higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

ORBIT TVET COLLEGE
ANNUAL PERFORMANCE REPORT
2021

Department of Higher Education and Training, Pretoria

TABLE OF CONTENTS

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 2021 aims to present and showcase the performance and achievements of ORBIT TVET College during the 2021 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

AA & CC	Annual Awards & Certification Ceremony
AB	Academic Board
AGSA	Auditor General of South Africa
ASB	Accounting Standards Board
ARC	Audit and Risk Committee
ASO	Academic Support Officer
BDI	Business Development and Innovation
BMS	Business Management System
BS	Business Studies
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sports Sector Education and TRAINING Authority
CET Act No.16 of 2016	CET Act
CETA	Construction Education and Training Authority
CoC	Certificate of Competence
CoECOM	Conditions of Employment Committee
CoS	Centres of Specialisation
COVID-19	Corona Virus Disease/ 2019 novel coronavirus
DHET	Department of Higher Education and Training
ECD	Early Childhood Development
ES	Engineering Studies
ETDP SETA	Education, Training and Development Practices Sector and Training Authority
ETU	Education and Training Unit
EW SETA	Energy and Water Sector Education and Training Authority

FASSET	Finance and Accounting Services Sector Education and Training Authority
FINCOM	Finance Committee
FTE	Full Time Equivalent
GRAP	Generally Recognised Accounting Practice
HEI	Higher Education Institution
HIRA	Hazard Identification and Risk Assessment
HoD	Head of Department
ICASS	Integrated Continuous Assessment
IPSAS	International Public Sector Accounting Services
ISAT	Integrated Summative Assessment Tasks
ISO9001:2008	International Quality Standard of the International Organisation for Standardisation
LAN	Local Area Network
MANCO	Management Committee
MerSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MICT	Media, Information and Communication Technologies Sector Education and Training Authority
MIS	Management Information System
MQA	Mining Qualifications Authority
NAFBI	National African Federation for the Building Industry
NAMB	National Artisan Moderation Body
NATED	National Department of Education Report 190/191 Programmes
NC	National Certificate
NC(V)	National Certificate (Vocational)
NEETs	Not in Employment, Education, nor in Training
NQF	National Qualifications Framework
NSC	National Senior Certificate
NSDS	National Skills Development Strategy
NSFAS	National Student Financial Aid Scheme
NTC	National Technical Certificate

PAL	Peer Academic Leaders
PLP	Pre-learning Programme
PPN	Post Provisioning Norms
PRC	Planning and Resource Committee
PRO	Public Relations Officer
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
SETA	Sector Education and Training Authority
SNE	Students with Special Needs for Education
SoP	Schedule of Particulars
SRC	Student Representative Council
SSO	Student Support Officer
THETA	Tourism, Hospitality and Sport Education and Training Authority
TVET	Technical and Vocational Education and Training
SSS	Student Support Services
Umalusi	Quality Assurance Body for the General and Further Education and Training Sectors in South Africa
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)

PART A: GENERAL OVERVIEW

3. MESSAGE FROM THE COUNCIL CHAIRPERSON

The South African Constitution provides a vision of a united, prosperous, non-racial and non-sexist society; a country that belongs to all who live in it, united in its diversity. The constitution obliges the government to heal the divisions of the past, recognising that South Africa emerged from a system where a majority of its citizens were denied opportunities. This vision has been more difficult in periods of slower economic growth. Achieving it requires the confluence of several factors contained in the National Development Plan (NDP).

According to the NDP, fulfilling the vision will be greatly aided by a developing economy, increasing employment and incomes, decreasing inequality, improving the educational system, and creating favourable conditions for entrepreneurship and career mobility. While the achievement of the vision requires progress on a broad front, two priorities stand out:

- raising employment through faster economic growth and;
- improving the quality of education, skills development and innovation.

The Bureau for Economic Research (BER) has published a report reflecting on South Africa's challenges as the government battles to meet the two aforementioned priority areas. After a decade of slow growth, the economy was already in a precarious state when the nation was hit by the COVID-19 pandemic. Real GDP growth is forecast to remain below 2% in 2023 and 2024, a rate that is not sufficient to address the challenges of unemployment and skills development. The employment data for the third quarter of 2021 were released by Statistics South Africa. At 35.3%, it is common knowledge that South Africa is amongst the countries with the highest rate of unemployment in the world. Even more concerning, with a rate of over 50%, is the youth unemployment rate. With the rise of digital transformations and artificial intelligence disrupting industries, many jobs may no longer exist in future, especially for the youth, even more so for those who come from underprivileged backgrounds.

The Technical and Vocational Education and Training (TVET) College environment is marked by increasingly stark juxtapositions between what has to be accomplished in the post-school education sector and the escalating difficulty of socio-economic challenges mentioned above. Expectations are high that the TVET Colleges can make a pivotal contribution to counter these challenges. Higher Education, Science and Innovation Minister, Dr Blade Nzimande stated that

South Africa needs at least 60% of school leavers to pursue artisanal type training to meet the country's demand for scarce skills. TVET College enrolments have been increasing rapidly over the past few years, and this growth is envisaged to continue to address the country's acute skills shortages. The primary objective of TVET institutions is to prepare students for employment and/or self-employment; and, as a result, they establish and preserve strong working partnerships with employers in a range of learning areas. Such collaborations offer chances for work-integrated learning, placement of students when they graduate from college, and give staff members regular workplace experience to keep them up to date on industry advancements.

Proper governance, management, leadership and systems at both college and campus levels are preconditions for optimal institutional functionality. South Africa has some of the most globally renowned corporate governance frameworks in the world. The governance of the college is dependent on all its stakeholders playing their part.

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K MOLOANTOA (Dr)

CHAIRPERSON OF COUNCIL

4. THE ACCOUNTING OFFICER'S FOREWORD

I am delighted to be penning down my message after having received Auditor General South Africa audit opinion for ORBIT College for the year 2021. The unqualified audit opinion was the result of dedicated efforts by men and women in governance, management and staff and a sustained harmonious working relationship between the College Council and Management.

Throughout 2021, management made high quality submissions to sub committees of Council, which, in turn, enabled the sub committees to make sound recommendations to the College Council for approval. Policy recommendations that were submitted for Council ratification included, amongst others, submissions related to the Language Policy, Supply Chain Management Policy and Human Resource Development Policy. The apex of these policies was to maintain the institutional culture of a student-centered learning environment.

The College Academic Board applied its mandate by knitting a relevant Programmes Qualification Mix (PQM). The Report 191 Human Resource qualification was phased out and a new programme with high currency value was introduced in its place. The outstanding Centre of Specialisation (CoS) programme continued to attract students in the trades of both Diesel Mechanic and Electrical Engineering. Amid the continued challenges that the COVID-19 pandemic and periods of lockdown imposed during 2021, the College staff and students managed to adapt and implement academic support strategies that ultimately culminated into a total of 313 NCV graduates and 119 National N Diplomandi meeting the requirements of their respective qualifications, allowing them to graduate successfully.

The College managed to foster, maintain and strengthen its partnership base that has been growing over the years, especially with the mining industry, surrounding the College. The critical role that SETAs have played in rolling out the CoS programme must be acknowledged, more specifically with regards to obtaining approval from workplaces to accept CoS apprentices to complete their qualifications.

The College financial income remained stable throughout 2021, with government subsidies remaining the main source of income. However, this financial stability is not likely to continue given the existing economic challenges and the sharp decline of tax receipts due to the global COVID-19 pandemic. In addition, students' historical debt poses another risk to sustainable financial stability. The current high level of historic debt experienced by the College poses a challenge in terms of meeting strategic objectives and calls for urgent strategies to be implemented to allow the College to balance its financial income with its operational requirements.

In conclusion, I would like to express my profound gratitude to the Chairperson of the College Council for his leadership. I would also like to express my immense gratitude to the Audit and Risk Committee for their labour in monitoring the Annual Financial Statements. I would also like to extend my sincere appreciation to the Regional Manager of North West and Mpumalanga Region, Dr Nick Balkrishen, for his continued support to the Management team of ORBIT TVET College. Last, but not least, this unqualified audit opinion could not have been achieved without the efforts of Senior Management, Management, staff and the Student Representative Council (SRC) of ORBIT TVET College.

To all of you, I extend my deep appreciation.

DF MOKOENA

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 2021

DF MOKOENA
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*.

PART B: 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 2021 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	Appointed 16 April 2019
Kabini Z (Ms)	Ministerial Appointee Section 10 (4) (b) member Chairperson of Conditions of Employment Committee	Appointed 1 May 2020, backdated to 16 April 2019 Resigned in May 2021
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
Mangoma APC (Ms)	Section 10 (6) Additional member appointee Chairperson of Audit and Risk Committee	Appointed on 16 April 2019
Mathye MG (Ms)	Section 10 (6) Additional member appointee Chairperson of Planning and Resource Committee	Appointed 16 April 2019
Mokoena DF	Internal Member Section 10 (4) (a) member Principal of College	
Matjiane MS	Internal invitee Deputy Principal Corporate Services of College	
Mosito TJ	Internal invitee Deputy Principal Academic Programmes and Student Support Services of College	
Mokhethi T	Internal invitee Deputy Principal Finance of College	Passed away in January 2021
Senekal S	Internal Invitee Acting Deputy Principal Finance of College	Appointed 1 March 2021

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
Mamaile L (Dr)	Ministerial Appointee Section 10(4) (b) member	Appointed 1 May 2020 and passed away January 2021
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
Baloyi K (Ms)	Section 10 (4) (g) SRC President	Term started October 2020 SRC membership was terminated according to Section 17.4 of SRC Constitution.
Metsieme K (Ms)	Section 10 (4) (g) SRC President	Term started February 2021 Replaced Ms Baloyi as SRC President after SRC bi-elections held in February 2021
Matshatsha K (Ms)	Section 10 (4) (g) SRC Secretary	Term started October 2020 Ms Matshatsha was elected as SRC Deputy-Secretary with SRC bi-elections held in February 2021
Moraka K (Ms)	Section 10 (4) (g) SRC Secretary	Term started February 2021 Replaced Ms Matshatsha as SRC Secretary after SRC bi-elections held in February 2021

7.1.2 COUNCIL SUB-COMMITTEES

Audit and Risk Sub-committee members

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP
Mangoma P (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
Senekal S	Internal invitee Acting 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 of College
Tshabangwe M	Internal invitee Internal Audit and Assurance Manager of College

[1] Mr Senekal was appointed as Acting Deputy Principal Finance on 1 March 2021 after Mr Mokhethi passed away in January 2021

Finance Sub-committee members

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP
Bogopa B	Ministerial Appointee Section 10(4) (b) member Chairperson of Finance Sub-committee
Mathye MG (Ms)	Section 10 (6) Additional member appointee
Singh R	Section 10 (6) Additional member appointee
Mokoena DF	Internal Member Section 10 (4) (b) member Principal of College
Senekal S[1]	Internal invitee Acting Deputy Principal Finance of College
Visser M (Ms)	Internal Invitee – Finance Manager of College

[1] Mr Senekal was appointed as Acting Deputy Principal Finance on 1 March 2021 after Mr Mokhethi passed away in January 2021

Conditions of Employment sub-committee members

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP
Z Kabini (Ms)[1]	Ministerial Appointee Section 10(4) (b) member Chairperson of conditions of employment committee
P Magolego[2]	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
G Mafojane	Internal invitee – Human Resource Manager of College
MS Matjiane	Internal invitee Deputy Principal Corporate Services of College
DF Mokoena	Internal Member Section 10 (4) (a) member Principal of College

1 Ms Z Kabini resigned in May 2021
2 Mr P Magolego replaced Ms Kabini as Chairperson of conditions of employment committee in May 2021

Planning and Resource sub-committee members

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP
Mathye MG (Ms)	Section 10 (6) Additional member Appointee Chairperson of planning and resource committee
Bogopa B	Ministerial Appointee Section 10(4) (b) member
Dubazana T	Section 10 (6) Additional member appointee
Magolego P	Section 10 (4) (d) Donor Appointee
Senekal S[1]	Internal invitee Acting Deputy Principal Finance of College
Mokoena DF	Internal Member Section 10 (4) (b) member Principal of College (Appointed June 2018)
Matlou P	Internal invitee Business Development and Innovation Manager of College
Merementsi A	Internal invitee Capital Infrastructure & Efficiency Grant Project Manager of College

[1] Mr Senekal was appointed as Acting Deputy Principal Finance on 1 March 2021 after Mr T Mokhethi passed away in January 2021

Council Members serving on the Academic Board

SURNAME & INITIALS	DESIGNATED FUNCTION AND MEMBERSHIP
Lefophane MH (Dr)	Ministerial Appointee Section 10 4) (b) member
Mathye MG (Ms)	Section 10 (6) Additional member appointee

7.1.3 APPOINTMENTS MADE IN 2021 IN TERMS OF SECTIONS 10 (4) AND 10(6) OF THE CET ACT

There following appointments were made on the ORBIT TVET College Council in 2021:

NAME	ROLE
Dr M Molope	Ministerial Appointee Section 10 (4) (b) Dr Molope was appointed as member of council on 1 August 2021, replacing Dr Mamaile who passed away in January 2021
Prof. K Ramdass	Ministerial Appointee Section 10 (4) (b) Prof. Ramdass was appointed as member of council on 1 August 2021, replacing Ms Kabini who resigned in May 2021

7.1.4 MEETINGS HELD BY COUNCIL IN 2021

EXCO Meetings	
Date of Meeting	**Type of Meeting**
23 March 2021	Virtual General Meeting 1 of 2021
15 June 2021	Virtual General Meeting 2 of 2021
14 September 2021	Virtual General Meeting 3 of 2021
23 November 2021	Virtual General Meeting 4 of 2021

Council Meetings	
Date of Meeting	**Type of Meeting**
17 February 2021	Virtual Special Meeting 1 of 2021
31 March 2021	Virtual General Meeting 1 of 2021
30 June 2021	Virtual General Meeting 2 of 2021
28 September 2021	Virtual General Meeting 3 of 2021
30 November 2021	General Meeting 4 of 2021

Other Council Meetings	
Date of Meeting	**Purpose of Meeting**
19 May 2021	Virtual Graduation Ceremony
29 September 2021	Mankwe Campus site visit
30 September 2021	Brits Campus site visit
13 August 2021	Virtual Meeting with AGSA
18 August 2021	Virtual Special Meeting with AGSA
09 November 2021	Rustenburg Campus site visit

Audit and Risk Sub-Committee Meetings	
Date of Meeting	**Type of meeting**
09 March 2021	Virtual General Meeting 1 of 2021
24 March 2021	Virtual Special Meeting 1 of 2021
29 March 2021	Virtual Special Meeting 2 of 2021
08 June 2021	Virtual General Meeting 2 of 2021
09 September 2021	Virtual General Meeting 3 of 2021
19 November 2021	Virtual General Meeting 4 of 2021

Finance Sub-Committee Meetings	
Date of Meeting	**Type of Meeting**
02 March 2021	Virtual General Meeting 1 of 2021
01 June 2021	Virtual General Meeting 2 of 2021
31 August 2021	Virtual General Meeting 3 of 2021
17 November 2021	Virtual General Meeting 4 of 2021

Conditions of Employment Sub-Committee Meetings	
Date of Meeting	**Type of Meeting**
05 February 2021	Virtual Special Meeting 1 of 2021
16 February 2021	Virtual General Meeting 1 of 2021
18 May 2021	Virtual General Meeting 2 of 2021
17 August 2021	Virtual General Meeting 3 of 2021
04 November 2021	Virtual General Meeting 4 of 2021

Planning and Resource Sub-Committee Meetings	
Date of Meeting	**Type of Meeting**
08 February 2021	Virtual Special Meeting 1 of 2021
23 February 2021	General Meeting 1 of 2021
25 May 2021	Virtual General Meeting 2 of 2021
24 August 2021	Virtual General Meeting 3 of 2021
03 September 2021	Virtual Special Meeting 2 of 2021
09 November 2021	General Meeting 4of 2021

Academic Board Meetings	
Date of Meeting	**Type of Meeting**
09 February 2021	Virtual Academic Board Meeting 1 of 2021
11 May 2021	Virtual Academic Board Meeting 2 of 2021
13 August 2021	Virtual Academic Board Meeting 3 of 2021
20 August 2021	Virtual Extended Academic Board Meeting 3 of 2021
02 November 2021	Virtual Academic Board Meeting 4 of 2021

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.

