



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



Great Place. Great Choice for Lifelong Learning.

ANNUAL PERFORMANCE REPORT FOR MALUTI TVET COLLEGE 2021

Department of Higher Education and Training

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1. ABBREVIATIONS AND ACRONYMS

| | |
|-----------|--|
| AG | Auditor General |
| AGRISSETA | Agriculture Sector Education and Training Authority |
| ASB | Accounting Standards Board |
| APP | Annual Performance Plan |
| ART | Anti-retroviral Treatment |
| BETH | Bethlehem Campus |
| BON | Bonamelo Campus |
| CAT | Continuous Assessment Task |
| CATHSSETA | Culture, Arts, Tourism, Hospitality and Sport Education and Training Authority |
| CHIETA | Chemical Industries Education & Training Authority |
| CIP | College Improvement Plan |
| COSACSA | College, Sport, Arts & Culture South Africa |
| COSSA | College Sports South Africa |
| CSAS | College Students Attainment Strategy |
| CSRC | Campus Student Representative Council |
| DHET | Department of Higher Education & Training |
| DOH | Department of Health |
| DPI | Deputy Principal Innovation |
| ECD | Early Childhood Development |
| ETDP SETA | Education, Training and Development Practices Sector Education & Training Authority |
| EW SETA | Energy and Water Sector Education and Training Authority |
| FASSET | Financial, Accounting, Management, Consulting and other Financial Services Sector Education & Training |
| GRAAP | Generally Recognised Accepted Accounting Principles |
| HARR | Harrismith Campus |
| HR | Human Resource |
| HRD | Human Resource Development |
| HRM | Human Resource Management |
| HTS | HIV Testing Services |
| HoD | Head of Department |
| IDC | Industrial Development Corporation |
| IEC | Independent Electoral Commission |
| ICASS | Internal Continuous Assessment |
| ISAT | Integrated Summative Assessment |

| | |
|----------|---|
| IT | Information Technology |
| ITEM | Itemoheleng Campus |
| LERE | Lere La Tshepe |
| MERSETA | Manufacturing, Engineering & Relating Services Sector Education & Training Authority |
| MICTSETA | Media, Information and Communication Technology Sector Education & Training Authority |
| MIS | Management Information System |
| MMC | Medical Male Circumcision |
| MoU | Memorandum of Understanding |
| MQA | Mining Qualification Authority |
| NATED | National Technical Education Diploma |
| NCDs | Non-Communicable Disease |
| NC (V) | National Certificate (Vocational) |
| NGO | Non -Governmental Organisation |
| NQF | National Qualifications Framework |
| NSF | National Skills Fund |
| NSFAS | National Students Financial Aid Scheme |
| NYDA | National Youth Development Agency |
| PoA | Portfolio of Assessment |
| PoE | Portfolio of Evidence |
| PLP | Pre Vocational Learning Programme |
| PSETA | Public Sector Education & Training Authority |
| PPN | Post Provisioning Norms |
| PrEP | Pre Exposure Prophylaxis |
| PQM | Programme Qualification Mix |
| QMS | Quality Management System |
| SABS | South African Bureau of Standards |
| SACPO | South African College Principals Organisation |
| SANDF | South African National Defence Force |
| SARS | South African Revenue Services |
| SANBS | South African National Blood Services |
| SATICA | South African Tertiary Institution Choral Music Association Festival |
| SETA | Sector Education and Training Authority |
| SHERQ | Safety Health Environment Risk and Quality Management |
| SLO | Student Liaison Officer |
| SRC | Students Representative Council |

| | |
|----------|---|
| SEF | Sefikeng Campus |
| SSS | Students Support Services |
| TETA | Transport Education and Training Authority |
| TVET | Technical & Vocation Education and Training |
| USAF | Universities South Africa |
| VAT | Value Added Tax |
| WBE | Workplace-based experience |
| WE | Workplace exposure |
| WIL | Work-integrated learning |
| WSSA | World Skills South Africa |
| W&R SETA | Wholesaler & Retailer Sector Education & Training Authority |

PART A: GENERAL OVERVIEW

2. MESSAGE FROM THE COUNCIL CHAIRPERSON

Having entered the 2021/22 financial year in a position of strength, the Maluti TVET College continued to make significant progress on its strategy, deepening and expanding learner access and experience by expanding teaching and learning channels organically and through acquisition of technology, as well as by advancing its innovative hybrid learning and teaching solutions. These investments in teaching and learning were made as a result of the impact of the COVID-19 pandemic, which allowed us to sustain the College, despite some changes in management and residual challenges. This shows that the fundamentals of our TVET system remain solid. Through the year, learning and teaching behavior was increasingly resilient in the face of varying COVID-19 infection rates, and we expect that trend to continue.

We committed significant capital during this financial year to our strategic effort to get ever closer to the students. During the coming year we will conclude significant partner relationships with a number of Sector Education Training Authorities. Furthermore, we will also conclude partnerships with Business Consortiums and SEDA that would see the practical and entrepreneurial experience of our students expanding. The National Skills Fund has also awarded a R35,884 713,40 grant to the College in the past year for over three years. These investments will transform teaching and learning of a rural college. At the same time, we are attracting more students from outside our catchment area which indicates the accelerated expansion of our network. To ensure that we continue to provide our growing markets with the innovation they expect from us, we have further increased investments in Industry 4.0 and the skills revolution which rose at a double-digit rate for the third year in a row. We are committed to sustain our technology leadership by establishing skills in new and developing areas. We have kept up our speed of innovation with successful product introductions throughout the year and will launch further significant innovations in the year to come.

The fundamental message this year is the same as it was before: our strategy is sound and continues to bear fruit. Our commitment to operational and educational excellence gives us the resources to make meaningful and timely investments to secure further sustainable growth, bringing ever closer connection to the needs and hopes of our students. This is described in more detail in the Strategy & Operations section of this plan

The Revenue from exchange transactions for the 2020/21 financial year was up by 11.6%, this reflects a favourable comparison base from the prior year. Compared to pre-pandemic levels from the 2019/20 financial year, the TVET College was up by 20.4% representing a two-year compound annual growth rate (CAGR) of 16%. The Council however applied its mind and took a decision to write-off R 10.06 million of historical student debt dating back to 2003.

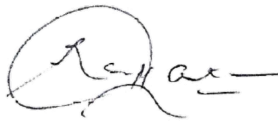
Maluti TVET College achieved a strong cash balance sheet which remained positive in the past financial year. The Auditor General has audited the financial statements of Maluti TVET College and has acknowledged the steady progress of the College by awarding it an unqualified audit opinion in comparison to the qualified opinion it received in the previous financial year.

Our thanks

A year of strongly delivering on our strategy – of accelerating innovation and deepening teaching and learning interaction – clearly demonstrates that our College have risen to the challenge of the COVID-19 pandemic and its aftermath; we sincerely thank our students, teaching and administrative staff and congratulate them on their success. We are also grateful to our students for the drive and versatility they show in serving a fast-changing market. We feel a deep sense of gratitude to our own students for their enthusiastic willingness to engage with us and for letting us help them find best solutions. And we thank the Minister, Deputy Minister, DG DDG and the officials of the DHET for their trust in us during the past year.

The Maluti TVET Council's mission is to make a positive impact on our students and educators lives and on our wider society and environment. We are convinced that good environmental, social, and governance performance

is a cornerstone of our delivery agenda and of its continued success in the medium to long-term. We therefore aim to continuously improve our governance performance indicators with the same focus and intensity as we do our financial ones. During the next financial year we intend to undertake sustainability indices to confirm that our Council attains excellence in the area of Good and Sound Governance. We have made important progress on our ESG indicators during the 2020/21 financial year. In the environmental sphere, we strive to reduce our carbon footprint through energy efficiency measures, strongly increasing our renewable energy ratio, and investing in certified green projects. We are committed to setting science-based emissions targets. We are advancing on our diversity and inclusion goals, increasing the number of women in key positions. These are just a few examples and there is still a lot of work to be done. We will continue to drive tangible, measurable actions in all aspects of our good governance strategy during the coming year. Stable Management and the filling of vacant positions is a key priority of the College Council.



.....
Dr. Raymond Patel
Chairperson: Maluti TVET College Council

3. THE ACCOUNTING OFFICER'S FOREWORD

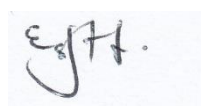
The College was able to deliver on the performance outcomes of the 2020 to 2024 of the strategic plan which are:

- Expanded access to TVET college opportunities
- Improved success and efficiency of TVET systems
- Improved quality of TVET college provision and
- Improved responsiveness of TVET colleges to the world of work

Despite the impact of COVID-19, the collective work by all the strategic partners was evident, hence the achievement.

It is on such basis that acknowledge the following stakeholders for their inputs and commitment:

- The Department of Higher Education and Training, Science and Technology for the constant and continuous guidance and support in realising the set goals. The involvement of Higher Health at the College through placements of officials have been a great pillar in navigating the Alert levels of COVID-19.
- The College Council for the performance of its functions as per the CET Act, No. 16 of 2006 as amended. The strategic direction of the College which involved policy approvals, strategic plan approval and monitoring thereof, approval of the AFS and the governance role they planned enhanced operations of the College.
- The College management for their dedication and focus on the College operations and execution of management functions. The inputs by:
 - ✓ The way the finance unit managed systems ensured that the College received the unqualified audit opinion.
 - ✓ The corporate unit in the manner they implemented the PPN process which had a positive impact at the College
 - ✓ The academic unit that ensured that teaching and learning was conducted in a professional manner.
- The members of broad management whose impact was seen in how:
 - ✓ The campus management always dealt directly with the students and lecturers to ensure the execution of the core business of the College.
 - ✓ The marketing unit ensured that the activities of the College are communicated well to all the stakeholders, the corporate image was maintained, and the College goals were achieved of recruiting and retaining students.
 - ✓ The TVEMIS unit ensured that management information systems were efficient and effective.
 - ✓ The SSS unit always supported the students and ensured the student life is a happy, full of educational adventures and are supported educationally, emotionally and psychologically.
 - ✓ The internal auditors on how they strived for compliance which benchmarked the College with acceptable prescripts and standards.
- The lecturers, administration and support staff for their dedication and hard work.
- The SRC of the College was always unique in dealing with students' matters and with a sense of maturity.
- Other stakeholders, including SETAs, employers, QTCO, NSF, state entities and all institutions in education for support and commitment to Maluti TVET College.



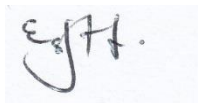
.....
Mr ME Tsotetsi

Acting Principal

4. 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 the 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 Department of Higher Education and Training.
 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 Maluti TVET College for the financial year ended 31st December 2021.



ME Tsotetsi (Mr)
Acting Principal

5. LEGISLATION AND OTHER DIRECTIVES

5.1. LEGISLATIVE FRAMEWORK

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

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

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

5.2. 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.

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

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

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

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

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

Other policy mandates include:

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

PART B: GOVERNANCE

6.1 CONSTITUTION OF THE COLLEGE COUNCIL AND GOVERNANCE STRUCTURES

i. **A list of council members and their representative constituencies who served during year 2021**

| No | Title | Name or Initials | Surname | Designation |
|----|----------|--------------------|----------------|---------------------------------------|
| 1 | Mr | Veli E | Mabena | Principal |
| 2 | Dr | Raymond Andrew | Patel | Council Chairperson |
| 3 | Mr | Qhegu Wilson | Lefora | Deputy Council Chair |
| 4 | Mr | Mpho | Mokhantso | External Council Member |
| 5 | Dr | Veronica Zanele | Masuku | External Council Member |
| 6 | Ms | Penelope Nkhiki | Nthunya | External Council Member |
| 7 | Mr | Makheo | Mahamotsa | External Council Member |
| 8 | Mr | Lehasa Oupa | Mazibuko | External Council Member |
| 9 | Advocate | Thomas Edward | Tsoeu | External Council Member |
| 10 | Mr | Tsietsi Godfrey | Makgale | External Council Member |
| 11 | Mr | Fabian | Brown | External Council Member |
| 12 | Mr | Ditlakala Frans | Mokale | External Council Member |
| 13 | Mr | Lehlohonolo Joshua | Zwane | Educator |
| 14 | Mrs | Sibongile Merriam | Mthabela-Mosia | Support Staff |
| 15 | Ms | Kehilwe Sophia | Manzini | Secretary for Council |
| 16 | Mr | Jeremiah | Mokoena | Student Representative Council member |
| 17 | Mr | Lucky Vincent | Magwagwa | Student Representative Council member |

ii. **Appointments made in the year in terms of Sections 10(4) and 10(6) of the CET Act.**

| Title | Names or Initials | Surname | Appointment | Designation | Appointment date |
|----------|-------------------|-----------|-------------------------------------|-------------------------------|------------------|
| Mr | Veli Eric | Mabena | Internal College Member-Section4(a) | Principal | 01/08/2019 |
| Dr | Raymond Andrew | Patel | External-Section 10(4)(b) | Council Chairperson | 02/03/2019 |
| Mr | Qhegu Wilson | Lefora | External-Section 10(4)(b) | Deputy Council Chairperson | 02/03/2019 |
| Mr | Mpho | Mokhantso | External-Section 10(4)(b) | Council Member | 02/03/2019 |
| Dr | Veronica Zanele | Masuku | External-Section 10(4)(b) | Council Member | 02/03/19 |
| Ms | Penelope Nkhiki | Nthunya | External-Section 10(4)(b) | Council Member | 01/08/2019 |
| Mr | Makheo | Mahamotsa | External-Section 10(6) | HR Committee chairperson | 01/08/2019 |
| Mr | Lehasa Oupa | Mazibuko | External-Section 10(6) | Finance Committee Chairperson | 01/08/2019 |
| Advocate | Thomas Edward | Tsoeu | External-Section 10(6) | Legal Representative | 01/08/2019 |

| | | | | | |
|-----|--------------------|----------------|--|---------------------------------------|------------|
| Mr | Tsietsi Godfrey | Makgale | External-Section 10(6) | Audit & Risk Committee Chairperson | 01/08/2019 |
| Mr | Ditlakala Frans | Mokale | External-Section 10(6) | Donor Representative | 18/11/2019 |
| Mr | Lehlohonolo Joshua | Zwane | Internal College member-Section 10(4)(e) | Educator | 14/08/2019 |
| Mrs | Sibongile Merriam | Mthabela-Mosia | Internal College member-Section 10(4)(f) | Support Staff | 14/08/2019 |
| Ms | Kehilwe Sophia | Manzini | Internal College member-Secretary | Secretary | 01/08/2019 |
| Mr | Fabian | Brown | External member Section 10(6) | IT Committee Chairperson | 2019 |
| Mr | Jeremiah | Mokoena | Internal College member-Section 10(4)(g) | Student Representative Council member | 23/03/2021 |
| Mr | Lucky Vincent | Magwagwa | Internal college member-Section 10(4)(g) | Student Representative Council Member | 23/30/2021 |

iii. NUMBER OF MEETINGS HELD

| TYPE OF MEETING | DATE |
|------------------------------|---|
| Council meeting | 26 March 2021, 25 June 2021, 01 October 2021 and 26 November 2021 |
| Special Council meeting | 31 March 2021, 07 May 2021, 09 July 2021, 03 September 2021, 10 December 2021 |
| Execute Committee of Council | 19 March 2021, 18 June 2021, 23 September 2021, 19 November 2021 |
| Human Resources Committee | 05 February 2021, 04 June 2021, 20 August 2021, 15 October 2021 |
| IT Committee | 12 February 2021, 14 June 2021, 09 September 2021, 02 November 2021 |
| Resources and Planning | 22 February 2021, 14 June 2021, 23 August 2021, 05 November 2021 |
| Financial Committee | 19 February 2021, 06 June 2021, 01 September 2021, 02 November 2021 |
| Audit and Risk Committee | 02 March 2021, 31 March 2021, 17 June 2021, 13 September 2021, 15 November 2021 |

iv. The statute of the institution, under which each member served

Maluti TVET College Council performance and functions were in compliance with Section 10(1-3) of the CET Act. The statute that was approved in 2014 was still effective and adhered to. During the 2021 Academic year the college functioned with a full component of Section 10(6).

v. List of office bearers of the Council;

Council Chairperson: Dr. RA Patel
Deputy Chairperson: Mr Lefora QW
Secretary of Council: Mrs KS Manzini

vi. The statement of Council on governance

The College Council of Maluti TVET College has been complying with the CET Act and other related codes and laws. It therefore observed the King IV principles of good governance and therefore understands its roles and responsibilities, organizational expectation and roles of each committee. It sourced people with the right skills, background and experience to serve in its committees.

vii. The statement of Council on College functionality

Performance in terms of its statutory functions, explained in Section 10(1)-(3) of the CET Act.

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

- The development of the College Strategic Plan: The Council approved the current strategic plan in 2021
- The development and approval of policies. The review of the policies and approvals for Human Resources, Finance, Student Support Services and SRC constitution in consultation with the SRC.
- The monitoring and reporting on performance of the College to the Minister
- Ensuring compliance to accreditation requirements (UMALUSI).
- Ensuring college, in consultation with SRC, provides Student Support Services (structure).
- Ensuring that all its committees are functional by appointing highly skilled specialists.

6.2 REPORTS BY COMMITTEES OF COUNCIL

REPORTS ON ACTIVITIES AND PERFORMANCE BY THE:

i. Audit & Risk Committee.

Audit & Risk Committee Members

| No. | Name | Position | 02 March 2021 | 31 March 2021 | 17 June 2021 | 13 September 2021 | 15 November 2021 |
|----------|--------------------|--|---------------|---------------|--------------|-------------------|------------------|
| 1. | Mr TG Makgale | Committee Chairperson (External Member) | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | Mr LO Mazibuko | External Member | ✓ | ✓ | ✗ | ✗ | ✗ |
| 3. | Adv. TE Tsoeu | External Member | ✗ | ✗ | ✓ | ✓ | ✓ |
| 4. | Mr. C.J Malefane | Acting Head of Internal Audit Unit (Committee Secretary) | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. | Mrs IK Van Heerden | Acting Deputy Principal: Finance | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6. | Ms MJ Khomokhoana | Internal Auditor | ✓ | ✓ | ✓ | ✓ | ✓ |
| INVITEES | | | | | | | |
| 7. | Dr. R Patel | Council Chairperson | - | ✓ | - | ✓ | ✓ |
| 8. | Mr ME Tsotetsi | Acting Principal | ✓ | ✓ | ✓ | ✓ | ✓ |

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

**Number of meetings held and for what reason; and
Performance in terms of its statutory functions**

The audit committee had four meetings and one special meeting during 2021 which were on the: 02 March 2021, 31 March 2021, 17 June 2021, 13 September 2021 and 15 November 2021.

First Meeting Date: 02 March 2021 Reasons and Performance:

- Internal Audit Plan
- Internal Audit Report: Supply Chain Management
- Internal Audit Report: 2020 Annual Report
- Non-conformance
- SABS Audit Report

Special Meeting Date: 31 March 2021 Reasons and Performance:

- Annual Financial Statements Review

Second Meeting Date: 17 June 2021 Reasons and Performance:

- Internal Audit Report: Progress Report
- Internal Audit Report: Human Resource
- Internal Audit Report: Curriculum (Consolidated)
- Non-conformances
- Auditor General Report
- Independence of Internal Audit Unit/ Activities

Third Meeting Date: 13 September 2021 Reasons and Performance:

- Internal Audit Report: Human Resource
- Internal Audit Report: Curriculum (consolidated)
- Internal Audit Report: Progress Report
- Audit Action Plan
- Non-conformances
- Due Diligence Report

Fourth Meeting Date: 19 November 2021 Reasons and Performance:

- Non-conformances
- Internal Audit Report: Contract Management
- Internal Audit Report: Progress Report
- Internal Audit Report: Supply Chain Management
- Audit Action Plan
- Due Diligence Report
- Internal Audit 3 Year Strategic Plan and Annual Operational Plan

College Management had a Strategic Risk Management workshop in November 2021 to identify strategic risks that align with the College objectives to ensure that the College addresses and mitigates such risks. Thirteen (13) strategic risks were identified and recorded on the College's strategic risk register. The identified risks are reported on a quarterly basis to the Audit & Risk Committee.

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

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

- Supporting and recommending to the Council, for approval of the Audited Financial Statements for 2021;
- Supporting and recommending to the Council, for approval of the Institutional Risk Register;

- Confirming the external auditors being the Auditor General, Audit Strategy and Fees for the financial year ending 31 December 2021;
- Discussing, inputting and noting the various reports that related to its function requirements.

Based on the information provided in the various reports above, it is evident that Risk Management is an integral part of the strategic and operational activities of the College and not a stand-alone process driven on its own. The Committee will continue with its work to ensure that College Risks and Strategic Objectives are reviewed and monitored during 2022.

ii. Finance Committee.

Finance Committee Members

| No | Name | Position | 19/02/2021 | 15/06/2021 | 01/09/2021 | 02/11/2021 |
|----------|------------------------|--------------------------------------|------------|------------|------------|------------|
| 1. | Mr. L. Mazibuko | Chairperson (External Member) | ✓ | ✓ | ✗ | ✓ |
| 2. | Mr. W. Lefora | Deputy Chairperson (External Member) | ✓ | ✓ | ✓ | ✓ |
| 3. | Mr. M. Mokhantso | External Member | ✓ | ✗ | ✗ | ✗ |
| 4. | Mrs. I. K. van Heerden | Internal Member | ✓ | ✓ | ✓ | ✓ |
| 5. | Ms. N. Zulu | Internal Member | ✓ | ✗ | ✓ | ✓ |
| 6. | Mrs. J. E. van Wyk | Internal Member (Secretary) | ✓ | ✓ | ✗ | ✓ |
| INVITEES | | | | | | |
| 7. | Dr. RA Patel | Council Chairperson | ✗ | ✓ | ✓ | ✓ |
| 8. | Mr. M.E. Tsotetsi | Acting Principal | ✓ | ✓ | ✓ | ✓ |

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

The Finance Committee has a standard agenda that is utilised to conduct the meeting. The agenda allows room for special items to be added.

