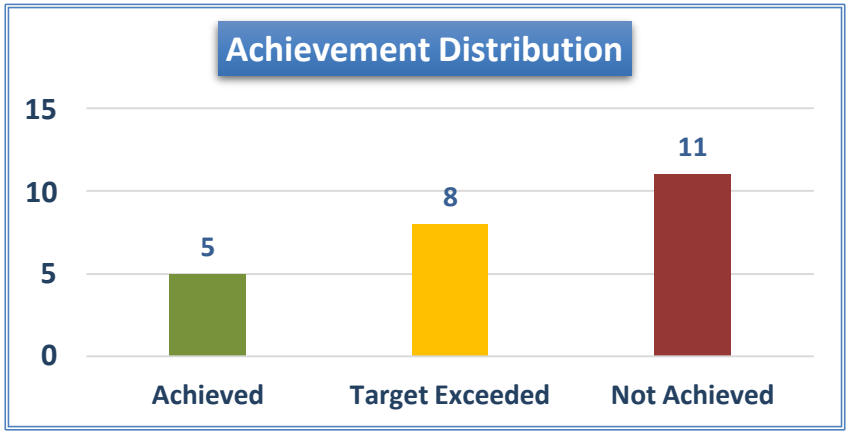
Strategic Objective	Output	Output Indicator	Indicator No.	2023 Target	2023 Actual Achievement	Achievement Rate	Analysis	2023 Target Deviation
efficiency of TVET College systems								
	Students complete qualifications and programmes and exit the College	**Number (n) of students completing college programmes**						
		NCV L4	10	238	289	121,4%	Exceeded	21,4%
		N6 Semester	11	104	72	69,2%	Not Achieved	-30,8%
		N6 Trimester	12	342	321	93,9%	Not Achieved	-6,1%
	NCV student's complete qualification within 3 years	Throughput rate (%) of NCV L4 students	13	19%	22%	115,8%	Exceeded	15,8%
	PLP students retained	Retention rate (%) of students placed in PLP	14	90%	80%	88,9%	Not Achieved	-11,1%
	PLP students' progress into initial programmes as choice	Progression rate (%) of PLP students	15	80%	57%	71,3%	Not Achieved	-28,8%
Objective 3 Improved quality of TVET College provision	College council constituted and compliant with standards	Percentage (%) compliance with governance standards	16	100%	99%	99,0%	Achieved	**-1,0%**
	Examinations conducted with minimum irregularities reported	Percentage (%) compliance with examination policy and standards at all examination centres	17	100%	98%	98,0%	Achieved	**-2,0%**
	More students meet the requirements for writing examinations	Percentage (%) of registered students retained	18	98%	98%	100,0%	Achieved	**0,0%**

Strategic Objective	Output	Output Indicator	Indicator No.	2023 Target	2023 Actual Achievement	Achievement Rate	Analysis	2023 Target Deviation
		and writing the examinations						
	TVET College lecturers placed in industry for specified periods to gain relevant experience	Percentage (%) of TVET college lecturers placed in industry	19	10%	2%	20,0%	Not Achieved	-80,0%
	Partnerships signed for improving teaching and learning and relevance of programmes	Number (n) of signed partnerships for exchange and placement of students and lecturers	20	15	24	160,0%	Exceeded	60,0%
Objective 4 Improved responsiveness of TVET Colleges to the world of work	More students enrolled in identified programme offerings relating to OIHD and priority skills	Number (n) of students enrolled in programmes relating to OIHD and priority skills	21	182	113	62,1%	Not Achieved	-37,9%
	Entrepreneurship hubs established and supported	Number (n) of students engaged in entrepreneurship programmes and projects	22	350	261	74,6%	Not Achieved	-25,4%
	Number (n) of students placed for WBL at exit levels (Currently studying Level 4 or N6 at a college	NCV L4	23	460	16	3,5%	Not Achieved	-96,5%
		Report 191 N6	24	470	21	4,5%	Not Achieved	-95,5%
			Average Achievement			**84,6%**		

10.4.1.1 Target achievement rate

Target Achievement Rates	No	%	Criteria
Achieved	5	21%	>94.5% & <104.6%
Target Exceeded	8	33%	>104.6%
Not Achieved	11	46%	<94.5%
	24	**100%**	

Figure 10.4.1.1



10.4.1.2 Target distribution range

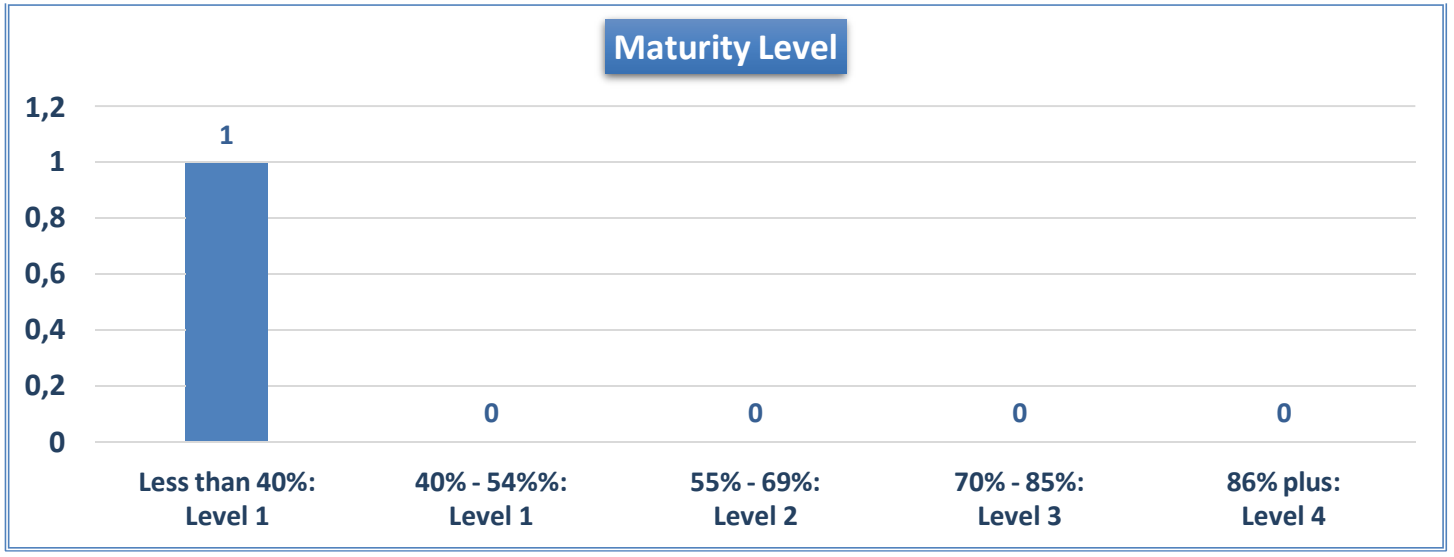


Figure 10.4.1.2

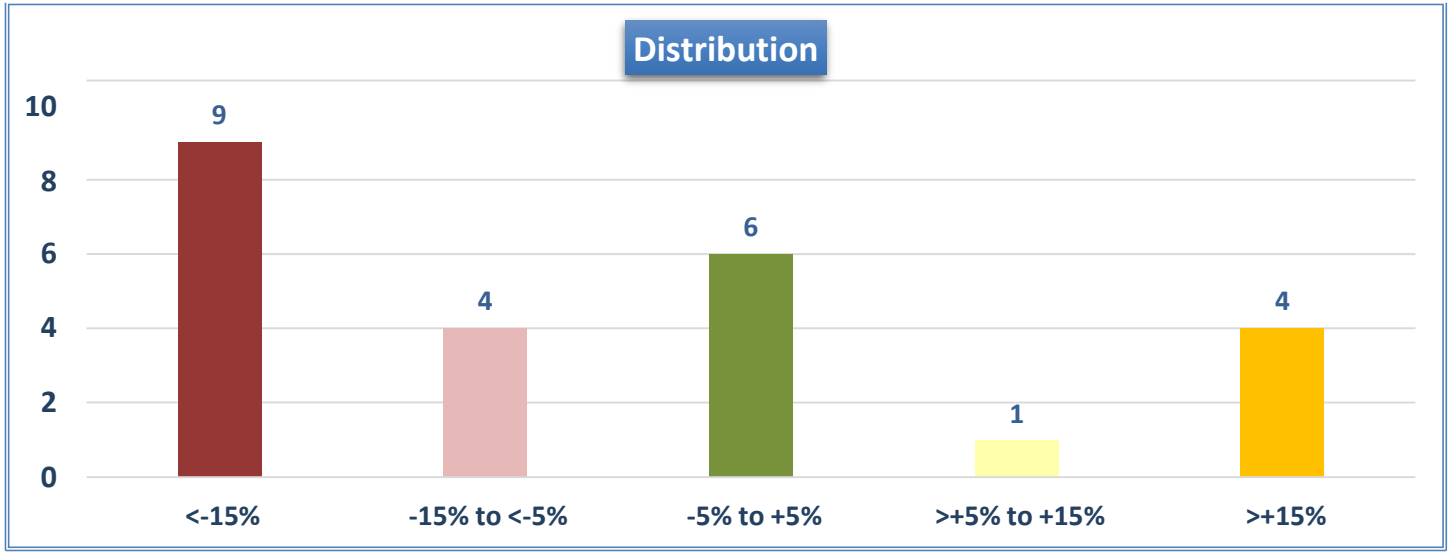


Figure 10.4.1.3

The four levels of assessment for college services are:

(1) INTENT: This level pertains to having plans in place, but there may be non-compliance or incomplete implementation. For example, there could be a plan to develop lecturers and management staff, but it has not been costed or put into action.