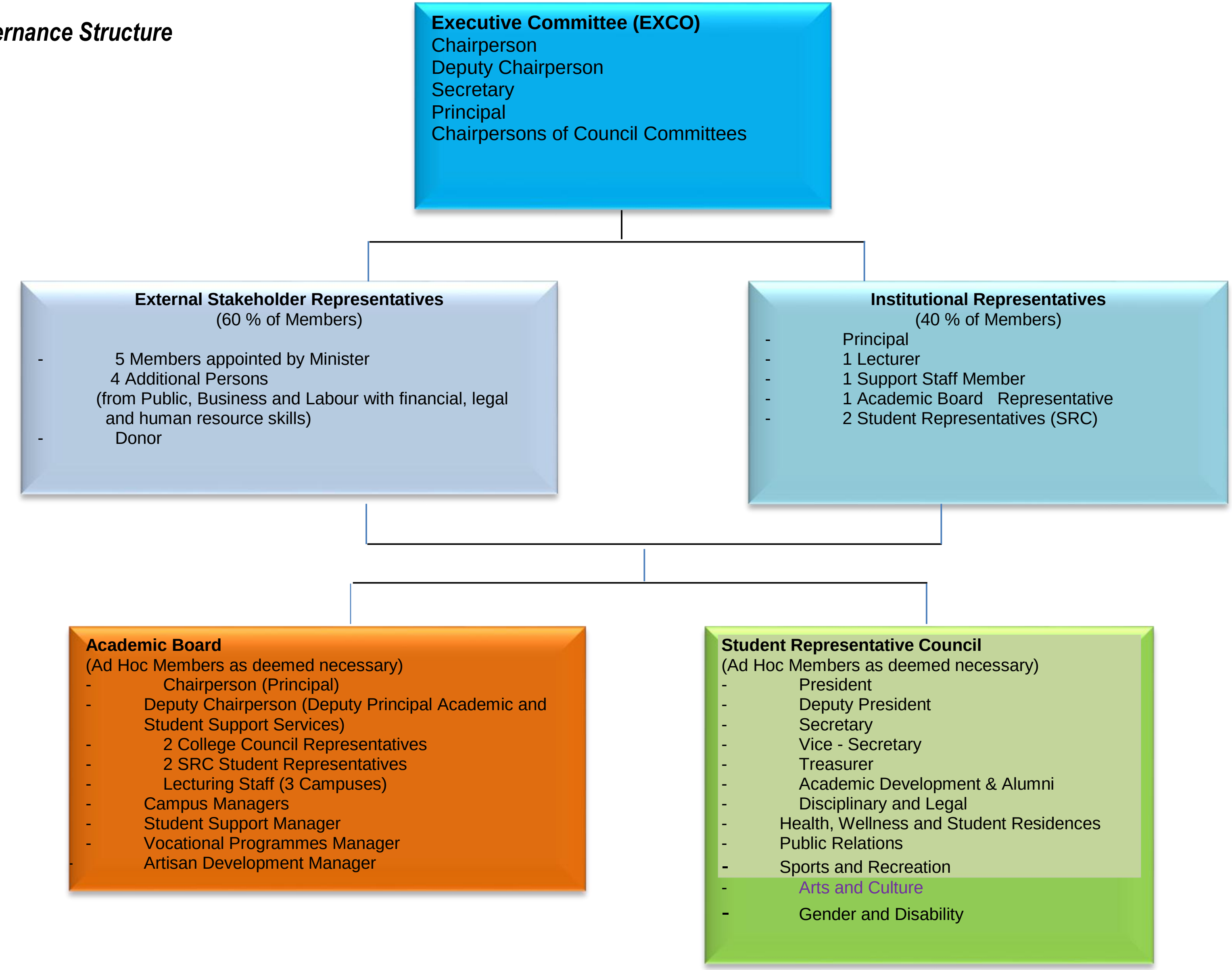
7.1.5.2 Composition of Council

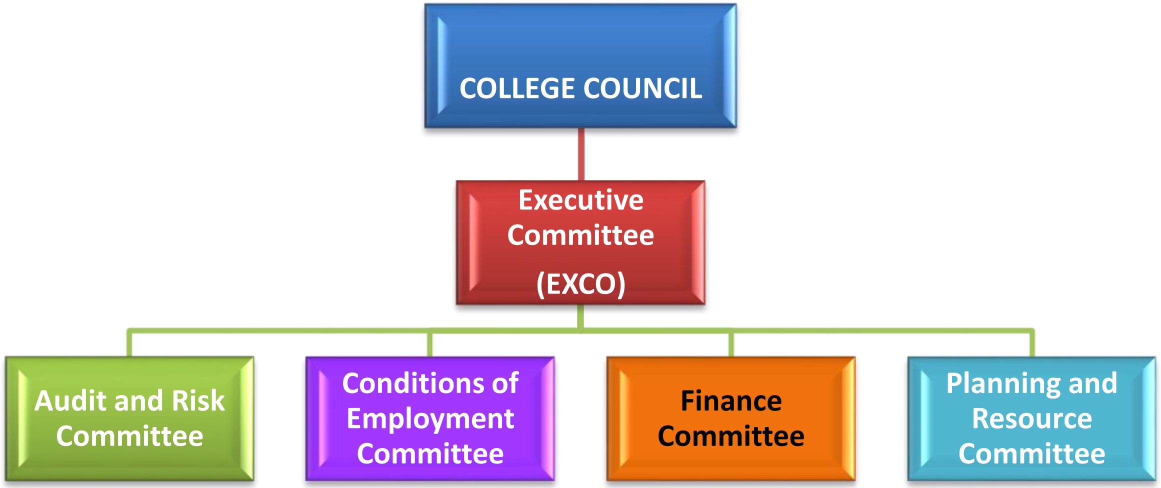
The Council, as contemplated in section 10(4) of the Act, consists of –

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, Vice-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 HR Manager)

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 members namely the Finance Manager)

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 Supply Chain Manager)

7.1.5.4 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 time 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 2021

7.2.1.1 TERMS OF REFERENCE

In terms of section 25 of the Continuing Education and Training 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 2021.

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, four meetings were held.

Member	Role	Meetings held	Meetings attended
Mr B Bogopa	Member	4	4
Ms MG Mathye	Member	4	4
Mr R Singh	Member	4	4
Mr DF Mokoena	Member	4	4
Mr S Senekal[1]	Member	4	4
Ms M Visser	Invitee	4	4

[1] Mr Senekal was appointed as Acting Deputy Principal Finance on 1 March 2021 after Mr T Mokhethi passed away in January 2021

7.2.1.3 FINANCE COMMITTEE RESPONSIBILITY

As at the 31 December 2021 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's 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 Learners 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's Finance Unit for their support to the FINCOM during the year under review.

MB BOGOPA
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 2021

7.2.2.1 TERMS OF REFERENCE

The Conditions of Employment Committee (HRCOM) has been established as an independent Committee, in terms of section 25 of the Continuing Education and Training 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 2010.

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
Mr B Bogopa	Member	4	4
Mr T Dubazana	Member	4	4
Ms Z Kabini[1]	Member	1	1
Mr G Mafojane	Invitee	4	4
Mr P Magolego	Member	3	3
Mr MS Matjiane	Member	4	4
Mr DF Mokoena	Member	4	4

1 Ms Z Kabini was appointed as a member of Council in May 2020 and resigned May 2021

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 HRCOM during the year under review.

PM MAGOLEGO
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 2021

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 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 2021.

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, eight 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
Mr. I. Carrim	External Member	6	3
Ms W. Fourie	External Member	6	6
Mr R. Kgalaki	External Member	6	5
Ms P. Mangoma	Council Member	6	5
Mr SM Matjiane	Invitee	6	2
Mr D Mokoena	Member	6	6
Mr S Senekal	Invitee	6	6
Mr M Tsabangwe	Invitee	6	6

[1] Mr Senekal was appointed as Acting Deputy Principal Finance on 1 March 2021 after Mr T Mokhethi passed away in January 2021

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 2021. 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:

a. compliance with legislation, regulations, policies and procedures;
b. the design and implementation of adequate controls; and
c. 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 2021 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 2021. The 2021 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 students 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.

APC MANGOMA (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 2021

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 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 2021.

7.2.4.2 PLANNING AND RESOURCE COMMITTEE MEMBERS AND ATTENDANCE

The Committee's Terms of Reference requires 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
Mr MB Bogopa	Member	4	4
Mr T Dubazana	Member	4	4
Mr P Magolego	Member	4	4
Ms MG Mathye	Member	4	4
Mr P Matlou	Invitee	4	4
Mr A Merementsi	Invitee	4	4
Mr D Mokoena	Member	4	4
Mr S Senekal	Member	4	4

[1] Mr Senekal was appointed as Acting Deputy Principal Finance on 1 March 2021 after Mr T Mokhethi passed away in January 2021

7.2.4.3 PLANNING AND RESOURCE COMMITTEE RESPONSIBILITY

The P&RComm 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 P&RComm 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. <u>Overseen the execution of capital projects, including that</u>:

   i. each project meets the strategic and technical specifications and deliverables.
   ii. all project-related risks have been identified and mitigated.
   iii. critical decisions, project parameters and governance processes are followed and addressed prior to committing funds.
   iv. 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. Overseen 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 P&RComm 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.

7.2.4.6 APPRECIATION

The P&RComm 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.

MG MATHYE MG (MS)
CHAIRPERSON: PLANNING AND RESOURCE COMMITTEE

7.3 REPORT OF THE ACADEMIC BOARD TO THE COUNCIL OF ORBIT COLLEGE FOR THE YEAR ENDED 31 DECEMBER 2021

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 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 2021.

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 is:

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
Metsieme K	SRC President	4	4
Thamae T	Academic Development and Alumni Representative of the SRC	4	0
Kgaboesele	Campus Manager Rustenburg Campus	4	4
Lefophane HM	Council Representative	4	4
Letsoalo SM	NC(V) Engineering Studies Rustenburg Campus	4	4
Lupuwana LG	NC(V) Business and General Studies Brits Campus	4	4
Mathye MG (Ms)	College Council Representative	4	4

Kekana S[1]	Acting Student Support Services Manager ORBIT TVET College	4	4
Mokoena DF	Principal ORBIT TVET College	4	4
Molapi W	Acting Mankwe Campus	4	4
Molefe TG	Occupational Programmes Rustenburg Campus	4	4
Molele BS (Ms)	NC(V) Business and General Studies Rustenburg Campus	4	4
Mosito TJ	Deputy Principal Academic Programmes and Student Support Services	4	4
Phiri KA	Report 191 Engineering Studies Brits Campus	4	4
Tlhopile T (Ms)	Campus Manager Brits Campus	4	4

[1] Mr Kekana has been acting as Student Support Services Manager since Ms Modiba's resignation in 2020.

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.

DF MOKOENA
CHAIRPERSON: ACADEMIC BOARD

7.4 STUDENT REPRESENTATIVE COUNCIL REPORT FOR 2021

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 Colleges Act 16 of 2006 and the CET Colleges Amendment Act 3 of 2012 and the Continuing Education and Training (CET) College Act 16 of 2006 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, extra-curricular, social, cultural and extra-mural spheres.

7.4.2 SRC ELECTIONS

The SRC consists of 12 elected members at College level. The Committee is elected by a democratic process through a secret ballot and the process is led by an Independent Electoral company. Campus SRC Chairpersons stand for the position of president. The chairperson with the highest number of votes becomes President and the 2nd highest with votes becomes the deputy president. The 3rd Chairperson with the lowest number of votes will fill the position of Disciplinary and Legal Officer. The Campus Secretary with the highest number of votes becomes the Secretary - General, the second highest becomes the Vice-Secretary and the third becomes Gender and Disability officer. The rest of the Office Bearers of the SRC Executive Committee must be serving the same portfolios at campus level.

Office Bearers for the SRC Executive Committee are as follows:

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

vi. Academic Development & Alumni

vii. Disciplinary and Legal Officer

viii. Health & Wellness

ix. PRO

x. Sport & Recreation

xi. Arts & Culture

xii. Gender & Disability

Qualifying 2020 elected SRC members served as Interim SRC members for 2021. The structure was allowed to serve the students in 2021 until SRC elections are held. 2020 SRC elections were not held in February 2020 as it was planned due to internal challenges. The decision was supported by Management Board, Academic Board and Council. The elections for SRC 2020/21 was then conducted on 13 October 2020. There were only 11 elected members of the SRC after the elections as the other candidates did not meet the eligibility criteria. Out of the 11 elected SRC members 08 served at Executive level.

7.4.3 MEMBERS AND ATTENDANCE OF MEETINGS

SRC Executive Committee

No.	Member	Portfolio	Campus
1	Ms Kelebogile Baloyi	President	Brits
2	Ms Karabo Matsieme	Deputy President	Rustenburg
3	Ms Kwena Matshatsha	Secretary - General	Rustenburg
4	Mr Mokhutshwane Letlhogonolo	Deputy Secretary	Brits
5	Ms Sanah Segoto	Treasurer - General	Brits
6	Ms Diakanyo Sekhu	Academic Development and Alumni Officer	Mankwe
7	Mr Nkosipendule Gaonathebe	Disciplinary and Legal Officer	Mankwe
8	Ms Kelebogile Moraka	Gender and Disability Officer	Mankwe

SRC Non – Executive members

No.	Member	Portfolio	Campus
1	Ms Boitumelo Mfati	Treasurer	Rustenburg
2	Mr Tshepo Sikoane	Academic Development Officer	Rustenburg
3	Mr Joseph Mokhutswane	Secretary	Brits

7.4.4 REPRESENTATION ON OTHER BODIES

The **SRC President** (Ms Kelebogile Baloyi) and the **SRC Secretary** (Ms Kwena Matshatsha) served on the **College Council**.

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

Name	Portfolio	Committee
Ms Kelebogile Baloyi **Ms Karabo Matsieme** **Ms Sanah Segoto** **Ms Diakanyo Sekhu** **Ms Boitumelo Mfati**	President Deputy President Treasurer- General Mankwe Campus Treasurer Rustenburg Campus Treasurer	Financial Aid Committee of the College
Mr Nkosipendule Gaonathebe	Disciplinary and Legal Officer	Disciplinary committee for students
Ms Kelebogile Baloyi **Ms Diakanyo Sekhu**	President Academic Development Officer	Academic Board

SRC BI-ELECTIONS

The **SRC President** (Kelebogile Baloyi) and **Academic Development Officer** (Diakanyo Sekhu), SRC memberships were terminated as stipulated by Section 17.4 of the SRC Constitution. The below structure was then elected into office.

SRC EXECUTIVE REPRESENTATIVES 2021				
NAME	**SURNAME**	**DESIGNATION**	**PROGRAMME**	**CAMPUS**
Ms Karabo	Metsieme	President	IT L4	RTB
Mr Nkosi	Gaonathebe	Deputy President	TOURISM L4	MNK
Ms Kelebogile	Moraka	Secretary	TRNS & LOG L4	MNK
Ms Kwena	Matshatsha	Deputy Secretary	O ADMIN L4	RTB
Ms Ofentse	Modisane	Treasurer	TRNS & LOG L3	MNK
Mr Tumelo	Thamae	Academic Officer	MECH ENG N2	BRI
Mr Joseph	Mokhutshwane	Disciplinary & Legal Officer	MAN L4	BRI
Mr Thato	Serame	Wellness Officer	ERD L3	RTB
Mr Themba	Moyo	Public Relations Officer	MECH ENG N2	BRI
Mr Kaone	Melamu	Sport & Recreation Officer	O ADMIN L4	RTB
Ms Onkarabile	Bomvana	Arts & Culture Officer	FEA L3	RTB
Ms Sanah	Segoto	Gender & Disability Officer	MAN L4	BRI
COUNCIL REPRESENTATIVES				
Ms Karabo	Metsieme	PRESIDENT	IT L4	RTB
Ms Kelebogile	Moraka	SECRETARY	TRNS & LOG L4	MNK
Ms Karabo	Metsieme	PRESIDENT	IT L4	RTB
Mr Tumelo	Thamae	ACADEMIC	MECH ENG N2	BRI
Ms Karabo	Metsieme	PRESIDENT	IT L4	RTB

Ms Kelebogile	Moraka	SECRETARY	TRNS & LOG L4	MNK
Ms Ofentse	Modisane	TREASURER	TRNS & LOG L3	MNK
Mr Hluphi	Boshielo	TREASURER	CEBC L4	BRI
Ms Boitumelo	Mfati	TREASURER	FEA L3	RTB

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.

Guidance and mentorship are provided by Student Support Officers at the different campuses under the supervision of the Student Support Manager and Deputy Principal Academic Programmes and Student Support Services staff 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 was also used to cover administrative costs (stationery, phone calls, travelling costs). The treasurer handled all financial queries, processes and kept relevant records of income and expenditure.

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. However, a number of activities also involve the SRC as College Representative Body. Below is the College activity plan that was rolled out by the SRC during 2020/2021, most activities did not take place due to COVID - 19.

7.4.8. SRC ACTIVITY PLAN (COLLEGE)

ACTIVITY	DATE
Elections of the SRC	13 October 2020
Election of Executive Committee	15 October 2020
SRC Induction/Training in Governance and Leadership Development & Team building session	26 – 27 October 2020
SRC Executive meeting	11 November 2020
College Academic day	Did not take place
Roadshow to all sites	Did not take place

College Sports day (Game of Thrones Tournament)	Did not take place
SRC BI-ELECTION	24-26 February 2021
SRC Induction/Training in Governance and Leadership Development & Team Building session	04-07 March 2021
1x Meeting Per Quarter	

7.4.9 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.

7.4.10 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.

K METSIEME (Ms)
SRC PRESIDENT 2021

PART C: 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 2021.

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, Kgetleng 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 enter into Memorandums of Understanding (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 the above-mentioned enable ORBIT TVET College to respond meaningfully to the requirements of the economy, assist in addressing rural development challenges and contribute to the development of an informed and educated citizenry. Empowerment of out-of-school youth and alleviating poverty by skilling the youth and advancing their employability levels, are strategic goals that ORBIT TVET College strive to achieve on an annual basis. Hence the Programme Qualification Mix that is offed comprises:

- National Certificate Vocational NC(V) programmes
- Report 191 (NATED) programmes (Engineering Studies, Business Studies and General Studies)
- Learnerships and skills programmes – The College has programme approval from various SETAs to offer occupational/skills programmes which comply with industry standards

9.1 Artisan Development and Entrepreneurship Programmes

ORBIT College is the beneficiary of the Centres of Specialisation (CoS) Project funded by DHET and NSF to train prospective artisans in Electrical and Diesel Mechanic Trades. The Centres are located at Brits and Mankwe Campuses respectively. CoS projects officially commenced in 2020 when the respective Centres of Specialisation enrolled 30 Electrician apprentices and 60 Diesel Mechanic apprentices and a number of SLAs were signed with SETAs as well as business and industry partners. Due to the impact of the COVID-19 pandemic in 2020/2021 none of the enrolled apprentices managed to conclude their qualifications in 2021. The expectation is that the CoS project will deliver its first artisans in 2022.

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 Centre of Entrepreneurship support students who would like to establish their own businesses and provides support to local Small Medium Macro Enterprises (SMMEs).