First Meeting Date: 19 February 2021 Reasons and Performance:

- All standard reports were presented which includes the CFO report, quarterly AFS, procurement report and the maintenance report. The reports were accepted and adopted.
- Under other matters:
 - Permission was granted to proceed to submit the College's interest to participate in the MerSETA FESTO project.

Second Meeting Date: 15 June 2021 Reasons and Performance:

- All standard reports were presented which includes the CFO report, quarterly AFS, procurement report and the maintenance report. The reports were accepted and adopted.

- Under other matters:
 - Finance Policies were presented, discussed, edited where needed and recommended to be approved by full Council.

Third Meeting Date: 01 September 2021 Reasons and Performance:

- All standard reports were presented which includes the CFO report, quarterly AFS, procurement report and the maintenance report. The reports were accepted and adopted.
- Under other matters:
 - The Audit Action Plan of the 2021 AFS outcomes was discussed, and additions were made where needed.
 - The SRC Budget was discussed and recommended for approval by full Council.

Fourth Meeting Date: 02 November 2021 Reasons and Performance:

- All standard reports were presented which includes the CFO report, quarterly AFS, procurement report and the maintenance report. The reports were accepted and adopted.
- Under other matters:
 - The 2022 Budget was discussed and recommended for approval by full Council with all the relevant inputs and amendments.

The additional bad debt as per the AG qualified finding of 2020 was discussed and recommended for approval by full Council resolving the finding not to be repeated in the 2021 AFS as per the opening balances.

**iii. Conditions of Employment Committee.
Conditions of Employment Committee Members**

| No | Name | Position | 05 February 2021 | 04 th June 2021 | 20 th August 2021 | 15 th October 2021 |
|----------|---------------------|--|------------------|----------------------------|------------------------------|-------------------------------|
| 1. | Mr. M Mahamotsa | Chairperson:(External member) | ✓ | ✓ | ✓ | ✓ |
| 2. | Dr. VZ Masuku | External Member | ✓ | ✓ | ✓ | ✓ |
| 3. | Advocate TE Tsoeu | External Member | x | x | x | x |
| 4. | Mr. FB Brown | External Council Member | ✓ | ✓ | ✓ | ✓ |
| 5. | Ms. KS Manzini | DP: Corporate (Internal member) | ✓ | ✓ | ✓ | ✓ |
| 6. | Mrs. E Els | SSS Manager | ✓ | ✓ | x | ✓ |
| 7. | Mrs. IK Van Heerden | Acting DP: Finance (Internal Member) | ✓ | ✓ | ✓ | ✓ |
| 8. | Mr. GD Mokoena | Acting Human Resources Manager (Internal Member) | - | ✓ | ✓ | ✓ |
| INVITEES | | | | | | |
| 9. | Mr. ME Tsotetsi | Acting Principal | ✓ | ✓ | ✓ | ✓ |
| 10. | Ms. G Mosikili | HR Committee Secretariat | ✓ | ✓ | ✓ | ✓ |
| 11. | Mrs. MR Khambule | Campus Manager | - | - | ✓ | - |

| | | | | | | |
|-----|----------------|--|---|---|---|---|
| 12. | Ms. TP Mathipe | | ✓ | - | - | - |
|-----|----------------|--|---|---|---|---|

Meetings were held quarterly with a minimum of four meetings per year. In 2021 four ordinary meetings and one special HR Committee meeting were held. For all the meetings there was a standing agenda that could be amended as and when there were other matters that needed the College Council's urgent attention. Under normal circumstances the following agenda was applicable for all committee meetings:

- Appointments report.
- Terminations report.
- Bereavement report.
- Leave report.
- Salaries report.
- Staff attendance report.
- Staff trainings.
- Staff statistics.
- Employment equity report.
- Labour relations report.
- Students statistics.
- HR circulars.

Matters for approval

- Policies.
- Charters.
- Organisational structure.

HR committee meeting held for the year 2021:

First Meeting Date: 05 February 2021 Reasons and Performance:

- The meeting looked at the normal reports as per the agenda items above and all the reports were presented to the committee which then recommended them to Council for approval.

Special Meeting 30 April 2021: Reasons and Performance:

- Presentation of reviewed policies for recommendation to Council for approval.

Second Meeting 04 June 2021: Reasons and Performance:

- Post provisioning norms update.
- Introduction of a new member Mr FB Brown as the external Council member.

Third Meeting 20 August 2021: Reasons and Performance:

- Normal reports were adopted to be presented to council for noting.
- Appointment of Secretary for Council.
- HR Circular No:02 of 2018 .
- Principal's leave.
- PPN update.

Information was provided to keep the HR Committee abreast with developments:

- The CIC committee meetings held.
- CIC roadshows held with staff.
- The list of critical posts of 2021/22 that were approved and recommended by the CIC.
- Number of staff identified for phase 1 migration started on 1st October 2021.

- 26 critical posts were advertised for 2021/22 as per budget allocation phase 1.
- The College was one of the first eight colleges approved to implement the PPN process.

Fourth Meeting 15 October 2021: Reasons and Performance:

- Progress made on PPN:
 - 105 employees who migrated from Council were captured on PERSAL.
 - 16 employees who migrated were paid on 29th October 2021, and the rest were paid on 15th October 2021.
- PPN report was adopted and was to be presented to Council for noting.

iv. Planning and Resource Committee

Planning and Resource Committee Members

| No | Name | Position | 22/02/2021 | 14/06/2021 | 23/08/2021 | 05/11/2021 |
|---------|----------------|---------------------|------------|------------|------------|------------|
| 1 | Mr F Mokale | External Member | √ | √ | √ | √ |
| 2 | Mr M Mahamotsa | External Member | √ | √ | √ | √ |
| 3 | Mr QW Lefora | External Member | √ | √ | X | √ |
| 4 | Mrs. MM Molete | Office Manager | √ | √ | √ | √ |
| 5 | Mrs. L van Wyk | Interim Fin Manager | √ | √ | √ | √ |
| 6 | Mr KA Mollo | TVETMIS Manager | √ | √ | √ | √ |
| INVITEE | | | | | | |
| 7 | Mr ME Tsotetsi | Acting Principal | √ | √ | √ | √ |

To fulfil its fiduciary responsibility, the committee was guided by the Continuing Education and Training Act. 2006 (Act No. 16 of 2006) and King IV principles of good governance. The following is a brief report on the four (4) meetings that were held by the committee during 2021 for the purpose of its establishment and its responsibilities. The items discussed are as indicated below:

Scope covered in the meetings:

1. Registrations

- The updates on the students' enrolment versus the targets as set in the strategic plan and APP was a standing item in all the meetings. The scope covered was on the following:
 - The actual enrolled headcount intake versus the targeted headcount intake
 - The actual FTEs versus the targeted FTEs intake
 - The projected intake per year, per semester and per trimester.
- The introduction of online application and the online registration of students together with the quarterly updates.
- The impact of COVID-19 in relation to teaching and learning where the College had to allow staggering approach, online learning and re-packaging of the LTSM to enhance teaching and learning.
- The issuing of laptops by NSFAS to students and the loaning of laptops by the College to the missing middle students.
- The NSFAS tuition allocations and the funding allowances available for the 2021 year and any updates regarding the NSFAS provisioning.
- The request not to enrol N4 students in the 2nd semester of 2021 due to the over-enrolment which depleted the NSFAS tuition allocation.

2. HR Matters

- The PPN updates and their implication on the staffing and the College cash-flow.
- The updates on the migration of staff and the critical posts for phase 1 of the PPN process. Furthermore, the updates on the progress made on the recruitment of the PPN posts were tabled.
- The Labour Relations updates concerning the closure of the long-standing case of NUPSAW obo JJ Kruger & 150 Others (LC JR1571/15) Payment of 37% in lieu of benefits where the verdict was in favour of the College.
- The best performance by Mr Cindy Ntabeni in the “Skills Development for a Green Economy” where he focused in Plumbing at Itemoheleng Campus. The campus was rewarded with the Edu-Board award worth: R82 195.10. Furthermore, his “Nomination as Master Trainer lecturer on Project-based teaching & learning” in the GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). Three more lecturers were included in the GIZ programme.
- The appointment of the campus managers of Sefikeng and Bonamelo Campuses was also reported. Furthermore, the appointment of Maluti -SEDA Centre Manager in February 2021 was also reported.
- The update on the outstanding appointment of Deputy Principal: Finance which went through interview process in May 2021.

3. Finances

- The continuous Cash Flow updates which has been positive to carry-out all the operations in the strategic plan.
- An update on the AGSA which focused on the audit outcome and the progress on AAP to address the findings thereof.
- An update on the College projects which included the following:
 - Bethlehem Campus Heritage Building (Beth-Old-Block-2019).
 - Roof at Itemoheleng Campus (Item-Roof-2019).
 - Roof at Corporate Office (Corp-Roof-2019).
 - Floor in workshops at Kwetlisong (Kwet-Floors-Cost).
 - Student Wi-Fi.
 - Student Laptops for the missing middle.
 - Main Campus Roof.
 - (Main-Roof-2020).
 - Bethlehem Ablutions.
 - (Beth-Toilet-2020).
 - Bonamelo Ablutions.
 - (Bon-Toilet-2020).
 - (Camp-Generator-2020).
 - The envisaged installation of telephone systems for all sites.
 - The purchase of vehicles: 6 vehicles and 1 panel van for the IT section.
 - The purchase of 420 students' desktops for various campuses.
 - The updates on the Maluti SEDA Project.
 - The envisaged purchase of 7 Generators for 7 campuses.

4. Academic

- The various strikes at the College ranging from taxi strike, community strike and Student NSFAS demands that affected teaching and learning on various interval for 2021 academic year
- The update on the increased programme cost from 2020 to 2021 for NC(v) which ranged from 1.65% to 2.63% and for R191 was at 1.98%. The planning committee had to recommend the tuition fees for approval by Council.
- There was deregistration procedure that dealt with students who wanted to deregister.
- The updates on the 2021 trimester 3 calendar that ran until February 2022, thus there would be 2 trimesters in 2022.
- The resources at Kwetlisong-Skills Academy Campus received the boost in teaching and learning resources through the donation of a Ford Ranger 2.3L(Wildtrak) and three brand new engines by FordSA.
- The internal assessments that were hampered by the strikes which impacted learning and teaching. There was rescheduling and adjustment of teaching plans from time to time to accommodate such deviations. DHET was informed as and when such happened. To that effect, the semester examinations had to be rescheduled for students who were affected by the strike, especially at Harrismith, Bethlehem, Bonamelo and Lere la Tshepe Campuses that were affected.
- The Kwetlisong-Skills Academy Campus has been driving the World Skills Competitions at the College. The College participated in 8 skills at FS provincial level (Welding, Automotive Technology, Electrical Installation, IT Network Systems Administration, Cooking, Restaurant Services, Bricklaying and Auto-body Repair). As a result, the College proceeded to national competitions in 7 Skills except for the Auto-body repairs.
- The MerSETA-FESTO Maluti initiative for the 4IR equipment was resuscitated which was to have a boost on 4IR resources.
- Updates on examination results was provided in every meeting.
- The dates for the commencement and closure of the College were provided in the meeting.

5. Strategic, APP and Funding grid

A detailed PowerPoint presentation on the Strat, APP and Funding Grid was made and included the following:

- Eliminating the funding shortfall
- Inclusion of the Business plan on blended learning
- The reduction on the intake of new students

5.1 APP

The APP was presented for recommendation for Council approval which included:

- The quarterly reports targets. First draft was submitted on the 13th August to DHET for verification, quality checks and inputs.

5.2. Strategic Plan

The new inclusion of the business Plan for e-learning on the strategic plan was made of which the first draft was submitted on the 13th August to DHET for verification quality checks and inputs. The proposed meeting to discuss the strategic plan by the College Council was also proposed and approved.

5.3 Funding Grid

The funding grid was discussed which focused on the following aspects:

- The student's intake.
- The option of zero-based shortfall in 2022.
- Total number of unfunded headcount and the FTEs was zero for 2022 and funding shortfall was also zero.
- A total of 1881 was reduced to accommodate the zero-based planning.

v. Information Technology Committee
Information Technology Committee Members

| No | Name | Position | 12/02/2021 | 14/06/2021 | 09/09/2021 | 02/11/2021 |
|----------|--------------------|--------------------------------------|------------|------------|------------|------------|
| 1. | Mr. F Brown | Chairperson (External Member) | ✓ | ✓ | ✓ | ✓ |
| 2. | Mr. TG Makgale | Acting Chairperson (External Member) | ✓ | ✓ | ✓ | ✓ |
| 3. | Mrs IK van Heerden | Finance Manger (Internal Member) | ✓ | ✓ | ✓ | ✓ |
| INVITEES | | | | | | |
| 4. | Dr. RA Patel | External Member | ✓ | ✓ | ✓ | ✓ |
| 5. | Mr. M Ramokhoahla | IT Technician (Internal Member) | ✗ | ✗ | ✓ | ✗ |

Role of the committee

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

Frequency of meetings and performance for the year

The Committee meets on a quarterly basis and reviews the IT report which covers IT infrastructure, IT related capital investments, IT equipment, software licenses, and risk management aspects. Strategically, the committee assesses adherence to governance best practices. The IT committee meeting reports were forwarded for presentation in the Council meetings.

During 2021 the College completed the implementation of its ICT (Information Communication and Technology) Governance plan. The implementation of ICT Governance included the formulation of a five year ICT Strategy, establishment of the ICT Steering Committee, Development of ICT Governance Framework, ICT Risk Management and the implementation Operational Policies and Plans.

To ensure continuous improvement we have developed an ICT Performance Balance Scorecard. The Balance Scorecard is structured around five strategic management performance metrics which includes Customer Service, Finance, Internal Processes, Compliance and Learning and Growth.

During this financial year we have implemented our student Wi-Fi offering our students free internet connectivity on campus. We have commenced with our digitization and cloud strategy offering services online via the cloud. We have suffered no major downtime or data loss on our ICT infrastructure. Our ICT services and operations remained stable and secure.

6.3 ACADEMIC BOARD REPORT

6.3.1 The Academic Board composition:

The 2021 Academic Board constituted of three council members, the acting Principal, the Deputy Principals, the SRC General Secretary and Academic Officer, the Curriculum Manager, the acting SSS Manager, the TVETMIS Manager, the Campus Managers of eight campuses, the Heads of Department of eight campuses, one Senior Lecturer from each of the eight campuses and one lecturers from each of the eight campuses. The senior lecturers and lecturers were elected by staff from their respective campuses.

6.3.2 The Academic Board meetings in 2021:

The Academic Board met once during each academic term during 2021 and also held a special meeting to approve College policies.

6.3.3 Matters that were recommended for approval by the Academic Board

- i. The Covid-19 Teaching and Learning Plan.
- ii. Sponsorships and prizes for the Best Academic Performers' Event.
- iii. Class fees and residence fees of 2022.
- iv. The programme qualification mix for both ministerial and skills programmes of 2022.
- v. Draft policies and amendments to existing policies.

6.3.4 Other items

The Academic Board did research on the following matters in order to make recommendations to Council:

- The introduction of Graphic Design at Main Campus which will replace the current optional subject of Consumer Behaviour in the NC (V) programme of Marketing.
- Allowing NC (V) Level 4 graduates to wear academic regalia during the graduation event.
- The formation of Academic Board sub-committees to promote participation of all members and to streamline the Academic Board meetings.

The following presentations were given to keep members of the Academic Board and Council informed about academic matters:

- Results analysis after each examination cycle.
- Feedback reports from the task team assigned to improve results at Itemoheleng Campus.
- Government Notice regarding the phasing out of N1-N3 NATED programmes and the conversion of the NC (V) programmes into a single three year programme.
- Report on ISAT and ICASS.
- Reports on College Improvement Plan
- Examination compliance reports.
- Report from the SRC.
- Report from the Skills Centre.
- Report on bursaries.
- Report on placement of students at employer companies.

- Students' health, wellness and disability report.
- Report on students' extracurricular activities.
- Report on TVETMIS, enrolment targets, Monitoring and Evaluation (M&E) and strategic planning.

6.4 STUDENT REPRESENTATIVE COUNCIL REPORT

6.4.1 Student Representative Council campus elections were held on 03rd to 5th March 2021 at the following campuses:

- Bethlehem Campus
- Lerela Tshepe Campus
- Main Campus
- Itemoheleng Campus
- Bonamelo Campus
- Sefikeng Campus
- Harrismith Campus
- Kwetlisong Campus

ISRC College elections were held at Drakensberg Hotel and Resort on 06/03/2021 and the following office bearers were elected

| Name | Portfolio | Campus | Governance Participation |
|------------|------------------------------------|---------------|-----------------------------------|
| J Mokoena | President | Harrismith | Council & Financial Aid Committee |
| M Mosekeli | Deputy President | Bethlehem | |
| L Magwagwa | Secretary General | Lerela Tshepe | Academic Board & Council |
| M Mohlomi | Academic | Itemoheleng | Academic Board |
| N Moloi | Finance | Kwetlisong | Financial Aid Committee |
| L Mosea | Media, Marketing & Projects | Main | |
| S Seepe | Sports, Arts & Recreation | Sefikeng | |
| P Moseme | Placement, Wellness & Disabilities | Bonamelo | |



2021 Institutional Student Representative Council

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

6.4.2 ISRC INDUCTION AND TRAININGS

On the 06 of March 2021, the ISRC attended training and induction at Drakensberg Hotel and Resort.

Topics discussed among others:

- Leadership role
- CET ACT
- NSFAS guidelines
- College organogram
- College infrastructure developments for 2021
- SSS Unit calendar
- SRC constitution and portfolios
- Effective leadership



Institutional Student Representative Council training

6.4.2.1 CAMPUS SRC TRAINING

i. VIRTUAL TRAINING

Due to COVID-19 pandemic, virtual training on NSFAS processes and e-wallet was held on the 26th March 2021 with all local SRC members from campuses.

Items discussed during training:

- E-Wallet processes and procedures
- Maluti TVET College e-mail addresses
- My NSFAS student portals
- Communication with NSFAS

ii. PHYSICAL TRAINING

The SRC training for local structures was held at Mont D'or Clarens from the 10 - 12 May 2021. The campuses were paired in 4 as to follow the COVID-19 regulations.

Topics discussed among others:

- NSFAS guidelines
- Student support services
- Academic support
- Health and wellness
- Higher Health opportunities
- Entrepreneurship opportunities
- Entrepreneurship Hub
- Academic Calendar



Campus SRC training

6.4.3 SRC INAUGURATION

SRC inauguration was held at Maluti TVET College, Corporate office on the 23rd March 2021. The SRC members signed their oath of office during the event.



Institutional Student Representative Council with College Executive Management at Corporate Council

6.4.3.1 The SRC constitution was in place and reviewed by the Council members. That was evident in line with the College Statute.

- 6.4.3.2 The members who canvassed for the sit in the SRC were eligible on the basis of their academic performance that was stipulated in the constitution.
- 6.4.3.3 The SRC further met and amended their constitution.
- 6.4.3.4 Furthermore, their constitution indicated that their term of office is one academic calendar and that was implemented as such even though such action left a gap. The new SRC for 2021 was speedily elected to close such a gap.

6.4.4 SRC meetings with Management

Regular meetings were conducted between the SRC and Management



SRC meeting with college broad management

6.4.5 SRC benchmarking session

SRC had a benchmarking session with Motheo TVET College and Goldfields TVET College at Aldam Resort. The aim of the session was to share good practices between the colleges in the provinces.



SRC benching session with Motheo TVET College & Goldfields TVET College



SRCs of Maluti TVET College, Motheo TVET College & Goldfields TVET College

6.4.6 SATVETSA

SATVETSA is a national SRC structure which is formed by elected members of provincial SRC. In 2021 the Free State was represented by Mothamaha Ntsatsi as the treasure general.

The role of SATVETSA

- To promote development of student's activities and structures that improve the learning and success in students' development.
- They have representatives at NSFAS and other TVET stakeholders.

- Promote a positive image and improve the relationship between SATVETSA members and the wider community in the TVET sector in order to enjoy the confidence and co-operation of the communities the colleges exist within.



On the 21st June 2021, SATVETSA NEC had a meeting with the DDG, SAM ZUNGU at the DHET offices

PART C: PERFORMANCE INFORMATION

7 REPORT BY PRINCIPAL ON MANAGEMENT AND ADMINISTRATION

The reports from each section below will show the matured way in which the College management implemented the set goals of the institution.

Despite the absence of the appointed deputy principal finance, the College was able to improve the opinion of the AGSA from the qualification in the previous two audits to an unqualified audit opinion. There was tremendous work put internally to ensure that such an opinion is achieved. Furthermore, the College had healthy financial position that was able to meet all the set operational targets. The functionality of the College systems improved and the migration thereof to iCloud could be mentioned as one of the milestones in this regard. The breakdown of the financial expenditure and financial achievements through various activities that are supported financial will bear testimony from the various reports and various achievements.