(2) IMPLEMENTATION: At this level, plans and policies are being implemented effectively and efficiently. An academic strategy to help failing students shows improvement in student performance, indicating the quality of college services.

(3) INNOVATION: This level involves adding a new or improved dimension to the implementation, making it replicable as best practices by other colleges. Critically reviewing and reflecting are crucial in managing quality and implementation innovatively.

(4) IMPACT: This is the highest level where there is clear evidence of achievement. The college demonstrates impact and manages quality at a level that affects change, often requiring a trend analysis over three years with statistical evidence.

10.5 STRATEGY TO DEAL WITH UNDERPERFORMANCE

Pass rates for the respective Vocational/Ministerial funded Programmes have been graphically presented in Section 10.2. Although pass rates reflect a positive picture across most levels and programmes, it does not indemnify College Management from putting measures in place to maintain good performance. The Academic Unit has implemented a variety of measurements, techniques, and interventions to uphold high academic standards and address student underperformance. To meet the annual performance goals set forth in the College's strategic plan, these interventions seek to consistently improve students' academic performance.

The following measures and strategies were put in place in 2023 to improve academic performance and to deal with general underperformance in isolated subjects:

- The college continues to implement a blended learning strategy, ensuring that a number of different platforms are used to make the curriculum as accessible as possible to students
- The College Portal was also used as an e-learning platform, providing additional content to student to access remotely, to support the reinforcement of learning content
- Comprehensive performance improvement, teaching and learning management plans and teaching and learning and examination monitoring plans were developed and communicated to allow for clarity of academic year goals and objectives
- Monitoring and support visits were intensified and used as a method to instill a culture of excellence
- The in-depth analysis of poor performing subjects per programme per level per campus was completed to identify root causes and to plan for improvement
- Planned follow-ups on monitoring were completed to ensure that all identified gaps were closed
- The effective use of the Peer Academic Leader (PAL) programme encouraged group study and peer-to-peer tutoring
- Subject Committees developed and implemented action plans with a specific focus on improving the performance of poor performing subjects
- Best practices were identified through inter-campus performance improvement workshops and were applied and used as far as possible
- The Academic Systems Technologies Tutoring programme from Student Support was used to reinforce learning of classroom content

The consistent implementation and monitoring of the above-mentioned strategies and interventions went a long way to finally reflect the positive academic picture as presented in Section 10.2.



NKAU P

VOCATIONAL PROGRAMMES MANAGER

FINANCIAL INFORMATION



Report of the auditor-general to the minister of Higher Education, Science and Innovation and the council on the Orbit Technical and Vocational Education and Training College

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Orbit TVET College set out on pages 109 to 167, which comprise the statement of financial position as at 31 December 2023, statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Orbit TVET College as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the South African standards of generally recognised accounting practice (GRAP) and the requirements of the Continuing Education and Training Act 16 of 2006 (CETA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the college in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other 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 code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of these matter.

Material impairment

7. As disclosed in note 9 to the financial statements, the college provided for material impairment of receivables from exchange transactions amounting to R143 041 971 (2022: R114 122 367).

Responsibilities of the council for the financial statements

8. The council is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of 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.

9. In preparing the financial statements, the council is responsible for assessing the 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.

Responsibilities of the auditor-general for the audit of the financial statements

10. 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 ofthese financial statements.

Report on the audit of the annual performance report

11. 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 1 of 1999 (PFMA) and such reporting is not required in terms of the entity's specific legislation.

Report on compliance with legislation

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The council is responsible for the college's compliance with legislation.

13. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

14. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the college, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

15. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

16. The financial statements submitted for auditing were not prepared in accordance with generally recognised accounting practice and supported by complete accounting records, as required by section 25(1)(b) of the CETA. Material misstatements of current assets, non-current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

17. The council is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor's report.

18. My opinion on the financial statements and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

19. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

20. 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 I conclude that there is a material misstatement therein, 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

21. 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.

22. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

23. The council did not exercise adequate oversight responsibility for financial reporting, compliance monitoring and related internal controls, as material misstatements were identified in the financial statements submitted for auditing. These were subsequently corrected.

24. Senior management did not adequately review the financial statements before submission for auditing. Processes were not implemented to maintain regular, accurate and complete financial records and reconciliations to support the financial statements, which resulted in material misstatements in the originally submitted financial statements.

25. Although the internal audit unit and the audit committee reviewed the financial statements prior to submission for auditing, this was not effective as material misstatements were identified during the audit.

Rustenburg

31 May 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ORBIT TVET COLLEGE ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2023

General Information

Nature of business and principal activities	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 and operates within the Republic of South Africa
Councillors	
	Tawana A (Ms) (SRC President)
	Seitlhobogeng K (Ms) (SRC Secretary).
	Bogopa MB (Relationship Executive Public Sector - Ministerial Appointee) Deputy Chairperson
	Dubazana TC (Corporate Services - Additional Member)
	Van Heerden A (Secretary and College Employee)
	Molope (MB) (Dr) (General Manager: Pilanesberg - Mines Ministerial Appointee)
	Lefophane MH (Ms) (Lecturer - Ministerial Appointee)
	Letsoalo SM (College employee)
	Magolego PM (Attorney - Donor)
	Ramdass (KR) (Prof.) (Professor at UNISA - Ministerial Appointee)
	Mangoma APC (Ms) (Free Lancing)
	Mathye MG (Ms) (Freelancing - Additional Member)
	Mokale AT (College employee)
	Mokoena DF (Principal - College Employee)
	Moloantoa K (Dr) (Director - Ministerial Appointee) Chairperson
	Ramaru MS (College employee)
	Singh R (Financial Accountant)
	Carrim I (Audit and Risk Committee)
	Fourie W (Ms) (Audit and Risk Committee)
	Kgalaki R (Mr) (Audit and Risk Committee)
Registered office	C/o Bosch & Fatima Bhayat Street Rustenburg 0299
Postal address	Private Bag X82086 Rustenburg 0300
Secretary	Ms. A van Heerden
Bankers	ABSA Bank

Index

The reports and statements set out below comprises the annual financial statements presented to the council

	Page
Responsibilities and Approval of Council	111
Report from Council	112 -113
Statement of Financial Position	114
Statement of Financial Performance	115
Statement of Changes in Net Assets	116
Cash Flow Statement	117 - 118
Accounting Policies	119 - 142
Notes to the Annual Financial Statements	143 - 175

Abbreviation/acronyms	Definition
AGSA	Auditor General of South Africa
ASB	Accounting Standards Board
SA GAAP	South African Statements of General Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
VAT	Value Added Tax
SARS	South African Revenue Services
IAS	International Accounting Standards
SRC	Student Representative Council
IPSAS	International Public Sector Accounting Standards
GEPF	Government Employee Pension Fund
DHET	Department of Higher Education and Training
CET Act	Continuing Education and Training Act 16 of 2006
AFS	Annual Financial Statements
TVET	Technical and Vocational Education and Training

Responsibilities and Approval of Council

The Council is required by the Continuing Education and Training Act No. 16 of 2006, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of Council to ensure the financial statements of the College fairly presents the results of its operations, cash flows and state of affairs in conformity with GRAP at financial year end. 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 annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) and in the manner required by the Minister of Higher Education and Training.

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

The college council acknowledge that they are ultimately responsible for the system of internal financial control established by the colllege and place considerable importance on maintaining a strong control environment. To enable the college council to meet these responsibilities, the college council sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the college and all employees 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 college 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The college council has reviewed the college's cash flow forecast for the year to December 31, 2024 and, in the light of this review and the current financial position, he is satisfied that the college has or has access to adequate resources to continue in operational existence for the foreseeable future.

The college is wholly dependent on the college for continued funding of operations. The annual financial statements are prepared on the basis that the college is a going concern and that the college has neither the intention nor the need to liquidate or curtail materially the scale of the college.

Although the college council are primarily responsible for the financial affairs of the college, he is supported by the college's external auditors.

The external auditors are responsible for independently reviewing and reporting on the college's annual financial statements. The annual financial statements have been examined by the college's external auditors and their report is presented on page 4.

The annual financial statements set out from page 4, which have been prepared on the going concern basis, were approved by the council on 31 May 2024 and were signed on its behalf by:



Chairperson of Council: ORBIT TVET College

Report from Council

The accounting officers submit their report for the year ended 31 December 2023

Report from Council

The Council of ORBIT Technical and Vocational Education and Training (TVET) College must perform all functions, which are necessary to govern the public TVET College. The Principal of ORBIT TVET College is responsible for the management and administration of the institution. This is duly stated in Section 13 of the Continuing Education and Training Act No. 16 of 2006 (CET Act). The Council submit their report for the year ended 31 December 2023.

1. Incorporation

ORBIT TVET College was established in terms of the Continuing Education Act and Training Act 16 of 2006. The College comprises of the following campuses: Brits, Mankwe & Rustenburg.