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 2021. The Programmes Qualifications Mix (PQM) of the College included, amongst others, the following:

- Business Studies programmes such as Office Administration, Finance and Economics, HR Management, 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
- Art and Design Programmes in Jewellery Design and Manufacture
- Popular Music Performance
- Educare
- 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

The year 2021 came with its own challenges as the continued effects of the COVID 19 pandemic still hit across all spheres of our communities. The national lockdown was still imposed at intervals, continuously compelling the TVET College Sector to keep adjusting and aligning its academic strategy to allow students access to the curriculum and enough time to complete their studies. A rotational time table, staggered access approach and extended e-learning strategies were implemented to deal with the COVID-19 related challenges that kept haunting the college. The student academic portal MyOrbit that was established in 2020 to host academic material of all programmes offered at the College, continued to be expanded. Lecturers also received training on how to make use of the portal to assist their students. In addition to this, all lecturing staff were issued with laptops for remote access to teaching and learning schedules.

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 2021 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 marketing and recruitment activities included 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 participation in 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 Stakeholder Framework

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 2021.

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
Samsung	Placement and training of students
NAFBI	Placement of students
MTN	Placement of students
HyTelNW	Placement of students
Muelmed	Placement of students
MedForum	Placement of students
Government Departments	
Department of Rural Development	Automotive Repairs & Nail Technology
Department of Economic Development	SMME Development / Centre for Entrepreneurship
Department of Small Business Development	Centre for Entrepreneurship and Rapid Incubator
NSF	Learnerships and Rural Development Programmes
Local Communities, NGOs and municipalities	
Rustenburg Local Municipality	Use of facilities and student placement/Training of employees/Artisan Development
Bojanala Platinum District Municipality	Placement of Students
Kgetleng Local Municipality	Placement of Students
Office of the Sherriff of the Magistrate Court	Placement of Students
Job Shimankana Hospital	Placement of Students
Brits Hospital	Placement of Students
Sector Education and Training Authorities (SETAs)	
ETDP SETA	Internship Programme
INSETA	Artisan Development Programme
HWSETA	Internship/Graduate Development
	Centre of Specialisation

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. In addition to this, various forms of training interventions pertaining to COVID-19 protocols, usage of virtual platforms for meetings, and work remote strategies were organised to assist staff to improve their qualifications and skills in order to comply the regulations and realise the reality of the 4IR. The experience, competencies and skills of staff are fully utilised and skills obtained by the WIL were fully employed to the benefit of the College.

The approved staff establishment for ORBIT COLLEGE allowed for total number **433** posts to be filled in 2021. By December 2021, **418** posts were filled and **15** posts were still vacant across the four sites:

VACANT POSTS AS AT DECEMBER 2021					
Category	**BRITS**	**MANKWE**	**RUSTENBURG**	**CENTRAL OFFICE**	**ORBIT VACANT POSTS**
Lecturing staff	0	03	03	0	**15**
Office based staff	0	0	0	0	**0**
Support staff	0	0	0	09	**0**
TOTAL	**0**	**03**	**03**	**09**	**15**

Critical posts that were still vacant at December 2021 included a number of Management positions at Central Office:

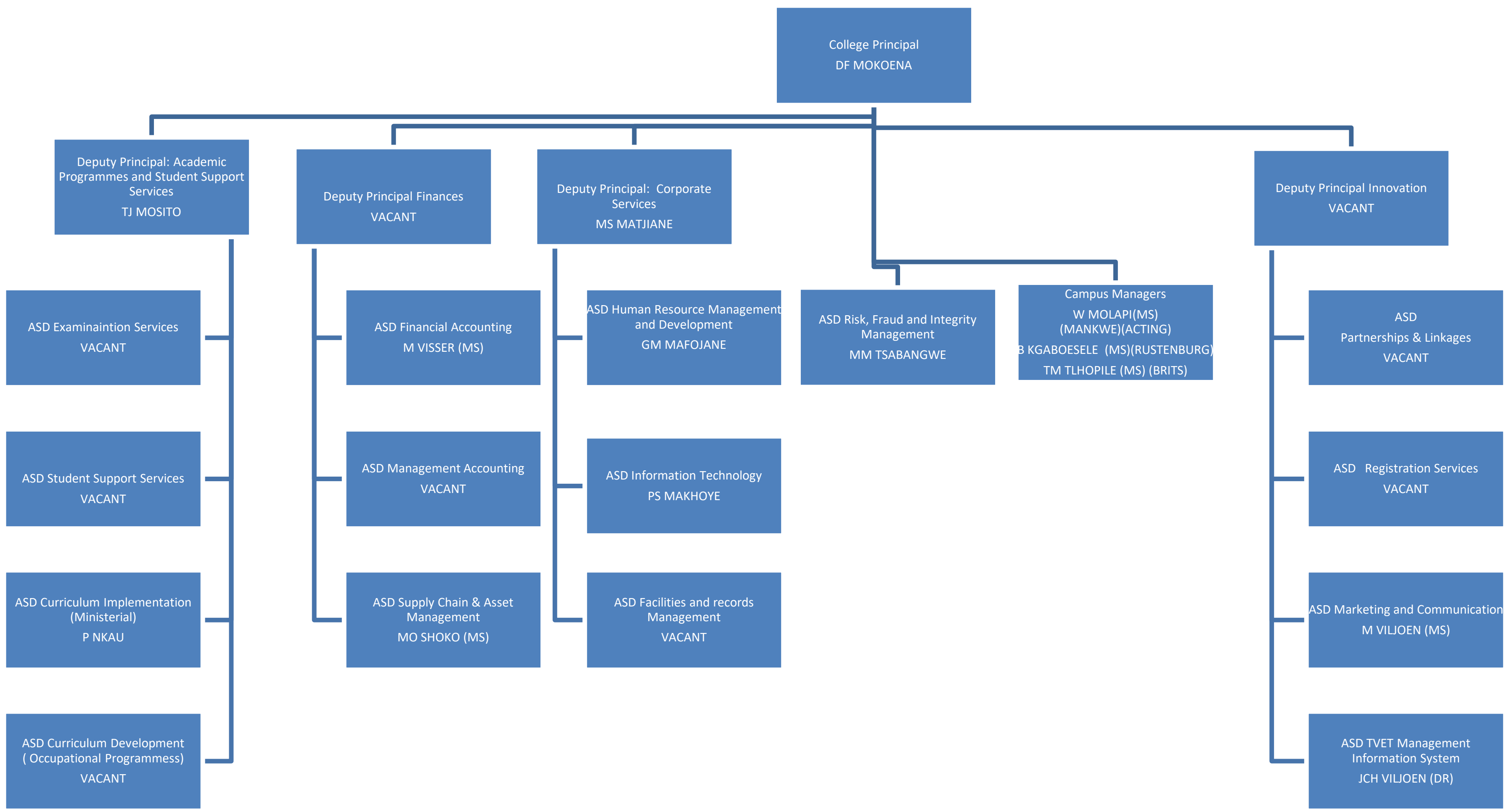
CRITICAL POST	SITE
None	Rustenburg Campus
Deputy Principal Innovation	Central Office
Deputy Principal Finance	
Assistant Director Partnerships & linkages	
Assistant Director Examinations Services	
Assistant Director Student Registration Services	
Assistant Director Occupational Programmes	
Assistant Director Student Support	
Assistant Director Management Accounts	
Assistant Director Supply Chain & Asset Management	
None	Mankwe Campus
None	Brits Campus

Critical posts in which people were acting at December 2021:

Critical Post with acting person	Acting	Site
Deputy Principal Finance	Mr S Senekal was appointment as the acting DPF upon the passing on of Mr T Mokhethi	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.	Mankwe Campus

NUMBER OF LECTURING AND SUPPORT STAFF - 2021					
Category	BRITS	MANKWE	RUSTENBURG	CENTRAL OFFICE	ORBIT STAFF 2021
Management Staff	0	0	0	4	**4**
Lecturing Staff	71	79	89	0	**239**
Office based	3	2	3	2	**10**
Support Staff	31	49	31	58	**169**
TOTAL	**105**	**130**	**123**	**64**	**422**

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. Managing the College during the extended national lockdown and amid the impact of the COVID-19 pandemic in 2021, called for an extended adjustment of the College budget to provide for the purchasing of Personal Protective Equipment (PPE) for staff and students.

9.7 Conducting examinations and assessment

The Deputy Principal Academic, Campus Managers and Campus Academic Programme Co-ordinators 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 amid the challenges that were experienced due to the prolonged COVID-19 pandemic and national lockdown that was imposed at intervals during 2021.

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 met regularly with the aim to establish and maintain an organisational culture and climate that resulted in effective teaching and learning as evident in the academic performance of students. Regular special meetings were held during national lockdown level five and level four to plan, strategise and monitor implementation of all resolutions taken to ensure the safety of staff and students, whilst attempting to save the academic year.

9.9 Risk Management

Risk identification and evaluation sessions were conducted with all ORBIT College Management in 2021. 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's 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 two levels, i.e. College management and the Risk Management Committee. 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 of 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 college's risk management effectiveness 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 in the mitigation of risks as captured in both the strategic risk registers, there are deficiencies. Consequently, measures have been designed and put into place in the 2021 financial year to strengthen both the monitoring and reporting of risk treatment plans.

Senior Management prioritised thirteen (13) risks for quarterly reporting to the Audit & Risk Committee. These risks included:

- Noncompliance to Health and safety regulations
- Ineffective Inventory management

- Absence of ICT governance
- Ineffective administration of accounts receivables and accounts payable.
- Lack of policy and procedure manual for Conference Centre & Guesthouse, Staff village, Business Development and Innovation and Student residence.
- Ineffective coordination in procurement
- Unstable student body (Strikes, protests and riots)
- Late commencement of classes.
- Campus storage space
- Employee induction
- Ineffective management of college assets and absence of Asset Maintenance plan
- Management of projects
- Vacancy of critical posts

The internal audit and assurance unit monitored the implementation of existing controls, future actions update the college risk register and reported to management board, Audit and Risk Committee and council on quarterly basis.

9.10 Occupational Health and Safety

Health and Safety in the workplace are 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 cases to the compensation commissioner. IOD cases for the year 2021 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 was conducted for all campuses. Health and safety committees at campus are continuously closing gaps as per 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 new certificate was issued to the College in April 2021. The college uses the SABS logo on some of its material according to its 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 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 staff and customers/contractors.

A surveillance audit against the requirements of ISO 9001:2015 was performed from 08 to 10 November 2021. The College is still awaiting receipt of the report from SABS, a report which will detail the findings of the audit together with the conclusion. The reason for the delay in SABS issuing the 2021 report is that SABS has experienced a technical service outage. Three non-conformance findings were issued to the College. These findings are being addressed.

The sites that were audited included Mankwe Campus, Rustenburg Campus and Central Office.

9.12 Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization 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 2021 four 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 for three quarter; annual financial statement reviews; inventory management and audit action plans (both internal and external). Based on the audit work performed internal control, risk management and governance processes are 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 the immense challenges that the College were faced with during the extended COVID 19 lockdown period in 2021. Although a number of originally set targets were met and exceeded, a number of targets had to be adjusted and modified to accommodate the continued impact that the COVID 19 pandemic had on the College planned enrolments, finances and daily operations.

As a College, we are justifiably proud of the initiatives and achievements accomplished over the past year, especially in the light of the unexpected, yet irrevocable changes that were necessitated by the lockdown. We realise that the survival of the College is ultimately rooted in our ability to adapt and change amid our circumstances. 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.

In the instances where the College can still improve, and 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 the same quality learning environment, opportunities and stimulation, regardless of the changes we were forced to make amid the trying times that we were 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.

DF MOKOENA
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 2021 in terms of:

Enrolment targets

A growth analysis has been done, based on comparative headcounts covering 2017 – 2021. This graph provides an indication of the growth rate per campus over a period of four years.

A breakdown of the total headcount (HS) 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 2020-2021 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: 2017-2021)

CAMPUS / YEAR	2017	2018	2019	2020	2021	% Growth / Campus
BRITS	3348	3239,21	2352	2352	3022	**22%**
MANKWE	4741	3952,96	3007	3007	3663	**18%**
RUSTENBURG	4931	4908,75	3113	3113	3915	**20%**
ORBIT College Totals	**13020**	**12101**	**8472**	**8472**	**10600**	
% College Growth / Year	**17%**	**-8%**	**-43%**	**0%**	**20%**	

Figure 10.1.1

10.1.2 Subject Headcount (HC) Vocational & Occupational Programmes (Unduplicated) – 2021

(Subject) HC NC(V) Programmes - 2021	
Campus	**(Subject) HC**
Brits	874
Mankwe	1068
Rustenburg	1167
College NC(V) Total	**3109**

HC (PLP) per Campus - 2021	
Campus	**Headcount**
Brits	
Mankwe	45
Rustenburg	40
College PLP Total	**85**

HC (Occupational & CoS) per Campus - 2021	
Campus	**Headcount**
Brits	25
Mankwe	65
Rustenburg	61
College Occupational Programmes Total	**151**

(Subject) HC Report 191 Programmes - 2021		
Campus	**Programme**	**(Subject) HC**
Brits	Engineering Studies	1243
	Business Studies	880
	Sub-Total	2123
Mankwe	Engineering Studies	1340
	Business Studies	1145
	Sub-Total	2485
Rustenburg	Engineering Studies	Engineering Studies
	Business Studies	1073
	Sub-Total	2647
College Report 191 Total		**7255**

Total College Headcount per Programme - 2021	
Programme	**Headcount**
NC(V) (Subject) HC	3109
Report 191 (Subject) HC	7255
HC (PLP)	85
HC (Occupational & CoS)	151

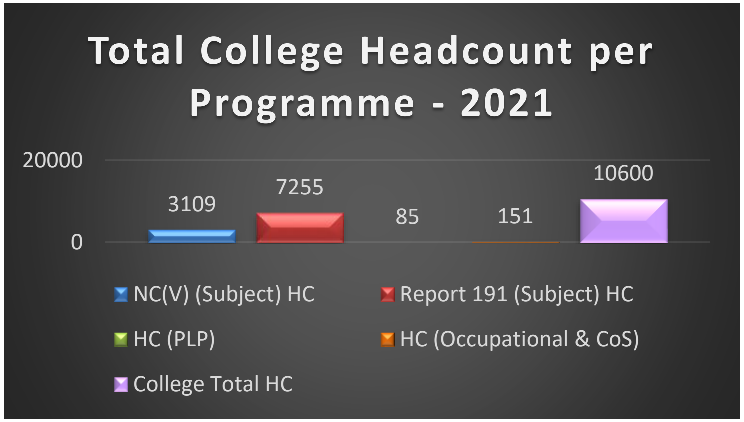


Figure 10.1.2.1

Total HC per Campus - 2021	
Campus	**Headcount**
Brits	3022
Mankwe	3663
Rustenburg	3915
College Total	**10600**

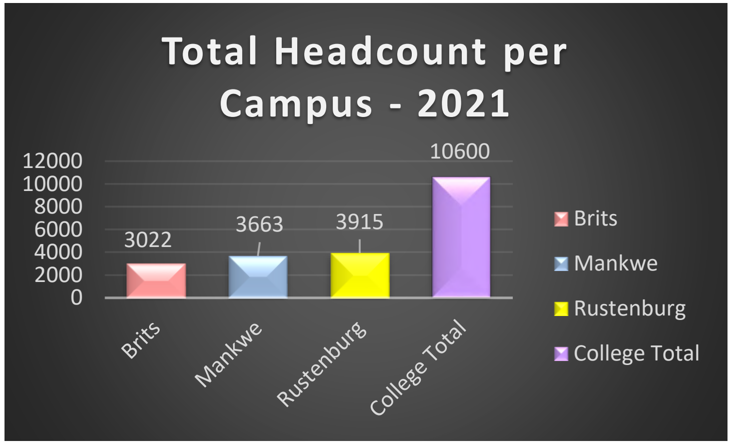


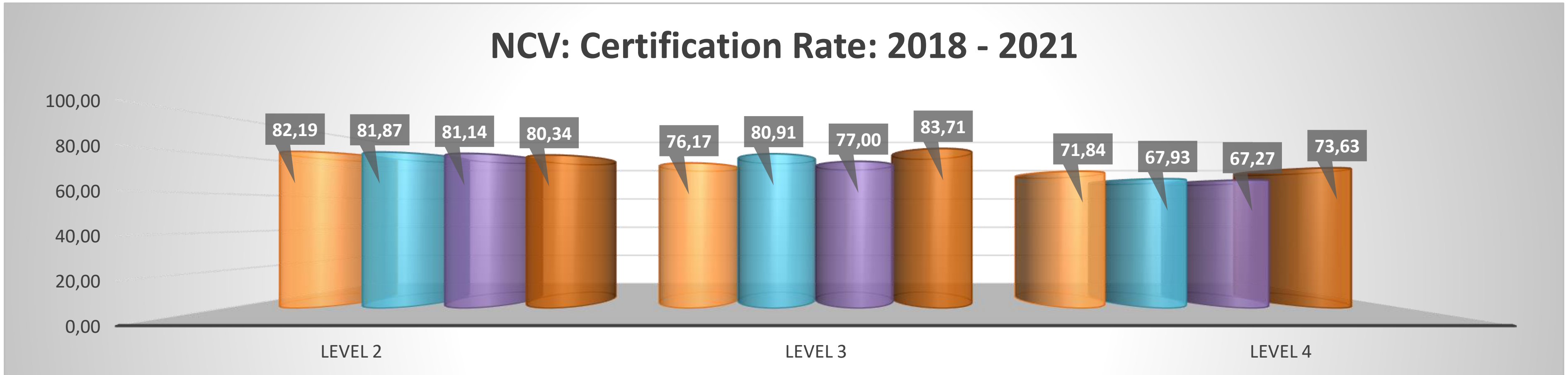
Figure 10.1.2.2

10.2 STUDENT ACADEMIC PERFORMANCE

10.2.1 NCV: CERTIFICATION RATE: 2018 - 2021 (Based on number written vs number passed)

	2018					2019					2020					2021				
	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	1147	668	549	82,19	58,24	1344	662	542	81,87	49,26	1300	578	469	81,14	44,46	876	595	478	80,34	67,92
Level 3	565	491	374	76,17	86,90	580	461	373	80,91	79,48	553	413	318	77,00	74,68	477	399	334	83,71	83,65
Level 4	317	277	199	71,84	87,38	397	343	233	67,93	86,40	398	330	222	67,27	82,91	334	292	215	73,63	87,43