The corporate unit was able to put systems in place which resulted in the College being amongst the first twenty-four to implement the PPN process. The hard work was executed by the unit which saw the planned migration of staff being achieved and permanency of employment was really a victor to the College staff. The work was further supported by the CIC which is a stakeholder forum that dealt with the PPN process and their contribution really supported the process. Furthermore, the marketing unit and the activities it achieved despite the COVID-19 showed the real commitment of building the corporate image of the College. The continuous recognition by PMR beard testimony to such image. It is coupled by an extensive activity of an open month covered and the girls in ICT coverage where the then Deputy Minister of Communications and Digital Technologies, Pinky Kekana, was in attendance to address various girl learners from various corners of the country.

The academic affairs was performing excellently in executing their role in the core business of teaching and learning. The reports received from Umalusi, DHET through SBA and the examinations was excellent. Extend of integrating theory and practice by students was implemented through practice in the College kitchen and farm to name a few together with the new computers procured in the labs. The skills acquired can be confirmed by a number of skills the College participated in in the WorldSkills competitions. The incorporation of LMS in the teaching and learning is also covered in curriculum which is a step in the right direction of including technology in the education of students.

The laptops initiative which saw students being awarded was a real achievement. The distribution is also covered under SSS. The College further procured laptops to cover for the missing middle and such a distribution was done and covered under the SSS report. Furthermore, the students were supported throughout the year. The activities are well covered in the SSS report. The DHET financial aid scheme attest to extend such funds were utilised as administered by NSFAS. A number of SETAs were also on board with financial assistance, including companies like GIZ ZA and Toropa. Furthermore, the placement of students for internship together with WBE was achieved through the funding

from SETAs in the main and the industries who opened their “working space for being the learning space” for students and it well covered. The acknowledgement in this regard is a word of appreciation for these partners who really make our curriculum a reality.

The work and programmes of the SRC and students is covered under SSS and the SRC report yet it is important to mention that the 2021 SRC was a very positive outlook SRC. Some of their achievements as individuals were:

- The SRC president becoming the best male speaker in the DHET national competitions and
- The SRC SG representing the province in the National WorldSkills competitions in cooking.

The College systems were enhanced through the iCloud migration which allowed hosting of our server for application and registration of students online, the hosting of our QMS and the LMS remotely and the Pastel functions. The migration improved the functioning of these operations and minimised queues during the registration processes.

The involvement of various stakeholders was witnessed through the NSF III allocation to the College which earmarked programmes, placements and upgrading of the College resources. Furthermore, the MerSETA-Festo-Maluti partnership which was awarded has a potential of changing the College into one of the colleges with the top 4IR resources. Furthermore, the donations by FordSA where the 2021 model of Ford bakkie was received together with three (3) brand new engines, 2021 model. These partners assisted with latest technology needed for teaching and learning which in the main benefit the graduates who had the experience of the latest technology.

The students who are enrolled in the primary agriculture were also exposed to the farm activities at the College together with the exposure at the nearby farmers. The experience enhanced their skills.

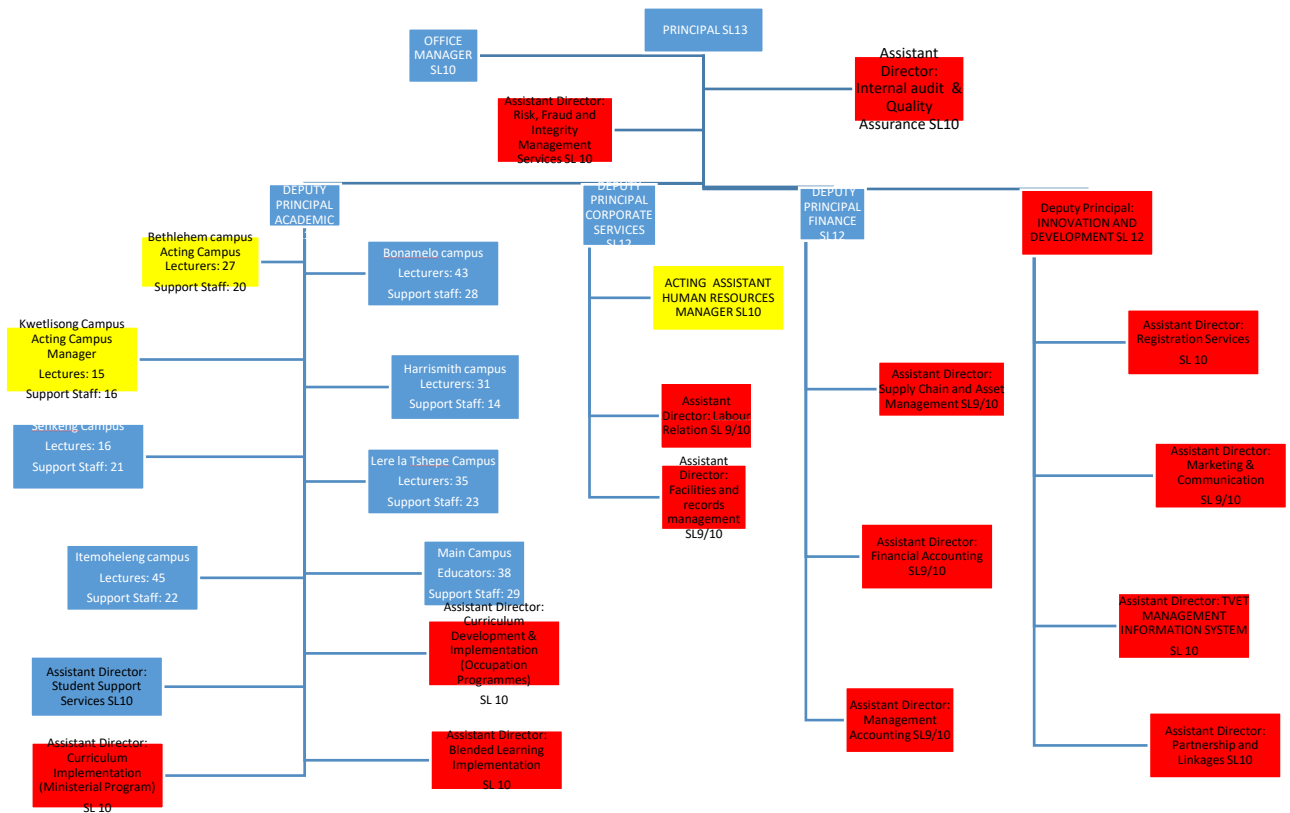
The DHET infrastructure maintenance is also covered in the report which assisted with renovations of College infrastructure. The achievement of revamping the central office, which was burnt by students in 2018, was a real boost to the administration of the College which was occupied first time since then. Other achievements are covered in the report.

The Maluti SEDA Entrepreneurial Hub started its operation with the appointment of the Centre Manager in February 2021 which was coupled with finalising the centre and its operations. The scope of operations is also covered. The critical output is the innovative aspect which will see a number of entrepreneurs established and the sustainability funding in place.

We are optimistic that, the Report, will inspire the readers to share their insights regarding ventures, methods, tactics and any other activities with a prospective potential to heighten Maluti TVET College's outputs and quality of services.

7.1 Corporate Services

7.1.1 High level organisational structure



7.1.2. HUMAN RESOURCE MANAGEMENT

7.1.2.1 Human Resource Administration Achievements: 2021

- Leave credit letters for Council paid employees were issued in order to avoid over-granting of leave and save the college from being frauded through misuse of leave.
- The HR unit also complied with the submission of quarterly compliance reports in terms of terminations and leave to DHET Human Resource Management Unit.
- After the implementation of Post Provisioning Norms all colleges were expected to come up with new organograms and a choice had to be made between the Deputy Principal Innovation or the Deputy Principal Registrar organogram. Maluti TVET agreed on DPI organogram based on strong motivation that was made for the specific choice the council approved the proposed DPI organogram.
- For further processes required for the PPN the college successfully identified 108 employees for migration with positive results that 107 staff migrated to PERSAL as 1 staff member was appointed by a different employer just at the time of phase 1 implementation.
- For the same process of PPN implementation, for financial year 2021/22 post level 2 and also one post level 3 posts were identified as critical posts that needed to be advertised in 2021 which was attained as per the target.
- 2 SL8, 1 SL7 and 1 SL2 posts identified as critical posts were advertised also advertised for the same purpose of PPN implementation.
- The unit also embarked on a vetting process for headhunted candidates which was previously not done and it also became a success. This was a success and it yielded good results.

- h. To ensure that teaching and learning takes place at all the sites two campus managers were appointed successfully appointed at Bonamelo and Sefikeng Campus.
- i. Leave audits were done quarterly to ensure that misuse and over-granting of leave is prohibited and fraudulent activities are guarded against where people abscond and fail to submit leave forms.
- j. New method of application has been implemented (e-mail) for Assistant Directors/critical posts which resulted into a bigger response in terms of applications received which enlarged the pool from which the college was able to choose and attracted required skills.
- k. With the migration of previously college council appointees to PERSAL two more HR officials now have PERSAL access which has been a challenge in the previous years.

7.1.2.2 Human Resource Development achievements.

a. Compliance with the Skill Development Act

The unit complied with regulations and submitted 2021 Work Place Skills Plans and 2020 Annual Training Report timeously to ETDP SETA.

b. Financial Assistance (Bursaries) Offered to Employees

Summary of 2021 bursaries given to staff

| Qualification | Staff category | Number of participants |
|---|----------------|------------------------|
| Bachelor of Accounting Science | Educator | 1 |
| BED Senior FET Phases | Educator | 3 |
| BED Foundation Phase | Educator | 1 |
| Bachelor of Education | Educator | 1 |
| BED Honours | Educator | 1 |
| PGDHE | Educator | 2 |
| Master in Education Management and Leadership | Educator | 2 |
| Master's in education | Support staff | 1 |
| B.Com in Supply Chain Management | Support staff | 1 |
| Certificate in Supervisory Management | Support staff | 1 |
| B.Com Generic | Support staff | 1 |
| B.Com in Financial Management | Support staff | 1 |
| TOTAL | | 16 |

The college as a caring employer understands the importance of ensuring that its employees are offered an opportunity to improve their qualifications. It therefore set aside a budget to ensure that this objective was realised. From that budget staff were given an opportunity to apply. The committee which is representative of the stakeholders then set a criteria based on the college Employee Financial Assistance Policy. The outcome was that:

1. 16 staff members received Financial Assistance and in all instances Academic Staff were prioritised to ensure support on the core Business of the College, to that effect eleven educators and five Support Staff became beneficiaries.

2. Above on the list of criteria to select the recipients was educators who registered for a teaching qualification or those who were improving qualifications which were directly related to their career paths to improve delivery within their respective work areas.
3. The College pride itself in the work well done by the 3 employees who completed their studies successfully during the 2021 academic year. As a management we like to recognise the following members who were able to complete their qualification in 2021.

| Surname | Initials | Designation | Gender | Qualification | Institution |
|---------|----------|-------------|--------|-------------------------------|------------------------------|
| Majong | NS | Lecturer | F | Bachelor of Education honours | University of the Free State |
| Molife | TF | Lecturer | F | Bachelor of Education honours | University of the Free State |
| Mokoena | TL | Lecturer | F | Bachelor of Education honours | University of the Free State |

c. DHET bursaries

The college had to facilitate the bursaries that were awarded by DHET with the University of Pretoria to nine staff members to improve performance in their different areas of work.

| Bursary holder | Area of Work | Qualification |
|----------------|----------------------|----------------------------------|
| 01 | Finance: Procurement | Supply Chain Management Auditing |
| 01 | Finance: Transport | Supply Chain Management Auditing |
| 01 | Finance: Debtors | Public Sector Accounting |
| 01 | Finance: Secretary | Public Sector Accounting |
| 01 | Finance: Creditors | Public Sector Accounting |
| 02 | Finance: Assets | Public Sector Accounting |
| 01 | Finance: Payment | Public Sector Accounting |
| 01 | Management: Academic | PG diploma. in TVET programme |

d. Performance Management and development

- i. The College has recognised the excellent performances of its employees for the 2020/2021 performance cycle and as a result performance bonuses were paid out to all deserving employees.
- ii. It must be noted that all College employees are expected to perform according to set standards and for the 2020/2021 performance cycle none of the employees was rated as a poor performer.

e. Staff Induction

For the newly appointed staff 07 newly appointed staff attended the induction on the 29th April. On the college Quality Management System, Code of conduct, HR processes, finance processes, SSS unit functions, occupational health and safety and TVETMIS.

f. Health and Wellness

For the 02 staff members who were involved in a car accident in the college vehicle. The college ensured trauma was treated by arranging the therapy session

g. Summary of Trainings: January – December 2021

As per the Operational Plan and the training needs analysis through Personal Growth Plan and Personal Development Plans the college embarked in the trainings of staff. The trainings were cognisant of the equity plan in order to treat staff fairly.

The report below was therefore based on the number of trainings for each category and gender which were taking the operational plan targets into account.

Through of most of the trainings the college was able to claim the 2021 training funds from DHET.

| No | Type of Training | Management | Support Staff | College Council | Lecturer | Interns | Total | Gender | | Total |
|----|--|------------|---------------|-----------------|----------|---------|-------|--------|----|-------|
| | | | | | | | | F | M | |
| 1 | HR Workshop | - | 23 | - | | | 23 | 15 | 8 | 23 |
| 2 | PCM Training | - | 4 | - | | | 4 | 4 | | 4 |
| 3 | Minutes Taking | - | 10 | - | | | 10 | 10 | | 10 |
| 4 | Advanced Excel Training | - | 5 | - | | | 5 | 5 | | 5 |
| 5 | Dashboard Excel Training (Office managers) | 2 | 17 | - | 3 | | 22 | 14 | 8 | 22 |
| 6 | PCM Training | 1 | 6 | - | | | 7 | 6 | 1 | 7 |
| 7 | Assessor | - | | - | 30 | | 30 | 15 | 15 | 30 |
| 8 | Moderator | - | | - | 28 | | 28 | 18 | 10 | 28 |
| 9 | Facilitator | - | | - | 28 | | 28 | 18 | 10 | 28 |
| 10 | Mentoring and Coaching | - | | - | 24 | | 24 | 16 | 8 | 24 |
| 11 | SAMTRAC Webinar | - | 1 | - | | | 1 | | 1 | 1 |
| 12 | Bid Adjudication, Specification and Evaluation | - | 10 | - | | | 10 | 8 | 2 | 10 |
| 13 | Covid-19 Training | 1 | 6 | - | | | 7 | 6 | 1 | 7 |
| 14 | POPI ACT Training | - | 40 | - | | | 40 | 28 | 12 | 40 |
| 15 | Ethics | - | 3 | - | | | 3 | 2 | 1 | 3 |
| 16 | Classroom Management Training | - | | - | 38 | | 38 | 20 | 18 | 38 |
| 17 | Fumigating and Disinfecting | - | 32 | - | 1 | | 33 | 14 | 19 | 33 |
| 18 | Coltech CAP Training | - | 11 | - | 13 | | 24 | 12 | 12 | 24 |
| 19 | Curriculum training for peer members | - | 1 | - | | | 1 | 1 | | 1 |
| 20 | Graphic Design Training | - | 2 | - | 13 | | 15 | 8 | 7 | 15 |

| | | | | | | | | | | |
|----|---|----------|------------|----------|------------|----------|------------|------------|------------|------------|
| 21 | Leave Workshop | – | 29 | – | 5 | | 34 | 22 | 12 | 34 |
| 22 | Photography Training | – | 10 | – | | | 10 | 5 | 5 | 10 |
| 23 | Enterprise Risk Root-cause Analysis | – | 22 | – | 8 | | 30 | 21 | 9 | 30 |
| 24 | Lecturers Capacity Building Contract Implementation Team Training | – | | – | 1 | | 1 | | 1 | 1 |
| 25 | Risk Assessment Workshop | 3 | 21 | – | | | 24 | 14 | 10 | 24 |
| | TOTAL | 7 | 253 | – | 192 | – | 452 | 282 | 170 | 452 |

h. Other activities

The College participated in Project Based teaching & learning training which was run by DHET through the GIZ partnership. The achievements were as follows:

- The plumber from Itemoheleng Campus, Mr C Ntabeni, was selected as a best competitor for the training in 2021.
- He won the Eduboard worth of R82 195,10 and the handover was held on the 24/04/2021.
- He was also selected as part of the team to facilitate 2022 trainings in the next phase of the project.

The four members of management were also able to attend the ICAN Leadership Summit and Dialogue held between the 12th and 13th October 2021.

The College complied with the schedule for monitoring and evaluation by submitting reports quarterly to TVETMIS for submission to DHET.

7.1.2.3 Employment Equity Act (EEA)

The College complied with the Act by submitting its Employment Equity report to DHET and also achieved some of the objectives that were set in the plans. The College has complied with the Department of Labour prescripts since 2012.

7.1.2.4 PPN

The staff members who migrated to DHET PERSAL received their salaries timeously. As part of the migration, all the resolutions and collective agreements were implemented. The challenges included:

- Housing allowance benefits which could not be captured immediately during the first migration phase (01 October 2021) for 21 staff members
- Changing of banking details,
- correction of appointment dates of 107 staff members who migrated to DHET
- Re-calculation of the pro-rata service bonus for 107 migrated employees as the DHET could not pay the full service bonuses of the migrated staff, because of the setup of the PERSAL system.

Other payroll functions that were implemented:

- College complied with Biannual Tax Returns
- Annual Remittance to Compensation fund was done

- Monthly Statutory Deductions were implemented (Pay As You Earn, Unemployed Insurance Fund and Skills Development Levy) were paid over to SARS.
- 58 UIF claims made by the staff and interns who had exited the College system were processed.
- Other Deductions (Medical Aid, Garnishes and GEPP) were timeously made

7.1.3 Marketing

Marketing plays an important role in establishing relationship among stakeholders (students, community, businesses & other government departments) and the promotion of College programmes and services. Brand awareness & brand credibility build trust among target markets that provide value to the College.

7.1.3.1 Exhibitions

That was done through career exhibitions arranged by NGO's, government departments and schools within communities in our feeder area.

| EXHIBITION | PLACE | DATE |
|------------|---|---------------|
| | Multi-Purpose Hall Phuthaditjhaba | 15/03/2021 |
| | Department of Labour: Phuthaditjhaba | 16-18/03/2021 |
| | Department of Labour: Thaba Bosiu | 25/03/2021 |
| | Department of Labour: Frankfort Namahadi | 29/03/2021 |
| | Department of Labour: Makoane SASSA Office | 30/03/2021 |
| | Tshepanong Intermediate School: Fouriesburg: | 20/04/2021 |
| | EE Monese Secondary School: Senekal | 21/04/2021 |
| | Rustlers Valley Farm Project Lesedi: Ficksburg | 24/04/2021 |
| | International Girls in ICT DAY: Kwetlisong Campus | 13-14/05/2021 |
| | Tiisetso S School: Bethlehem | 26/05/2021 |
| | Department of Labour: Vrede | 16/09/2021 |
| | Department of Labour: Tweeling | 17/09/2021 |
| | ICT Girls dialogue | 24-25/08/2021 |
| | Flavius Mareka TVET College: Sasolburg | 30/11/2021 |
| | Katlehong Community Learning Centre: QwaQwa | 26/11/2021 |

Strong focus on the direct marketing continued with attendance of career exhibitions specifically targeting Grade 9 – 12 learners at high schools across Thabo Mofutsanyana area.

7.1.3.2 Career guidance & work-readiness

| PROGRAMME | DATE |
|------------------------------|------------|
| INSETA Career guidance | 24/08/2021 |
| Engineering Work readiness | 30/08/2021 |
| Letlotlo Intermediate School | 01/10/2021 |
| Phamong Intermediate School | 29/10/2021 |
| Reahola Secondary School | 03/12/2021 |



7.1.3.3 Outdoor campaigns

The outdoor campaigns are one of the events that happen yearly, promotion of the brand to the communities, out-of-school youth and government entities. Two campaigns were conducted around Thabo Mofutsanyana District and Bergville in Natal, 5000 people were contacted.

Other activities included the distribution of flyers and posters, to promote registration campaigns as well as the extensive use of e-marketing via bulk SMS facilities and dedicated social media platforms to communicate messages to both current and potential students.

| | | |
|--------------------|--------------|-------------|
| Distributed flyers | QwaQwa | 23/01/2021 |
| | Harrismith | 5-6/02/2021 |
| | Clocolan | 04/10/2021 |
| | Marquard | 05/10/2021 |
| | Senekal | 06/10/2021 |
| | Paul Roux | 07/10/2021 |
| | Fouriesburg | 27/09/2021 |
| | Ficksburg | 27/09/2021 |
| | Petrus Steyn | 28/09/2021 |
| | Lindley | 28/09/2021 |
| | Memel | 29/09/2021 |
| | Vrede | 29/09/2021 |



TVET Month, the DHET's pride could not be celebrated in August due to COVID-19 restrictions but was celebrated nationally at Flavius Mareka TVET College on 19th November 2021 where we participated.

Community outreach programmes were conducted.

| | Place | Date |
|-------------|---------------------------------|------------|
| Mandela Day | JJM | 21/07/2021 |
| Casual day | Itsoseng Self Help Organisation | 03/09/2021 |



Media coverage also included, paid advertising and interview slots on community radio stations.

Programme-specific flyers, posters were produced for all academic programmes to assist with the promotion of the programmes at campus level. The use of social media platforms Facebook, Twitter proved to be very effective and popular communication channels for quick responses to enquiries and sharing of College related information.