2. Review of activities

Main business and operations

The College is a Public Technical and Vocational Educational and Training Collage, constituted in terms of the Continuing Educational and Training Act no. 16 of 2006 and operates within the Republic of South Africa and operates principally in South Africa. ORBIT TVET College had the following operational results for the year ending 31 December 2023:

Net surplus of the College was R 39 817 816 (2022: surplus R 14 567 528).
.

3. Going concern

We draw attention to the fact that at December 31, 2023, the college had an accumulated surplus of R 648 122 730 and that the college's total assets exceed it's liabilities by R 648 122 730.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

4. Councillors' interest in contracts

The Governance and Management Secretary of the College maintains a register of financial and personal interest of the Council Members. The register is available for inspection at ORBIT TVET College Central Office, Office Number 32

5. Values Transformation

Policies, procedures, activities and programmes are responsive to community needs and redress imbalances of the past, thereby ensuring increased inclusivity and accessibility.

Accountability:
Decision-making processes are transparent with proper financial management systems and procedures with the focus on efficiency and effectiveness, including being fair, ethical and trustworthy in all that we do.

Respect:
We respect the values of human dignity, equality, human rights and freedom, non-racism and nonsexism.

Teamwork:
Co-operating with one another and with the community, business stakeholders and partners in education in an open and supportive way to achieve shared goals.

6. Tax matters

The College is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act.
According to Section 12(h)(1) of the VAT Act No 89 of 1991, " Educational services" are exempt from the levying of the value - added tax as imposed by Section 7(i)(9) of the Act, therefore the College is not a VAT registered institution.

Report from Council

7. Vision

A global institution of excellence, surpassing community needs.

8. Mission

To provide high quality Education and Training that is affordable, relevant, learner-centred and contributes to the total development of individuals through:
1. Optimal utilisation of resources,
2. Creative and innovative modes of delivery,
3. Appropriately skilled staff and
4. Community upliftment

Statement of Financial Position as at December 31, 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Inventories	6	10 181 281	10 698 134
Other financial assets	5	103 316 928	93 284 828
Receivables from exchange transactions	7&9	53 648 434	55 759 072
Receivables from non-exchange transactions	8&9	14 818 268	19 317 933
Cash and cash equivalents	10	423 845 456	384 836 635
		605 810 367	**563 896 602**
Non-Current Assets			
Property, plant and equipment	2	161 860 516	173 276 824
Intangible assets	3	1 027 425	1 283 472
		162 887 941	**174 560 296**
Total Assets		**768 698 308**	**738 456 898**
Liabilities			
Current Liabilities			
Finance lease obligation	11	22 800	326 295
Trade and other payables	13	95 032 106	103 994 870
Payables from non-exchange transactions	14	9 161 981	5 908 766
Unspent conditional grants and receipts	12	-	64 938
		104 216 887	**110 294 869**
Non-Current Liabilities			
Payables from non-exchange transactions	4	16 358 691	11 654 054
Finance lease obligation	11	-	22 078
		16 358 691	**11 676 132**
Total Liabilities		**120 575 578**	**121 971 001**
Net Assets		**648 122 730**	**616 485 897**
Accumulated surplus		648 122 730	616 485 897

Statement of Financial Performance

Figures in Rand		2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Tuition and Related Fees	16	69 480 690	66 119 344
Rental of facilities and equipment	17	623 577	608 357
Business Unit Income	18	49 995	119 750
Student Bad Debt Recovered	20	36 839	87 466
Prescription revenue	20	-	2 294 664
Insurance Claim	20	115 664	926 695
Interest received - investment	21	32 355 316	17 780 200
Gain/(Loss) on disposal of assets and liabilities	20	332 424	-
Total revenue from exchange transactions	15	**102 994 505**	**87 936 476**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	22	76 204 521	79 846 503
Service in-kind	23	175 003 682	171 266 773
Public contributions and donations		7 383 775	822 619
Project income		12 724 269	12 628 326
Total revenue from non-exchange transactions	15	**271 316 247**	**264 564 221**
Total revenue	15	**374 310 752**	**352 500 697**
Expenditure			
Employee related costs	24	(190 459 100)	(186 004 212)
Remuneration of councillors	25	(571 308)	(528 284)
Depreciation and amortisation	26	(16 338 390)	(16 614 169)
Impairments	27	225 516	(325 494)
Finance costs	28	(975 662)	(936 299)
Lease rentals on operating lease	19	(145 095)	(59 446)
Debt Impairment	29	(26 745 342)	(23 761 680)
Repairs and maintenance	2	(7 891 215)	(9 559 264)
Loss on disposal of assets and liabilities	2	-	(52 723)
Inventories losses/write-off	6	(142 719)	(1 181 463)
General expenses	30	(91 449 621)	(98 910 135)
Total expenditure		**(334 492 936)**	**(337 933 169)**
Surplus for the year		**39 817 816**	**14 567 528**

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at January 1, 2022	**584 650 756**	**584 650 756**
Changes in net assets		
Correction of errors Note 38	17 267 614	17 267 614
Restated* Balance at January 1, 2022	601 918 370	601 918 370
Surplus for the year as previously reported	14 375 115	14 375 115
Correction of errors Note 38	192 414	192 414
Restated surplus for the year	14 567 529	14 567 529
Restated* Balance at January 1, 2023	**616 485 895**	**616 485 895**
Changes in net assets		
Surplus for the year	39 817 816	39 817 816
Net Gain / (Loss) movement on Projects	(8 180 981)	(8 180 981)
Total changes	31 636 835	31 636 835
Balance at December 31, 2023	**648 122 730**	**648 122 730**

Note(s)

Cash Flow Statement

Figures in Rand	2023	2022 Restated*
Cash flows from operating activities		
Receipts		
Revenue	49 345 651	55 545 705
Other operating income	826 075	4 036 932
Grants	251 143 265	251 178 214
Interest income	32 355 316	17 780 200
Project income	4 543 288	12 628 326
Public donations	7 383 775	822 619
	345 597 370	341 991 996
Payments		
Employee costs	(191 030 408)	(186 532 496)
Suppliers	(92 225 495)	(98 261 250)
Finance costs	(975 661)	(936 299)
Repairs and Maintenance (Note 2)	(7 891 215)	(9 559 264)
	(292 122 779)	(295 289 309)
Net cash flows from operating activities (Note 32)	**53 474 591**	**46 702 687**
Cash flows from investing activities		
Purchase of property, plant and equipment	(4 452 788)	(23 578 714)
Proceeds / (Acquisition) of Other financial assets	(10 032 097)	(1 093 325)
Proceeds from the sale of Property, plant and equipment	344 688	-
Net cash flows from investing activities	**(14 140 197)**	**(24 672 039)**
Cash flows from financing activities		
Finance lease payments	(325 573)	(740 899)
Net cash flows from financing activities	**(325 573)**	**(740 899)**
Net increase/(decrease) in cash and cash equivalents	**39 008 820**	**21 289 749**
Cash and cash equivalents at the beginning of the year	384 836 635	363 546 893
Cash and cash equivalents at the end of the year (Note 10)	**423 845 455**	**384 836 642**

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Continuing Education and Training Act No. 16 of 2006.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

In the absence of an issued 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, revenues 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, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

A detailed analysis of whether the College will be able to operate as a going concern was conducted. The outcome of the analysis depicts that the Collage will remain profitable and operational. The College remains solvent and liquid to be able to continue operations within the foreseeable 12 months. Thus, these annual financial statements have been prepared based on the expectation that the College will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

In the process of applying its accounting policies, and in preparing the annual financial statements, management is required to make various judgements, including estimates and assumptions, that may affect the determination of the reporting framework, affect amounts represented in the annual financial statements and as well as related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Significant judgements include the following:

Programme funding:

Programme funding is allocated to the College by the DHET in terms of the CET Act and the National Norms and Standards for funding of TVET Colleges and is determined by the estimated Full-Time Equivalent Students (FTEs) of the College. The allocation is done based on the projected FTEs for the year and if the College fails to register the projected FTEs, a portion of the programme funding can be clawed back in the following year.

Programme funding is allocated by DHET during their financial year which is from April to March, but for the College the funds pertain to the College Academic and financial year which is from January to December. Once the College has registered the projected number of FTEs and the suspensive condition of programme funding grant has been met, the grant is recognised in full.

The programme funding is paid out to the College partly in cash tranches and partly through the PERSAL system of the DHET, directly to the employees of the College.The method and timing of payment of the grant, does however not influence the recognition of revenue.

Employee related costs and DHET management fee:

In terms of the CET Act, the College is the employer of the non-funded, non-management personnel. All personnel appointed in funded posts and management personnel, defined in the CET Act as the Principal and Deputy Principals, have migrated to DHET and are DHET employees.

Management personnel are remunerated from DHET funds and not from college funds and this constitutes services in kind which are recognised at the cash value of the services to the State. The income is recognised as "Services in Kind "as part of revenue from non-exchange transactions and the expense is recognised as "DHET management fee".

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 which are not due to errors, are processed in the review period and applied prospectively.

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

Trade receivables / Held to maturity investments and/or loans and receivables

The entity assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus 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 for trade receivables, held to maturity investments and loans and receivables are calculated on a portfolio basis, 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 loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The College reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

For non-cash-generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

Useful lives of assets, depreciation and amortisation

The College's management determines the estimated useful lives and related depreciation charges for assets. This estimate is based on industry norm and then adjusted to be entity specific. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and vice versa.