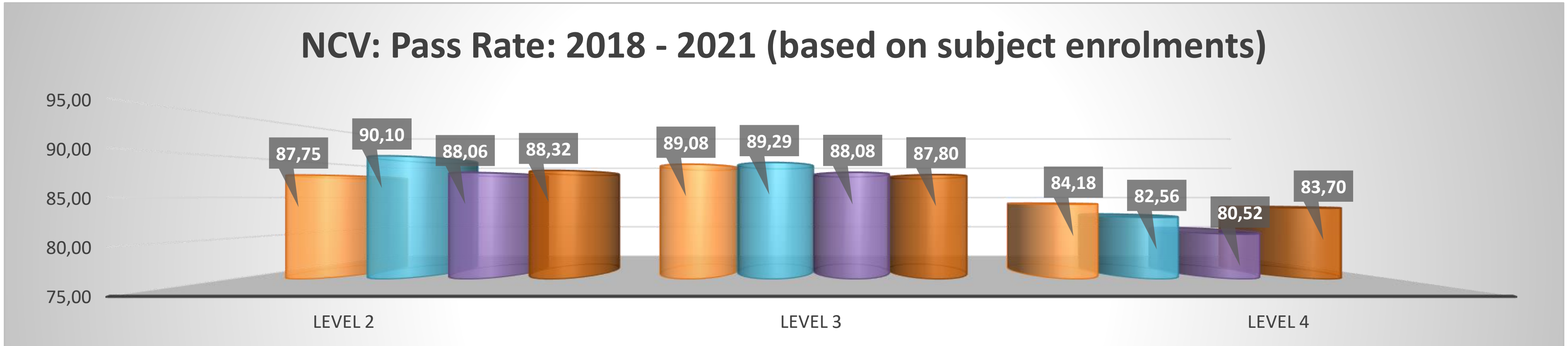
Figure 10.2.1



	Level 2	Level 3	Level 4
2018	82,19	76,17	71,84
2019	81,87	80,91	67,93
2020	81,14	77,00	67,27
2021	80,34	83,71	73,63

10.2.2 NCV: PASS RATE: 2018 - 2021 (based on subject enrolments)

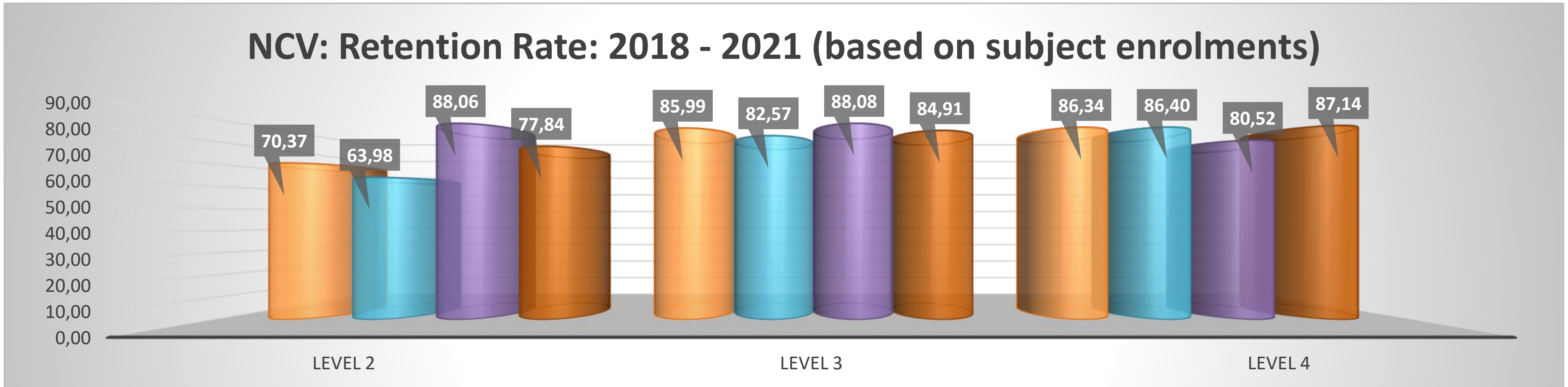
	2018					2019					2020					2021				
	SUBJECT ENROLMENTS					SUBJECT ENROLMENTS					SUBJECT ENROLMENTS					SUBJECT ENROLMENTS				
	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention
Level 2	9178	6459	5668	87,75	70,37	10563	6758	6089	90,10	63,98	10266	6122	5391	88,06	59,63	7127	5548	4900	88,32	77,84
Level 3	5910	5082	4527	89,08	85,99	6196	5116	4568	89,29	82,57	6142	4708	4147	88,08	76,65	5494	4665	4096	87,80	84,91
Level 4	3632	3136	2640	84,18	86,34	4978	4301	3551	82,56	86,40	4923	4035	3249	80,52	81,96	4239	3694	3092	83,70	87,14



	Level 2	Level 3	Level 4
2018	87,75	89,08	84,18
2019	90,10	89,29	82,56
2020	88,06	88,08	80,52
2021	88,32	87,80	83,70

Figure 10.2.2

10.2.3 NCV: RETENTION RATE: 2018 - 2021 (based on subject enrolments)



	Level 2	Level 3	Level 4
2018	70,37	85,99	86,34
2019	63,98	82,57	86,40
2020	88,06	88,08	80,52
2021	77,84	84,91	87,14

Figure 10.2.3

10.2.4 REPORT 191: BUSINESS &GENERAL STUDIES CERTIFICATION RATE: 2020 vs 2021 (Based on number written vs number passed)

	2020					2021				
	CERTIFICATION RATE					CERTIFICATION RATE				
	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention
N4	512	284	208	73,24	55,47	985	669	499	74,59	67,92
N5	243	172	123	71,51	70,78	521	398	307	77,14	76,39
N6	211	185	101	54,59	87,68	369	299	194	64,88	81,03

Figure 10.2.4

10.2.5 REPORT 191: BUSINESS & GENERAL STUDIES PASS RATE: 2020 vs 2021

	2020					2021				
	SUBJECT ENROLMENTS					SUBJECT ENROLMENTS				
	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention
N4	2305	1526	1284	84,14	66,20	4477	3548	3105	87,51	79,25
N5	1782	1330	1079	81,13	74,64	3275	2770	2347	84,73	84,58
N6	1853	1558	1157	74,26	84,08	2962	2518	1889	75,02	85,01

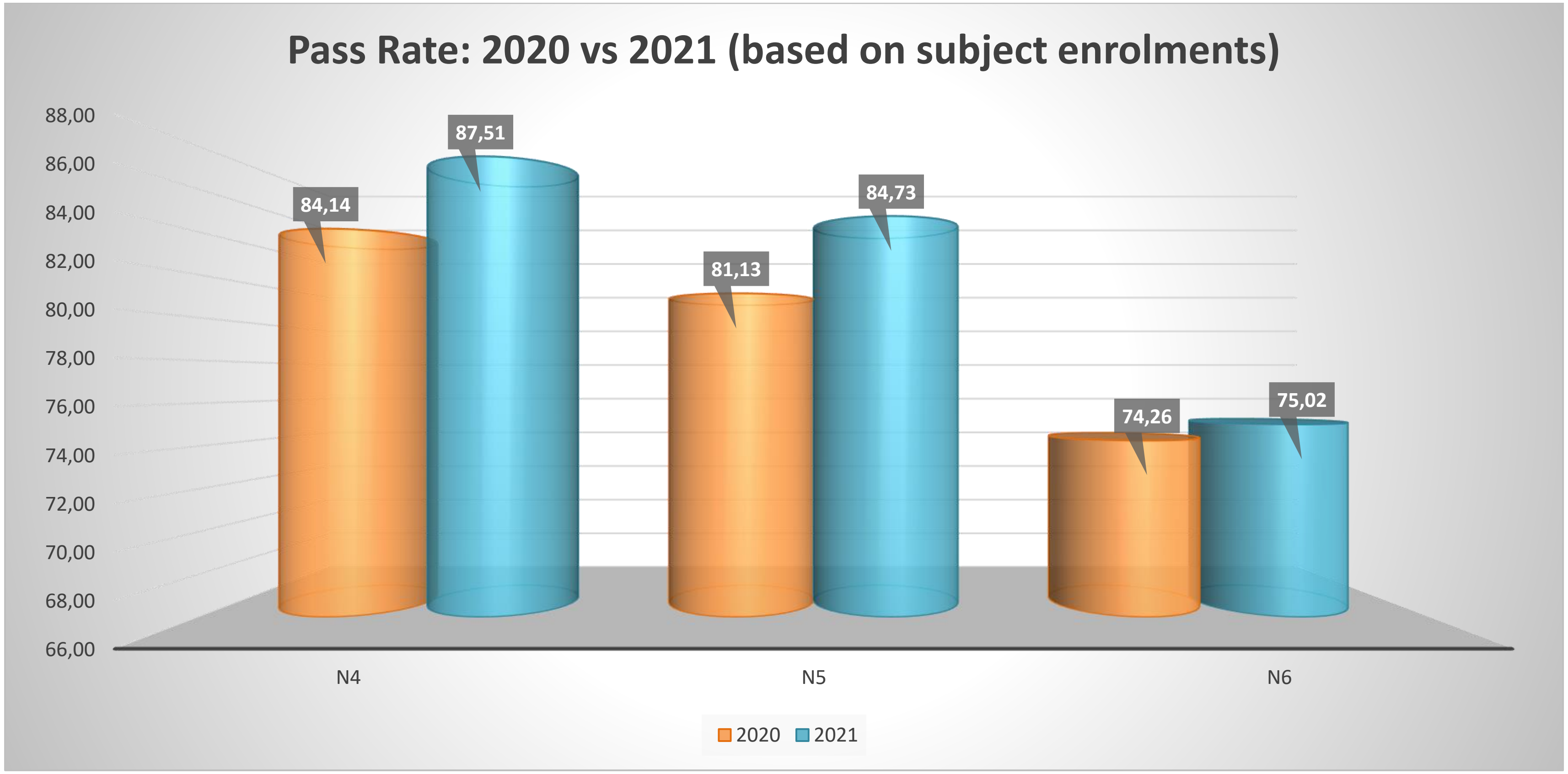


Figure 10.2.5

10.2.6 REPORT 191: BUSINESS & GENERAL STUDIES RETENTION RATE: 2020 vs 2021

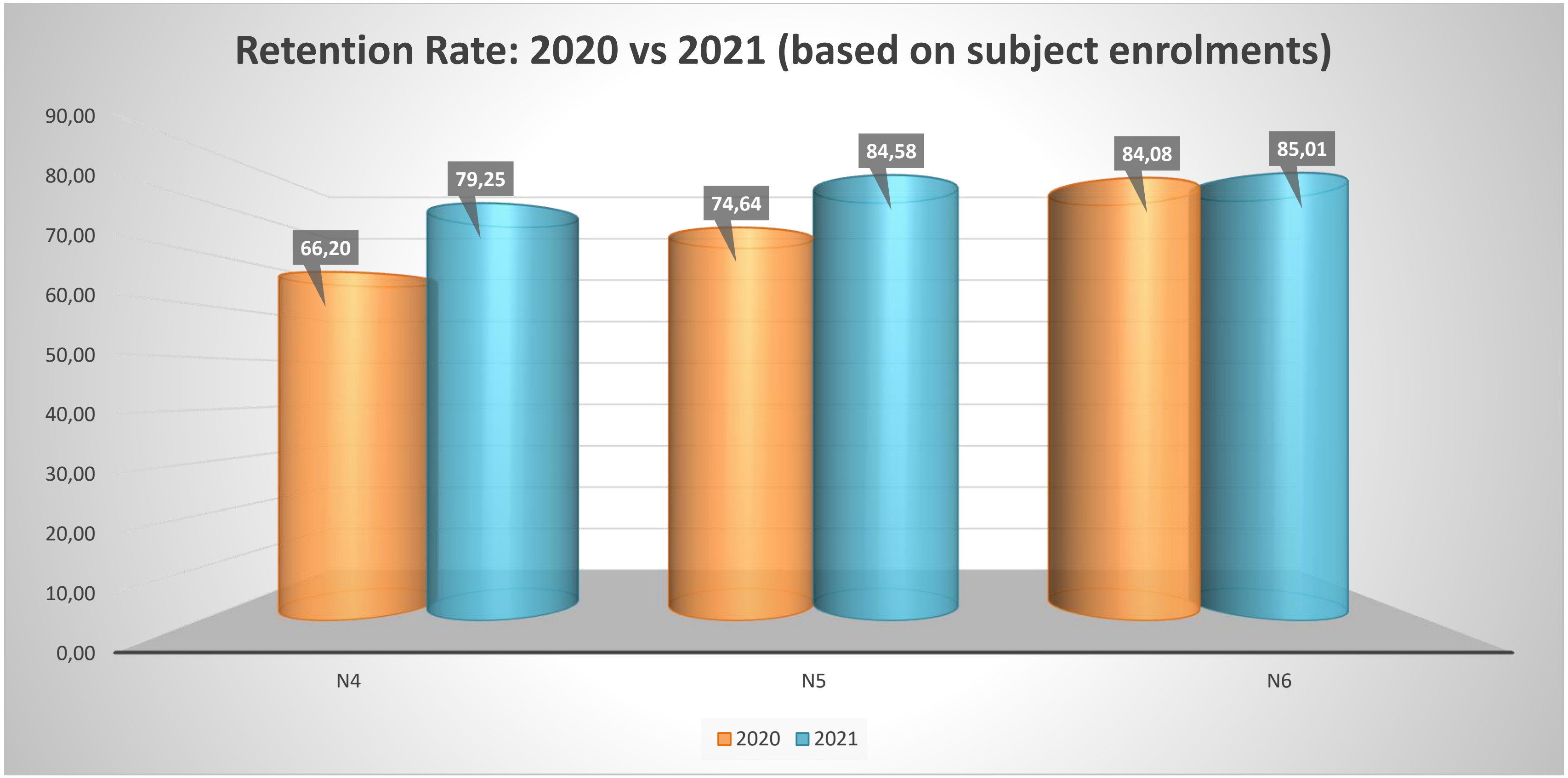


Figure 10.2.6

10.2.7 REPORT 191: ENGINEERING STUDIES CERTIFICATION RATE: 2020 vs 2021 (Based on the number written vs number passed)

	2020					2021				
	CERTIFICATION RATE					CERTIFICATION RATE				
	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention
N1	351	218	167	76,61	62,11	843	555	451	81,26	65,84
N2	447	218	96	44,04	48,77	710	445	186	41,80	62,68
N3	214	114	58	50,88	53,27	341	197	105	53,30	57,77
N4	131	76	44	57,89	58,02	206	134	53	39,55	65,05
N5	105	58	16	27,59	55,24	159	94	29	30,85	59,12
N6	60	23	5	21,74	38,33	81	53	9	16,98	65,43

Figure 10.2.7

10.2.8 REPORT 191: ENGINEERING STUDIES PASS RATE: 2020 vs 2021

	2020					2021				
	SUBJECT ENROLMENTS					SUBJECT ENROLMENTS				
	Enrolled	Written	Passed	% Pass	Retention	Enrolled	Written	Passed	% Pass	Retention
N1	1678	1325	1045	78,87	78,96	3808	2962	2620	88,45	77,78
N2	3079	2069	1162	56,16	67,20	4652	3599	2150	59,74	77,36
N3	2071	1375	796	57,89	66,39	3180	2283	1321	57,86	71,79
N4	1399	948	507	53,48	67,76	1943	1533	804	52,45	78,90
N5	1024	634	246	38,80	61,91	1437	1044	531	50,86	72,65
N6	713	415	145	34,94	58,20	837	607	239	39,37	72,52