The unit promoted and branded the following events:

- SRC training Drakensberg Hotel and Resort 09-12/03/2021
- Campuses Local Structure Training 10-12/05/2021
- International Girls in ICT Day 2021 13-14/05/2021
- SRC Capacity Building at Drakensberg 21-23/06/2021

Marketing researches were conducted customer market survey, student satisfaction survey and student retention & success survey.

The College was awarded the Gold Arrow Award, as second position for fifth time as best educational institution that contributes to enhancement of economic growth, brand awareness and level of innovation by PMR Africa.

7.1.3.4 Corporate social responsibility

The College donated sanitizers and masks to non- profit organisations to assist the country to combat the COVID- 19 pandemic to the following organisations:

| | Name of Organisations | Place | Date |
|----------------------------------|-------------------------------------|---------------|-------------------------|
| Non – profit Organization | Pheko ka Kopanelo Disability Centre | Phuthadijhaba | 12/02/2021 & 19/02/2021 |
| | JJMS | Mabolela | 15/02/2021 |
| | Hope House | Harrismith | 15/02/2021 |
| | Lefika | Kestell | 15/02/2021 |
| | Huis Kosmos | Kestell | 15/02/2021 |
| | RRT | Mangaung | 17/02/2021 |
| | Dumisane | Memel | 24/02/2021 |
| | Victim Empowerment | Kestell | 25/02/2021 |
| | CCF | QwaQwa | 25/02/2021 |
| | Makoane Youth Centre | QwaQwa | 26/02/2021 |
| | Thusanang Advice Centre | QwaQwa | 26/02/2021 |

7.2 Student Support Services

7.2.1 Student services and extra-curricular activities

The College has a Student Support Services unit responsible for the welfare of students at the College. The unit encompasses:

- Coaching the Debating Team that competes at College level
- Placement of students with industries.
- Financial Aid Schemes.
- Academic support to students.

7.2.1.1 Higher Health

The Higher Education and Training Health Wellness and Development Centre (HIGHER HEALTH, formerly known as HEAIDS) is an implementing agency of the Department of Higher Education and Training (DHET), working under the governance of Universities South Africa (USAF), the representative body of the 26 South African public higher education institutions (HEIs) and the South Africa College Principals Organisation (SACPO), the representative of the 50 South African public technical and vocational education and training (TVET) colleges.

HIGHER HEALTH is a non-profit company (NPC) that supports HEIs and TVET colleges in responding to student health, wellness and development.

Students are capacitated each year through day-to-day campus activities and the HIGHER HEALTH second curriculum peer education programme, enabling them to engage at a peer-to-peer level. These engagements also serve as a tool for HIGHER HEALTH to undertake demand creation as well as for the recruitment of young people opting for a wide spectrum of services that includes:

- HIV testing services (HTS);
- Medical male circumcision (MMC);
- Contraception;
- Pre-exposure prophylaxis (PrEP);
- Non-communicable diseases (NCDs); and
- Antiretroviral treatment (ART) for HIV positive young people, including the development of adherence clubs.

7.2.1.2 HEAIDS ACTIVITIES

| Campus | Numbers of students | Dates of Activations |
|-----------------------|---------------------|----------------------|
| Bethlehem Campus | 112 | 15-16/03/2021 |
| Bonamelo Campus | 89 | 24-25/03/2021 |
| | 10 | 05/05/2021 |
| Harrismith Campus | 140 | 15-16/03/2021 |
| | 39 | 19/05/2021 |
| Itemoheleng Campus | 51 | 24-25/03/2021 |
| Kwetlisong Campus | 135 | 24-25/03/2021 |
| | 56 | 05/05/2021 |
| Lere la Tshepe Campus | 40 | 24-25/03/2021 |
| | 30 | 05/05/2021 |
| Main Campus | 102 | 24-25/03/2021 |
| | 30 | 05/05/2021 |
| Sefikeng Campus | 26 | 24-25/03/2021 |
| | 14 | 05/05/2021 |



Activations at Main Campus

7.2.1.3 Higher Health Roving Team

The Higher Health provided the team with a mobile clinic to College to provide primary health care services with access for both students and staff.

The services provided in the clinic are follows:

- Screening; (HIV, mental health, sexually transmitted infections, cancer, BMI)
- Testing; (HIV, blood pressure, blood sugar).

Maluti TVET College campuses were assisted by the Higher Health Roving team on the following days:

| Campus | Date | Numbers | | | |
|--------------|----------------|-----------|-----------|-----------|-----------|
| | | BP | BS | HIV | BMI |
| Itemoheleng | 19 -20/05/2021 | 29 | 29 | 26 | 34 |
| Harrismith | 21/04/2021 | 37 | 26 | 27 | 37 |
| Bethlehem | 22/05/2021 | 22 | 15 | 15 | 20 |
| Total | | 88 | 70 | 68 | 91 |

7.2.1.4 Psychologist Referrals and Appointments

Higher Health has psychological services to assist students. Students are assisted through virtual and physical sessions.

| Counselling at Campus | Referred | Consultations |
|-----------------------|----------|-------------------------------|
| 50 | 40 | Depends upon individual case. |

7.2.1.5 Adolescent Girls and Young Women (AGYW) Programme within Higher Health

Investments at sub-district level aim to reach 188,161 AGYW, a target that equates to 40% coverage of the population size estimate of girls aged 15-24 living in the sub-district, with a core package and a series of

differentiated services delivered as layered interventions (biomedical, behavioural and structural), which are in alignment with South Africa's National Strategic Plan for HIV, AIDS and TB, 2017-2022 (NSP), which prioritizes AGYW age 15-24, tracking indicators on new infections, condom use, pre-exposure prophylaxis (PrEP) and addressing Gender Based Violence (GBV). Investments will also reach younger AGYW and Adolescent Boys and Young Men (ABYM age 10-14) through capacity support to the Department of Basic Education and also via older male partners of AGYW in all sub-districts. The programme has strong links to the Global Fund Programmes (TCC, Sex Work, PWID, MSM and TG) programmes, facilitated through a referral system between programmes.

1. Empowerment Sessions

Partners of the Department of Health, FHI360 and Stepping Stone are organizations which seek to prevent new infections of HIV on the Adolescent Girls and Young Women (AGYW).

- FHI360

Social Asset Building to empower students to lead healthy productive lives. Economic Strengthening students to alleviate reliance on transactional sex, link AGYW with employment and learning opportunities, scholarships, and bursaries available within the community.

- Stepping Stone (Dreams)

Workshop tool to promote sexual health, improve psychological well-being and prevent HIV. Designed for both men and women and focus on gender, sexuality, HIV/AIDS, gender violence, communication, and relationship skills.

| | FHI 360 | Dreams | Date | Campus |
|--------------|-----------------------|----------------------|------|--------|
| | Enrolled and referred | Enrolled and trained | | |
| | 20 | 109 | | |
| | 20 | 55 | | |
| Total | 40 | 164 | | |



7.2.1.6 Adolescent girls and young women programme

A programme implemented by Higher Health to provide support to adolescent young girls and women. Services range from psychosocial support, clinical support to academic support. Higher Health has partnered with several stakeholders to ensure that there will be an easy referral system and follow-up in case a student needs assistance. The main aim is to ensure that girl students remain in school (retained) until their final year of study. The persons registered range from 15 years to 25 years.

| Campus | Date | Students Tested and Received Services |
|----------------|------------|---------------------------------------|
| Lere la Tshepe | 17/05/2021 | 72 |
| Harrismith | 18/05/2021 | 33 |
| Harrismith | 20/05/2021 | 41 |
| Main | 25/05/2021 | 34 |
| Itemoheleng | 26/05/2021 | 49 |
| Main | 27/05/2021 | 8 |
| Total | | 237 |

7.2.1.7 WITS reproductive health and HIV Institute (WRHI) Mobile Clinic

The mobile clinic provides HIV and Sexual Reproductive Health services, including HIV testing Services and Prep initiation contraceptives, STI screening, Gender Based Violence, Pregnancy testing and Pre - exposure Prophylaxis(Prep) a medicine administered to young AGYW who are at risk of contracting HIV to prevent infection of HIV.

| Campus | Date | Numbers |
|--------------|----------------|------------|
| Itemoheleng | 19 -20/05/2021 | 65 |
| Sefikeng | 18/05/2021 | 20 |
| Harrismith | 24/05/2021 | 23 |
| Total | | 108 |

| Campus | Date | Numbers | | |
|----------------|------------|------------|------------|----------------|
| | | HIV | Prep | Contraceptives |
| Bonamelo | 10/06/2021 | 37 | 28 | 15 |
| Itemoheleng | 17/06/2021 | 38 | 35 | 03 |
| Lere la Tshepe | 07/06/2021 | 77 | 65 | 9 |
| Kwetlisong | 08/06/2021 | 23 | 24 | 0 |
| Total | | 175 | 152 | 27 |

7.2.1.8 Gender Based Violence Presentations

The Harrismith Police station released a Constable and Sergeant to address the students on gender based violence on the 19th of May 2021. The topics for discussion were the following:

- What is gender based violence
- Who is affected
- How to open a case and what is the consequences and implications of opening a case.



GBV presentation

7.2.1.9 Celebration of Youth Month: Cyberbullying

Cyberbullying awareness took place at all campuses to make students aware of what cyberbullying was. Based on the survey conducted at campuses on the general knowledge of students it became clear that many were not aware of what it was and its impact.

The Department of Social Development conducted a dialogue, conversing on what was cyberbullying, its impact and implications. Information that was shared brought students to an understanding that cyberbullying is a crime.



Discussions on cyberbullying

7.2.1.9 Women's Month Celebration

The theme was Generation equality: Realizing Women's Rights and equal future.

| Campus | Date | Activity |
|--------------|------------|-------------------|
| All Campuses | 28/08/2021 | Commemoration Day |
| All Campuses | 30/08/2021 | Performing Arts |



7.2.1.10 Disability Awareness Month

Theme: Social inclusion of people with disability

The purpose of the event was to bring awareness to students and staff about the daily living of people with disability and create an environment of empathy amongst staff and students for these people.

It was celebrated at following campuses:

| Campus | Date |
|---------------------|------------|
| Itemoheleng | 13/09/2021 |
| Lere la Tshepe Main | 14/09/2021 |
| Bethlehem | 15/09/2021 |



Simulation of disability

7.2.1.11 COVID 19 Vaccination

| Campus | Vaccine | Date | Number |
|----------------|-----------------------|------------------|------------|
| Harrismith | (Pfizer) | 6 October 2021 | First 302 |
| | | 17 November 2021 | Second 138 |
| Lere la Tshepe | (Johnson and Johnson) | 7 October 2021 | First 235 |
| Main | (Pfizer) | 11 October 2021 | First 48 |
| | | 22 November 2021 | Second 34 |
| Itemoheleng | (Johnson and Johnson) | 14 October 2021 | First 195 |



Vaccination at Maluti TVET College

7.2.2.1 College Extra-curricular activities

i. Netball team

The netball team won gold at the TMD netball Twizza challenge and went through to the Provincial Twizza challenge at New Horizon College in Bethlehem.



College netball team in their new attire.



Match against Kopsie Raptors at the Provincial Twizza Challenge



Netball trials took place to select students to participate in the TMD at the National Championships in Cape Town from the 6 -11 December 2021. 8 Maluti TVET College students were selected.

| Name & Surname | Campus |
|----------------------------|-------------|
| 1.Nteboheng Mosia | Bonamelo |
| 2. Palesa Promise Mereko | Itemoheleng |
| 3. Tlalane Lucinda Fenyane | Sefikeng |
| 4.Jeanette Mafane | Bethlehem |
| 5. Amohelang Qwabe | Itemoheleng |
| 6. Disebo Mokoena | Bethlehem |
| 7. Mantoa Agnes Ntahane | Sefikeng |
| 8. Dimakatso Kolberg | Bonamelo |

7.2.2.2 Debate

7.2.2.2.1 Regional Debate Competition:

The Regional Debate Competition took place at Flavius Mareka TVET College at Kroonstad on the 16th August 2021. Ubeid Shaik and Jeremiah Mokoena qualified to represent Maluti TVET College at the National debate competition.

7.2.2.2.2 National Debate Competition:

The National TVET Colleges debate competition took place in Boksburg from 26 -27th August 2021. Ms. SM Mthabela was selected as the regional mentor. Mr. N Labane was selected by DHET to assist with adjudication.

Jeremiah Mokoena (Harrismith Campus) received an award as the Best Male Speaker of the competition. Ubeid Schaik (Lere la Tshepe Campus) went through to the finals and received a **Gold medal**.



From left: Ubeid Schaik, Napo Labane, Sibongile Mthabela and Jeremiah Mokoena

7.2.2.3 Academic support

On course support provides access to academic support activities such as personal peer tutors, life skills, maths and maths literacy support. At exit level, students were supported through various workshops e.g. CV writing, interview skill etc. to prepare them for their experiential training.

Other activities for support:

1. Study skills manual were updated and distributed to campuses.
2. Study skills workshops were held at campuses.
3. Academic support referral form were distributed to campuses to use when referring students for support interventions.
4. Academic support policy was reviewed.
5. Organised extra classes and external lecturers for Bethlehem students who have been referred for academic support.
6. Online exam tips were shared on the College Facebook page, student WhatsApp groups, SLO's and also with SRC to post on their WhatsApp's and campus Facebook pages.
7. Online academic motivation posters were shared with students.

7.2.2.3.1 Best Performers Awards

The core business of the College is to strive for academic excellence and therefore students were encouraged to excel in that regard Student Best Performers' Awards function was held to reward and acknowledge all students who excelled academically. The function was organised by the Student Support Services Unit and took place virtually on the 21st of October 2021.

Recognition was for (1st, 2nd and 3rd position from each campus and best performing students in NCV and NATED. The overall best performing students in the College received prizes ranging from hampers to laptops.



The top NCV performer and the overall best performer at the College is Mr TL Hloele with an overall percentage of 88,14%



The overall top performer of NATED with a total of 85% is S Mofokeng.

7.2.2.4 Placement (WIL) Unit

Work Integrated Learning (WIL) is a strategic priority at Maluti TVET College for enabling students to respond to the National call of 30% theory and 70% practical. It ensures that the respective students are prepared for the working environment and to fit well in the field they have studied. To realise these goals in the unit, the following activities were performed:

1. 2021 Partnerships

Host employer partnership between Maluti TVET College, private industries and government institutions were formed with the aim of placing students for a particular period at the said host companies and institutions. The main purpose is for students to gain work experience and to enable them to become proficient employees.

The below mentioned were partnerships established with Kwetlisong Campus:

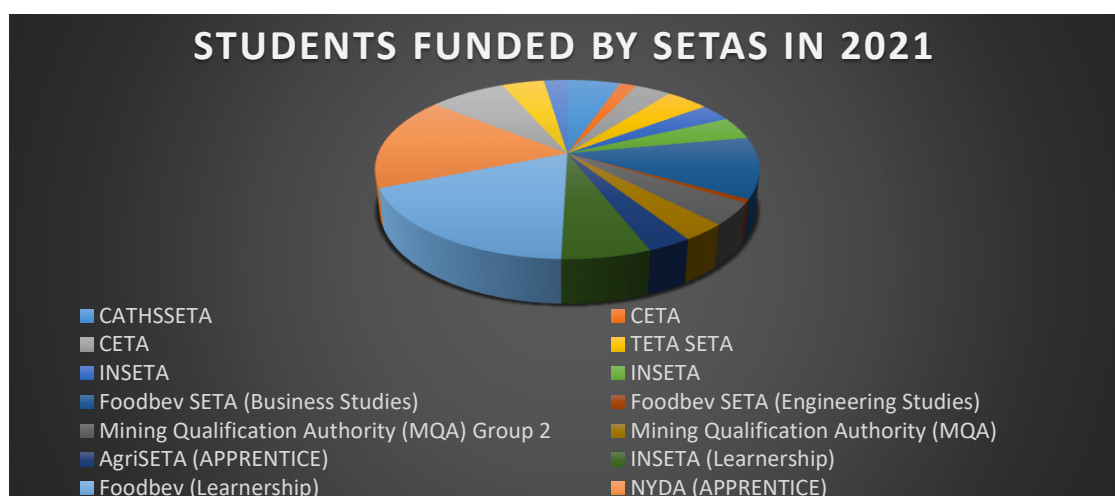
| Partnership | Achievements |
|----------------------------------|--|
| UFS | Lecturers to be trained and acquire a professional teachers' qualifications |
| WITLINK HOLDINGS | Provide extra Mathematics lessons to students for a period of two weeks |
| TUT | Collaboration with MerSETA and Maluti to conduct Skills Development (ENTERPRENEURIAL AND TRAINING) within the TVET environment |
| NSF | Received Award letter to Implement NSF Phase 3 Project |
| MerSETA-FESTO-Maluti partnership | Establishment of 4IR resource Centre |

2. SETA Partnerships

Another role SETA's play with regard to placement is to fund out-of-school youth as well as anyone who needs additional skills and further training. The members of a SETA include employers, trade unions and other government departments. SETA's have been established by the Department of Labour to assist Skills Development. In 2021 the College had the following SETA partnerships:

| SETA Partnerships in 2021 | | | |
|---------------------------|----------------|-------------|------------|
| Funded Projects | | | |
| SETA Funded Projects | Total Students | Start Date | End Date |
| CATHSSETA | 25 | 16/02/2021 | 16/10/2022 |
| CETA | 8 | 01/09/2021 | 31/08/2022 |
| CETA | 17 | 03/08/2020 | 31/07/2021 |
| TETA SETA | 20 | 15/08/2020 | 16/10/2022 |
| INSETA | 15 | 02/11/ 2020 | 30/04/2022 |
| INSETA | 19 | 15/11/2021 | 15/04/2023 |

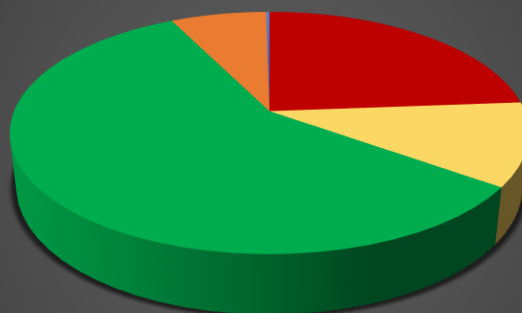
| | | | |
|--|----|-------------|------------|
| FoodBev SETA (Business Studies) | 52 | 15/03/2021 | 30/08/2021 |
| FoodBev SETA (Engineering Studies) | 3 | 15/03/2021 | 28/02/2023 |
| Mining Qualification Authority (MQA) Group 2 | 19 | 01/08/2021 | 31/01/2023 |
| Mining Qualification Authority (MQA) | 15 | 01/04/2021 | 30/09/2022 |
| AgriSETA (APPRENTICE) | 15 | 01/04/2021 | 31/09/2023 |
| INSETA (Learnership) | 30 | 01/04/2021 | 31/01/2022 |
| FoodBev (Learnership) | 87 | 01/04/2021 | 31/01/2022 |
| NYDA (APPRENTICE) | 80 | 01/01/2018 | 31/12/2021 |
| TETA SETA (Learnership) | 36 | 01/09/ 2020 | 30/04/2021 |
| CHIETA SKILLS PROGRAMME | 20 | 15/11/2021 | 31/05/2022 |
| INSETA LONG TERM INSURANCE | 11 | 01/11/2021 | 30/11/2022 |



7.2.2.4 2021 Placement statistics: (Placed students)

| Programme | 2021 Placement Statistics |
|----------------|---------------------------|
| WBE Exit level | 386 |
| WBE Pre-exit | 180 |
| N6 Placement | 937 |
| Learnership | 115 |
| Apprenticeship | 4 |
| TOTAL | 1622 |

2021 PLACEMENT STATISTICS



WBE EXIT LEVEL WBE PRE-EXIT N6 PLACEMENT LEARNERSHIP APPRENTICESHIP

7.2.2.4.2 International placements

| No | Surname | Name | Gender | Course | Funded by | Placement Date |
|----|-------------|---------------------|--------|---------------------------|-----------|--------------------------|
| 1 | Mtshali | Busiswe | F | Mechanical Engineering N6 | MERSETA | 04/12/2019 - 19 May 2021 |
| 2 | Xulu | Sibusiso | M | Mechanical Engineering N6 | | |
| 3 | Lenyane | Relebohile Patience | F | Mechanical Engineering N6 | | |
| 4 | Mokhobo | Calvin Thato | M | ERD L4 | | |
| 5 | Buthelezi | Ndumiso | M | Mechanical Engineering N6 | | |
| 6 | Mooko | Lerato | F | ERD L4 | | |
| 7 | Makhalemele | Lebohang | M | Mechanical Engineering N6 | | |
| 8 | Tsotetsi | Lefu | M | ERD L4 | | |
| 9 | Miya | West | M | ERD L4 | | |

7.2.2.4.3 COVID-19: WIL interventions & support

The SSS unit formed a COVID-19 WIL intervention and support unit which was mainly focused on ensuring compliance of employers and interns during their placement. The key role of this unit were:

- Continuous monitoring (Risk Assessment Checklist) of interns placed at host employers, in respect of the adherence to health and safety directives by the side of both parties.