Depreciation and amortisation recognised on property, plant and equipment and intangible assets 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 entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating 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.

Residual values and useful lives are assessed annually.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Impairment of receivables

The College may if deemed necessary raise a provision for student debtors who are still enrolled at the College or employees who are still in the employment of the College or the Department; and who have not met their obligation to the College for at least three months. The College applies the recommended provisions stated below as per the Department of Higher Education and Training Technical and Vocational Education and Training College Recommended Debt Management Policy or such lower provision as the College deems fit.

A provision should be raised for all debtors (whether student or staff) who have not met their obligation to the College for three months and who are no longer registered as students or in the employment of the college

The Deputy Principal: Finance shall consider all economically viable avenues for debt recovery, including the use of tracing agents where the address of the debtor is not known, factoring of debts, recourse against sureties or guarantors etc.

Should all efforts prove to be unsuccessful and/or the debtor cannot be traced, only then must a submission be made to the College Council requesting the write-off of the debt. The submission must detail all steps taken to trace the debtor and must show that it would be uneconomical to take the matter any further

Any debts written is disclosed in the Annual Financial Statements of the College with full disclosure regarding the Colleges policy for writing off debts.

In addition to the above-mentioned criteria, the College will consider debts for write-off in the following circumstances:

a) debts not recovered from institutions or service providers that have been liquidated and the claims against the assets finalized;

b) debts not recovered from deceased employees, where their estates have been finalised, and recovery of the debts from the heirs is not possible;

c) debts owed by Debtors that cannot be traced, notwithstanding compliance with the provisions above;

d) where no source documentation is available to substantiate or prove the claims, provided that the Accounting Officer must have satisfied him/herself that all reasonable steps have been taken to locate the source documents;

e) debts where the debtors have emigrated without paying the debts, leaving no assets available for claiming from and the debtors' whereabouts are unknown;

f) debts owed by employees who have left the service, and are now destitute, provided that the Accounting Officer must have satisfied him/herself that the debtors are in fact destitute.

1.5 Property, plant and equipment

Recognition:
Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Measurement:
Property, plant and equipment is initially measured at cost.

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.

Accounting Policies

1.5 Property, plant and equipment (continued)

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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 entity 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.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of 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 is carried at cost less accumulated depreciation and any impairment losses.

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

Land classified as property, plant and equipment will not be depreciated, due to land having an indefinite useful life.

Initial cost of movable assets below R5 000, will be classified as minor assets.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	50 Years
Furniture and fixtures	Straight line	3 - 12 Years
Motor vehicles	Straight line	3 - 5 Years
IT equipment	Straight line	2 - 5 Years
Other property, plant and equipment	Straight line	5 - 10 Years
Training Equipment	Straight line	5 - 10 Years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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 method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the college. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The college assesses at each reporting date whether there is any indication that the college expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the college revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

Accounting Policies

1.5 Property, plant and equipment (continued)

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

Derecognition:
Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the 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.

The college separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 2).

The college discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 2).

1.6 Intangible assets

Recognition:
An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the college or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

Measurement:
An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the college; and
- the cost or fair value of the asset can be measured reliably.

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.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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 amortised over its useful life.

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

Accounting Policies

1.6 Intangible assets (continued)

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Patents, trademarks and other rights	Straight line	4 - 5 Years

Derecognition:
Intangible assets are derecognised:
- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.7 Financial instruments

Recognition:
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:
- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:
- cash;
- a residual interest of another entity; or

Accounting Policies

1.7 Financial instruments (continued)

- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

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.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;

Accounting Policies

1.7 Financial instruments (continued)

- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

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
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Projects	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortisised cost
Cash and cash equivalents	Financial asset measured at fair value

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
Projects	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Finance lease oblgation	Financial liability measured at amortised cost

Initial recognition

The college recognises a financial asset or a financial liability in its statement of financial position when the college becomes a party to the contractual provisions of the instrument.

The college recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The college measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The college measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

Accounting Policies

1.7 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The college measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Reclassification

The college does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

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 entity reclassifies the instrument from cost to fair value.

Gains and losses

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 uncollectibility of financial assets

The college assesses 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. 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.

Accounting Policies

1.7 Financial instruments (continued)

Derecognition

Financial assets

The college derecognises financial assets using trade date accounting.

The college derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the college transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the college, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the college :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

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 entity 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 entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity 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 continues 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.

Accounting Policies

1.7 Financial instruments (continued)

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

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

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.

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

1.8 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 buildings elements, the entity 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 interest 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.

Accounting Policies

1.8 Leases (continued)

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.

1.9 Inventories

Inventories are assets:

- In the form of materials or supplies to be consumed in the production process and or,
- In the form of materials or supplies to be consumed or distributed in the rendering of services and or,
- Held for sale or distribution in the ordinary course of operations; or in the process of production for sale or distribution.

Recognition:

Inventories are recognised as an asset if:
- It is probable that future economic benefits or service potential associated with the item will flow to the entity;and
- The cost of the inventories can be measured reliably.

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the college incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the college.

Accounting Policies

1.9 Inventories (continued)

Recognition as an Expense:

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than 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).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the college; or
- the number of production or similar units expected to be obtained from the asset by the college.

Identification

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

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 entity 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.

Accounting Policies

1.10 Impairment of non-cash-generating assets (continued)

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 current 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

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

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.

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.

Accounting Policies

1.10 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The college assesses 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.

1.11 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Accounting Policies

1.11 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity 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 entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity 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 entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity 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, an entity 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 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.

Accounting Policies

1.11 Employee benefits (continued)

DHET Management Fee

In terms of the CET Act, the College is the employer of the non-funded, non-management personnel. All personnel appointed in funded posts and management personnel, defined in the CET Act as the Principal and Deputy Principals, have migrated to DHET and are DHET employees.

Management personnel are remunerated from DHET and not from College funds, and this constitutes services in kind which are recognised at the cash value of the services to the State. The income is recognised as "Services in kind" as part of revenue from non-exchange transactions, and the expense is recognised as "DHET management fee".

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1.12 Provisions and contingencies

Provisions are recognised when:

- the college has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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, and only when, it is virtually certain that reimbursement will be received if the college settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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 surplus.

If an entity 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 an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an 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.

Accounting Policies

1.12 Provisions and contingencies (continued)

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 entity 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 note 35.

A contingent liability is disclosed unless the possibility of an outfloe of resources embodying economic benefits or service potential is remote. Unless the possibilty of any outflow in settlement is remote, the College discloses for each class of contingent liability at the reporting date a brief description of the nature of the contingent liability and, where practical:
- an estimate of its financial effect
- an indication of the uncertainties relating to the amount or timing of any outflow; and
- the possibility of any reimbursement.

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.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The college recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the college for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the college considers that an outflow of economic resources is probable, an college recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Accounting Policies

1.12 Provisions and contingencies (continued)

Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other Standards, and
- fines or other penalties that are imposed for breaches of the legislation.

Government refers to government, government agencies and similar bodies whether local, national or international.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The college does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the college being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that the college has a present obligation to pay a levy that will be triggered by operating in a future period.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy, as identified by the legislation, occurs over a period of time).

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The college recognises an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

1.13 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the college receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

Accounting Policies

1.14 Revenue from exchange transactions (continued)

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. Stage of completion is determined by surveys of work performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the college, and
- The amount of the revenue can be measured reliably.

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.

Tuition fees are recognised as revenue over the period during which the service is performed.

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a college, which represents an increase in net assets, other than increases relating to contributions from owners.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a college either receives value from another college without directly giving approximately equal value in exchange, or gives value to another college without directly receiving approximately equal value in exchange.

Recognition

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.

Measurement

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 the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

Apart from Services in kind, which are not recognised, 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.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the college and the fair value of the assets can be measured reliably.

Management personnel are remunerated from DHET and not from college funds, and this constitutes services in kind which are recognised at the cash value of the services to the State. The income is recognised as "Services in kind" as part of revenue from non-exchange transactions, and the expense is recognised as "DHET management fee".

1.16 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

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

1.17 Comparative figures

When the presentation or classification of items in the annual 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.

Accounting Policies

1.18 Segment Reporting

The college does not do segment reporting of its management or financial accounts. As such the college believes GRAP 18 Segment reporting is not applicable to the college for these financial statements.

1.19 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.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

Significant influence may be exercised in several ways, usually by representation on the governing body but also, for example, by participation in the policy-making process, material transactions between entities within an economic entity, interchange of managerial personnel or dependence on technical information.

Significant influence may be gained by an ownership interest, statue or agreement or otherwise. With regard to an ownership interest, significant influence is presumed in accordance with legislation, in instances where they are required to perform such functions.

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 management in their dealings with the college.

1.20 Events after reporting date

Events after 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).

The college will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The college will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.21 Projects

By nature, thereof, projects are funding obtained from external parties to perform certain services and incur related expenditure to meet deliverables as set out in the Memorandum of Understanding between the College and such external parties.

Revenue received and expenses incurred in respect of specific projects are allocated to projected-related income and expenditure accounts.The profit or loss on such projects are closed-off to the project balance in the statement of financial position at the end of each period as an asset or liability,depending on the nature thereof,to be accumulated in the future periods until such date that all deliverables relating to such project is met.

Upon completion of the project with relation to all deliverables met in accordance with the Memorandum of Understanding, the cumulative profit or loss on such project is circulated through the statement of financial performance as profit or loss on projects for the year under review.