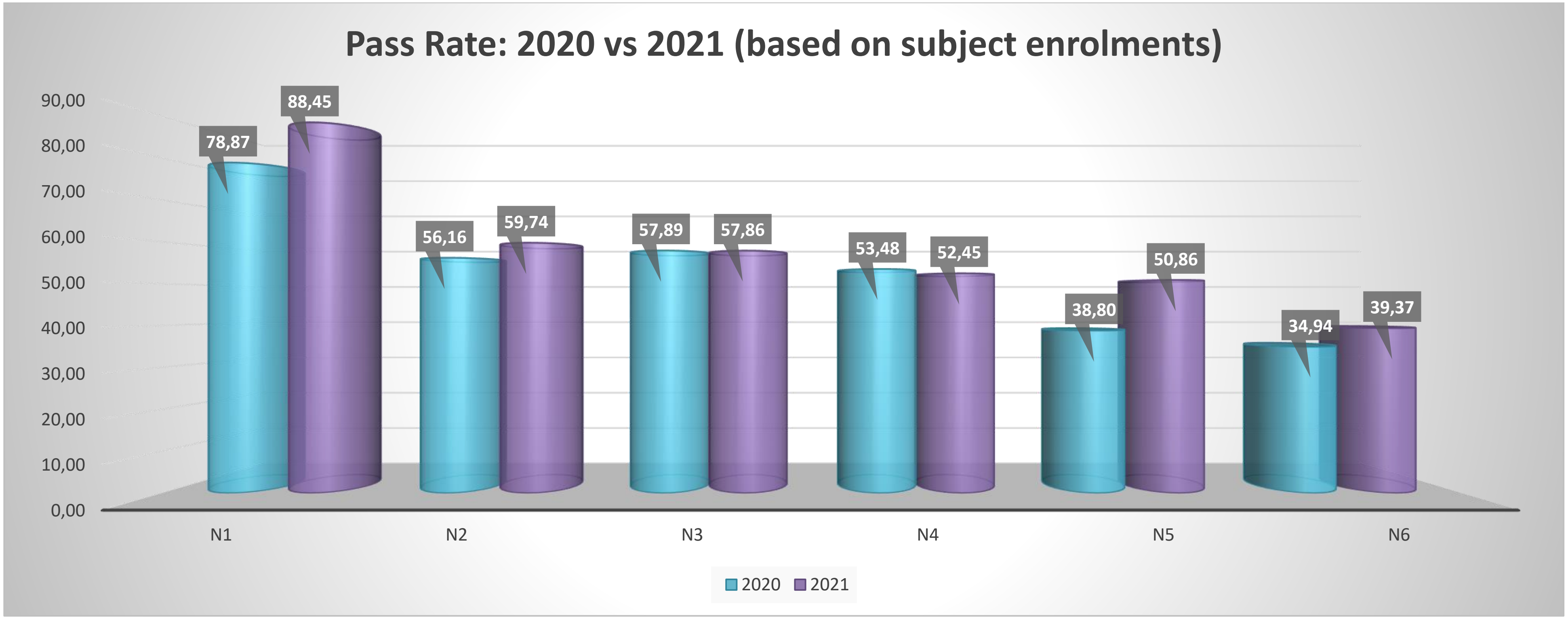


Figure 10.2.8

10.2.9 REPORT 191: ENGINEERING STUDIES RETENTION RATE: 2020 vs 2021 (based on subject enrolments)

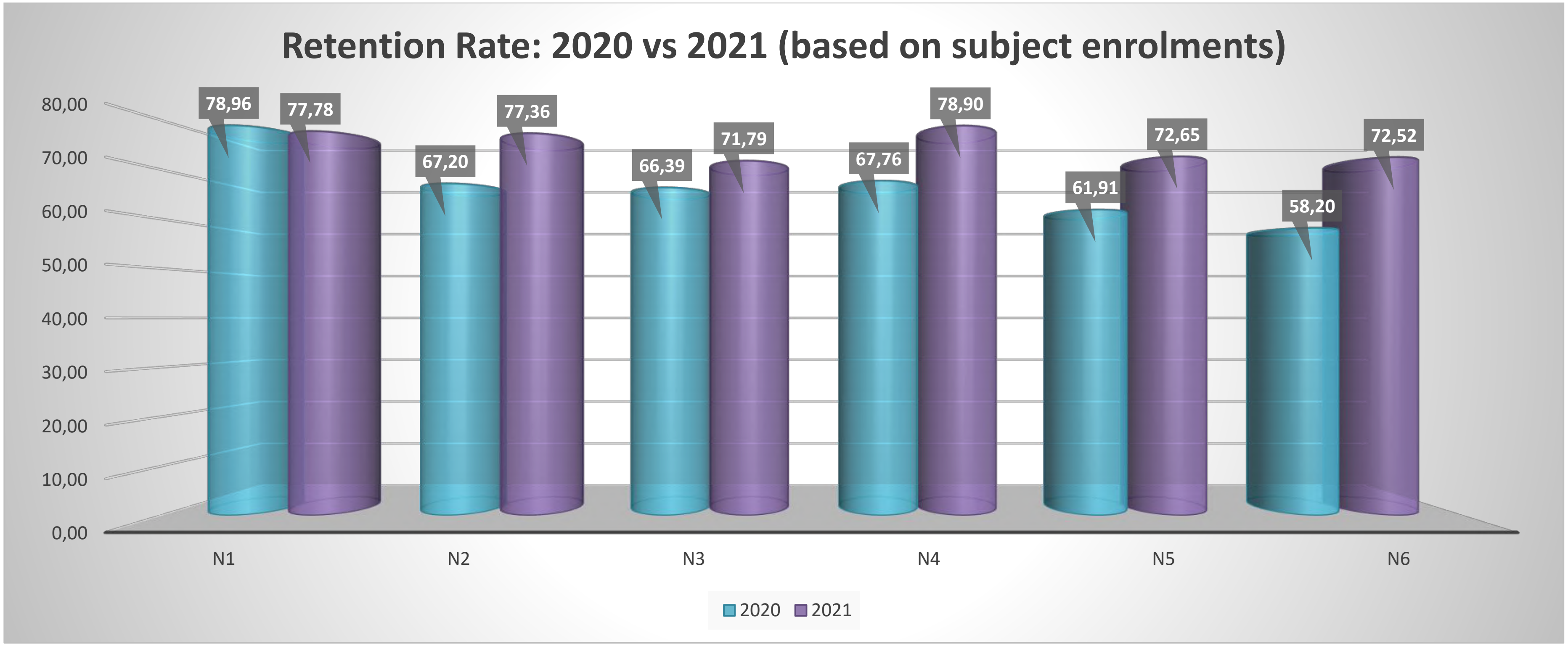
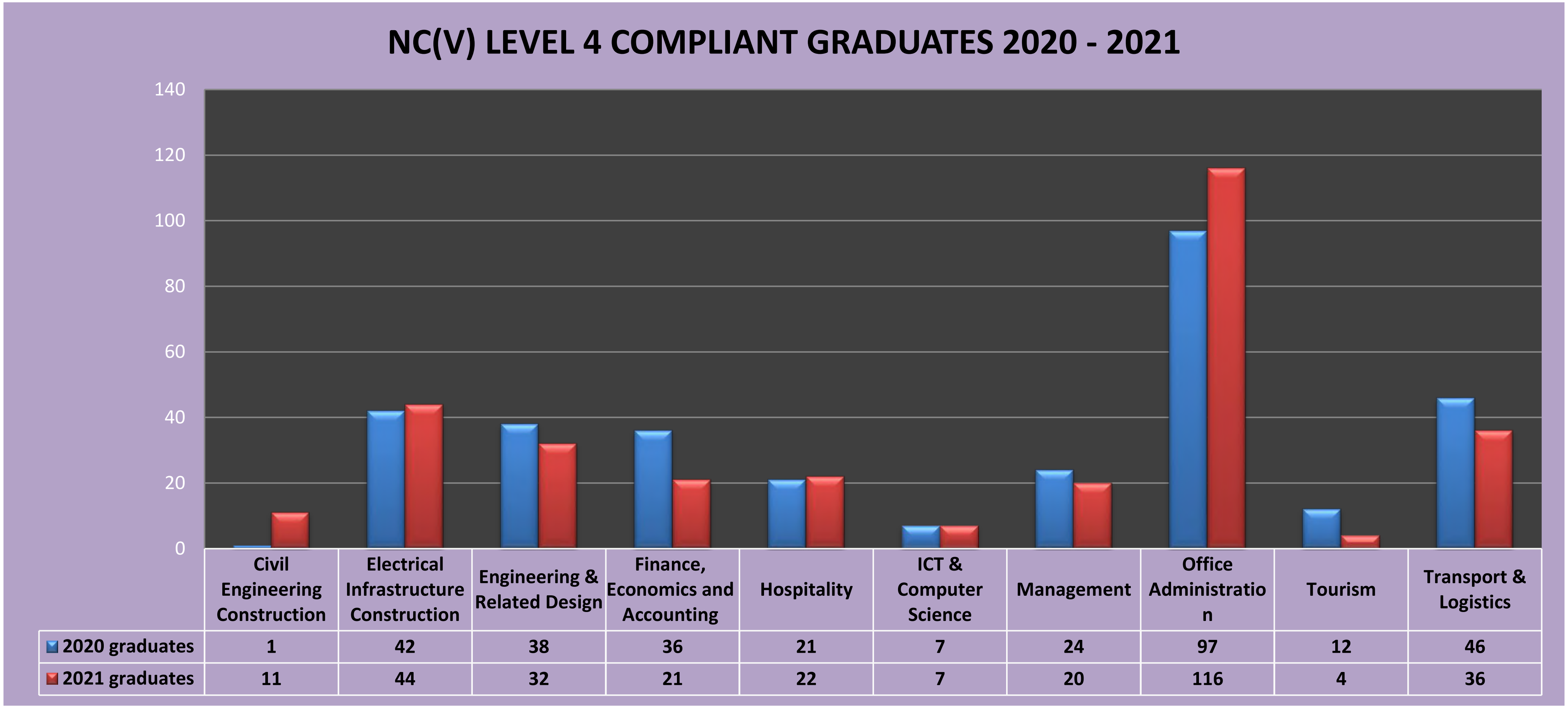


Figure 10.2.9

10.3. COMPLIANT GRADUATES

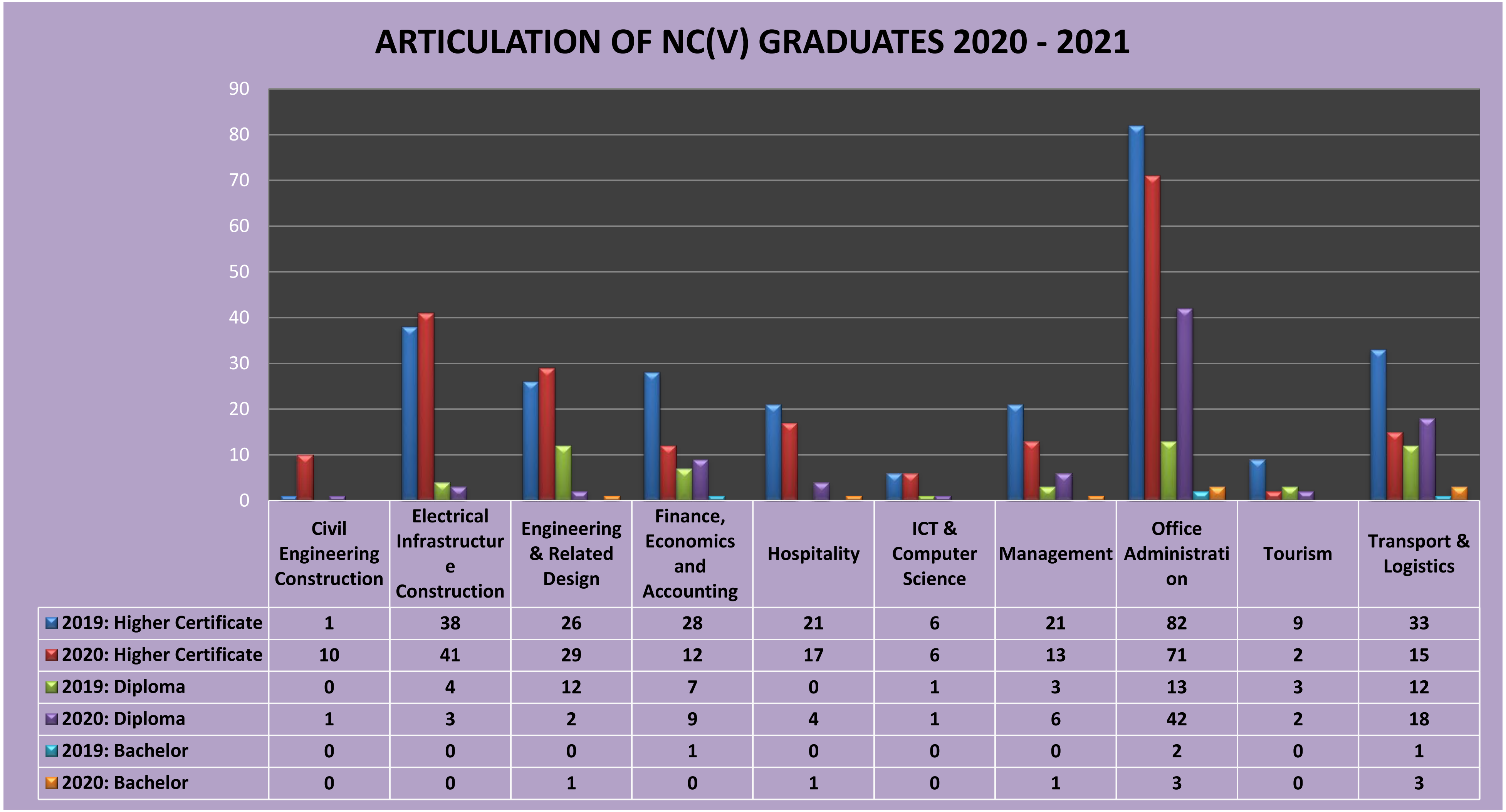
10.3.1. NC(V) COMPLIANT GRADUATES 2020 vs 2021

NC(V) LEVEL 4 GRADUATES (passing all 21 subjects) 2020 - 2021			2020 - 2021 Student compliance to HE institutional admission requirements					
Programme	2020 Graduates	2021 Graduates	2020 Higher Certificate pass	2021 Higher Certificate pass	2020 Diploma pass	2021 Diploma pass	2020 Bachelor's Degree pass	2021 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	1	11	1	10	0	1	0	0
Electrical Infrastructure Construction	42	44	38	41	4	3	0	0
Engineering & Related Design	38	32	26	29	12	2	0	1
Finance, Economics and Accounting	36	21	28	12	7	9	1	0
Hospitality	21	22	21	17	0	4	0	1
ICT & Computer Science	7	7	6	6	1	1	0	0
Management	24	20	21	13	3	6	0	1
Office Administration	97	116	82	71	13	42	2	3
Tourism	12	4	9	2	3	2	0	0
Transport & Logistics	46	36	33	15	12	18	1	3
TOTAL COMPLIANT GRADUATES	**324**	**313**	265	**216**	55	**88**	4	**9**
			Total:					**313**



	Civil Engineering Construction	Electrical Infrastructure Construction	Engineering & Related Design	Finance, Economics and Accounting	Hospitality	ICT & Computer Science	Management	Office Administration	Tourism	Transport & Logistics
2020 graduates	1	42	38	36	21	7	24	97	12	46
2021 graduates	11	44	32	21	22	7	20	116	4	36

Figure 10.3.1.1

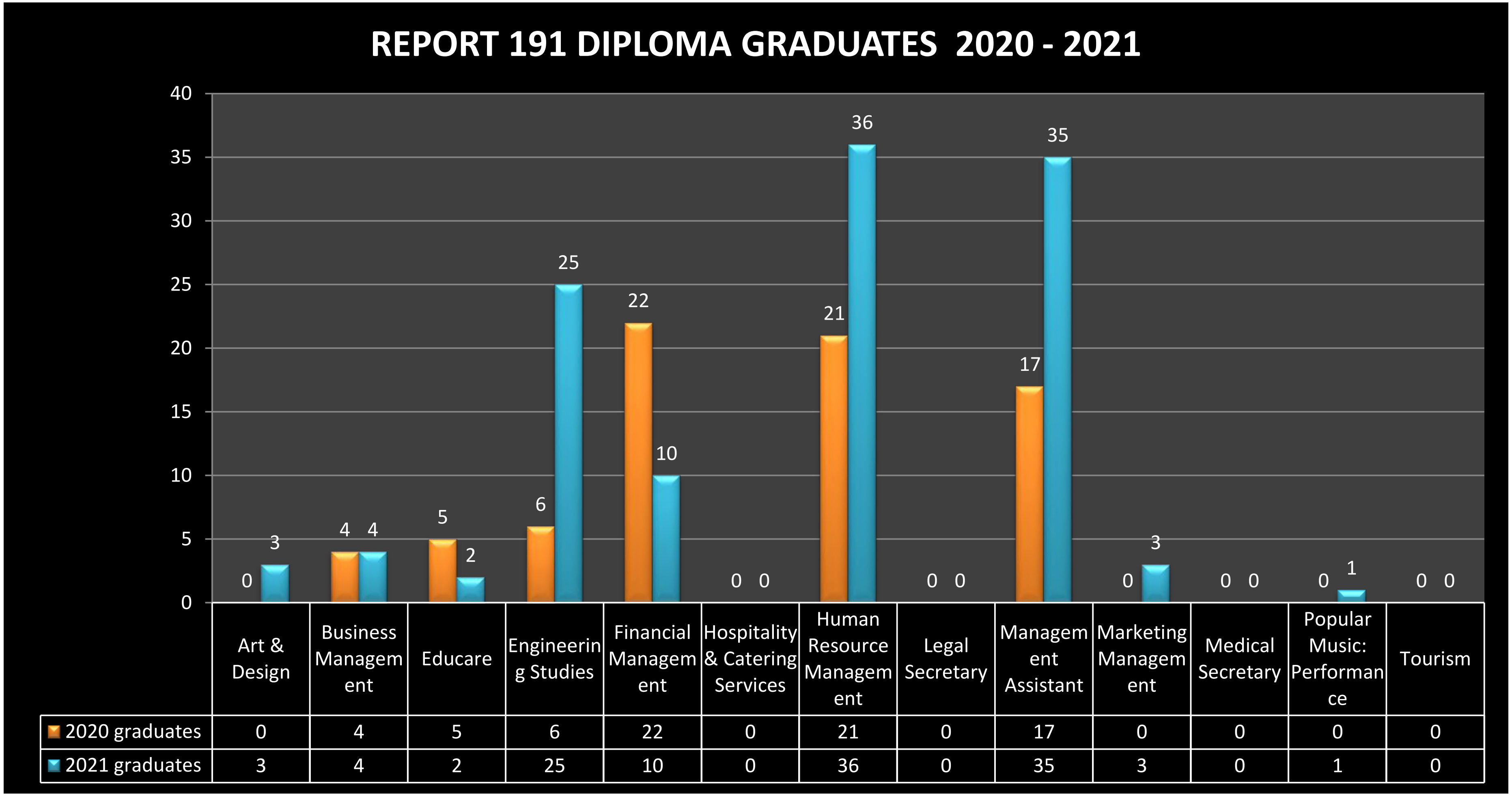


	Civil Engineering Construction	Electrical Infrastructure Construction	Engineering & Related Design	Finance, Economics and Accounting	Hospitality	ICT & Computer Science	Management	Office Administration	Tourism	Transport & Logistics
2019: Higher Certificate	1	38	26	28	21	6	21	82	9	33
2020: Higher Certificate	10	41	29	12	17	6	13	71	2	15
2019: Diploma	0	4	12	7	0	1	3	13	3	12
2020: Diploma	1	3	2	9	4	1	6	42	2	18
2019: Bachelor	0	0	0	1	0	0	0	2	0	1
2020: Bachelor	0	0	1	0	1	0	1	3	0	3