7.2.3. DHET FINANCIAL AID SCHEME

For the 2021 academic year the FAC met every month except during the period of the strike. The composition was determined by the bursary guidelines. It is worth mentioning also that students were active members in the FAC. It is worth to note that the number of 5 468 bursars reported is forever changing according to the latest update from NSFAS. Due to the challenges experienced with NSFAS administration, the College is currently dealing with the backlogs experienced. College officials are sent regularly to NSFAS on this backlog as it has affected the 2021 bursaries, but the matter it is receiving the urgent attention it deserves. The College also received financial assistance from W&RSeta, Services SETA, INSETA, MQA and Gibela Funding.

| | TUITION FEE | | TRANSPORT | | | ACCOMMODATION | | | |
|----|--------------------|------------------------|--------------------|------------------------|-------------------------|--------------------|------------------------|-----------------------------|------------------------|
| | Number of students | Tuition fee | Number of students | Transport | Personal care transport | Number of students | Accommodation + Meals | Personal care accommodation | |
| US | 1016 | R 6 837 525,34 | 601 | R 3 590 475,00 | R 1 416 650,00 | 415 | R 5 745 600,00 | R 961 350,00 | R 11 714 000,00 |
| | 1363 | R 8 999 472,87 | 1103 | R 6 004 950,00 | R 2 369 300,00 | 260 | R 3 273 750,00 | R 546 650,00 | R 12 194 600,00 |
| S | 1034 | R 6 723 692,06 | 740 | R 4 281 375,00 | R 1 689 250,00 | 294 | R 4 052 475,00 | R 662 650,00 | R 10 685 700,00 |
| | 1149 | R 10 226 240,20 | 1003 | R 5 015 150,00 | R 1 978 446,00 | 146 | R 1 628 550,00 | R 293 822,00 | R 8 915 900,00 |
| | 56 | R 298 704,00 | 56 | R 411 600,00 | R 162 400,00 | 0 | R - | R - | R 574 000,00 |
| | 1123 | R 13 034 225,00 | 807 | R 4 851 000,00 | R 1 914 000,00 | 316 | R 4 762 650,00 | R 748 200,00 | R 12 275 800,00 |
| | 1090 | R 6 231 949,00 | 906 | R 4 792 200,00 | R 1 890 800,00 | 184 | R 2 244 975,00 | R 381 350,00 | R 9 309 300,00 |
| | 303 | R 6 926 886,30 | 252 | R 1 852 200,00 | R 730 800,00 | 51 | R 803 250,00 | R 147 900,00 | R 3 534 100,00 |
| | 7134 | R 59 278 694,77 | 5468 | R 30 798 950,00 | R 12 151 646,00 | 1666 | R 22 511 250,00 | R 3 741 922,00 | R 69 203 768,00 |

| Summary | |
|------------------------|----------------------------------|
| Amount | Description |
| R 53 353 000,00 | Total allocation for tuition |
| R 59 278 694,77 | Funded total tuition fee |
| -R 5 925 694,77 | Over claiming for Tuition Fee |
| | |
| R 72 655 958,00 | First allocation for allowances |
| R 11 637 951,00 | Additional allowances allocation |
| R 84 293 909,00 | Total allocation for allowances |
| R 69 203 768,00 | Funded total allowances |
| R 15 090 141,00 | Balance for allowances |

7.2.3.1 OTHER FUNDING:

i. WRSETA 2021

| CAMPUS NAME | NUMBER OF STUDENTS | TOTAL FUNDING | 1ST TRANCHE PAID TO THE COLLEGE AND STUDENTS RECEIVED THEIR ALLOWANCES (Tuition & Allowances) FOR 41 STUDENTS |
|-------------|--------------------|---------------|--|
| Bethlehem | 22 | R 506 511.08 | R 993 776.83 |
| Bonamelo | 4 | R 111 709.18 | |
| Harrismith | 10 | R 248 791.89 | |
| | | | |
| Main | 5 | R 126 764.68 | |
| | 41 | R 993 776.83 | |

ii. SERVICE SETA/NSFAS

| CAMPUS | NO. STUDENTS | TOTAL PAID TO THE COLLEGE AND STUDENTS RECEIVED THEIR ALLOWANCES(TUITION & ALLOWANCES) |
|--------------|--------------|---|
| Bethlehem | 20 | R 587 067.60 |
| Main | 7 | R 180 780.20 |
| TOTAL | 27 | R 767 847.80 |

iii. MQA 2021

| CAMPUS | NUMBER OF STUDENTS APPROVED(STUDENTS DIRECTLY APPLIED FUNDING ON THEIR OWN AND THEY HAVE RECEIVED THEIR ALLOWANCES DIRECTLY FROM SETA |
|-------------|---|
| Itemoheleng | 06 |

iv. INSETA 2021

| CAMPUS | NO. STUDENTS | TOTAL AMOUNT TO BE PAID TO THE COLLEGE (TUITION & ALLOWANCES) |
|----------------|--------------|--|
| Bonamelo | 01 | R 8996.87 |
| Lere la Tshepe | 30 | R229 870.03 |

| | | |
|--------------|-----------|---------------------|
| Main | 15 | R 128 540.56 |
| TOTAL | 46 | R 367 407.46 |

v. GIBELA FUNDING 2021

| CAMPUS | | NUMBER OF STUDENTS APPROVED(2021 TUITION FOR 11 STUDENTS PAID TO THE COLLEGE & ALLOWANCES PAID DIRECTLY TO STUDENTS BY SETA |
|--------------|-------------|--|
| GIBELA | Itemoheleng | 25 |
| TOTAL | | 25 |

7.2.4 Academic

7.2.4. The academic section of the College was involved in the following curriculum activities:

7.2.4.1 Analysis of the examinations results after each examination cycle.

7.2.4.2 The development of the College Improvement Plan that related to each examination cycle.

7.2.4.3 Teaching and learning plan was developed, implemented and continuously monitored by the Curriculum Unit and DHET to ensure implementation.

7.2.4.4 The Unit monitored of the compilation of portfolios of evidence and the subject files.

7.2.4.5 The verification of the mark schedules before submission to DHET.

7.2.4.6 The coordination of the submission of files for external audits by DHET and Umalusi.

7.2.4.7 The coordination of the provision of LTSM.

7.2.4.8 The standardisation of the assessment tasks and its implementation.

7.2.4.9 The finalisation of the College Management Plans in relation with the DHET plans.

7.2.4.10 The monitoring of the aspects of examinations that involve collation of marking plans, markers' reports, moderators' reports, and submission of marks to be captured on COLTECH system.

7.2.4.11 Conducting in-house training for lecturers on identified academic programmes.

7.2.4.12 Finalising and approving the assessment schedules.

7.2.4.13 Facilitating the process of appointing external markers.

7.2.4.14 Ensuring the proper administration of student's attendance registers.

7.2.4.15 The College participated in local heats and Provincial Competitions in WorldSkills South Africa Competitions.

7.2.4.16 The College provided the resources needed to enhance 70% of practice is done per vocational subject in NC (V) programmes.

7.2.5 LMS SUCCESSES

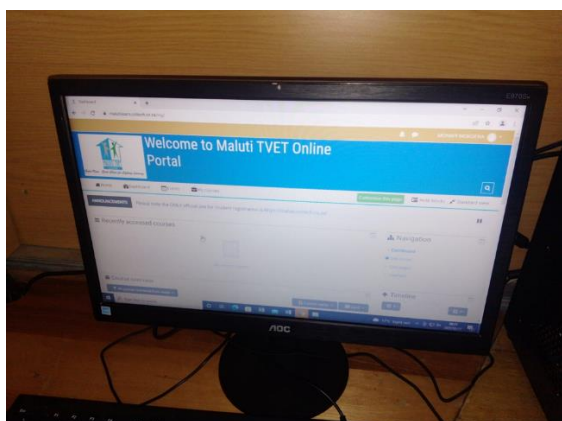
7.2.5.1.1 The College was accredited and certified by Cisco and Huawei academies

7.2.5.1.2 LMS roll-out plan was implemented, up to 60% of online learning material was uploaded on Moodle for students and all lecturers.

7.2.5.1.3 Rolled out e-books for IT & Computer Science subjects (Project Management, Computer Programming and System Analysis and Desi).

7.2.5.1.4 The College has Cisco certified Instructors for Life Skills & Computer Literacy and IT Essential

- 7.2.5.1.5 Cisco programme was implemented for Life Skills and Computer Literacy at level 2 across seven campuses, as well as IT & Computer Science at level 3 and 4.
- 7.2.5.1.6 A total number of 795 level 2 students obtained Cisco Get Connected certificates and 2 others the IT Essentials certificates.
- 7.2.5.1.7 23 IT & Computer Science students registered to participate in Huawei ICT Global Competition (Cloud track and Network track)
- 7.2.5.1.8 A total number of 30 IT & Computer Science level 3 and 4 students enrolled for Huawei HCIA Cloud Computing course, and 23 of those students obtained certificates.
- 7.2.5.1.9 College LMS policy was developed.



7.2.6 Skills Academy

7.2.6.1 Projects achieved

| FUNDERS | ACHIEVEMENTS |
|---------------|--|
| TETA SETA | 36 students registered in Welding |
| AGRISETA/DPWI | Ongoing Apprenticeship for 15 students in Boilermaking |
| INSETA | Supported 30 IT Technical Support Students |
| FOODBEV SETA | Supported 87 students in IT Technical Support & End-User Computing |
| CHIETA | 20 students enrolled in Coded Welder Skills Programme |
| CHIETA | 15 students registered in Assistant Welder Skills Programme |
| INSETA | 11 students registered for Long Term Insurance learnership |

7.2.6.2 Accreditations achieved

7.2.6.2.1 Programmes

| ACCREDITATION BODY | PROGRAMMES |
|--------------------|--|
| QCTO | Boiler Making occupational Qualification |
| QCTO | Coded Welder Skills programme |
| MERSETA | Welding |
| MERSETA | BoilerMaking |
| MERSETA | Automotive Motor Mechanics |
| MERSETA | Panel Beating |
| MICT SETA | IT: Technical Support |
| MICT SETA | IT: End User Computing |

7.2.6.2.2 Assessment Centre for Coded Welder was accredited by CHIETA

7.2.6.3 Donations received

The College received the following donations during 2021:

1. From GIZ ZA:

An Edu-board award to the value off R 82 195.10

2. From Ford:

- Ford Ranger bakkie to the value of R 396 107.02
- 3 Ford Engines to the value of R 90 000.00

Ford Ranger from Ford SA was for the purpose of teaching and learning. The latest model of 2021 ensured that students are trained using the latest models which empowers them for any potential employments. The vehicle was also handed to the College together with three brand new engines from the same company.

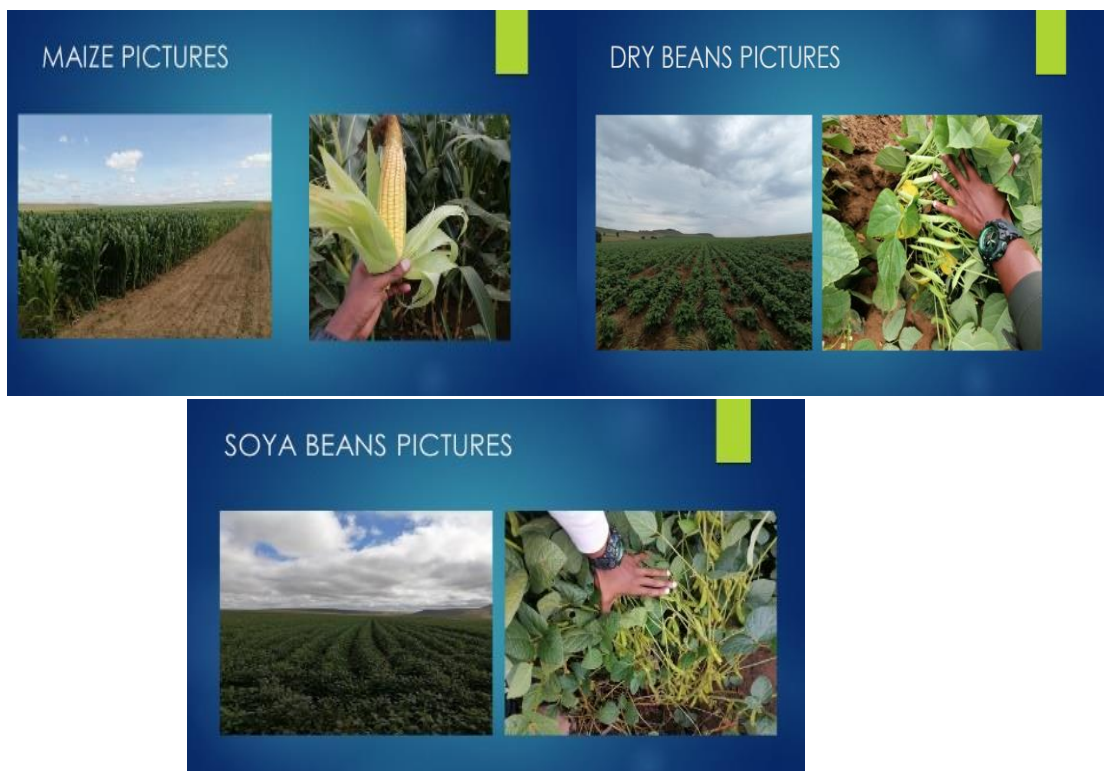




3. From MACHTECH:
2 Generators 6.5KVA to the value of R 18 377.00
4. From Torapa:
R 297 761.24 to assist students who could not progress due to their outstanding balances.

7.2.7 Farm activities

The farming activities were resuscitated with the appointment of an acting Farm Manager and a Farm Specialist. The following crops were planted on the farm:



The primary purpose of the plant production assists in the integration of theory and practice by students and supplements their learning. The secondary part tried to embrace the commercial aspect which further assists students in understanding the value-chain in agriculture and the food security as envisaged in Vision 2030. The developments on the farm included enhancing the sustainability of the water supply.

7.2.8 Centre for Entrepreneurship Rapid Incubator

The Centre for Entrepreneurship Rapid Incubator was one of the praiseworthy achievements for the College in collaboration with SEDA. The purpose was to transform the economy of Maluti a Phofung local Municipality and instil an entrepreneurial mindset in students. In addition to offering upskilling and business development opportunities to students and community, the programme created a platform for them to develop innovative ideas that will contribute to the competitiveness of the local economy.

7.2.9 Finance

The Auditor General of South Africa completed the 2021 audit at Maluti TVET College and the audit opinion improved from a qualified opinion in 2020 to an unqualified opinion in 2021. This improved opinion was well received and all staff members of Maluti TVET College contributed. We are very grateful for all efforts that made this audit outcome possible. We all are committed to continue to improve our processes and procedures as well as our internal controls and preparations to strive towards a clean audit opinion in the future.

7.2.9.1 Herewith a few highlights of 2021:

1. Procurement

- Monthly Procurement Committee meetings were held to adjudicate on claims above R30 000 up to and including R300 000.
- Quarterly Finance Committee meetings were held to present financial reports to members of Council and to obtain approval for any deviations.
- A 2021 Procurement Plan was in place to assist with proper planning and budgeting
- Members of the Bid Specifications Committee, Bid Evaluation Committee and Bid Adjudication Committee attended accredited training on the roles and responsibilities of each committee – This will contribute to the effectiveness of these committees.
- Internal Controls were improved to ensure compliance and to minimize any deviations.
- General procurement was done based on the needs of campuses and sections within Maluti TVET College.

Procurement items to be noted:

- Textbooks procured timeously for all students (NATED and NCV) – including e-books,
- PPE
- ISAT material
- Lecturer and/or staff training
- Furniture to replace broken items & Board room furniture for campuses
- Cloud hosting of Coltech, Pastel & QMS
- 2 generators were procured for two of our campuses.

- Machinery, equipment and furniture were procured for the CfERI Centre.
- Procurement done for the Maluti TVET College, *Agri -Village*:
 - Preparing of land and planting of maize, dry beans and soya beans.
 - Tunnels for vegetation
 - Apiary units.
 - Farming implements and equipment.
 - Upgrading beef, goat and pig units.
- The following tenders were awarded:
 - Supply of printing paper for a period of 24 months.
 - Supply of 6 new fleet vehicles.
 - Infrastructure and supply of student WIFI at all campuses of Maluti TVET College.
 - Supply of laptops for the missing middle students.
 - Supply of desktop Computers for computer laboratories.

2. Maintenance and infrastructure

- Since the start of the DHET CIEG Project, 24 projects were approved for Maluti TVET College. By the end of 2021 Maluti College fully completed 20 of these approved projects.
- Monthly and quarterly CIEG reports were submitted.
- The following CIEG projects were completed in 2021:
 - Roof repairs at Corporate Office and Itemoheleng Campus.
 - Floor coverings and demarcation at Kwetlisong Campus.
 - Building repairs at Bethlehem Campus.
- The following CIEG projects were completed in 2021:
 - Roof repairs at Main Campus.
 - Ablution facility upgrades at Bethlehem and Bonamelo Campuses.
- Repairs and upgrades for the building earmarked for the Maluti CfERI Centre were completed.
- The 2022/23/24 Maintenance Plan was approved, endorsed by council and submitted to DHET.
- A disability compliance assessment was done on 100% of the Maluti TVET College buildings. The assessment report with Quantity Surveyor and Architectural reports were submitted to DHET.

3. General

- College Broad Management reviewed all Finance Policies in 2021.
- Internal audits were conducted in 2021 on procurement processes, contract management and asset management – these internal audits contributed to the improved systems in the finance section, which then also contributed to the unqualified audit opinion in 2021.
- The unit prioritized deliberate effort in dealing with non-conformance

8 COLLEGE PERFORMANCE AND ORGANISATIONAL ENVIRONMENT

Maluti TVET College positioned itself and all its resources to achieve the outcomes of the strategic and annual performance plans. The College is conscious of the fact that quality standards are the cornerstone that help the College Management and staff in aligning all their activities to approved plans, eg. The College ensured that there is a SHERQ Unit at the college. The SABS monitors our compliance with these set standards and this in turn enable employers to perform at the required level. Key to that is the continuous auditing of all sections and findings are closed as required.

The strategic and annual performance is further discussed in the management review meetings, broad management meetings and in the Academic Board meetings, which, in turn, filter through to the College Council.

Furthermore, a number of funders came on board like SETAs and NSF to name a few, to ensure that the College achieved its strategic objectives through availing some resources that enhanced the performance of the College.

Having said that the impact of the strike cannot be overlooked as it had some adverse ripple effects but hard work and dedication of the entire staff made it possible to achieve, satisfactory levels of performance.

The College worked very hard to ensure that it achieved targets set and it responded to community needs as well. Various achievements were realised and the College Council, Management, staff, SRC, students and various stakeholders played a significant role in ensuring that those were met.

It is worth mentioning that these achievements were in all areas of the College. Some were individual, while others were and collective. Some earmarked funding assisted the College by ensuring that international partnerships were established to enhance the College's corporate image.

9. Performance Reporting

9.1 Performance achievements during the 2021 academic year in terms of the strategic objectives and annual performance targets

The compliance rating with examination standards and policy is 98% and very close to the target of 100%. The challenges which prevented the College from reaching the target were administrative or technical in nature and did not bring the credibility of the examinations into question.

The NC (V) subject pass rate was above 80% for all campuses and the average subject pass rate was 85.87%.

- A subject pass rate of above 90% was achieved for three NC (V) fundamental subjects. English First Additional Language pass rate increased with 17% from the previous year, Life Skills and Computer Literacy increased with 13%, Mathematical Literacy increased by 8% and Mathematics increased by 12%.
- Fifty-six percent (56%) of NC (V) vocational subjects achieved a subject pass rate above 80% (88 of 157 subjects).
- Four of the seven campuses achieved a certification rate (pass all subjects in one sitting) above 50% and the overall certification rate was 49.61%.

Thirty-three NATED subjects achieved a subject pass rate above 80% (out of 70 subjects).

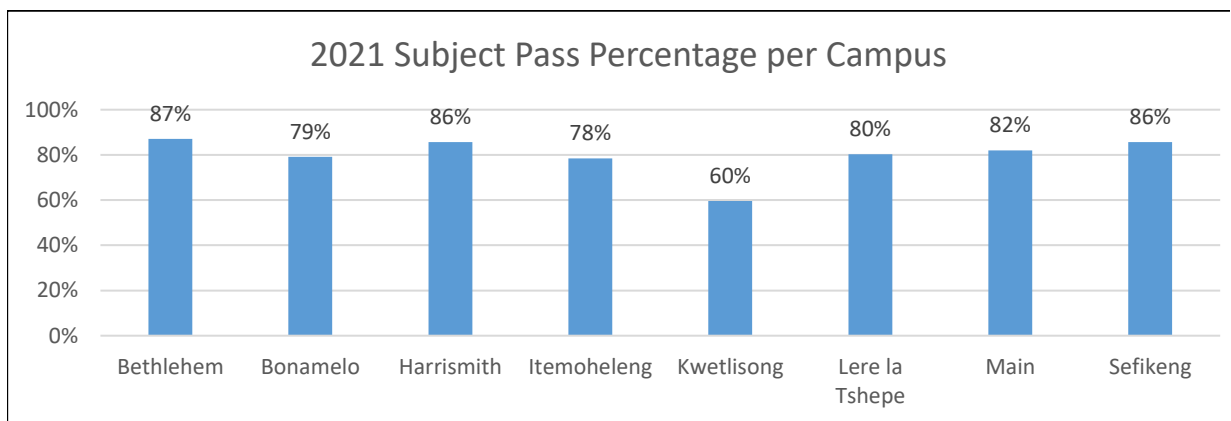
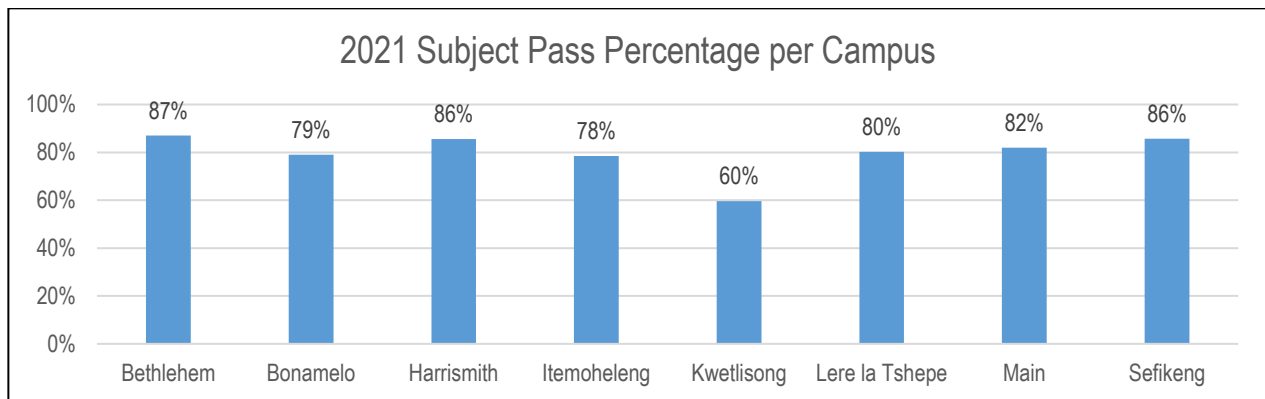
- The target of 90% was achieved for retention rate in NATED subjects.