Accounting Policies

1.21 Projects (continued)

Project balances as at year-end are further categorised as current or non-current assets or liabilities based on the expected completion date of the project as set out in the Memorandum of Understanding. If however the expected completion date of the project has already passed, but not all deliverables have been met as of yet, it will be classified as a current asset or liability.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

2. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	22 674 153	(612 028)	22 062 125	22 674 153	(612 028)	22 062 125
Buildings	126 501 023	(37 059 362)	89 441 661	126 501 023	(34 529 341)	91 971 682
Furniture and fixtures	32 612 372	(22 364 400)	10 247 972	31 927 960	(20 718 881)	11 209 079
Motor vehicles	10 226 643	(6 364 747)	3 861 896	9 836 783	(4 826 627)	5 010 156
IT equipment	46 755 183	(32 147 745)	14 607 438	44 994 128	(26 763 931)	18 230 197
Work in Progress - IT Equipment	1 995 269	-	1 995 269	2 202 581	-	2 202 581
Other Equipment	32 535 198	(23 856 659)	8 678 539	31 655 328	(21 482 615)	10 172 713
Training Equipment	38 661 479	(27 713 382)	10 948 097	37 308 044	(25 197 469)	12 110 575
Finance Lease Assets	4 297 558	(4 280 039)	17 519	4 297 558	(3 989 842)	307 716
Total	**316 258 878**	**(154 398 362)**	**161 860 516**	**311 397 558**	**(138 120 734)**	**173 276 824**

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers Out	Assets found - Gains	Depreciation	Impairment loss	Impairment reversal	Total
Land	22 062 125	-	-	-	-	-	-	-	22 062 125
Buildings	91 971 682	-	-	-	-	(2 530 021)	-	-	89 441 661
Furniture and fixtures	11 209 079	930 798	(712)	-	49 401	(2 052 231)	(112 066)	223 703	10 247 972
Motor vehicles	5 010 156	389 859	-	-	-	(1 409 775)	(189 928)	61 584	3 861 896
IT equipment	18 230 197	1 629 309	(11 524)	-	163 832	(5 034 043)	(1 180 203)	809 870	14 607 438
Work in Progress - IT Equipment	2 202 581	472 825	-	(742 703)	-	-	-	62 566	1 995 269
Other Equipment	10 172 713	891 048	(19)	-	42 123	(2 788 449)	(521 168)	882 291	8 678 539
Training Equipment	12 110 575	624 320	(9)	-	142 277	(1 977 437)	(531 846)	580 217	10 948 097
Finance Lease Assets	307 716	-	-	-	-	(290 197)	-	-	17 519
	173 276 824	**4 938 159**	**(12 264)**	**(742 703)**	**397 633**	**(16 082 153)**	**(2 535 211)**	**2 620 231**	**161 860 516**

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers Out	Depreciation	Impairment loss	Impairment reversal	Total
Land	22 062 125	-	-	-	-	-	-	22 062 125
Buildings	90 406 375	5 505 793	-	-	(3 940 486)	-	-	91 971 682
Furniture and fixtures	11 506 778	1 051 802	(82)	-	(1 406 031)	(91 676)	148 288	11 209 079
Motor vehicles	6 420 704	-	-	-	(1 410 548)	-	-	5 010 156
IT equipment	11 735 949	11 088 714	(39 365)	-	(4 441 531)	(683 273)	569 703	18 230 197
Work in Progress - IT Equipment	3 494 083	9 244 041	-	(10 122 871)	-	(412 672)	-	2 202 581
Other Equipment	8 800 326	3 991 081	(3 406)	-	(2 620 838)	(282 795)	288 345	10 172 713
Training Equipment	10 975 865	2 972 400	(9 864)	-	(1 829 448)	(209 853)	211 475	12 110 575
Work in Progress - Buildings	784 632	2 254 416	-	(3 039 048)	-	-	-	-
Finance Lease Assets	1 016 963	-	-	-	(709 247)	-	-	307 716
	167 203 800	**36 108 247**	**(52 717)**	**(13 161 919)**	**(16 358 129)**	**(1 680 269)**	**1 217 811**	**173 276 824**

Repairs and maintenance expenditure related to Property, plant and equipment included in the statement of Financial Performance

Buildings	4 320 039	7 057 741
Furniture and fittings	561 716	57 899
General repairs	2 048 449	1 905 548
IT Equipment	278 064	24 768
Motor vehicles	682 947	513 308
	7 891 215	**9 559 264**

Assets subject to finance lease (Net carrying amount)

Finance Lease Assets	17 519	307 716

Notes to the Annual Financial Statements

Figures in Rand

3. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Copy Rights	2 167 476	(1 140 051)	1 027 425	2 167 476	(884 004)	1 283 472

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Copy Rights	1 283 472	(256 047)	1 027 425

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Copy Rights	1 539 519	(256 047)	1 283 472

4. Payables from non-exchange transactions

Non-current liabilities

Projects

Projects	(16 358 691)	(11 654 054)

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

5. Other financial assets

Designated at amortised cost		
ABSA Bank - Fixed Deposit - (2081139771) Interest rate: 10.48% Term of Deposit: 365 Days Effective date: 27 June 2023 Maturity date: 26 June 2024	21 079 584	-
Standard Bank Fixed Deposit - (628806850-008) Interest rate: 9.1% Term of Deposit: 367 Days Effective date: 27 January 2023 Maturity date: 29 January 2024	9 220 521	-
Nedbank Fixed Deposit - 03-7881084347-000066 Interest rate: 10.58% Term of Deposit: 367 Days Effective date: 09 June 2023 Maturity date: 10 June 2024	21 194 236	20 879 608
Standard Bank Fixed Deposit - (628826850-002) Interest rate: 7.76% Term of Deposit: 365 Days Effective date: 08 June 2022 Maturity date: 08 June 2023	-	20 816 945
Nedbank Fixed Deposit - 03-7881084347-000065 Interest rate: 10.58%% Term of Deposit: 367 Days Effective date: 09 June 2023 Maturity date: 10 June 2024	10 597 118	10 439 804
Nedbank Fixed Deposit - (03-7881084347-00067) Interest rate: 9.64%% Term of Deposit: 365 Days Effective date: 07 September 2023 Maturity date: 06 September 2024	41 225 469	41 148 471
	103 316 928	**93 284 828**
Current assets		
Designated at amortised cost	103 316 928	93 284 828

6. Inventories

Consumable stores	10 181 281	10 698 134
Opening balance	**10 698 134**	**12 683 952**
Purchases	16 469 453	14 650 731
Issued	(16 843 587)	(15 455 086)
Losses / Inventory adjustments	(142 719)	(1 181 463)
Closing balance	**10 181 281**	**10 698 134**

Inventory pledged as security

There is no inventory pledged as security for both reporting years.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

7. Receivables from exchange transactions

Student Debtors	46 352 012	42 662 705
Other Receivables - Other Debtors	2 962 832	11 084 461
Prepaid expenses	-	115 793
Employee Debtors	1 174 806	496 321
NSFAS - Receivable	2 549 386	1 291 894
Accrued Income	609 398	107 898
	53 648 434	**55 759 072**

8. Receivables from non-exchange transactions

Government grants and subsidies	13 681 195	18 960 280
Project receivables	1 137 073	357 653
	14 818 268	**19 317 933**
Non-current assets	-	-
Current assets	14 818 268	19 317 933
	14 818 268	**19 317 933**

9. Trade and Other Receivable from Exchange Transactions

Gross balances		
Student Debtors	178 856 014	156 335 374
Other Debtors	13 325 183	10 680 055
Employee Debtors	1 350 425	1 350 425
Total Gross Balances	**193 531 622**	**168 365 854**
Less: Allowance for impairment		
Student Debtors	(132 504 002)	(113 672 669)
Other Debtors	(10 362 350)	404 406
Employee Debtors	(175 619)	(854 104)
Total Allowances for Impairment	**(143 041 971)**	**(114 122 367)**
Net balance		
Student Debtors	46 352 012	42 662 705
Other Debtors	2 962 833	11 084 461
Employee Debtors	1 174 806	496 321
Total Net Balances	**50 489 651**	**54 243 487**
Student Debtors		
Current (0 -30 days)	-	-
31 - 60 days	2 718 300	885 386
61 - 90 days	3 701 756	5 021 314
Exceeding 91 days	172 435 958	150 428 674
Total Student Debtors as per Aging	**178 856 014**	**156 335 374**
Other Debtors		
Current (0 -30 days)	103 705	-
31 - 60 days	552 670	-
61 - 90 days	647 356	-
Exceeding 91 Days	12 021 452	11 084 461
Total Other Debtors	**13 325 183**	**11 084 461**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

9. Trade and Other Receivable from Exchange Transactions (continued)

Employee Debtors		
Exceeding 91 Days	1 350 425	1 350 325

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	20 000	20 000
Bank balances	233 348 162	198 347 885
Short-term deposits	190 477 294	186 468 750
	423 845 456	**384 836 635**
Current assets	423 845 456	384 836 635
Current liabilities	-	-
	423 845 456	**384 836 635**

Figures in Rand	2023	2022

11. Finance lease obligation

Minimum lease payments due		
- within one year	(22 598)	(363 732)
- in second to fifth year inclusive	-	(22 598)
- lease Reassessment - (Increase) / Decrease in Finance Lease Liability	-	-
	(22 598)	(386 330)
less: future finance charges	(112)	37 957
Present value of minimum lease payments	**(22 710)**	**(348 373)**
Present value of minimum lease payments due		
- within one year	(22 598)	(363 732)
- in second to fifth year inclusive	-	(22 598)
- future finance charges	(112)	37 957
	(22 710)	**(348 373)**
Non-current liabilities	-	22 078
Current liabilities	22 800	326 295
	22 800	**348 373**

GRAP 13 states that the lessee should utilise the rate implicit in the lease to calculate the present value of the minimum lease payments. However, if it is impractical to calculate or determine the implicit rate in the lease, the lessee may utilise the incremental borrowing rate.