Figure 10.3.1.2

10.3.2 REPORT 191 NATIONAL N-DIPLOMA COMPLIANT GRADUATES 2020 vs 2021

Report 191 (NATED) NATIONAL N DIPLOMA GRADUATES 2020 - 2021		
Programme	2020 graduates	2021 graduates
Art & Design	0	3
Business Management	4	4
Educare	5	2
Engineering Studies	6	25
Financial Management	22	10
Hospitality & Catering Services	0	0
Human Resource Management	21	36
Legal Secretary	0	0
Management Assistant	17	35
Marketing Management	0	3
Medical Secretary	0	0
Popular Music: Performance	0	1
Tourism	0	0
TOTAL COMPLIANT GRADUATES	75	119



	Art & Design	Business Management	Educare	Engineering Studies	Financial Management	Hospitality & Catering Services	Human Resource Management	Legal Secretary	Management Assistant	Marketing Management	Medical Secretary	Popular Music: Performance	Tourism
2020 graduates	0	4	5	6	22	0	21	0	17	0	0	0	0
2021 graduates	3	4	2	25	10	0	36	0	35	3	0	1	0

Figure 3.2.1

10.4 COLLEGE ANNUAL PERFORMANCE ACHIEVEMENTS IN TERMS OF TVET SYSTEM TARGETS

STRATEGIC OBJECTIVE	OUTPUT	OUTPUT INDICATOR	2021 TARGET	2021 ACTUAL ACHIEVEMENT	TARGET DEVIATION	REASON FOR DEVIATION
1. **Expanded access to TVET College opportunities**	1.1 Students enrolled and managed as per enrolment plan	**Number of students enrolled in different programme types:**	**11918**	**10628**	**-1290**	
		*NCV	3225	3135	-90	The slight drop in numbers was caused by corrections effected on enrolments as well as cancellations
		*Report 191	8000	7257	-743	Trimester 3 intake was rolled over to 2022 as per DHET instruction due to an adjusted calendar, resulting in the College only reporting on 2 Trimester intakes instead of the usual 3 intakes.
		*PLP	100	85	-15	Campuses did not meet their targets
		*Occupational qualifications	455	70	-385	No appointed staff were available to roll out the occupational programmes as planned
		*Trades (CoS)	118	81	-37	Only 81 students returned to complete their training
		*Higher Certificates (L5 & 6 Qualifications)	33	0	-33	No Level 5 and Level 6 full-time qualifications were offered by the College
	1.2 College student accommodation optimally utilised	Occupation rate (%) per enrolment cycle	95%	100%	+5%	Renovations to student accommodation have been completed
2. **Improved success and efficiency of**	2.1	Number of artisans exiting CoS or college	118	0	-118	COVID-19 pandemic and consequent national lockdown regulations in 2020 resulted in

STRATEGIC OBJECTIVE	OUTPUT	OUTPUT INDICATOR	2021 TARGET	2021 ACTUAL ACHIEVEMENT	TARGET DEVIATION	REASON FOR DEVIATION
TVET College systems	Apprentices in trade programmes qualify and pass trade test					training hours and schedules not being met for students to qualify as artisans. Consequently some of the students are still busy with the theoretical component while others are in the process of completing their practical component.
	2.2 Students complete qualifications and programmes and exit the college	**Number of students at exit levels exiting college programmes**	**1889**	**329**	**-1560**	
		*Number of students exiting NCV L4	720	194	-526	The target that was set is unrealistic as it included all enrolled students. The numbers do not include supplementary exam results, and are only based on fulltime enrolments
		*Number of students exiting N6	1169	135	-1034	The target that was set is unrealistic as it included all enrolled students.
	2.3 NCV students complete qualification within 3 years	Throughput rate (%) of NCV L4 student cohort	53%	14%	-39%	The initial target of 53% was not set correctly due to wrong calculations. The 14% achievement against the target is realistic if compared to national results
	2.4 PLP students retained	Retention rate (%) in PLP	90%	100%	+5%	No cancellations or drop-outs were reported for the PLP programme
	2.5 PLP students' progress into initial programmes of choice	Progression rate (%) of PLP students	90%	0%	-90%	Progression rate data must be provided by the DHET. This data is still outstanding, therefore the target cannot be assessed.

STRATEGIC OBJECTIVE	OUTPUT	OUTPUT INDICATOR	2021 TARGET	2021 ACTUAL ACHIEVEMENT	TARGET DEVIATION	REASON FOR DEVIATION
3. **Improved quality of TVET College provision**	3.1 College council constituted and compliant with standards	% compliance with governance standards	100%	99%	-1%	A slight delay in the submission of the Annual Report was recorded. The delay was due to the AFS being received late from the AG auditors. However, permission was granted by DHET for the delayed submission.
	3.2 Examinations conducted with minimum irregularities reported	% compliance with examinations standards and policy	100%	97%	-3%	Monitoring was conducted at all sites. Challenges arose due to an OH&S Certificate.
	3.3 More students meet the requirements for writing examinations	% of registered students (based on subject enrolment) qualifying for examinations	96%	47%	-49%	COVID-19 rules and regulations determined that studies for S1 had to be conducted as a combination of on-site and off-site (distance learning), resulting in more students not qualifying for examination admission, especially in the practical subjects as not all students have the resources at home
	3.4 TVET College lecturers placed in industry for specified periods to gain relevant experience	% of TVET College lecturers placed in industry	30%	0%	-30%	Due to the COVID-19 pandemic and consequent national lockdown regulations no lecturers could be placed with industries as planned
	3.5 Partnerships signed for improving teaching and learning and	Number of partnership agreements (locally and internationally) for purposes of exchanging and/or placing college students and /or lecturers	26	7	-19	NAFBI accommodated 15 learners at their work place for 3 years ETDP SETA funded training for 5 lecturers

STRATEGIC OBJECTIVE	OUTPUT	OUTPUT INDICATOR	2021 TARGET	2021 ACTUAL ACHIEVEMENT	TARGET DEVIATION	REASON FOR DEVIATION
	relevance of programmes					MTN assisted with graduate placement and entrepreneurship
4. **Improved responsiveness of TVET colleges to the world of work**	4.1. More students enrolled in identified programme offerings relating to OIHD and priority skills	Number of students enrolled in programmes relating to OIHD and priority skills	290	169	-121	No new intakes were captured between July and September 2021
	4.2 Entrepreneurship hubs established and supported	Number of students engaged in entrepreneurship programmes and initiatives	200	449	+249	Training on Entrepreneurship start-up was done. A business network session was hosted with 50 SMMEs, including student SMMEs being present. The App of the year competition/event was also hosted at Rustenburg Campus
	4.3 Students placed for WBPL at exit levels	**Number of students placed for WBPL at exit levels**				
		*Number of students placed for WBPL at NCV L4	100	15	-85	Work-based placement of exit level students did not materialize due to the COVID-19 pandemic and the consequent extended national lockdown. Employers could not place students due to their own COVID -19 workplace regulations restricting access to premises. Not all placement of students was captured on the BMS
		*Number of students placed for WBPL at N6	175	229	+54	

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 put in place a number measures, strategies and interventions to maintain good academic standards and to deal with underperformance of students. These interventions are aimed at consistently improving academic performance of students in an effort to achieve annual performance targets as outlined in the strategic plan of the College.

The following interventions/measures and strategies were put in place in 2021 to improve academic performance and to deal with underperformance that was associated with the impact of the COVID-19 pandemic and consequent national lockdown on academic planning:

- When students were unable to access campuses for physical teaching and learning a comprehensive online learning strategy was developed and implemented across a number of different platforms to make the curriculum as accessible as possible to students
- Online learning initiatives that were implemented included:
  - the establishment of Whatsapp subject groups by lecturers to share material and support students
  - sharing of learning material and content via the zero-rated College website and Student i-Enabler
  - sharing information with students via the College Facebook page
- The College portal was also established as an e-learning platform, although content development is still work-in-progress
- 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 instil 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.

P NKAU
VOCATIONAL PROGRAMMES MANAGER

PART D: 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

I have audited the financial statements of the Orbit Technical and Vocational Education and Training College set out on pages 102 to 167 which comprise,the statement of financial position as at 31 December 2021, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Orbit TVET College as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Continuing Education and Training Act of South Africa, 2006 (Act No.16 of 2006) (CETA).

Basis for opinion

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

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.

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

Responsibilities of the council for the financial statements

The council is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the CETA, and for such internal control as the council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 college or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Performance information reporting

The college is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the Public Finance Management Act of South Africa, 1999 (Act No 1 of 1999) and such reporting is also not required in terms of the CETA

Report on audit of compliance with legislation

Introduction and scope

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

The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

The financial statements submitted for auditing were not prepared in accordance with generally recognised accounting practice and not supported by complete accounting records, as required by section 25(1)(b) and 25(3) of the CET Act. Material misstatements of non-current assets, current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.

Other information

The council is responsible for the other information. The other information comprises the information included in the annual report which includes the chairperson's report and the audit committee's report. The other information does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

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

I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

- Leadership did not exercise adequate oversight responsibility over financial reporting, compliance monitoring and related internal controls, and material misstatements were identified in the financial statements submitted for audit, which were subsequently corrected.
- Senior management did not adequately review the financial statements before submission for auditing, resulting in non-adherence with the requirements of the South African Standard of GRAP and non-compliance with the CET Act. Processes to ensure adequate and effective record keeping, daily and monthly reconciliation of transactions and maintenance of regular, accurate and complete financial records to avoid material misstatements in the financial statements were not implemented.
- Although internal audit and the audit committee reviewed the annual financial statements prior to submission for audit, this was not effective as material misstatements were identified during the audit.

Rustenburg
24 June 2022

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and on the college's compliance with respect to the selected subject matters.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the college's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- conclude on the appropriateness of the council's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Orbit TVET college's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause the college to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also confirm to the council that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

ORBIT TVET COLLEGE

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2021

ORBIT TVET COLLEGE
Annual Financial Statements
for the year ended December 31, 2021

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	
	Metsiemi K (SRC President)
	Moraka K (SRC secretary general)
	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)
	Matshatsha K (SRC Secretary General)
Registered office	C/o Bosch & Fatima Bhayat Street Rustenburg 0299
Postal address	Private Bag X82086 Rustenburg 0300
Bankers	ABSA Bank

ORBIT TVET COLLEGE
Annual Financial Statements for the year ended December 31, 2021

General Information

Auditors	Auditor General of South Africa
Secretary	Minister of Higher Education and Training and Department of Higher Education and Training

Index

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

Abbreviation/acronyms	Definition
AGSA	Auditor General of South Africa
ASB	Accounting Standards Board
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
VAT	Value Added Tax
SARS	South African Revenue Services
IAS	International Accounting Standards
SRC	Student Representative
IPSAS	International Public Sector Accounting Standards
GEPF	Goverment Employee Pension Fund
DHET	Department of Higher 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 accounting officers acknowledge that they are ultimately responsible for the system of internal financial control established by the college and place considerable importance on maintaining a strong control environment. To enable the accounting officers to meet these responsibilities, the accounting officer 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 accounting officer 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 accounting officer has reviewed the college's cash flow forecast for the year to December 31, 2022 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 accounting officer is 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 5.

The annual financial statements set out from page 109, which have been prepared on the going concern basis, were approved by the council on 31 March 2022 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 2021

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 2021.

1. Incorporation

ORBIT TVET College was established under 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 2021:

Net surplus of the College was R 14,240,898 (2020: surplus R 67,620,234).

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3. Going concern

We draw attention to the fact that at December 31, 2021, the college had an accumulated surplus of R 547,125,536 and that the college's total assets exceed it's liabilities by R 547,125,536.

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. COVID-19 - Overall risk to operations

Since 31 December 2019 , the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening.

Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. ORBIT TVET College was closed during the lockdown period but has subsequently commenced operations. The council has assessed the impact of COVID-19 on the college and has determined that financially the College remained unaffected.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the College for future periods.

5. 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

6. Values Transformation

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

Report from Council

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.

7. 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.

8. Vision

A global institution of excellence, surpassing community needs.

9. 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, 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Inventories	6	12,683,952	13,450,983
Other financial assets	5	101,033,633	101,330,237
Receivables from exchange transactions	7&9	43,627,403	44,248,593
Receivables from non-exchange transactions	8&9	10,017,565	19,068,946
Cash and cash equivalents	10	354,704,769	348,147,665
		522,067,322	**526,246,424**
Non-Current Assets			
Property, plant and equipment	2	154,881,965	142,899,979
Intangible assets	3	770,159	619,618
		155,652,124	**143,519,597**
Total Assets		**677,719,446**	**669,766,021**
Liabilities			
Current Liabilities			
Finance lease obligation	11	740,900	509,002
Trade and other payables	13	111,638,900	114,400,396
Payables from non-exchange transactions	14	8,568,379	19,529,717
Unspent conditional grants and receipts	12	-	650,371
		120,948,179	**135,089,486**
Non-Current Liabilities			
Payables from non-exchange transactions	4	9,297,359	856,168
Finance lease obligation	11	348,372	630,332
		9,645,731	**1,486,500**
Total Liabilities		**130,593,910**	**136,575,986**
Net Assets		**547,125,536**	**533,190,035**
Accumulated surplus		547,125,536	533,190,035

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended December 31, 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Tuition and Related Fees	16	57,416,829	58,295,521
Rental of facilities and equipment	17	509,570	939,809
Business Unit Income	18	18,194	8,323
Student Bad Debt Recovered		7,080	500
Prescription Revenue PED Creditor		-	3,056,036
Insurance Claim		32,115	411,891
Interest received - investment	21	11,653,530	16,548,312
Gain/(Loss) on disposal of assets and liabilities	20	11,566,685	1,147,712
Total revenue from exchange transactions		**81,204,003**	**80,408,104**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	22	245,275,258	260,996,010
Public contributions and donations		185,160	-
Project income		14,053,438	8,097,387
Total revenue from non-exchange transactions		**259,513,856**	**269,093,397**
Total revenue	15	**340,717,859**	**349,501,501**
Expenditure			
Employee related costs	23	(177,810,278)	(175,817,946)
Remuneration of councillors	24	(575,188)	(909,603)
Depreciation and amortisation	25	(15,904,259)	(13,537,659)
Impairments	26	(2,466,176)	(521,278)
Finance costs	27	(3,125,328)	(3,138,410)
Lease rentals on operating lease	19	(198,255)	(513,120)
Debt Impairment	28	(21,449,794)	(10,362,865)
Repairs and maintenance		(16,811,809)	(7,169,686)
Inventories losses/write-off		(1,551,973)	(1,486,262)
General expenses	29	(86,583,901)	(68,424,438)
Total expenditure		**(326,476,961)**	**(281,881,267)**
Surplus for the year		**14,240,898**	**67,620,234**

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	465,859,699	465,859,699
Adjustments		
Correction of errors	(289,900)	(289,900)
Balance at January 1, 2020 as restated*	**465,569,799**	**465,569,799**
Changes in net assets		
Surplus as previously reported	53,301,589	53,301,589
Correction of errors (Profit adjustment)	14,318,645	14,318,645
Total changes being restated surplus	67,620,234	67,620,234
Restated* Balance at January 1, 2021	**533,190,033**	**533,190,033**
Changes in net assets		
Project prior year adjustment	(305,395)	(305,395)
Net income (losses) recognised directly in net assets	(305,395)	(305,395)
Surplus for the year	14,240,898	14,240,898
Total recognised income and expenses for the year	13,935,503	13,935,503
Total changes	13,935,503	13,935,503
Balance at December 31, 2021	**547,125,536**	**547,125,536**

Note(s)

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended December 31, 2021

Cash Flow Statement

Figures in Rand	2021	2020 Restated*
Cash flows from operating activities		
Receipts		
Revenue	45,639,606	33,395,109
Other operating income	566,959	4,416,559
Grants	244,624,887	259,354,486
Interest income	11,653,530	16,548,312
Project income	14,053,438	8,097,387
Public donations	185,160	-
	316,723,580	321,811,853
Payments		
Employee costs	(178,385,466)	(176,727,549)
Suppliers	(92,848,739)	(54,212,621)
Finance costs	(3,125,328)	(3,138,410)
Repairs and Maintenance	(16,811,809)	(7,169,686)
	(291,171,342)	(241,248,266)
Net cash flows from operating activities	**25,552,238**	**80,563,587**
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,241,674)	(15,016,604)
Proceeds / (Acquisition) of Other financial assets	296,604	(2,028,045)
Net cash flows from investing activities	**(18,945,070)**	**(17,044,649)**
Cash flows from financing activities		
Finance lease payments	(50,062)	1,098,594
Net cash flows from financing activities	**(50,062)**	**1,098,594**
Net increase/(decrease) in cash and cash equivalents	**6,557,104**	**64,617,532**
Cash and cash equivalents at the beginning of the year	348,147,665	283,530,133
Cash and cash equivalents at the end of the year	**354,704,769**	**348,147,665**

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 impairment is determined by considering the following outstanding categories relating receivables:

a) Debtors who are in arrears for 30 days

b) Debtors who are in arrears for 60 days

c) Debtors in arrears for 90 days

d) Debtors in arrears for 120 days or longer

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.