SUBJECT PASS RATE, RETENTION RATE AND DISTINCTIONS PER LEVEL AT CAMPUS:
Combined 2021

| CAMPUS | NCV | | | | | | BUSINESS STUDIES | | | | | | ENGINEERING STUDIES | | | | | | PLP | | | | | | TOTAL | | | | | |
|----------------|-------------------|------------------|-----------------|--------------|-------------------|------------------------|-------------------|------------------|-----------------|--------------|-------------------|------------------------|---------------------|------------------|-----------------|--------------|-------------------|------------------------|-------------------|------------------|-----------------|--------------|-------------------|------------------------|-------------------|------------------|-----------------|--------------|-------------------|------------------------|
| | SUBJECTS ENROLLED | SUBJECTS WRITTEN | SUBJECTS PASSED | DISTINCTIONS | SUBJECT PASS RATE | SUBJECT RETENTION RATE | SUBJECTS ENROLLED | SUBJECTS WRITTEN | SUBJECTS PASSED | DISTINCTIONS | SUBJECT PASS RATE | SUBJECT RETENTION RATE | SUBJECTS ENROLLED | SUBJECTS WRITTEN | SUBJECTS PASSED | DISTINCTIONS | SUBJECT PASS RATE | SUBJECT RETENTION RATE | SUBJECTS ENROLLED | SUBJECTS WRITTEN | SUBJECTS PASSED | DISTINCTIONS | SUBJECT PASS RATE | SUBJECT RETENTION RATE | SUBJECTS ENROLLED | SUBJECTS WRITTEN | SUBJECTS PASSED | DISTINCTIONS | SUBJECT PASS RATE | SUBJECT RETENTION RATE |
| Bethlehem | 4553 | 3715 | 3402 | 150 | 92% | 82% | 1805 | 1604 | 1227 | 40 | 76% | 89% | | | | | | | | | | | | | 6358 | 5319 | 4629 | 190 | 87% | 84% |
| Bonamelo | 5277 | 3544 | 3114 | 128 | 88% | 67% | 4291 | 3672 | 2592 | 31 | 71% | 86% | | | | | | | | | | | | | 9568 | 7216 | 5706 | 159 | 79% | 75% |
| Harrismith | 4646 | 3548 | 3202 | 158 | 90% | 76% | 2311 | 2121 | 1653 | 44 | 78% | 92% | | | | | | | | | | | | | 6957 | 5669 | 4855 | 202 | 86% | 81% |
| Itemoheleng | 4587 | 2783 | 2232 | 97 | 80% | 61% | | | | | | | 547 | 300 | 186 | 8 | 62% | 55% | | | | | | | 5134 | 3083 | 2418 | 105 | 78% | 60% |
| Kwetlisoeng | | | | | | | | | | | | | 4354 | 3296 | 1969 | 102 | 60% | 76% | 244 | 169 | 95 | 2 | 56% | 69% | 4598 | 3465 | 2064 | 104 | 60% | 75% |
| Lere la Tshepe | 5390 | 4237 | 3510 | 66 | 83% | 79% | 1948 | 1687 | 1245 | 18 | 74% | 87% | | | | | | | | | | | | | 7338 | 5924 | 4755 | 84 | 80% | 81% |
| Main | 4123 | 2878 | 2323 | 51 | 81% | 70% | 3591 | 3124 | 2594 | 90 | 83% | 87% | | | | | | | | | | | | | 7714 | 6002 | 4917 | 141 | 82% | 78% |
| Sefikeng | 2421 | 1644 | 1409 | 34 | 86% | 68% | | | | | | | | | | | | | | | | | | | 2421 | 1644 | 1409 | 34 | 86% | 68% |
| TOTAL | 30997 | 22349 | 19192 | 684 | 86% | 72% | 13946 | 12208 | 9311 | 223 | 76% | 88% | 4901 | 3596 | 2155 | 110 | 60% | 73% | 244 | 169 | 95 | 2 | 56% | 69% | 50088 | 38322 | 30753 | 1019 | 80% | 77% |

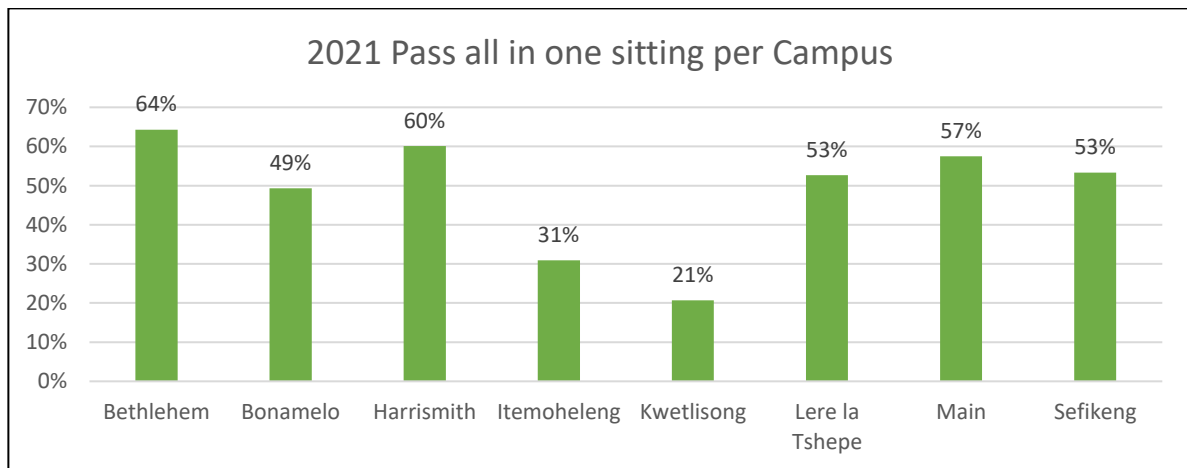
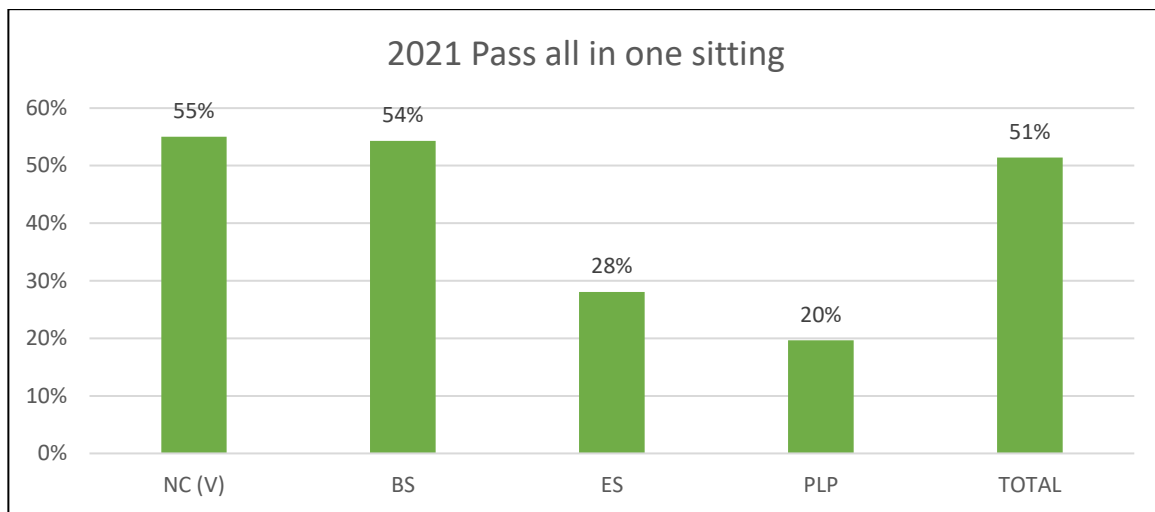
National Certificate (Vocational)

| CAMPUS | L2 | | | | | | L3 | | | | | | L4 | | | | | | TOTAL | | | | | |
|----------------|-------------------|------------------|-----------------|--------------|-------------------|------------------------|-------------------|------------------|-----------------|--------------|-------------------|------------------------|-------------------|------------------|-----------------|--------------|-------------------|------------------------|-------------------|------------------|-----------------|--------------|-------------------|------------------------|
| | SUBJECTS ENROLLED | SUBJECTS WRITTEN | SUBJECTS PASSED | DISTINCTIONS | SUBJECT PASS RATE | SUBJECT RETENTION RATE | SUBJECTS ENROLLED | SUBJECTS WRITTEN | SUBJECTS PASSED | DISTINCTIONS | SUBJECT PASS RATE | SUBJECT RETENTION RATE | SUBJECTS ENROLLED | SUBJECTS WRITTEN | SUBJECTS PASSED | DISTINCTIONS | SUBJECT PASS RATE | SUBJECT RETENTION RATE | SUBJECTS ENROLLED | SUBJECTS WRITTEN | SUBJECTS PASSED | DISTINCTIONS | SUBJECT PASS RATE | SUBJECT RETENTION RATE |
| Bethlehem | 1749 | 1368 | 1290 | 103 | 94% | 78% | 1521 | 1238 | 1127 | 31 | 91% | 81% | 1283 | 1109 | 985 | 16 | 89% | 86% | 4553 | 3715 | 3402 | 150 | 92% | 82% |
| Bonamelo | 2484 | 1481 | 1315 | 85 | 89% | 60% | 1638 | 1117 | 994 | 29 | 89% | 68% | 1155 | 946 | 805 | 14 | 85% | 82% | 5277 | 3544 | 3114 | 128 | 88% | 67% |
| Harrismith | 2318 | 1581 | 1436 | 104 | 91% | 68% | 1680 | 1381 | 1254 | 48 | 91% | 82% | 648 | 586 | 512 | 6 | 87% | 90% | 4646 | 3548 | 3202 | 158 | 90% | 76% |
| Itemoheleng | 2845 | 1331 | 1068 | 43 | 80% | 47% | 1100 | 898 | 777 | 36 | 87% | 82% | 642 | 554 | 387 | 18 | 70% | 86% | 4587 | 2783 | 2232 | 97 | 80% | 61% |
| Lere la Tshepe | 2295 | 1521 | 1305 | 28 | 86% | 66% | 1629 | 1390 | 1241 | 27 | 89% | 85% | 1466 | 1326 | 964 | 11 | 73% | 90% | 5390 | 4237 | 3510 | 66 | 83% | 79% |
| Main | 2161 | 1376 | 1119 | 37 | 81% | 64% | 1234 | 920 | 770 | 11 | 84% | 75% | 728 | 582 | 434 | 3 | 75% | 80% | 4123 | 2878 | 2323 | 51 | 81% | 70% |
| Sefikeng | 1397 | 815 | 685 | 29 | 84% | 58% | 647 | 518 | 447 | 1 | 86% | 80% | 377 | 311 | 277 | 4 | 89% | 82% | 2421 | 1644 | 1409 | 34 | 86% | 68% |
| TOTAL | 15249 | 9473 | 8218 | 429 | 87% | 62% | 9449 | 7462 | 6610 | 183 | 89% | 79% | 6299 | 5414 | 4364 | 72 | 81% | 86% | 30997 | 22349 | 19192 | 684 | 86% | 72% |



CERTIFICATION, PROGRESSION AND RETENTION RATES: Combined 2021

| CAMPUS | NCV | | | | | | | R191 BS | | | | | | | ENGINEERING STUDIES | | | | | | | PLP | | | TOTAL | | | | | | |
|----------------|-----------|-------|----------|------------|-------------------------|------------------|----------------|-----------|-------|----------|----------|-------------------------|------------------|----------------|---------------------|-------|----------|----------|-------------------------|------------------|----------------|-----------|----------|-------------------------|-------|-------|-----------------|-------------------|-------------------------|------------------|----------------|
| | ENROL 7/7 | WROTE | PASS 7/7 | PASS 5+6/7 | PASS ALL IN ONE SITTING | PROGRESSION RATE | RETENTION RATE | ENROL 4/4 | WROTE | PASS 4/4 | PASS 3/4 | PASS ALL IN ONE SITTING | PROGRESSION RATE | RETENTION RATE | ENROL 4/4 | WROTE | PASS 4/4 | PASS 3/4 | PASS ALL IN ONE SITTING | PROGRESSION RATE | RETENTION RATE | ENROL 4/4 | PASS 4/4 | PASS ALL IN ONE SITTING | ENROL | WROTE | PASS 7/7 OR 4/4 | PASS 5+6/7 OR 3/4 | PASS ALL IN ONE SITTING | PROGRESSION RATE | RETENTION RATE |
| Bethlehem | 539 | 485 | 338 | 108 | 70% | 92% | 90% | 248 | 232 | 123 | 51 | 53% | 75% | 94% | | | | | | | | | | | 787 | 717 | 461 | 159 | 64% | 86% | 91% |
| Bonamelo | 536 | 426 | 215 | 144 | 50% | 84% | 79% | 623 | 574 | 278 | 139 | 48% | 73% | 92% | | | | | | | | | | | 1159 | 1000 | 493 | 283 | 49% | 78% | 86% |
| Harrismith | 525 | 440 | 288 | 98 | 65% | 88% | 84% | 386 | 364 | 195 | 88 | 54% | 78% | 94% | | | | | | | | | | | 911 | 804 | 483 | 186 | 60% | 83% | 88% |
| Itemoheleng | 491 | 331 | 116 | 106 | 35% | 67% | 67% | | | | | | | | 622 | 503 | 142 | 117 | 28% | 51% | 81% | | | | 1113 | 834 | 258 | 223 | 31% | 58% | 75% |
| Kwetlisong | | | | | | | | | | | | | | | 29 | 21 | 5 | 3 | 24% | 38% | 72% | 61 | 12 | 20% | 90 | 82 | 17 | 3 | 21% | 24% | 91% |
| Lere la Tshepe | 647 | 545 | 301 | 142 | 55% | 81% | 84% | 289 | 262 | 124 | 80 | 47% | 78% | 91% | | | | | | | | | | | 936 | 807 | 425 | 222 | 53% | 80% | 86% |
| Main | 423 | 343 | 159 | 101 | 46% | 76% | 81% | 648 | 614 | 391 | 101 | 64% | 80% | 95% | | | | | | | | | | | 1071 | 957 | 550 | 202 | 57% | 79% | 89% |
| Sefikeng | 226 | 167 | 89 | 36 | 53% | 75% | 74% | | | | | | | | | | | | | | | | | | 226 | 167 | 89 | 36 | 53% | 75% | 74% |
| TOTAL | 3387 | 2737 | 1506 | 735 | 55% | 82% | 81% | 2194 | 2046 | 1111 | 459 | 54% | 77% | 93% | 651 | 524 | 147 | 120 | 28% | 51% | 80% | 61 | 12 | 20% | 6203 | 5368 | 2759 | 1314 | 51% | 76% | 87% |



9.1 ANNUAL PERFORMANCE ACHIEVEMENTS

| STRATEGIC OUTCOME | OUTPUTS | OUTPUT PERFORMANCE INDICATORS | TVET COLLEGE 2021 PLANNED TARGET | TVET COLLEGE 2021 ACHIEVEMENT | EXPLANATORY REMARKS |
|---|---|--|----------------------------------|-------------------------------|--|
| SO 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 | 3910 | 4863 | The over-enrolment in NC (V) was as a results of high progression rate and low dropout rate. Progressed and repeating students were admitted as they were already in the College system. |
| | | *NCV | 5222 | 5490 | The College over enrolled due to trimester 3 and returning students that came back in numbers to complete their qualification outstanding reach the set target. |
| | | *Report 191 | 105 | 61 | The college under enrolled at the PLP Programme as most students were ready to do NC(V) |
| | | *PLP | 800 | 0 | The College under performed as no full Occupational qualification was offered during the year |
| | | *Occupational qualifications | 0 | 0 | Not offered for the year |
| | | *Trades (COS) | 180 | 0 | No Higher certificate students registered for the year due to the COVID-19 impact. |
| | | *Higher Certificates | 300 | 379 | The college over achieved in short skills and occupational |
| | | *Shorter skills programmes (accredited and non-accredited) | 100% | 50% | College took 50% to adhere to COVID-19 protocols regarding social distancing in residences. |

| STRATEGIC OUTCOME | OUTPUTS | OUTPUT PERFORMANCE INDICATORS | TVET COLLEGE 2021 PLANNED TARGET | TVET COLLEGE 2021 ACHIEVEMENT | EXPLANATORY REMARKS |
|--|--|--|----------------------------------|-------------------------------|---|
| | 1.2 College student accommodation is optimally utilized | Occupation rate (%) per enrolment cycle | 3 | 0 | No completed qualified artisans were produced during the reporting period |
| SO2 Improved success and efficiency of TVET systems | 2.1 Apprentices in trade programmes qualify and pass trade test | Number of artisans exiting COS or college | 1080 | 675 | The figures calculated at students who enrolled 7/7 and passed 7/7 in one sitting. The figures are calculated using December 2021 examinations |
| | 2.2 Students complete qualifications and programmes and exit the college 2.3 NCV students complete qualification within 3 years | Number of students at exit levels exiting college programmes | 345 | 902 | The completion rate calculated at students who enrolled and passed 4/4 in one sitting. The calculation is at December 2021. The MIS system is not defaulted in calculating other variables (enrolled 3, 2 or 1 subject) |
| | | *Number of students exiting NCV L4 | 50% | 12% | "Number of students who enrolled L2 in 2019 = 1820 Number of students in that cohort that passed L4 in 2021 (after November 2021) = 219" |
| | | Number of students exiting NCV (Throughput rate) | 70% | 56% | 61 Enrolled, 43 completed final task by the end of the year 2021. |
| | 2.4 PLP students are retained | Retention rate (%) in PLP | 70% | 27% | 61 enrolled, 12 passed and qualify for NC (V) |
| | 2.5 PLP students' progress into initial programmes of choice | Progression rate (%) of PLP students | 100% | 94% | The Council managed to hold their quarterly meeting as planned and 3 special meetings were financial statements, strategic plan and |

| STRATEGIC OUTCOME | OUTPUTS | OUTPUT PERFORMANCE INDICATORS | TVET COLLEGE 2021 PLANNED TARGET | TVET COLLEGE 2021 ACHIEVEMENT | EXPLANATORY REMARKS |
|---|---|---|----------------------------------|-------------------------------|--|
| | | | | | policies were approved. |
| | 3.1 College councils are constituted and comply with standards | % compliance with governance standards | 100% | 97% | Monitoring and evaluation of all protocol's for running external 2021 November examination was adhered to even external stakeholders verified 98% compliance |
| SO3 Improved quality of TVET college provision | 3.2 Examinations are conducted with minimum irregularity reported | % compliance with examinations standards and policy | 86% | 76% | College Subject retention rate for November 2021 examinations |
| | 3.3 More students meet the requirements for writing examinations | % of registered students (based on subject enrolment) qualifying for examinations | 6% | 0% | No lecturers placed during the reporting period Due to challenge of COVID-19 in the workplace |
| | 3.4 TVET college lecturers are placed in industry for specified periods to gain relevant experience | % of TVET college lecturers placed in industry | 350 | 240 | The College did not reach the target during the year as more partnership were done more in the first quarter when the COVID -19 restriction were much relaxed. |
| | 3.5 Partnerships signed for improving teaching and learning and relevance of programmes | Number of partnership agreements (locally and internationally) for purposes of exchanging and/or placing college students and /or lecturers | 1610 | 713 | College under enrolled in the OIHD programmes to observe COVID-19 protocols maintain social distancing the workshops. |
| | 4.1 More students are enrolled in identified programme offerings relating to OIHD and priority skills | Number of students enrolled in programmes relating to OIHD and priority skills | 15 | 0 | CFERI started to operate with no fully running entrepreneurship programme and projects that are to be reported now |
| SO4 Improved responsiveness | 4.2 Entrepreneurship hubs are established and supported | Number of students engaged in entrepreneurship | 1075 | 1323 | The College reached above the target as more companies |

| STRATEGIC OUTCOME | OUTPUTS | OUTPUT PERFORMANCE INDICATORS | TVET COLLEGE 2021 PLANNED TARGET | TVET COLLEGE 2021 ACHIEVEMENT | EXPLANATORY REMARKS |
|--|---|---|----------------------------------|-------------------------------|---|
| ss of TVET colleges to the world of work | | programmes and initiatives | | | managed to place more student during the year after COVID19. |
| | 4.3 Students are placed for WBPL at exit levels | Number of students placed for WBPL at exit levels | 175 | 386 | The College over achieved due to that college manage to place more students when COVID-19 restrictions were relaxed |
| | | *Number of students placed for WBPL at NCV L4 | 900 | 937 | The College over achieved due to that more students were placed for N6 |
| | | *Number of students placed for WBPL at N6 | | | |
| | | | | | |

9.2 STRATEGY TO DEAL WITH UNDERPERFORMANCE

9.2.1 Strategies to improve learner performance considering the Covid-19 Pandemic alert levels.

9.2.1.1 Development and implementation of Teaching and Learning Plan.

The **College Teaching and Learning Plan** was submitted in February and received an overall GOOD rating. Six of the eight items were rated GOOD and two AVERAGE. The College received 224 marks out of the maximum of 245. Due to disruptions during March, April and May – taxi strikes; a community shut down in Qwa-Qwa and Harrismith and student unrest about NSFAS bursaries - a **Covid-19 Teaching and Learning Plan** was developed and introduced to catch up during the 2nd semester. The Regional Office monitored the implementation of the plan in September virtually and followed up with a visit to Lere la Tshepe Campus. Positive feedback was received on the regular in-house training; the link between the Teaching and Learning Plan and the Operational Plan; the monitoring of portfolios by the campus management teams and at the College; the implementation of the College Improvement Plan; the catch-up plan and adapting to the Covid-19 requirements.