The College utilises finance leases for photocopy machines from third parties and are therefore the lessee in the finance lease. It is impracticle to determine the rate implicit in the lease for the College and therefore the incremental borrowing rate will be utilised. The incremental borrowing rate is the prime borrowing rate of South Africa.

Due to the prime borrowing rate continuously changing on an monthly basis, the present value of minimum lease payments will be recalculated when the interest rate changes and the difference will be a lease reassessment adjustment. The lease reassessment adjustement will be accounted for, by adjusting the finance lease asset and finance lease liability with the lease reassessment adjustment

.

The average lease term was 3 years and the average effective borrowing rate was 7.25% (2021: 7.25%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The fair value of finance lease liabilities approximates their carrying amounts

12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
NSF: COS - Unspent Conditional Grant	-	64 938
Movement during the year		
Balance at the beginning of the year	64 938	-
Additions during the year	-	121 845
Income recognition during the year	(64 938)	(56 907)
	-	**64 938**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

12. Unspent conditional grants and receipts (continued)

Non-current liabilities	-	-
Current liabilities	-	64 938
	-	**64 938**

13. Trade and other payables

Bursary liability	37 062 701	39 822 564
Other Payables	14 835 777	16 670 812
Payroll Accruals	863 892	1 106 378
Accrued leave pay	124 769	202 981
Accrued Expenditure	30 443 147	33 982 703
Payroll payable 37%	2 736 275	3 243 887
Projects	8 965 545	8 965 545
	95 032 106	**103 994 870**

14. Payables from non-exchange transactions

Projects	9 161 981	5 908 766

15. Revenue

Tuition and Related Fees	69 480 690	66 119 344
Rental of facilities and equipment	623 577	608 357
Business Unit Income	49 995	119 750
Student Bad Debt Recovered	36 839	87 466
Prescription revenue	-	2 294 664
Insurance claim received	115 664	926 695
Interest received - investment	32 355 316	17 780 200
Government grants & subsidies	76 204 521	79 846 503
Service in-kind	175 003 682	171 266 773
Public contributions and donations	7 383 775	822 619
Gains / (Loss) on disposal of assets and liabilities	332 424	-
Project income	12 724 269	12 628 326
	374 310 752	**352 500 697**

The amount included in revenue arising from exchanges of goods or services are as follows:

Tuition and Related Fees	69 480 690	66 119 344
Rental of facilities and equipment	623 577	608 357
Business Unit Income	49 995	119 750
Student Bad Debt Recovered	36 839	87 466
Prescription revenue	-	2 294 664
Insurance claim received	115 664	926 695
Interest received - investment	32 355 316	17 780 200
Gains / (Loss) on disposal of assets and liabilities	332 424	-
	102 994 505	**87 936 476**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

15. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue		
Government grants & subsidies	76 204 521	79 846 503
Service in-kind	175 003 682	171 266 773
Public contributions and donations	7 383 775	822 619
Project income	12 724 269	12 628 326
	271 316 247	**264 564 221**

16. Tuition and Related Fees

Tuition Fees (Report 191)	19 698 834	16 977 895
Residential Fees	7 786 750	7 039 652
Tuition Fees (NCV)	39 556 962	39 491 931
Tuition Fees - Skill Occupational	1 260 000	1 053 140
Examination Fees	576 800	696 150
Student financial aid	-	375 000
Tuition Fees - Pre-Vocational Learning	601 344	485 576
	69 480 690	**66 119 344**

17. Rental of facilities and equipment

Premises		
Venue hire	102 724	119 263
Housing Rental Income	520 853	489 094
	623 577	**608 357**

Included in the above rentals are operating lease rentals at straight-lined amounts as well as contingent rentals.

18. Business Unit Income

Business Unit Income	49 995	119 750

19. Lease rentals on operating lease

Equipment		
Contractual amounts	145 095	59 446

20. Other revenue

Student Bad Debt Recovered	36 839	87 466
Gain/(Loss) on disposal of assets and liabilities	332 424	-
Other income - (rollup)	-	2 294 664
Insurance claim received	115 664	926 695
	484 927	**3 308 825**

21. Investment revenue

Interest revenue		
Bank	23 403 654	11 460 669
Investments	8 951 662	6 319 531
	32 355 316	**17 780 200**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

22. Government grants and subsidies

DHET Programme Funding	71 833 968	67 954 228
DHET CIEG Revenue	3 417 734	9 590 378
COS Revenue	64 938	56 907
Skills levy	887 881	2 244 990
	76 204 521	**79 846 503**

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	64 938	56 907
Unconditional grants received	76 139 583	79 789 596
	76 204 521	**79 846 503**

NSF: COS - Unspent Conditional Grant

Balance unspent at beginning of year	64 938	-
Current-year receipts	-	121 845
Conditions met - transferred to revenue	(64 938)	(56 907)
	-	**64 938**

23. Service in-kind

Service in-kind - DHET	175 003 682	171 266 773

Included in note 23 is an amount received as service in-kind from the Department of Higher Education and Training. The amount disclosed is an unconditional grant received.

24. Employee related costs

Employee related cost and DHET Management Fee	190 459 100	186 004 212

Summary of remuneration

DHET Management Fee	175 003 682	171 266 773
Remuneration paid to employees by the College Council	15 455 418	14 737 439
	190 459 100	**186 004 212**

In terms of the CET Act, non-funded employees are employees of the College and are accountable to the governance structures of the college. All employees appointed in funded posts have migrated to DHET on 1 April 2015 and are DHET employees as part of a transfer of function shift. Management are defined by the CET Act as the principal and deputy principals
and they are employed by DHET and have dual accountancy towards the council and DHET respectively.

25. Remuneration of councillors

Meeting Allowances	557 001	485 304
Travel and Accomodation Allowances	14 308	42 980
	571 309	**528 284**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
26. Depreciation and amortisation		
Property, plant and equipment	16 082 343	16 358 122
Intangible assets	256 047	256 047
	16 338 390	**16 614 169**
27. Impairment of assets		
Impairments		
Property, plant and equipment	(225 516)	325 494
This resulted in assets not found as well as condition changes		
28. Finance costs		
Trade and other payables	937 794	829 996
Finance leases	37 868	106 303
	975 662	**936 299**
29. Debt impairment		
Contributions to debt impairment provision	26 745 342	20 807 589
Bad debts written off	-	2 954 091
	26 745 342	**23 761 680**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
30. General expenses		
Advertising	807 842	1 094 441
Assessment rates & municipal charges	432 044	224 279
Auditors remuneration	2 703 152	3 045 644
Bank charges	401 149	390 797
Cleaning	3 133 782	2 599 968
Computer expenses	826 464	2 268 695
Consulting and professional fees	3 009 069	6 048 486
Consumables	263 559	301 303
Entertainment	2 051 849	1 084 493
Fines and penalties	-	600
Gifts	175 022	168 408
Insurance	3 871 639	3 423 677
Student support services	8 445 972	11 843 053
Conferences and seminars	747 843	675 647
Licensing of Vehicles	42 244	30 046
Diploma Ceremony	469 930	405 530
Fuel and oil	1 284 593	1 537 535
Placement fees	235 900	96 150
Postage and courier	1 995	792
Printing and stationery	4 305 294	5 070 058
Promotions	1 124 605	1 571 431
Protective clothing	1 192 082	942 967
Security Sevices	7 422 793	8 140 346
Software Licenses	4 346 984	5 136 646
Staff welfare	1 110 709	892 959
Subscriptions Fees	298 613	50 797
Telephone and Internet Fees	3 167 619	2 901 456
Training and Bursaries	2 031 625	2 644 473
Membership Fees	171 150	166 526
Municipal Expenses	13 403 893	11 045 828
Uniforms	90 886	53 469
Travel and Accomodation	2 211 041	1 691 476
Textbooks and Learning Materials	19 790 157	18 689 363
Business integrator fees	72 486	78 136
Examination Expenses	118 655	82 545
COVID 19 expenditure	593 989	1 542 890
Council Functions	20 085	94 130
Stipends	1 072 907	2 875 095
	91 449 621	**98 910 135**
31. Auditors' remuneration		
Fees	2 703 152	3 045 644

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
32. Cash generated from operations		
Surplus	39 817 816	14 567 528
Adjustments for:		
Depreciation and amortisation	16 338 390	16 614 169
Gain (Loss) on project movements	(8 180 981)	-
Gain / Loss on disposal of assets and liabilities	(332 424)	52 723
Impairment	(225 516)	325 493
Debt impairment	26 745 342	23 761 680
Inventories losses/write-off	142 719	1 181 465
Changes in working capital:		
Inventories	374 134	804 355
Receivables from exchange transactions	(24 634 704)	(17 866 275)
Trade and other receivables from non - exchange transactions	4 499 666	7 292 635
Trade and other payables	(1 004 913)	(96 024)
Unspent conditional grants and receipts	(64 938)	64 938
	53 474 591	**46 702 687**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