Accounting Policies

1.5 Property, plant and equipment (continued)

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.

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
Small Items (Minor Assets)	Straight line	1 Year

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.

Accounting Policies

1.5 Property, plant and equipment (continued)

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.

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.

Accounting Policies

1.6 Intangible assets (continued)

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.

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.

Accounting Policies

1.7 Financial instruments (continued)

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
- 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.

1.7 Financial instruments (continued)

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;
- 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 fair value
Cash and cash equivalents	Financial asset measured at amortised cost

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

Class	Category
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.

Accounting Policies

1.7 Financial instruments (continued)

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.

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 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.

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 used 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 amount of an asset or a cash-generating unit is the higher its 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 cash-generating asset exceeds its recoverable amount, it is impaired.

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

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

Value in use

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

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

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Basis for estimates of future cash flows

In measuring value in use the college:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the college expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the college determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the college use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

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

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

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

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

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

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

1.10 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

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

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

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

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 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.

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

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.

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.

Accounting Policies

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

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.

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.

1.12 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.

Accounting Policies

1.12 Employee benefits (continued)

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.

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

1.12 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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1.13 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

1.13 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 34.

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

1.13 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.

1.14 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.

1.15 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.

1.15 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.

1.16 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

1.16 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".

1.17 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.

1.18 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

1.19 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.

1.20 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.

1.21 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.

1.22 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

1.22 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	2021	2020

2. Property, plant and equipment

	2021			2020		
	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	120,995,230	(30,588,855)	90,406,375	106,030,823	(26,678,623)	79,352,200
Furniture and fixtures	9,667,157	(5,797,647)	3,869,510	9,534,405	(6,325,814)	3,208,591
Motor vehicles	9,836,784	(3,416,079)	6,420,705	8,215,821	(4,588,277)	3,627,544
IT equipment	25,125,950	(16,543,889)	8,582,061	23,401,763	(15,096,465)	8,305,298
Work in Progress - IT Equipment	2,879,760	-	2,879,760	754,555	-	754,555
Other Equipment	22,566,244	(15,144,886)	7,421,358	23,133,636	(16,171,155)	6,962,481
Training Equipment (Small items)	11,750,700	(11,661,831)	88,869	10,441,317	(10,424,792)	16,525
Training Equipment	22,744,296	(13,976,024)	8,768,272	21,713,276	(14,032,426)	7,680,850
Furniture and Fixtures (Small items)	21,390,846	(21,313,841)	77,005	20,445,642	(20,382,842)	62,800
Other Equipment (Small items)	4,973,778	(4,922,998)	50,780	4,906,066	(4,884,388)	21,678
IT Equipment (Small items)	9,086,033	(9,036,416)	49,617	9,588,542	(9,569,099)	19,443
Work in Progress - Buildings	3,188,565	-	3,188,565	9,728,682	-	9,728,682
Finance Lease Assets	4,297,558	(3,280,595)	1,016,963	3,666,886	(2,569,679)	1,097,207
Total	**291,177,054**	**(136,295,089)**	**154,881,965**	**274,235,567**	**(131,335,588)**	**142,899,979**

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers received	Transfers	Assets found - Gains	Depreciation	Impairment loss	Impairment reversal	Total
Land	22,062,125	-	-	-	-	-	-	-	-	22,062,125
Buildings	79,352,200	14,964,407	-	-	-	-	(3,910,232)	-	-	90,406,375
Furniture and fixtures	3,208,591	262,088	(30,424)	-	-	1,718,577	(964,973)	(341,927)	17,578	3,869,510
Motor vehicles	3,627,544	1,753,963	(50,146)	-	-	2,502,118	(1,356,626)	(56,148)	-	6,420,705
IT equipment	8,305,298	2,158,368	(28,434)	-	-	2,248,810	(3,161,820)	(1,140,990)	200,829	8,582,061
Work in Progress - IT Equipment	754,555	2,341,895	-	(216,690)	-	-	-	-	-	2,879,760
Other Equipment	6,962,481	783,999	(410,834)	-	-	2,702,121	(2,065,631)	(680,518)	129,740	7,421,358
Training Equipment (Small items)	16,525	562,133	(34)	-	-	78,759	(562,406)	(6,108)	-	88,869
Training Equipment	7,680,850	707,820	-	-	-	2,171,004	(1,734,741)	(535,668)	479,007	8,768,272
Furniture and Fixtures (Small items)	62,800	1,080,471	(53)	-	-	20,684	(1,083,359)	(3,561)	23	77,005
Other Equipment (Small items)	21,678	94,828	(10)	-	-	41,559	(101,345)	(5,930)	-	50,780
IT Equipment (Small items)	19,443	29,079	(180)	-	-	32,988	(29,331)	(2,466)	84	49,617
Work in Progress - Buildings	9,728,682	5,952,200	-	-	(12,492,317)	-	-	-	-	3,188,565
Finance Lease Assets	1,097,207	630,672	-	-	-	-	(710,916)	-	-	1,016,963
	142,899,979	**31,321,923**	**(520,115)**	**(216,690)**	**(12,492,317)**	**11,516,620**	**(15,681,380)**	**(2,773,316)**	**827,261**	**154,881,965**

Notes to the Annual Financial Statements

Figures in Rand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Impairment reversal	Total
Land	22,062,125	-	-	-	-	-	22,062,125
Buildings	82,091,589	936,911	-	(3,676,300)	-	-	79,352,200
Furniture and fixtures	3,626,700	79,897	-	(681,977)	(123,633)	307,604	3,208,591
Motor vehicles	3,863,864	-	-	(892,879)	(5,436)	661,995	3,627,544
IT equipment	8,979,977	1,903,943	(3)	(2,528,022)	(531,578)	480,981	8,305,298
Work in Progress - IT Equipment	895,484	-	-	-	(140,929)	-	754,555
Other Equipment	8,431,070	612,302	(2)	(1,645,053)	(779,607)	343,771	6,962,481
Training Equipment (Small items)	10,636	119,202	(2)	(95,545)	(17,796)	30	16,525
Training Equipment	9,760,484	674,934	(1)	(1,785,842)	(1,364,558)	395,833	7,680,850
Furniture and Fixtures (Small items)	122,204	306,934	(12)	(361,747)	(5,145)	566	62,800
Other Equipment (Small items)	4,819	133,972	-	(108,229)	(9,103)	219	21,678
IT Equipment (Small items)	17,912	134,743	(17)	(132,596)	(1,244)	645	19,443
Work in Progress - Buildings	1,509,206	8,219,476	-	-	-	-	9,728,682
Finance Lease Assets	35,275	1,516,257	-	(454,325)	-	-	1,097,207
	141,411,345	**14,638,571**	**(37)**	**(12,362,515)**	**(2,979,029)**	**2,191,644**	**142,899,979**

Assets subject to finance lease (Net carrying amount)

Finance Lease Assets	1,016,963	1,097,207

Notes to the Annual Financial Statements

Figures in Rand

3. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Copy Rights	1,398,116	(627,957)	770,159	1,067,886	(448,268)	619,618

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Copy Rights	619,618	330,230	(179,689)	770,159

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Copy Rights	600,189	126,000	(106,571)	619,618

4. Payables from non-exchange transactions

Non-current liabilities

Projects

Projects	(9,297,359)	(856,168)

The project amount relates to INSETA interns, ECD900 and NHBRC projects.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
5. Other financial assets		
Designated at fair value		
Standard Bank Fixed Deposit - (628826850-001)	8,842,125	8,547,804
Interest rate: 5.20%		
Term of Deposit: 180 Days		
Effective date: 9 November 2020		
Maturity date: 09 November 2021		
ABSA Fixed Deposit - (20-7923-9456)	-	20,735,351
Interest rate: 6,52%		
Term of Deposit: 180 Days		
Effective date: 05 June 2020		
Maturity date: 07 June 2021		
ABSA Fixed Deposit - (20-7925-6446)	3	20,691,418
Interest rate: 6,51%		
Term of Deposit: 180 Days		
Effective date: 17 September 2020		
Maturity date: 17 September 2021		
ABSA Fixed Deposit - (628826850-002)	-	40,987,989
Terms and conditions ABSA Fixed Deposit - (20-7934-0546)		
Interest rate: 4,10%		
Term of Deposit: 180 Days		
Effective date: 11 September 2020		
Maturity date: 11 September 2021		
ABSA Fixed Deposit - (20-7923-9008)	-	10,367,675
Interest rate: 6,52%		
Term of Deposit: 180 Days		
Effective date: 05 June 2020		
Maturity date: 07 Juner 2021		
Nedbank Fixed Deposit - (03-7881084347-000059)	20,600,584	-
Interest rate: 5.29%		
Term of Deposit: 365 Days		
Effective date: 08 June 2021		
Maturity date: 08 June 2022		
Standard Bank Fixed Deposit - (20-7046-2034)	10,294,904	-
Interest rate: 5.1%		
Term of Deposit: 365 Days		
Effective date: 01 July 2021		
Maturity date: 30 June 2022		
Nedbank Fixed Deposit - (03-7881084347-000060)	20,571,370	-
Interest rate: 5.38%		
Term of Deposit: 365 Days		
Effective date: 21 June 2021		
Maturity date: 21 June 2022		
Nedbank Fixed Deposit - (03-7881084347-00061)	40,724,647	-
Interest rate: 5.42%		
Term of Deposit: 365 Days		
Effective date: 01 September 2021		
Maturity date: 01 September 2022		
	101,033,633	**101,330,237**
Current assets		
Designated at fair value	101,033,633	101,330,237

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

6. Inventories

Consumable stores	12,683,952	13,450,983

Inventory pledged as security

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

7. Receivables from exchange transactions

Student Debtors	35,223,522	36,471,193
Other Receivables - Other Debtors	6,634,707	5,427,337
Prepaid expenses	34,240	20,145
Employee Debtors	463,495	240,244
NSFAS - Receivable	1,033,554	1,723,896
Accrued Income	237,885	365,778
	43,627,403	**44,248,593**

8. Receivables from non-exchange transactions

Government grants and subsidies	6,776,867	15,471,668
Project receivables	3,240,698	3,597,278
	10,017,565	**19,068,946**

Non-current assets	-	-
Current assets	10,017,565	19,068,946
	10,017,565	**19,068,946**

9. Trade and Other Receivable from Exchange Transactions

Gross balances		
Student Debtors	166,957,483	153,984,378
Other Debtors	13,487,406	12,293,330
Total Gross Balances	**180,444,889**	**166,277,708**
Less: Allowance for impairment		
Student Debtors	(131,733,961)	(117,513,185)
Other Debtors	(6,852,699)	(6,865,993)
Total Allowances for Impairment	**(138,586,660)**	**(124,379,178)**
Net balance		
Student Debtors	35,223,522	36,471,193
Other Debtors	6,634,707	5,427,337
Total Net Balances	**41,858,229**	**41,898,530**
Student Debtors		
Current (0 -30 days)	-	92,993
31 - 60 days	-	1,434,150
61 - 90 days	1,443,629	-
91 - 120 days	1,762,313	25,336,671
Exceeding 120 Days	163,751,541	127,120,565
Total Student Debtors as per Aging	**166,957,483**	**153,984,379**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

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

Other Debtors		
Current (0 -30 days)	2,099,500	2,342,000
31 - 60 days	-	-
61 - 90 days	11,496	-
Exceeding 91 Days	11,376,410	9,951,330
Total Other Debtors	**13,487,406**	**12,293,330**

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	20,000	20,000
Bank balances	184,578,168	182,758,560
Short-term deposits	170,106,601	165,369,105
	354,704,769	**348,147,665**

Current assets	354,704,769	348,147,665
Current liabilities	-	-
	354,704,769	**348,147,665**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

11. Finance lease obligation

Minimum lease payments due		
- within one year	(847,203)	(596,701)
- in second to fifth year inclusive	(386,330)	(668,591)
- lease Reassessment - (Increase) / Decrease in Finance Lease Liability	-	-
	(1,233,533)	(1,265,292)
less: future finance charges	(144,261)	(125,958)
Present value of minimum lease payments	**(1,377,794)**	**(1,391,250)**

Present value of minimum lease payments due		
- within one year	(740,900)	(509,002)
- in second to fifth year inclusive	(348,372)	(630,332)
- less future finance charges	(144,261)	(125,958)
	(1,233,533)	**(1,265,292)**

Non-current liabilities	348,372	630,332
Current liabilities	740,900	509,002
	1,089,272	**1,139,334**

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% (2020: 7%).

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	-	650,370
Capital Infrastructure Funding - Unspent Conditional Grant	-	1
	-	**650,371**

Movement during the year

Balance at the beginning of the year	650,371	2,291,895
Additions during the year	7,873,079	-
Income recognition during the year	(8,523,450)	(1,641,524)
	-	**650,371**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

12. Unspent conditional grants and receipts (continued)

Non-current liabilities	-	-
Current liabilities	-	650,371
	-	**650,371**

13. Trade and other payables

Trade payables	(2)	-
Bursary liability	47,928,688	47,039,703
Other Payables	20,420,220	21,172,622
Payroll Accruals	1,126,325	1,901,942
Accrued leave pay	194,988	140,045
Accrued Expenditure	28,547,485	22,637,024
Payroll payable 37%	4,448,312	14,143,976
Projects	8,972,884	7,365,084
	111,638,900	**114,400,396**

14. Payables from non-exchange transactions

Projects	8,568,379	19,529,717

15. Revenue

Tuition and Related Fees	57,416,829	58,295,521
Rental of facilities and equipment	509,570	939,809
Business Unit Income	18,194	8,323
Student Bad Debt Recovered	7,080	500
Prescription Revenue	-	3,056,036
Other farming income 1	32,115	411,891
Interest received - investment	11,653,530	16,548,312
Government grants & subsidies	245,275,258	260,996,010
Public contributions and donations	185,160	-
Project income	14,053,438	8,097,387
	329,151,174	**348,353,789**

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

Tuition and Related Fees	57,416,829	58,295,521
Rental of facilities and equipment	509,570	939,809
Business Unit Income	18,194	8,323
Student Bad Debt Recovered	7,080	500
Prescription Revenue Reversal	-	3,056,036
Insurance claim received	32,115	411,891
Interest received - investment	11,653,530	16,548,312
	69,637,318	**79,260,392**

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

Transfer revenue		
Government grants & subsidies	245,275,258	260,996,010
Public contributions and donations	185,160	-
Other transfer revenue 2	14,053,438	8,097,387
	259,513,856	**269,093,397**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

16. Tuition and Related Fees

Tuition Fees - NSFAS Bursaries (Report 191)	16,203,807	9,876,564
Residential Fees	5,248,416	4,589,504
Tuition Fees - NSFAS Bursaires (NCV)	33,444,994	41,308,640
Tuition Fees - Skill Occupational	1,184,992	1,400,877
Examination Fees	961,100	581,000
Tuition Fees - Pre-Vocational Learning	373,520	538,936
	57,416,829	**58,295,521**

17. Rental of facilities and equipment

Premises		
Venue hire	84,303	49,288
Housing Rental Income	425,267	890,521
	509,570	**939,809**

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	17,544	6,373
Tender Document Income	650	1,950
	18,194	**8,323**

19. Lease rentals on operating lease

Equipment		
Contractual amounts	198,255	513,120

20. Other revenue

Student Bad Debt Recovered	7,080	500
Gain/(Loss) on disposal of assets and liabilities	11,566,685	1,147,712
Skills Development and Training Fees Received	-	3,056,036
Insurance claim received	32,115	411,891
	11,605,880	**4,616,139**

21. Investment revenue

Interest revenue		
Bank	6,348,032	9,165,159
Investments	5,305,498	7,383,153
	11,653,530	**16,548,312**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

22. Government grants and subsidies

DHET PERSAL Allocation	168,269,586	173,380,750
DHET Programme Funding	75,879,001	70,841,763
DHET CIEG Revenue	-	13,226,923
COS Revenue	650,370	3,546,574
Skills levy	476,301	-
	245,275,258	**260,996,010**

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	650,370	3,546,574
Unconditional grants received	244,624,888	257,449,436
	245,275,258	**260,996,010**

NSF: COS - Unspent Conditional Grant

Balance unspent at beginning of year	650,370	2,291,895
Conditions met - transferred to revenue	(650,370)	(1,641,525)
	-	**650,370**

23. Employee related costs

Employee related cost and DHET Management Fee	177,810,278	175,817,946

Summary of remuneration

DHET Management Fee	164,528,066	156,767,280
Remuneration paid to employees by the College Council	13,282,212	19,050,666
	177,810,278	**175,817,946**

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.