9.2.1.2 Blended Teaching and Learning using Online Platforms

Despite the mentioned disruptions, teaching and learning continued in a blended mode as introduced in 2020. Practical sessions were face to face. For theoretical subjects and modules face to face sessions were limited and remote teaching and learning continued using various online platforms e.g. Canvas; WhatsApp; Google Drive; Face Book; You Tube and You Tube channels and the Coltech Moodle (Modular Object Orientated Dynamic Learning Environment) Learning Management System which was identified and secured in 2020. E-books were introduced as a pilot project for the programme Information Technology L4 which is offered at Lere la Tshepe Campus. The E-learning Co-ordinator monitored the implementation and utilisation of these books.

Every effort was made to **catch up and keep on schedule despite Covid-19 alert levels and the interruptions mentioned**. Lecturer and class timetables were drafted to optimise teaching of theory, conduct practical sessions and administer assessments in compliance with Covid-19 regulations. Some campuses continued with the 6-day cycle as introduced in 2020 and other campuses introduced a week on/week off cycle to allow for the rotation of programmes. **These timetables were presented to the DPA and Covid-19 Steering Committee for approval.**

The **Catch-up Teaching and Learning Plan** referred to in 9.3.1.1, was informed by individual campus management plans and were monitored closely.

9.2.1.3 Developing Study Material to enhance Blended Teaching and Learning.

Lecturers created power point presentations; videos; study packs containing previous question papers, exercises, and summaries to assist students without devices or students who were unable to access online platforms.

9.2.1.4 Capacitating and Supporting Lecturers to improve Blended Learning

A major effort was made to **capacitate lecturers and give on-going support to improve and enhance blended learning**. A special arrangement was made with MacMillan Teachers' College to enable all lecturers to attend the Power Hour **Webinar on blended learning** – how blended learning can be used as a point of contact between e-learning and traditional lesson methods and how to create a blended learning programme.

Virtual In-house training sessions were scheduled to train lecturers on the implementation of the revised 2021 ICASS Guidelines in response to Covid-19 in the 2nd semester. Lecturers were trained on the implementation of the revised College Assessment Schedule; the LMS roll Out Plan; the Teaching and Learning Plan; the Annual Performance Plan; adjusting the Subject Work Schedules to indicate mode of delivery.

Although all lecturers received **Moodle training** by the service provider, the acting E-learning Co-ordinator drafted a questionnaire to identify gaps; prepared several Power Point Presentations to assist lecturers; offered refresher trainings and supported the appointed LMS facilitators per campus to train and assist lecturers at campus level. The acting E-learning co-ordinator closely monitored lecturer utilization of the LMS and reported regularly to Curriculum unit.

Lecturers received **training** from the supplier **in using e-books**.

All **lecturers were equipped with laptops and monthly data** to be able to facilitate blended teaching and learning and enable them to attend virtual training sessions and meetings.

9.2.1.5 Capacitating and Supporting Students to access and utilize LMS Moodle

A Student Moodle Presentation Guideline was developed and the acting E-learning coordinator monitored student utilization of Moodle. The SLOs were also trained on assisting students to access Moodle.

*New **student computers** were availed to enable students to utilize LMS Moodle: Bethlehem and Bonamelo Campus had 180 each and Harrismith and Main Campuses, 120 each. Campuses were supplied with 100Mb broadband lines for **free student Wi-Fi** networks and fibre spliced across all 8 campuses.*

9.2.2 Analysis of examination results to identify poor performing subjects.

Examination results were analysed per year (November); semester and trimester to identify poor performing subjects and underperforming lecturers.

9.2.2.1 A College Improvement Plan – informed by the examination results – was drafted, updated regularly and reported on to the Academic Board. Suitable interventions were introduced e.g. tutoring, examination rallies, extra classes after hours and during week-ends (Information Processing N5), additional exercises, extra notes, summaries, study packs for remote learning and additional practical classes. SLOs monitored students exercising in computer labs after hours.

The College Improvement Plan was also informed by notes made by internal markers and moderators of the NCV L2, L3 and R191NS N1 examination papers.

Class visits to observe teaching by underperforming lecturers and newly appointed lecturers were conducted to offer support and mentor the lecturers.

Student questionnaires were completed and analysed to also assist and capacitate these lecturers.

9.2.2.2 Capacitating lecturers to ensure a realistic ICASS mark

As a realistic ICASS mark is the result of assessments of good standard, all lecturers attended a customized virtual training session offered by MacMillan Teachers' Campus on setting and moderating assessments by using Bloom's taxonomy and the assessment guidelines/syllabi. This **improved the standard of assessment** to a large extent. **Macros** (as used for national examination papers) were used **to improve the quality of assessments**. Campus managers presented samples of moderated assessments to the DPA before each academic cycle for approval and also to ensure quality and standards.

9.2.3 Capacitating lecturers on new/revised syllabi

Lecturers attended **webinars** on revised syllabi for the following subjects: Communication; Computer Practice; Financial Accounting; Information Processing; Electro-technics and Quantity Surveying.

Lecturers also joined a national group to discuss best practices in offering Information Processing.

CISCO provided teaching and learning material to lecturers in Life Skills and Computer Literacy; Computer Hardware and Software L3 and Data Communication L4. In-house training was conducted to brief IT lecturers on CISCO NetAcad and the assessment schedule and train Life Skills L2 lecturers on CISCO.

9.2.4 Capacitating and updating lecturers through in house training

Two in house training sessions took place per quarter to update and capacitate lecturers on the following: Internal auditors' report on Curriculum; ICASS Status Reports and Management Plans to improve performance; Academic Calendar per quarter; Implementation and progress on TVET lettered Circular 00073 (ICASS Tasks); monitoring the College Improvement Plan; NC(V) Portfolios Monitoring; Verification Procedures and the Program Qualification Mix for 2022.

9.2.5 Monitoring the implementation of the ICASS Guidelines and College Assessment Schedule

- **Peer monitoring of all ICASS portfolios** of all lecturers were administered at the beginning of the year, trimester and semester to ensure portfolios were in place per subject and lecturer and that recent schedules, syllabi and instructions were available.
- **Monthly ICASS monitoring by campus management teams** were conducted as follows: 2 sets of portfolios (2 lecturers) by the Campus Manager; 4 sets of portfolios by the HoD and 8 sets of portfolios by each Senior Lecturer. In total at least on subject of 22 lecturers were monitored per month and was possible to monitor all lecturers during a quarter. The identified gaps were followed up; monthly reports were submitted to Curriculum with management plans to intervene and close the gaps.
- **College ICASS monitoring was conducted per quarter** whereby campuses were paired to monitor each other and present feedback reports during virtual feedback sessions. A consolidated report was presented to the Academic Board per quarter. Covid-19 procedures for monitoring were developed and introduced in 2020 and were adhered to.
- **Positive feedback reports were received from Site Based Assessment** by Umalusi on English 1st additional Language. R191NS Trimester 1 scored 92% compliance rate overall. The external moderator monitoring examinations S1 and S2 scored all campuses 100% for monitoring assessments.
- **ICASS Status Reports** were regularly virtually presented to Curriculum indicating the status of assessments, challenges and management plans to intervene and catch up/improve performance. Due to community unrest, strikes, power failures and load shedding, individual campuses submitted requests to deviate from the College Assessment Schedule. Once approved, the management plans supporting the request for deviation were closely monitored to ensure all assessments were administered, marked, moderated and verified.

9.2.6 Other interventions to improve performance

The revised COVID -19 ICASS Guidelines for R191NS allowed an option of one or two tests for ICASS purposes. **The engineering campus could manage to administer two tests.**

Classroom assistants were appointed to assist lecturers with administrative tasks and also to assist when lecturers needed to isolate due to COVID-19.

As DHET did not train Chief Invigilators during 2021, Curriculum arranged in house **training sessions for Chief Invigilators before each examination cycle.**

The following were available to improve performance: Library to support investigative research and exploratory tasks assigned to students; study centres adhering to Covid-19 regulations; SSS Centres and Bethlehem and Main Campuses; farm for agricultural programme at Sefikeng.

9.2.7 Interventions to maintain performance in conducting examinations

As DHET did not train Chief Invigilators during 2021, Curriculum Committee arranged in-house training sessions for Chief Invigilators before each examination cycle.

The members of the College Irregularities Committee were appointed by the Principal. The College Irregularities Committee met during each examination cycle in 2021 to discuss the irregularities reported during external examinations in order to determine whether the irregularities were dealt with according to the DHET policies and guidelines. Common procedures for incidents during external examinations were discussed in cases where DHET prescriptions were not clear.

Chief Invigilators were appointed and they conducted examination monitoring on the first day of the external examinations to ensure examination compliance. College representatives conducted examination monitoring during each examination cycle. Internal auditors visited examination venues to monitor compliance to DHET policies and instructions.

A management plan was updated on a weekly basis and distributed to examination centres to promote preparation for examinations and examination compliance. Documents not submitted by due dates were followed up with centres.

After each examination cycle, an examination compliance report was compiled. The reports were tabled for Academic Board meetings and also for Chief Invigilators' training.

PART D: FINANCIAL INFORMATION

8 FINANCIAL REPORTING

A. COUNCIL RESPONSIBILITY AND APPROVAL

MALUTI TVET COLLEGE

Financial Statements for the year ended 31 December 2021

Council's Responsibilities and Approval

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

MALUTI TVET COLLEGE

Financial Statements for the year ended 31 December 2021

Council's Responsibilities and Approval

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

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

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

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

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

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

The council has reviewed the College's cash flow forecast for the year to 31 December 2022 and, in the light of this review and the current financial position, it is satisfied that the College has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The Council took notice of the movement in impairment to a level of R5 438 162 (2020: R20 231 170) that was incurred as a result of an estimate of irrecoverable trade debtors.

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

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

The financial statements set out on page 4 to 62 were approved by the council on 31 March 2022 and were signed on its behalf by:



Dr RA Patel
Chairperson of the Council
31 March 2022

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B. REPORT OF THE AUDIT AND RISK COMMITTEE

We are pleased to present our report for the financial year ended 31st December 2021.

Audit Committee Responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with section 12 of the College Statute. We further report that we have conducted our affairs in compliance with this charter.

Internal audit

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the College in its audits. The Internal Audit completed their 2021 annual plan activities as approved by the Audit Committee.

We have met with the Internal Audit Unit members during the year to ensure that the function duties were executed effectively and objectively.

We are satisfied with the content and quality of quarterly reports prepared and issued by the internal auditors of the College during the year under review.

The quality of in-year management and quarterly reports submitted in terms of the CET Act

We reviewed the in-year quarterly reports submitted together with internal audit comments thereon. We noted improvement in the content and quality of reports prepared and submitted by management.

The effectiveness of internal control

The system of internal control employed by the College to financial and risk management should showed a significant improvement as the college improved on its Audit Opinion from Qualified Opinion to Unqualified Opinion with findings.

In line with the relevant CET Act sections and the recommendations of King IV Report on Corporate Governance requirements, Internal Audit provided the Audit Committee and management with assurance, however management should keep on strengthening the Internal Control System of the College to maintain a healthier risk control environment/ workspace for employees and College Stakeholders.

From the various reports of the Internal Auditors, the Audit Report on the annual financial statements and the management letter of the Auditor-General South Africa, the College showed significant improvements in most areas including internal control system.

Accordingly, we can report that the system of internal control over the financial reporting under review should showed significant improvement hence the Audit Opinion/ outcome have improved from Qualified Opinion to Unqualified Opinion. Management should keep on strengthening its risk management processes in order to be able to make intelligible decision making to address challenges within the college processes and financial reporting and control environment.

Mr TG Makgale

Chairperson of the Audit Committee

C. AUDITED ANNUAL FINANCIAL STATEMENTS

I. REPORT OF AUDITOR-GENERAL OR EXTERNAL AUDITORS

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

Report on the audit of the financial statements

Unqualified opinion

1. I have audited the financial statements of the Maluti TVET College set out on pages xx to xx, which comprise the statement of financial position as at 31 December 2021, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Maluti 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 (GRAP) and the requirements of the Continuing Education and Training Act 16 of 2006 (Ceta).

Basis for opinion

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

Emphasis of matters

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

Material impairment

7. As disclosed in note 4 to the financial statements, trade and other receivables from exchange transactions were impaired by R42 628 106 (2020: R47 963 461).

Material losses

8. As disclosed in note 4 to the financial statements, the college incurred material losses of R10 773 517 (2020: R15 821 475) as a result of a write-off of irrecoverable trade and other receivables from exchange transactions.

Restatement of corresponding figures

9. As disclosed in note 29 to the financial statements, the corresponding figures for 31 December 2020 were restated as a result of errors in the financial statements of the college at, and for the year ended, 31 December 2021.

Contingencies

10. As disclosed in note 33 to the financial statements, the college is the defendant in a legal claim. The ultimate outcome of this matter could not be determined and no provision for any liability that may result was made in the financial statements.

Responsibilities of the council for the financial statements

11. 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 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.
12. In preparing the financial statements, the council is responsible for assessing the college's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the college or to cease operations, or has no realistic alternative but to do so.

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

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

15. The college is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the Public Finance Management Act 1 of 1999 and such reporting is also not required in terms of Ceta.

Report on the audit of compliance with legislation

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 and the general notice issued in terms thereof, I have a responsibility to report material findings on the college's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
17. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements

18. The financial statements submitted for auditing were not prepared in accordance with generally recognised accounting practice and as required by section 25(1)(b) of Ceta. Material misstatements of the current assets, current liabilities, revenue, expenditure and disclosures identified by the auditors in the submitted financial statements were corrected and supporting documentation provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Other information

19. The council is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report.
20. My opinion on the financial statements and findings on compliance with legislation does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
21. 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. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

23. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the unqualified opinion and the findings on compliance with legislation
24. The management of the college did not perform adequate reviews on the daily and monthly transactions processed and reconciled. This was mainly due to instability in key positions within the finance unit.
25. The management and leadership did not timeously implement and monitor an audit action plan to prevent material misstatements from occurring in the financial statements, which resulted in material adjustments being processed to achieve an unqualified audit opinion.

Auditor-General

Bloemfontein

31 May 2022



UDTOR-GENER
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

2. In addition to my responsibility for the audit of the financial statements as described in this 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 the ability of the Maluti TVET College 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 this auditor's report. However, future events or conditions may cause a college to cease continuing as a going concern.

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. 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 provide the council with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Maluti TVET College

Statement of Financial Position as at 31 December 2021

ASSETS

Current assets

| | 168,752,551 | 150,001,305 |
|---|--------------------|--------------------|
| Cash and cash equivalents | 150,225,156 | 119,094,022 |
| Trade and other receivables from exchange transactions | 1,504,396 | 1,241,523 |
| Other receivables from non-exchange transactions, including transfers | 17,022,999 | 29,665,760 |

Non-current assets

| | 170,741,527 | 154,695,672 |
|-------------------------------|--------------------|--------------------|
| Property, plant and equipment | 170,708,314 | 154,620,073 |
| Intangible assets | 33,213 | 75,599 |

Total assets

339,494,078 304,696,977

LIABILITIES

Current liabilities

| | 70,412,309 | 64,874,411 |
|---|-------------------|-------------------|
| Trade and other payables from exchange transactions | 56,956,433 | 49,262,363 |
| Provisions | 1,549,719 | 2,495,967 |
| Unspent conditional grants and receipts | 11,466,880 | 11,466,880 |
| Finance lease liability | 439,277 | 1,649,202 |

Non-current liabilities

| | | 439,280 |
|-------------------------|---|----------------|
| Finance lease liability | - | 439,280 |

Total liabilities

70,412,309 65,313,691

Net assets

| | 269,081,769 | 239,383,286 |
|-------------|--------------------|--------------------|
| Accumulated | 269,081,769 | 239,383,286 |

Total net assets and liabilities

339,494,078 304,696,977

MALUTI TVET COLLEGE

MALUTI TVET COLLEGE

Statement of Financial Performance for the year ended 31 December 2021

| | | 2021 2020 | |
|---|------|----------------------|----------------------|
| | Note | R | R |
| Revenue | | | |
| Revenue from exchange transactions | | 80,986,261 | 69,952,840 |
| Tuition and related fees | 12 | 75,903,172 | 66,345,227 |
| Sale of goods and rendering of services | 13 | - | 35,000 |
| Rental of facilities and equipment | 14 | 19,850 | 45,265 |
| investment income | 15 | 3,921,455 | 2,745,420 |
| Other income | 16 | 1,141,784 | 781,928 |
| Revenue from non-exchange transactions | | 186,878,133 | 215,982,077 |
| Government grants and subsidies | 17 | 186,158,323 | 215,886,785 |
| Other income | 16 | 719,810 | 95,292 |
| Total revenue | | 267,864,394 | 285,934,917 |
| Expenses | | | |
| Employee related costs and DHET management fee | 18 | (159,052,129) | (154,576,484) |
| Impairment of debtors | 19 | (5,438,162) | (20,231,170) |
| Depreciation and amortisation | 20 | (8,144,829) | (7,468,823) |
| Books and learning materials | | (7,350,765) | (7,955,511) |
| Repairs and maintenance | 21 | (9,292,231) | (2,049,971) |
| Travel, accommodation and entertainment | | (2,063,631) | (2,273,487) |
| Security | | (11,388,438) | (10,205,755) |
| Professional services | 22 | (3,346,958) | (2,741,707) |
| Municipal services | | (5,255,911) | (3,234,605) |
| Telephone, postage, internet, network and communication costs | | (7,464,715) | (4,278,031) |
| Printing and stationery | | (3,015,187) | (2,778,205) |
| Finance costs | 23 | (85,266) | (256,204) |
| Other expenses | 24 | (14,580,011) | (15,693,174) |
| Total expenses | | (236,478,233) | (233,743,126) |
| Other gains / losses | | (1,687,677) | (63,168) |
| Gain/(Loss) on sale of assets | 25 | (1,687,677) | (63,168) |
| Surplus/(Deficit) for the year | | 29,698,484 | 52,128,623 |

MALUTI TVET COLLEGE

Cash Flow Statement for the year ended 31 December 2021

| | | 2021 2020 | |
|---|----|----------------------|---------------------|
| | | Note | R |
| Cash flows from operating activities | | | |
| Receipts | | 169,108,359 | 170,567,783 |
| Tuition and related fees | | 70,202,137 | 46,219,118 |
| Sale of goods and rendering of services | | - | 35,000 |
| Rental of facilities and equipment | | 19,850 | 45,265 |
| Interest | | 3,921,455 | 2,745,420 |
| Government grants and subsidies | | 93,700,002 | 120,645,760 |
| Other receipts | | 1,264,915 | 877,220 |
| Payments | | (110,961,071) | (96,864,448) |
| Employee costs | | (54,897,294) | (56,603,446) |
| Suppliers | | (56,063,777) | (40,257,489) |
| Finance costs | | - | (3,513) |
| Net cash flows from operating activities | 27 | 58,147,288 | 73,703,335 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (25,281,683) | (15,887,517) |
| Proceeds from the sale of property, plant and equipment | | | 361,077 |
| Net cash flows from investing activities | | (25,281,683) | (15,526,440) |
| Cash flows from financing activities | | | |
| Finance lease repayments. | 1 | (1,734,471) | (1,741,876) |
| Net cash flows from financing activities | | (1,734,471) | (1,741,876) |
| Net increase/(decrease) in cash and cash equivalents | | 31,131,134 | 56,435,019 |
| Cash and cash equivalents at the beginning of the year | | 119,094,022 | 62,659,003 |
| Cash and cash equivalents at the end of the year | 3 | 150,225,156 | 119,094,022 |