33. Financial instruments disclosure

Categories of financial instruments

2023

Financial assets

	At fair value	At amortised cost	Total
Other financial assets	-	103 316 928	103 316 928
Receivables from exchange transactions	-	53 648 434	53 648 434
Receivables from non - exchange transactions	-	14 818 268	14 818 268
Cash and cash equivalents	423 845 456	-	423 845 456
	423 845 456	**171 783 630**	**595 629 086**

Financial liabilities

	At amortised cost	Total
Finance lease obligation current liabilty	22 800	22 800
Payables from non exchange transactions (Non-Current)	16 358 691	16 358 691
Trade and other payables from exchange transactions	95 032 106	95 032 106
Trade and other payables from non-exchange transactions	9 161 981	9 161 981
	120 575 578	**120 575 578**

2022

Financial assets

	At fair value	At amortised cost	Total
Other financial assets	-	93 284 828	93 284 828
Receivables from exchange transactions	-	55 759 072	55 759 072
Receivables from non - exchange transactions	-	19 317 933	19 317 933
Cash and cash equivalents	384 836 635	-	384 836 635
	384 836 635	**168 361 833**	**553 198 468**

Financial liabilities

	At amortised cost	Total
Finance lease obligation current liabilty	326 295	326 295
Finance lease obligation non-current liabilty	22 078	22 078
Payables from exchange transactions	103 994 870	103 994 870
Payables from non - exchange transactions	5 908 766	5 908 766
Payables from non - exchange transactions (non-current)	11 654 054	11 654 054
Unspent conditional grants and receipts	64 938	64 938
	121 971 001	**121 971 001**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

34. Commitments

Authorised capital expenditure

Already contracted for		
• Property, plant and equipment	12 016 434	1 692 843
	12 016 434	**1 692 843**
Total capital commitments		
Already contracted for	12 016 434	1 692 843

Total commitments

Total commitments		
Authorised capital expenditure	12 016 434	1 692 843

35. Contingencies

Contingent Liabilities consist of the follow:

2023

Case 1:

This issue relate to action instituted by Obungani Trading and Projects, relating to the repudiation of a computer tender contract. A claim to the sum of R2 316 889 was instituted against the college.

Case 2:

Rustenburg Local Municipality. The college is disputing a the municipal water charges with respect to billings charged for a community recreational facility not benefitting the college. The amount under dispute is R5 917 884.

Case 3:
Moses Kotane Local Municipality: There are rates and interest charges that have been levied against the College's account that management believes to be incorrectly applied with respect to tariffs. The amount in dispute is R31 611 827.

2022

Case 1:

This issue relate to action instituted by Obungani Trading and Projects, relating to the repudiation of a computer tender contract. A claim to the sum of R2 316 889 was instituted against the college.

Case 2:

Rustenburg Local Municipality. The college is disputing a the municipal water charges with respect to billings charged for a community recreational facility not benefitting the college. The amount in dispute is R955 620.

Case3:

Moses Kotane Local Municipality: There are rates and interest charges that have been levied against the College's account that management believes to be incorrectly applied with respect to tariffs. The amount in dispute is R26 467 660.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

36. Related parties

Relationships

Controlling entity	Minister of Higher Education and Training and Department of Higher Education and Training. The Minister of Higher Education and Training: The Minister of Higher Education and Training (the minister") is the executive authority of all public entities reporting to him/her. In terms of the Continuing Education and Training Act No 16 of 2006 (the Act), the Minister has control over ORBIT TVET College. Department of Higher Education and Training: The Minister is also a related party of the Department of Higher Education and Training (DHET). Therefore DHET is also a related party of ORBIT TVET College. DHET transfers the Grant and Subsidy allocation to ORBIT TVET College and controls the employees placed at ORBIT TVET College due to their employment contracts with DHET. DHET therefore pays for the management fees.
Other TVET Colleges and Universities	Subject to common control of DHET
SETA's	Subject to common control of DHET
NSFAS	Subject to common control of DHET
Members of Key Management	Responsible for planning, directing and controlling the reporting college
Councillors	Dubazana TC (Corporate Services – Additional Member) . Moloantoa K (Dr) (Director - Ministerial Appointment) Chairperson. Bogopa MB (Relationship Executive Public Sector - Ministerial Appointee) Deputy Chairperson. Lefophane MH (Dr) Lecturer - Ministerial Appointment). Ramdass KR(Prof) (Professor – Ministerial Appointee) Dr Molope MB (General Manager: Pilanesburg Mines - Ministerial Appointee) Magolego PM (Attorney -Donor). Mangoma APC (Ms) (Freelancing). Singh R (Financial Accountant – Additional member). Mokoena DF (Principal - College Employee). Van Heerden A (Secretary and College Employee). Letsoalo SM (College Employee). Mokale AT (College Employee) . Ramaru MS (College Employee) Sethubogeng K (Ms) (SRC Secretary). Mathye MG (Ms) Freelancing - Additional Member) Tawana A (SRC President)
Audit Committee	I Carrim - Group Financial Controller at Glencore. W Fourie - Chartered Accountant at DVS Chartered Accountants. R Kgalaki - Deputy Director: Governance, Performance and IT Audit . APC Mangoma - Audit, Risk and and IT Audit Consultant. MG Mathye - Freelancing. DF Mokoena - Principal at ORBIT TVET College.

Figures in Rand	2023	2022

36. Related parties (continued)

Members of key management

DF Mokoena - Accounting Officer/Principal.
SM Matjiane - Deputy Principal: Corporate Services.
TJ Mosito - Deputy Principal: Academic.
TM Sebaetse - Deputy Principle Finance
Dr JCH Viljoen - Acting Deputy Principle Innovation
Ms T Tlhopile - Acting Deputy Principal Academic

Related party balances

Related Party Balances included in trade and other payables		
NSFAS	37 062 700	40 585 799
INSETA	1 131 128	221 402
ETDP SETA	151 664	-
FOODBEV SETA	63 300	-
W&RSETA	4 822 060	-
MERSETA	1 268 590	1 268 590
AGRI SETA	410 725	-
Related Party Balances included in trade and other receivables		
EWSETA	84 515	84 518
FOODBEV SETA	-	21 420
W&RSETA	237 925	45
MERSETA	210 000	-

Related party transactions

Government Grants and Subsidies Received:		
Department of Higher Education and Training - Services In-Kind	175 003 682	171 266 773
Department of Higher Education and Training - Programme Funding	71 833 968	67 954 228
Department of Higher Education and Training - Centre of Specialisation	64 938	56 907
National Skills Levy	887 881	2 244 990
Department of Higher Education and Training - CIEG	3 417 734	9 590 378

Notes to the Annual Financial Statements

Figures in Rand

36. Related parties (continued)

Remuneration of management

Management

2023

Name	Basic salary	Other benefits received	Total
Mokoena DF - Accounting Officer/Principal	824 215	393 443	1 217 658
Matjiane SM - Deputy Principal Corporate Services	762 389	309 563	1 071 952
Mosito TJ - Deputy Principal: Academic	448 847	269 727	718 574
Sebaetse TM - Deputy Principal: Finance	485 804	140 189	625 993
Viljoen JCH (Dr) - Acting Deputy Principle Innovation	63 595	24 849	88 444
Tlhopile T (Acting Deputy Principle Academic	59 306	18 341	77 648
	2 644 156	**1 156 112**	**3 800 269**

2022

Name	Basic salary	Other benefits received	Total
Mokoena DF - Accounting Officer/Principal	776 461	390 989	1 167 450
Matjiane SM - Deputy Principal Corporate Services	706 151	309 131	1 015 282
Mosito TJ - Deputy Principal: Academic	721 847	391 058	1 112 905
	2 204 459	**1 091 178**	**3 295 637**

External audit members remuneration

2023

	Meetings attended for the period	Meeting fees	Total

Notes to the Annual Financial Statements

Figures in Rand

36. Related parties (continued)

Name				
Fourie W	Four (4)		10 476	10 476
Mangoma APC	Seven (7)		24 678	24 678
		-	**35 154**	**35 154**

2022

	Meetings attended for the period		Meeting fees	Total
Name				
Carrim I	Two (2)		3 929	3 929
Fourie W	Five (5)		11 095	11 095
Mangoma APC	Two (2)		6 476	6 476
		-	**21 500**	**21 500**

Figures in Rand	2023	2022

37. External Councillors Remuneration

External Counillors

2023

	Meetings Attended for the Period		Meeting Fees	Travel and Subsistence	Total
Dubazana TC	Six (6)	-	18 252	-	18 252
Moloantoa K	Twenty nine (29)	-	176 923	1 594	178 517
Bogopa MB	Twenty four (24)	-	87 780	1 362	89 142
Magolego PM	Twenty eight (28)	-	108 530	7 493	116 023
Singh R	Seven (7)	-	22 140	-	22 140
Molope M	Eleven (11)	-	36 423	-	36 423
		-	-	-	-
Mathye MG	Eighteen (18)	-	71 799	3 859	75 658
		-	-	-	-
			521 847	**14 308**	**536 155**