24. Remuneration of councillors

Meeting Allowances	554,137	794,846
Travel and Accomodation Allowances	21,051	114,757
	575,188	**909,603**

25. Depreciation and amortisation

Property, plant and equipment	15,724,570	13,431,088
Intangible assets	179,689	106,571
	15,904,259	**13,537,659**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

26. Impairment of assets

Impairments		
Property, plant and equipment	2,466,176	521,278
This resulted in assets not found as well as condition changes		

27. Finance costs

Trade and other payables	2,960,786	3,031,863
Finance leases	164,542	106,547
	3,125,328	**3,138,410**

28. Debt impairment

Contributions to debt impairment provision	19,767,991	10,362,865
Bad debts written off	1,681,803	-
	21,449,794	**10,362,865**

29. General expenses

Advertising	987,866	897,149
Auditors remuneration	3,252,332	2,744,559
Bank charges	349,807	208,616
Cleaning	3,243,064	2,851,809
Computer expenses	3,003,863	2,626,361
Consulting and professional fees	2,973,364	3,055,831
Consumables	240,670	22,571
Entertainment	718,654	663,184
Fines and penalties	1,370	-
Gifts	61,630	86,437
Insurance	2,739,830	2,452,031
Student support services	10,540,511	3,502,993
Conferences and seminars	520,161	194,170
Licensing of Vehicles	32,512	28,899
Diploma Ceremony	96,939	181,658
Fuel and oil	747,782	453,208
Placement fees	-	2,000
Postage and courier	597	4,644
Printing and stationery	2,821,782	2,083,970
Promotions	1,121,194	836,141
Protective clothing	822,862	839,902
Security Sevices	7,337,376	6,369,341
Software Licenses	2,805,977	2,427,969
Staff welfare	879,061	1,331,377
Subscriptions Fees	36,670	29,206
Telephone and Internet Fees	2,890,860	2,932,377
Training and Bursaries	1,923,632	805,584
Membership Fees	175,091	144,961
Municipal Expenses	14,769,287	12,955,432
Uniforms	90,676	15,022
Travel and Accomodation	814,273	614,543
Textbooks and Learning Materials	14,966,361	11,030,018
Business integrator fees	80,341	62,374
Examination Expenses	88,533	155,517
COVID 19 expenditure	2,334,590	4,514,019
Council Functions	27,383	8,948
Stipends	3,087,000	1,291,617
	86,583,901	**68,424,438**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

30. Auditors' remuneration

Fees	3,252,332	2,744,559

31. Cash generated from operations

Surplus	14,240,898	67,620,234
Adjustments for:		
Depreciation and amortisation	15,904,259	13,537,659
Gain / Loss on disposal of assets and liabilities	(11,566,685)	(1,147,712)
Impairment deficit	2,466,176	521,278
Debt impairment	21,449,794	10,362,865
Inventories losses/write-off	1,551,973	1,486,262
Changes in working capital:		
Inventories	(784,942)	1,248,302
Receivables from exchange transactions	(20,828,604)	(43,828,474)
Trade and other receivables from non - exchange transactions	9,051,381	18,928,062
Trade and other payables	(5,281,641)	13,476,635
Unspent conditional grants and receipts	(650,371)	(1,641,524)
	25,552,238	**80,563,587**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

32. Financial instruments disclosure

Categories of financial instruments

2021

Financial assets

	At fair value	At amortised cost	Total
Other financial assets	101,033,633	-	101,033,633
Receivables from exchange transactions	-	43,593,163	43,593,163
Receivables from non - exchange transactions	-	3,240,698	3,240,698
Cash and cash equivalents	354,704,769	-	354,704,769
	455,738,402	**46,833,861**	**502,572,263**

Financial liabilities

	At amortised cost	Total
Finance lease obligation current liabilty	740,900	740,900
Finance lease obligation non-current liabilty	348,372	348,372
Payables from non exchange transactions (Non-Current)	9,297,359	9,297,359
Trade and other payables from exchange transactions	111,638,900	111,638,900
Trade and other payables from non-exchange transactions	8,568,379	8,568,379
	130,593,910	**130,593,910**

2020

Financial assets

	At fair value	At amortised cost	Total
Other financial assets	101,330,237	-	101,330,237
Receivables from exchange transactions	-	44,228,448	44,228,448
Receivables from non - exchange transactions	-	3,597,278	3,597,278
Cash and cash equivalents	348,147,665	-	348,147,665
	449,477,902	**47,825,726**	**497,303,628**

Financial liabilities

	At amortised cost	Total
Finance lease obligation current liabilty	509,002	509,002
Finance lease obligation non-current liabilty	630,332	630,332
Payables from exchange transactions	114,400,396	114,400,396
Payables from non - exchange transactions	19,529,717	19,529,717
Payables from non - exchange transactions (non-current)	856,168	856,168
Unspent conditional grants and receipts	650,371	650,371
	136,575,986	**136,575,986**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

33. Commitments

Authorised capital expenditure

Already contracted for		
• Property, plant and equipment	5,948,398	16,150,844
	5,948,398	**16,150,844**

Total capital commitments		
Already contracted for	5,948,398	16,150,844

Total commitments

Total commitments		
Authorised capital expenditure	5,948,398	16,150,844

34. Contingencies

Contingent Liabilities consist of the follow:

Case 1:

The College is currently locked in a dispute with Moses Kotatane Local Municipality regarding the billing of rates and taxes. The College was charged for rates and taxes which is the responsibility of the Department of Public Works.

The total amount payable according to Moses Kotane Local Municipality which is recognised as a contingent liability amounts to R37 215 143.

Case 2:

This issue relates to action instituted by Mr. K M Mokaa, relating to damages the plaintiff claims to have suffered again the college. No rand value has yet been determined for this contingent liability. The matter is still ongoing.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

35. 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 Eductiona nd 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.
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 (Ms) (Lecturer - Ministerial Appintment). Magolego PM (Attorney -Donor). Mangoma APC (Ms) (Freelancing). Singh R (Financial Accountant). Mokoena DF (Principal - College Employee). Van Heerden A (Secretary and College Employee). Letsoalo SM (College Employee). Mokale AT (College Employee) . Ramaru MS (College Employee). Kabini Z (Corporate Planning - Ministerial Appointee resigned 3 May 2021. Mathye MG (Ms) Freelancing - Additional Member) . Metsieme K (Ms) -(SRC President). Moraka K -(SRC Secretary). Molope MB (Dr) - (General Manager Pilaneberg Platinum Mines). Ramdass KR (Prof.) (Unisa).
Audit Committee	I Carrim - Group Financial Controller at Glencore (Appointed August 2016). W Fourie - Chartered Accountant at DVS Chartered Accountants (Appointed July 2017). R Kgalaki - Deputy Director: Governance, Performance and IT Audit (Appointed October 2018). APC Mangoma - Audit, Risk and and IT Audit Consultant (Appointed April 2019). DF Mokoena - Principal at ORBIT TVET College (Appointed June 2018). .
Members of key management	DF Mokoena - Principal. Mokhethi MTS - Deputy Principal: Fianace SM Matjiane - Deputy Principal: Corporate Services. TJ Mosito - Deputy Principal: Academic.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

35. Related parties (continued)

Related party balances

Unspent Conditional Grants Received:		
National Skills Fund	-	650,371
Other Related Party Balances		
NSFAS	1,033,554	1,723,896

Related party transactions

Government Grants and Subsidies Received:		
Department of Higher Education and Training	245,275,258	260,996,010

Key management information

Notes to the Annual Financial Statements

Figures in Rand

35. Related parties (continued)

Remuneration of management

Management

2021

Name	Basic salary	Bonuses and performance related payments	Other benefits received	Total
Mokoena DF - Accounting Officer/Principal	740,124	61,677	260,702	1,062,503
Matjiane SM - Deputy Principal Corporate Services	685,514	102,315	174,711	962,540
Mosito TJ - Deputy Principal: Academic	700,748	58,830	257,286	1,016,864
Mokhethi MTS - Deputy Principal: Finance	50,692	-	23,101	73,793
	2,177,078	**222,822**	**715,800**	**3,115,700**

2020

Name	Basic salary	Bonuses and performance related payments	Other benefits received	Total
Mokoena DF - Accounting Officer/Principal	740,126	-	255,613	995,739
Mosito TJ - Deputy Principal: Academic	682,720	130,448	235,794	1,048,962
Sebaetse M - Deputy Principal: Infrastructure	434,504	-	160,766	595,270
Mokhethi MTS - Deputy Principal: Finance	456,228	-	195,598	651,826
Matjiane SM - Deputy Principal Corporate Services	667,878	121,947	155,351	945,176
	2,981,456	**252,395**	**1,003,122**	**4,236,973**

External audit members remuneration

2021

35. Related parties (continued)

Remuneration of management

Management

2021

Name	Basic salary	Bonuses and performance related payments	Other benefits received	Total
Mokoena DF - Accounting Officer/Principal	740,124	61,677	260,702	1,062,503
Matjiane SM - Deputy Principal Corporate Services	685,514	102,315	174,711	962,540
Mosito TJ - Deputy Principal: Academic	700,748	58,830	257,286	1,016,864
Mokhethi MTS - Deputy Principal: Finance	50,692	-	23,101	73,793
	2,177,078	**222,822**	**715,800**	**3,115,700**

2020

Name	Basic salary	Bonuses and performance related payments	Other benefits received	Total
Mokoena DF - Accounting Officer/Principal	740,126	-	255,613	995,739
Mosito TJ - Deputy Principal: Academic	682,720	130,448	235,794	1,048,962
Sebaetse M - Deputy Principal: Infrastructure	434,504	-	160,766	595,270
Mokhethi MTS - Deputy Principal: Finance	456,228	-	195,598	651,826
Matjiane SM - Deputy Principal Corporate Services	667,878	121,947	155,351	945,176
	2,981,456	**252,395**	**1,003,122**	**4,236,973**

External audit members remuneration

2021

Notes to the Annual Financial Statements

Figures in Rand

35. **Related parties (continued)**

Name	Meetings attended for the period	Meeting fees	Total
Carrim I	Two (2)	5,238	5,238
Fourie W	Six (6)	14,793	14,793
Kgalaki R	Five (5)	7,857	7,857
Mangoma APC	Six (6)	28,521	28,521
	-	**56,409**	**56,409**

2020

Name	Meetings attended for the period	Meeting fees	Total
Carrim I	Four (4)	17,412	17,412
Fourie W	Four (4)	19,602	19,602
Kgalaki R	Three (3)	15,714	15,714
Mangoma APC	Three (3)	69,672	69,672
	-	**122,400**	**122,400**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

36. External Councillors Remuneration

External Counillors

2021

	Meetings Attended for the Period	Meeting Fees	Travel and Subsistence	Total
Dubazana TC	Three (3)	9,126	-	9,126
Moloantoa K	Twenty one (21)	107,091	455	107,546
Bogopa MB	Twenty one (21)	68,356	1,032	69,388
Lefophane MH	Three (3)	10,395	3,082	13,477
Magolego PM	Forty three (43)	157,686	10,268	167,954
Mangoma APC	Seven (7)	28,521	-	28,521
Singh R	Nine (9)	31,185	2,005	33,190
Fourie WS	Four (4)	12,174	-	12,174
Kgalaki R	Three (3)	7,857	-	7,857
Kabini ZM	Five (5)	19,029	-	19,029
Mathye MG	Twenty seven (27)	91,053	4,208	95,261
Dr BM Molope	Three (3)	11,664	-	11,664
	-	**554,137**	**21,050**	**575,187**

2020

	Meetings Attended for the Period	Meeting Fees	Data allowances	Travel and Subsistence	Total
Duduzana TC	Ten (10)	32,625	667	3,898	37,190
Moloantoa K	Twenty Three (23)	114,812	667	506	115,985
Bogopa MB	Thirty two (32)	106,686	667	2,888	110,241
Lefophane MH	Fourteen (14)	48,087	667	12,455	61,209
Magolego PM	Thirty (30)	103,128	667	6,107	109,902
Mangoma APC	Twenty two (22)	69,672	667	5,662	76,001
Singh R	Nine (9)	31,185	667	-	31,852
Van Heerden A		-	-	-	-
Letsoalo SM		-	-	-	-
Mokale AT		-	-	-	-
Carrim I	Six (6)	17,412	667	-	18,079
Fourie W	Seven (7)	19,602	667	-	20,269
Kgalaki R	Six (6)	15,714	667	-	16,381
Kabini Z	Twelve (12)	44,976	667	-	45,643
Mamaile JL	Twelve (12)	41,580	667	-	42,247
Mathye MG	Thirty two (32)	104,998	667	44,392	150,057
	-	**750,477**	**8,671**	**75,908**	**835,056**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

37. 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

2020

	As previously reported	Correction of error	Restated
Inventories	12,417,498	(1,033,485)	13,450,983
Receivables form exchange transactions	32,844,590	(11,404,003)	44,248,593
Intangible assets	495,919	(123,699)	619,618
Payables from exchange transaction	(114,086,078)	314,318	(114,400,396)
Unspent Conditional Grant	(1,891,127)	(1,240,756)	(650,371)
Provisions	(541,087)	(541,087)	-
Accumulated Surplus	519,161,290	(14,028,745)	533,190,035
Financial assets			
	448,401,005	**(28,057,457)**	**638,427,387**

Statement of financial performance

2020

	As previously reported	Correction of error	Restated
Rental of facilities and equipment	425,617	(514,192)	939,809
Government grants and subsidies	259,755,254	(1,240,756)	260,996,010
Depreciation and amortisation	(13,535,358)	2,301	(13,537,659)
Lease rentals on operating lease	(517,927)	(4,807)	(513,120)
Repairs and maintenance	(7,163,448)	6,238	(7,169,686)
General expenditure	(67,271,317)	1,153,121	(68,424,438)
Debt impairment	(25,272,633)	(14,909,768)	(10,362,865)
Inventories losses/write-offs	(2,519,747)	(1,033,485)	(1,486,262)
Employee related costs	(175,762,324)	55,622	(175,817,946)
Finance cost	(1,027,925)	2,110,485	(3,138,410)
Remuneration of councillors	(853,007)	56,596	(909,603)
Surplus for the year	**(33,742,815)**	**(14,318,645)**	**(19,424,170)**

37. Prior-year adjustments (continued)

Nature of error

Included in the adjustments made to the components are corrections to the relevant disclosure notes relating to the affected components.

Unspent conditional grants and receipt
The CIEG grant was incorrectly classified as conditional grant in the prior year.

Government grant & Subsidies
The CIEG grant was incorrectly classified as conditional grant in the prior year.

Intangible assets
Intangible assets additions was incorrectly recorded as general expense in the prior year.

Depreciation and amortisation
Intangible assets additions was incorrectly recorded as general expense in the prior year.

General Expenses
Intangible assets additions was incorrectly recorded as general expense in the prior year.
Derecognition of the amount journal as the amount was incorrectly recorded.
Recognition of accrued expense incorrectly recognised.
Recognition of 2020 Mankwe accrued expenditure
Reversal of 2020 GRV Accruals
Clearing of prior year suspense accounts.
Recognition of the Madibeng municipality accrued expenditure.

Payables from exchange transactions
Correction of the 2019 opening balance as the amount was incorrectly duplicated.
Correction of the 2019 opening balance as the amount was not recorded.
Derecognition of the amount journal as the amount was incorrectly recorded.
Recognition of accrued expense incorrectly recognised.
Recognition of Mankwe 2019 accrued expenditure including finance cost.
Recognition of 2020 Mankwe accrued expenditure
Reversal of 2020 GRV Accruals
Prior year refund of rental income incorrectly recorded in the current year.
Writing off amounts according to Chapter 3 of the Prescription Act 68 of 1969
Clearing of prior year suspense accounts.
Recognition of the Madibeng municipality accrued expenditure.
Reversal of prior year debtors with credit balances recorded.
Allocating debtors with credit balances to payables
Allocating NSF amount recorded in the suspense account.
Recognition of payroll (4%&37%) payable in the 2018 financial year
Recognition of payroll (4%&37%) finance cost due to time value of money and the measurement payables at amortised cost as required by GRAP 104 for the 2019 financial year.
Accruing for salary backpay of Nkambule and Mpala.
Recognition of the prior year accrual on remuneration of councillors

Net assets - Accumulated Surplus
Correction of the 2019 opening balance as the amount was incorrectly duplicated.
Correction of the 2019 opening balance as the amount was not recorded.
Derecognition of the amount journal as the amount was incorrectly recorded.
Recognition of accrued expense incorrectly recognised.
Recognition of Mankwe 2019 accrued expenditure including finance cost.
Writing off amounts according to Chapter 3 of the Prescription Act 68 of 1969
Clearing of prior year suspense accounts.
Recognition of the Madibeng municipality accrued expenditure.
Derecognition of the old mutual provision as it was incorrectly classified.
Allocating NSF amount recorded in the suspense account.
Accounting for the movement in other debtors due to the age analysis

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

37. Prior-year adjustments (continued)

Recognition of payroll (4%&37%) payable in the 2018 financial year
Recognition of payroll (4%&37%) finance cost due to time value of money and the measurement payables at amortised cost as required by GRAP 104 for the 2019 financial year.
Accruing for salary backpay of Nkambule and Mpala.
Accounting for the prior period error due to asset verification and movement identifed.

Lease rentals on operating lease

Derecognition of the amount journal as the amount was incorrectly recorded.
Recognition of accrued expense incorrectly recognised.

Repairs and Maintainace

Recognition of accrued expense incorrectly recognised.

Rental of facilities and equipment

Prior year refund of rental income incorrectly recorded in the current year.

Receivables from exchange transactions

Clearing of prior year suspense accounts.
Reversal of prior year debtors with credit balances recorded.
Accounting for the movement in other debtors due to the age analysis
Allocating debtors with credit balances to payables
Accounitng for the movement in debt impairment due to the age analysis

Debt impairment

Accounitng for the movement in debt impairment due to the age analysis.

Provisions

Derecognition of the old mutual provision as it was incorrectly classified.

Finance costs

Accruing for salary backpay.
Recognition of Mankwe 2019 accrued expenditure including finance cost..

Remuneration of councillors

Recognition of the prior year accrual on remuneration of councillors

38. 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, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	120,207,279	9,297,359	-	-
Finance lease obligations	740,900	348,372	-	-

At December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Unspent conditional grants and receipts	650,371	-	-	-
Trade and other payables	133,930,113	856,168	-	-
Finance lease obligations	509,002	630,332	-	-

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	2021	2020
Cash and Cash Equivalents	354,704,769	348,147,665
Other financial assets	101,033,633	101,330,237
Receivables from Non-Exchange Transactions	10,017,565	19,068,946
Receivables from exchange transactions	43,627,403	44,248,593

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

38. 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 company'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 9,25% - 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 R213 130 (2020: R31 370) or decrease of R213 130 (2020: R31 370) , 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.

39. Going concern

We draw attention to the fact that at 31 December 2021, the college had an accumulated surplus of R 547,125,536 and that the college's total assets exceed its liabilities by R 547,125,536.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

39. 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.

40. Events after the reporting date

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

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The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Collage for future periods