2022

	Meetings Attended for the Period		Meeting Fees	Travel and Subsistence	Total
Duduzana TC	Two (2)		-	5 311	5 311
Moloantoa K	Thirty five (35)		147 001	7 547	154 548
Bogopa MB	Twenty three (23)		69 505	2 021	71 526
Lefophane MH	One (1)		-	3 197	3 197
Magolego PM	Thirty seven (37)		113 544	13 589	127 133
Mangoma APC	Eight (8)		22 437	776	23 213
Singh R	Six (6)		13 689	-	13 689
Molope M	Twelve (12)		36 065	1 826	37 891
			-	-	-
			-	-	-
Mathye MG	Twenty (20)		60 694	9 585	70 279
		-	**462 935**	**43 852**	**506 787**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

38. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2022

	As previously reported	Correction of error	Restated
Other financial assets	102 204 673	(8 919 845)	93 284 828
Cash and Cash Equivalents	375 803 396	9 033 239	384 836 635
Receivables form exchange transactions	47 950 783	7 808 289	55 759 072
Property, plant and equipment	161 675 459	11 601 365	173 276 824
Trade and other Payables from exchange transactions	(101 931 848)	(2 063 022)	(103 994 870)
Accumulated Surplus	(599 025 871)	(17 460 026)	(616 485 897)
	-	-	-

Statement of financial performance

2022

	As previously reported	Correction of error	Restated
General expenditure	(98 795 717)	(114 418)	(98 910 135)
Finance cost	(1 129 731)	193 432	(936 299)
Interest received - investment	17 666 802	113 394	17 780 196
Surplus for the year	**-**	**192 408**	**-**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

38. Prior-year adjustments (continued)

Nature of error

Other financial assets
The increase is as a of interest earned in the prior year not recorded. The unrecorded interest was recorded in the current year. In addition a reclassification of a matured investment between Other Financial Assets and Cash and Cash Equivalents.

Cash and cash equivalents
A reclassification of a matured investment between Other Financial Assets and Cash and Cash Equivalents.

Receivables form exchange transactions

The adjustment relates to corrections to student accounts of over and underallocations as a result of updated NSFAS allocations received by the college. This updated information resulted in the adjustment to the provision for doubtful debt balance account to ensure that the student and other receivable listing agree to the accounting records.

Property, Plant and Equipment

The adjustment is a result of depreciation corrections resulting from movable asset movement adjustments, movable assets found and recording of the depreciation and impairment, opening balance adjustments and work in progress incorrectly accounted for.
In addition Buildings - Work in Progress was reversed to repairs and maintenance after subsequent assessment performed on the amounts incurred that did not meet the definition of an asset. The adjustment also decreased the reported Accumulated Surplus.
Management revised the remaining useful life of assets that was fully depreciated. This adjustment resulted in a increase of the carrying value in movable asset and an increase in accumulated surplus.

Trade and Other Payables from exchange transactions
The adjustments resulted from unsupported Bursary Liability transactions incorrectly recorded in the prior years. In addition, interest on provisions was adjusted as a result of incorrect calculation in prior years. The college also recognised accruals of rates charges from prior years that had not been provided for.

Accumulated surplus
The adjustments resulted from unsupported Bursary Liability transaction incorrectly recorded in the prior years. In addition, interest on provisions was adjusted as a result of incorrect calculation in prior years. The college also recognised accruals of rates charges from prior years that had not been provided for.
The interest earned in the prior year not recorded. The unrecorded interest was recorded in the current year
The adjustment relates to corrections to student accounts of over and underallocations as a result of updated NSFAS allocations received by the college. This updated information resulted in the adjustment to the provision for doubtful debt balance account to ensure that the student and other receivable listing agree to the accounting records.

Interest received - Investments

The increase is as a of interest earned in the prior year not recorded. The unrecorded interest was recorded in the current year.

Finance costs
Interest on provisions was adjusted as a result of incorrect calculation in prior years.

General expenses
The college recognised accruals of rates charges from prior years that had not been provided for.

Financial instrument disclosure

Under the financial instruments disclosure included in the notes, the prior year disclosure changed to be disclosed as fair value in stead of amortised cost as disclosed in the prior year.

Contingent Liabilities Disclosure

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

38. Prior-year adjustments (continued)
In the prior year the following two cases were omitted from the contingency disclosure note:

Case 2:
Rustenburg Local Municipality. The college is disputing a the municipal water charges with respect to billings charged for a community recreational facility not benefitting the college. The amount in dispute is R955 620.

Case 3:
Moses Kotane Local Municipality: There are rates and interest charges that have been levied against the College's account that management believes to be incorrectly applied with respect to tariffs. The amount in dispute is R26 467 660.

Related Parties

Department of Higher Education - Services in-kind. Receipts from DHET relating to payments of management fee amounting to R171 266 773 had not been separately disclosed in the Related Parties Disclosure Note in 2022.

Figures in Rand	2023	2022

39. Risk management

Financial risk management

As a result of its operational activities, Orbit TVET college is exposed to a variety of financial risks, namely, market risk (fair value interest rate risk & cash flow interest rate risk); credit risk and liquidity risk. .

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 and to balance between actual and budgeted operating expenses. Budgets are prepared annually, taking into account the yearly government funding allocations to the college. Management also monitors borrowing facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

At December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	104 194 087	16 358 691	-	-
Finance lease obligations	22 800	-	-	-

At December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Unspent conditional grants and receipts	64 938	-	-	-
Trade and other payables	109 903 636	11 654 054	-	-
Finance lease obligations	326 295	22 078	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The college's financial services providers are major banks, that are independently reviewed from credit ratings agencies regularly. This therefore limits exposure to credit risk by any counter party.

Trade receivables comprise a widespread customer base. Management evaluated 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, risk control 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 board. The utilisation of credit limits is regularly monitored.

Provision for impairment is recognised for all receivables, in accordance with GRAP 104 Financial Instruments, and is monitored at the end of each reporting period. In addition, receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

For cash balances the exposure at default is considered to be the outstanding balance at year end as this is the amount that is exposed. The current ratings for banks is Baa3 (Moody's) and zaAA (Standard &Poor) and indicates that banks is stable and taking into account the historic date on ratings and probabilities of default.

Financial assets exposed to credit risk at year end were as follows for each financial asset classes:

Financial instrument	2023	2022
Cash and Cash Equivalents	423 845 456	384 836 635
Other financial assets	103 316 928	93 284 828
Receivables from Non-Exchange Transactions	14 818 268	19 317 933
Receivables from exchange transactions	53 648 434	55 759 072

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

39. Risk management (continued)

No collateral is held in regards to any financial asset of ORBIT TVET College.

The College has no significant concentrations of credit risk. For banks and financial institutions, only independently rated parties are accepted and the College have policies in place to ensure that credit exposure to any one institution is limited. It also has policies in place to ensure that rendering of education service are made to students with an appropriate credit history. Receivables comprise of outstanding student loans and a number of customers dispersed across different industries and geographical areas. The College is exposed to credit risk arising from student receivables related to outstanding fees and loans. This risk is mitigated by requiring students to pay an initial installment in respect of tuition and accommodation fees at registration, the regular monitoring of outstanding fees, the institution of debt collection action in cases of long outstanding amounts. In addition, students with outstanding balances from previous years of study are only permitted to renew their registration after either the settling of the outstanding amount or the conclusion of a formal arrangement. The College assists a limited number of financially needy students with loans. Although this represents a credit risk, the risk is mitigated in view thereof that the loans are secured by means of requesting two sureties per agreement. Credit valuations are performed on the financial condition of customers other than students.

Market risk

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.

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices.

Market risk reflects interest rate risk.

No formal policy exists to hedge volatilities in the interest rate market and no interest rate swaps are entered into to mitigate the risk of rising interest rates.

There has been no change to the company's exposure to market risks or the manner in which it manages and measures the risk.

The entity's most significant interest rate risk relates to financial liabilities that arise from finance lease obligations. These are issued at the rate implicit to the lease and expose the college to cash flow interest rate risk. The rates vary between 7,25% - 10,50%.

Scenarios are run only for liabilities that represent the major interest-bearing positions. Base on the simulations performed, the impact on profit of a 0.25% shift would be a maximum increase of R95 or 2022 R38 773 , respectively. The simulation is done on a yearly basis to verify that the maximum loss potential is within the limit given by the management.

Price risk

The College is not exposed to price risk since no listed securities are held by the college and the college has no financial assets available for sale.

Post-tax surplus for the year would increase/decrease as a result of gains or losses on equity securities classified as at fair value through surplus or deficit. Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available-for-sale.

40. Going concern

We draw attention to the fact that at 31 December 2023, the college had an accumulated surplus of R 648 122 730 and that the college's total assets exceed its liabilities by R 648 122 730.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

40. Going concern (continued)

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the college to continue as a going concern is dependent on a number of factors. The most significant of these is that the council continue to procure funding for the ongoing operations for the college.

41. Events after the reporting date

No material non-adjustment events occurred after the reporting date.
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42. Segment information

General information

Identification of segments

The entity's reporting systems don't currently support segment reporting as the operations are not set up based on the geographical locations of the 3 campuses, hence, the information to report on segments is not available and not reported as such to management for performance purposes.

Thus, in terms of GRAP 18 requirements relating to segments the following does not apply:

1) Results are not regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance;
2) Separate financial information / reporting is not available.