MALUTI TVET COLLEGE

Statement of Changes in Net Assets for the year ended 31 December 2021

| | Note | 37 |
|--|---------------------------------------|------------------------|
| | Accumulated Funds | |
| | Accumulated Surplus/(Deficit) R | Total: Net Assets R |
| Balance at 01 January 2020 As previously reported | 187,254,663 | 187,254,663 |
| Correction of errors | 188,475,053 | 188,475,053 |
| Surplus/(deficit) for the year As previously reported | (1,220,390) | (1,220,390) |
| Correction of errors | 52,128,623 | 52,128,623 |
| Balance at 01 January 2021 Surplus / (deficit) for the year | 49,463,079 | 49,463,079 |
| Balance at 31 December 2021 | 2,665,544 | 2,665,544 |
| | 239,383,286 | 239,383,286 |
| | 29,698,484 | 29,698,484 |
| | 269,081,769 | 269,081,769 |

MALUTI TVET COLLEGE

Statement of Financial Position as at 31 December 2021

| | Note | 2021 R | 2020 R |
|---|------|--------------------|--------------------|
| ASSETS | | | |
| Current assets | | 168,752,551 | 150,001,305 |
| Cash and cash equivalents | 3 | 150,225,156 | 119,094,022 |
| Trade and other receivables from exchange transactions | 4 | 1,504,396 | 1,241,523 |
| Other receivables from non-exchange transactions, including transfers | 5 | 17,022,999 | 29,665,760 |
| Non-current assets | | 170,741,527 | 154,695,672 |
| Property, plant and equipment | 6 | 170,708,314 | 154,620,073 |
| Intangible assets | 7 | 33,213 | 75,599 |
| Total assets | | 339,494,078 | 304,696,977 |
| LIABILITIES | | | |
| Current liabilities | | 70,412,309 | 64,874,411 |
| Trade and other payables from exchange transactions | 8 | 56,956,433 | 49,262,363 |
| Provisions | 9 | 1,549,719 | 2,495,967 |
| Unspent conditional grants and receipts | 10 | 11,466,880 | 11,466,880 |
| Finance lease liability | 11 | 439,277 | 1,649,202 |
| Non-current liabilities | | - | 439,280 |
| Finance lease liability | 11 | - | 439,280 |
| Total liabilities | | 70,412,309 | 65,313,691 |
| Net assets | | 269,081,769 | 239,383,286 |
| Accumulated surplus/(deficit) | | 269,081,769 | 239,383,286 |
| Total net assets and liabilities | | 339,494,078 | 304,696,977 |

MALUTI TVET COLLEGE

Statement of Financial Performance for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|---|------|----------------------|----------------------|
| Revenue | | | |
| Revenue from exchange transactions | | 80,986,261 | 69,952,840 |
| Tuition and related fees | 12 | 75,903,172 | 66,345,227 |
| Sale of goods and rendering of services | 13 | - | 35,000 |
| Rental of facilities and equipment | 14 | 19,850 | 45,265 |
| Investment income | 15 | 3,921,455 | 2,745,420 |
| Other income | 16 | 1,141,784 | 781,928 |
| Revenue from non-exchange transactions | | 186,878,133 | 215,982,077 |
| Government grants and subsidies | 17 | 186,158,323 | 215,886,785 |
| Other income | 16 | 719,810 | 95,292 |
| Total revenue | | 267,864,394 | 285,934,917 |
| Expenses | | | |
| Employee related costs and DHET management fee | 18 | (159,052,129) | (154,576,484) |
| Impairment of debtors | 19 | (5,438,162) | (20,231,170) |
| Depreciation and amortisation | 20 | (8,144,829) | (7,468,823) |
| Books and learning materials | | (7,350,765) | (7,955,511) |
| Repairs and maintenance | 21 | (9,292,231) | (2,049,971) |
| Travel, accommodation and entertainment | | (2,063,631) | (2,273,487) |
| Security | | (11,388,438) | (10,205,755) |
| Professional services | 22 | (3,346,958) | (2,741,707) |
| Municipal services | | (5,255,911) | (3,234,605) |
| Telephone, postage, internet, network and communication costs | | (7,464,715) | (4,278,031) |
| Printing and stationery | | (3,015,187) | (2,778,205) |
| Finance costs | 23 | (85,266) | (256,204) |
| Other expenses | 24 | (14,580,011) | (15,693,174) |
| Total expenses | | (236,478,233) | (233,743,126) |
| Other gains / losses | | (1,687,677) | (63,168) |
| Gain/(Loss) on sale of assets | 25 | (1,687,677) | (63,168) |
| Surplus/(Deficit) for the year | | 29,698,484 | 52,128,623 |

MALUTI TVET COLLEGE

Statement of Changes in Net Assets for the year ended 31 December 2021

| | Note | 37 | |
|------------------------------------|------|--------------------------|--------------------------|
| | | | |
| | | Accumulated Funds | |
| | | Accumulated | Total: Net Assets |
| | | Surplus/(Deficit) | |
| | | R | R |
| Balance at 01 January 2020 | | 187,254,663 | 187,254,663 |
| As previously reported | | 188,475,053 | 188,475,053 |
| Correction of errors | 29 | (1,220,390) | (1,220,390) |
| Surplus/(deficit) for the year | | 52,128,623 | 52,128,623 |
| As previously reported | | 49,463,079 | 49,463,079 |
| Correction of errors | | 2,665,544 | 2,665,544 |
| Balance at 01 January 2021 | | 239,383,286 | 239,383,286 |
| Surplus / (deficit) for the year | | 29,698,484 | 29,698,484 |
| Balance at 31 December 2021 | | 269,081,769 | 269,081,769 |

1.00 ACCOUNTING POLICIES

1.01 Presentation of Financial Statements and Basis of preparation

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

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

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

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

A summary of the significant accounting policies are disclosed below.

1.02 Presentation currency

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

1.03 Going concern assumption

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

1.04 Comparison of budget and actual amounts

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

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

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

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

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

1.05 Significant judgements and sources of estimation uncertainty

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

Judgements

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

Programme funding

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

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

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

The substance over form nature of the Programme Funding for a College is therefore that it accrues to the College, in full and without any conditions, in the financial year of the College during which the enrolment and training of students occur. The date on which it accrues is 1 January of the relevant year, or the date on which the final grant amount is communicated to the College, whichever is later. The full Programme Funding allocation to the College is therefore recognised as revenue in the College's financial year.

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

The transactions and amounts are disclosed in Note 17.

DHET management fee

The College's staff consists of two groups:

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

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

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

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

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

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

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

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

The transactions and amounts are disclosed in Note 18.

DHET SAICA TVET CFO and HR Support Projects

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

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

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

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

The transactions and amounts are disclosed in Note 17 and 18.

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

Certain campuses and other property are used by the College and are not registered in the name of the College. The lack of legal ownership could affect whether or not the college has control over the campus. Where, inter alia, control exists, the campus in question is recognised, measured and included in the financial statements as either property, plant and equipment (campuses or other property) or investment property (other property) in terms of the definition and recognition criteria of an asset as per the Framework for the Preparation and Presentation of Financial Statements and the definition of Property, Plant and Equipment in GRAP 17 Property, Plant and Equipment or Investment Property in GRAP 16 Investment Property.

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

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

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

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

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

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

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

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

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

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively. In the process of applying the College's accounting policies the following estimates, were made:

Debt impairment

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

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

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

Provisions

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

Refer to Note 9 for the provisions affected.

Useful lives and residual values of assets; depreciation and amortisation

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

Depreciation and amortisation recognised on property, plant and equipment, investment property and intangible assets respectively are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, and expected future use and the college's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets. Generally, depreciation is accrued over the useful lives of assets on a straight-line basis.

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

Effective interest rate

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

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

Fair value determination of properties (excluding heritage assets)

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

-The market related rental that can be earned for the property; or

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

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

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

Biological assets

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

Refer to Note 7 for the carrying amounts of biological assets affected.

1.06 Biological assets that form part of an agricultural activity

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

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

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

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

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

Depreciation is provided on biological assets that form part of an agricultural activity where fair value cannot be determined, to write down the cost, less residual value, by equal instalments over their useful lives. Refer to Note 7 for the estimated useful lives.

1.07 Property, plant and equipment

Property, plant and equipment include:

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

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

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

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

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

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

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

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

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

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

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

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

The gain or loss arising from de-recognition 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 de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Deemed cost

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

1.08 Intangible assets

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

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

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

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

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

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

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

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

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

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Internally generated goodwill is not recognised as an intangible asset.

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

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

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Deemed cost

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

1.09 Financial instruments

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

| Class | Category |
|-----------------------------|-----------------------------------|
| Trade and other receivables | financial asset at 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 |
|--------------------------|---------------------------------------|
| Trade and other payables | financial liability at amortised cost |

The College recognises financial assets using trade date accounting.

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

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

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

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

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

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

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

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

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

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

Impairment and uncollectability of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

Derecognition

Financial assets

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

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Notes to the Financial Statements for the year ended 31 December 2021

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

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

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).

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Presentation

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

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

1.10 Statutory receivables

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

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

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

1.11 Leases

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

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

Finance leases - lessee

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

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

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

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

Operating leases - lessor

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

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

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

Operating leases - lessee

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

1.12 Cash and cash equivalents

Cash and cash equivalents consist of the following:

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

1.13 Impairment of cash-generating assets

Cash-generating assets are those assets used by the College with the objective of generating a commercial return. A commercial return means that positive cash flows are expected to be significantly higher than the cost of the assets. Refer to note 1.05 for criteria used, as well as for the judgements made in applying the criteria to designate assets as non cash-generating assets or cash-generating assets.

Identification

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.14 Impairment of non-cash-generating assets

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

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

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

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

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

Value in use

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

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

Depreciated replacement cost approach

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

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The replacement cost and reproduction cost of an asset is determined on an "optimized" 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 optimized basis thus reflects the service potential required of the asset.

Restoration cost approach

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

Service units approach

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

Recognition and measurement

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

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

Reversal of an impairment loss

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

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

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

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the noncash-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 noncash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

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

1.15 Employee benefits

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

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

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

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

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

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

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

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

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

The College is demonstrably committed to a termination when the college has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

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

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

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

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

Other long-term employee benefits

Other long-term employee benefits includes:

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

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

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

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

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

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements

DHET management fee

The remuneration of management and other personnel appointed by DHET on Persal and paid through Persal using the College's funds is measured at the cost of the remuneration to DHET inclusive of leave, bonus and other employee related accruals and/or provisions, as and when incurred by DHET. The related expense is recognised as a DHET management fee expense as per note 18.

DHET SAICA HR and CFO Support Project management fee

The cost of the management fee expense arising out of the service in kind revenue from the DHET SAICA HR and CFO Support project members placed at the College is measured at the cost of the remuneration of the Project members, for the proportion of time spent at the College to the total time spent on the Project, by those team members. The cost of remuneration is measured inclusive of leave, bonus and other employee related accruals and/or provisions, as and when incurred by the NSF. The related expense is recognised as a management fee expense as per note 18.

1.16 Provisions and contingencies

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

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

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

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

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Notes to the Financial Statements for the year ended 31 December 2021

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

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

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

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

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

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in notes 33.

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.

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Notes to the Financial Statements for the year ended 31 December 2021

1.17 Revenue from exchange transactions

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

Sale of goods

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

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

Rendering of services

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

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

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

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

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

Interest, royalties, dividends and tuition fees

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

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements. Dividends or similar distributions are recognised, in surplus or deficit, when the College's right to receive payment has been established. Tuition fees are recognised over the period of

instruction.

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

1.18 Revenue from non-exchange transactions

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

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

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

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

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

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

Programme funding

The full programme funding allocated to the College in terms of the CET Act, the Funding Norms and the final grant letter received from the department is recognised in full in the College's financial year during which the enrolment and training of students, to which the grant pertains, are performed by the College. It is measured at the total amount allocated to the College by DHET, inclusive of both the part paid in cash and the part paid via Persal as per note 17.

Transfers

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

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

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

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Notes to the Financial Statements for the year ended 31 December 2021

Debt forgiveness and assumption of liabilities

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

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

Services in-kind

The College recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. If the services in-kind are not significant to the College's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the nature and type of services in-kind received during the reporting period is disclosed.

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

The College recognised the services in kind received through the SAICA HR and CFO Support Projects when the College receives the services in kind. The services in kind received through these projects are measured at the direct cost incurred by the National Skills Fund on the remuneration of the resources placed at the College, for the proportion of time spent at the College to total time spent on the Project by the Project team members placed at the College. The transactions are disclosed in note 17.

1.19 Borrowing costs

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

1.20 Comparative figures

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

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Notes to the Financial Statements for the year ended 31 December 2021

1.21 Related parties

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

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

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

The following entities are related parties of the College:

- The College's controlling entity, being DHET and all other entities which are also controlled by DHET;
- Entities which may be associates of the College, or of which the College may be an associate, or entities which may be a joint venture of the College, or of which the College may be a joint venture. Members of the economic entity of which such entities may be part, will also be related parties of the College;
- Where the College may be party to a joint venture relationship, where the College and other entities are joint ventures of a third party, the other entities that are also part of the joint venture are related parties of the College as well as associates of the third party, but the third party is not.
- Post-employment plans for the benefit of the employees of the College, i.e. Council appointed employees.
- Any entity which is jointly controlled or jointly controlled by a person who is considered to have control or joint control over the College;
- Any entity over which, a person considered to have control or joint control over the College, has significant influence, or of which such a person is a member of management of that entity, or its controlling entity.

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

activities of the College, including those charged with the governance of the college in accordance with legislation, in instances where they are required to perform such functions. Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that person in their dealings with the College. This includes at least: Someone married to the person, or in a similar relationship with the person; or

- A person separated by no more than two degrees of natural or legal consanguinity or affinity. A related party transaction is a transfer of resources, services or obligations between the College and a related party, regardless of whether a price is charged.

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Notes to the Financial Statements for the year ended 31 December 2021

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

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

1.22 Commitments

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

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

1.23 Events after the reporting date

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

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

Reporting date means the date of the last day of the reporting period to which the financial statements relate. The reporting date of the College is 31 December 2021.

The College adjusts the amounts recognised in its financial statements to reflect adjusting events after

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

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Notes to the Financial Statements for the year ended 31 December 2021

| | 2021 | 2020 |
|------|------|------|
| Note | R | R |

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

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

| Title of the standard and nature of impending changes in accounting policy and expected impact | Effective date (Periods starting on or after) | Financial year in which the College plans to apply the Standard initially |
|--|---|---|
| GRAP 110 Living and Non-living Resources: The expected impact has not been determined yet and is unknown at this stage. | Not yet set | Not yet set |
| Guideline on The Application of Materiality to Financial Statements: No changes to recognition and measurement are expected, but additional disclosures in the notes will be done on adoption. | 01 April 2020 | 2021 Financial year. |

3 Cash and cash equivalents

Cash and cash equivalents consist of the following:

| | | |
|---------------|--------------------|--------------------|
| Cash on hand | 39,235 | 33,429 |
| Cash at bank | 17,755,396 | 30,175,485 |
| Call deposits | 132,430,525 | 88,885,107 |
| | 150,225,156 | 119,094,022 |

The College has the following bank accounts:

| ABSA DECEMBER 2021 | Cashbook balance - Beginning of year | Cashbook balance - end of year | Bank statement balance - Beginning of year | Bank statement balance - end of year |
|--|---|-----------------------------------|---|--|
| ABSA: 4054510287 | 166,503 | 981,900 | 166,503 | 981,900 |
| ABSA: 4099787354 | - | 2,445 | - | 2,445 |
| ABSA: 4079725683 | 2,819 | 1,019 | 2,819 | 1,019 |
| ABSA: 4074720507 | 30,006,163 | 16,770,032 | 30,006,163 | 16,770,032 |
| ABSA: 4082686547 | 88,885,107 | 132,430,525 | 88,885,107 | 132,430,525 |
| | 119,060,593 | 150,185,921 | 119,060,593 | 150,185,921 |
| ABSA DECEMBER 2020 | Cashbook balance - Beginning of year | Cashbook balance - end of year | Bank statement balance - Beginning of year | Bank statement balance - end of year |
| ABSA: 4054510287 | 2,472,345 | 166,503 | 2,472,345 | 166,503 |
| ABSA: 4079725683 | 654,295 | 2,819 | 654,295 | 2,819 |
| ABSA: 4074720507 | 25,113,556 | 30,006,163 | 25,113,556 | 30,006,163 |
| ABSA: 4082686547 | 34,385,937 | 88,885,107 | 34,385,937 | 88,885,107 |
| | 62,626,133 | 119,060,593 | 62,626,133 | 119,060,593 |
| Cash on hand | | 39,235 | | 33,429 |
| Total cash and cash equivalents | | 150,225,156 | | 119,094,022 |

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2021

| Note | 2021 R | 2020 R |
|---|-----------------------|--|
| 4 Trade and other receivables from exchange transactions | | |
| 31 December 2021 | | |
| | Gross Balances | Provision for impairment of debts |
| | R | R |
| Student debtors | 42,982,978 | (42,628,106) |
| Payments made in advance | 215,263 | - |
| Sundry debtors | 783,303 | - |
| VAT receivable | 150,958 | - |
| Total trade and other receivables | 44,132,502 | (42,628,106) |
| | | 1,504,396 |
| 31 December 2020 | | |
| | Gross Balances | Provision for impairment of debts |
| | R | R |
| Student debtors | 48,256,093 | (47,963,461) |
| Payments made in advance | 260,033 | - |
| Sundry debtors | 671,198 | - |
| VAT receivable | 17,661 | - |
| Total trade and other receivables | 49,204,984 | (47,963,461) |
| | | 1,241,523 |
| Students: Ageing | | |
| Current (0 – 30 days) | (436,042) | - |
| 31 – 60 Days | (1,840) | - |
| 61 – 90 Days | 742,507 | 10,216 |
| 91 – 120 Days | (4,983) | 670,536 |
| 121 + Days | 42,683,336 | 47,575,281 |
| Total | 42,982,978 | 48,256,093 |
| Payments made in advances: Ageing | | |
| Current (0 – 30 days) | - | 260,033 |
| 31 – 60 Days | 215,263 | - |
| 61 – 90 Days | - | - |
| 91 – 120 Days | - | - |
| 121 + Days | - | - |
| Total | 215,263 | 260,033 |
| Sundry Debtors: Ageing | | |
| Current (0 – 30 days) | 371,181 | - |
| 31 – 60 Days | - | 671,198 |
| 61 – 90 Days | 528 | - |
| 91 – 120 Days | - | - |
| 121 + Days | 411,594 | - |
| Total | 783,303 | 671,198 |
| VAT receivable: Ageing | | |
| Current (0 – 30 days) | 150,958 | 17,661 |
| 31 – 60 Days | - | - |
| 61 – 90 Days | - | - |
| 91 – 120 Days | - | - |
| 121 + Days | - | - |
| Total | 150,958 | 17,661 |
| Reconciliation of the provision for debt impairment | | |
| Balance at beginning of the year | 47,963,461 | 43,553,767 |
| Contributions to provision | 5,438,162 | 20,231,170 |
| Bad debts written off against provision | (10,773,517) | (15,821,475) |
| Balance at end of year | 42,628,106 | 47,963,461 |
| Trade and other receivables past due but not impaired | | |
| The ageing of amounts past due but not impaired is as follows: | | |
| Neither past due nor impaired | - | - |
| Less than 30 days | 86,098 | 277,693 |
| 31 to 60 days | 213,423 | 671,198 |
| 61 to 90 days | 1,204,876 | 292,632 |
| 91 to 120 days | - | - |
| Greater than 120 days | - | - |
| | 1,504,396 | 1,241,523 |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | 2021 | 2020 |
|------|------|------|
| Note | R | R |

Credit quality of financial assets carried at amortised cost
Method of determining credit quality of other non-current financial assets

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

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

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

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

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

Fair value of trade and other receivables

The carrying value of trade and other receivables approximates their fair value. The approach used to determine the fair value is as follows:

Student debt were impaired using the expected repayment by the students at year-end based on past experience.

5 Other receivables from non-exchange transactions, including transfers

Statutory receivable: Government grants and subsidies
Total other debtors

| | |
|------------|------------|
| 17,022,999 | 29,665,760 |
| 17,022,999 | 29,665,760 |

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

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

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

| | |
|------------|------------|
| 17,022,999 | 29,665,760 |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| 17,022,999 | 29,665,760 |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|--|------|--|--|
| 6 Property, plant and equipment | | | |
| | | 2021 | 2020 |
| | | Cost | Cost |
| | | Accumulated Depreciation and Impairment | Accumulated Depreciation and Impairment |
| | | Carrying Value | Carrying Value |
| | | R | R |
| Land | | 10,520,000 | 10,520,000 |
| Buildings | | 138,333,255 | 128,550,136 |
| Capital projects | | - | 320,589 |
| Vehicles | | 8,894,071 | 6,156,054 |
| Furniture and Fittings | | 10,207,214 | 9,491,177 |
| Plant, Machinery and Equipment | | 8,010,286 | 6,281,001 |
| Office Equipment | | 3,139,650 | 10,800,874 |
| Computer Equipment | | 34,113,583 | 23,305,968 |
| Marketing material | | 201,371 | 201,371 |
| Total | | 213,419,432 | 195,627,190 |

Reconciliation of Property Plant and Equipment - 2021

| | Carrying Value Opening Balance | Additions | Acquisitions through entity combinations | Disposals | Depreciation | Transfers | Impairment loss | Impairment reversal | Other movements | Carrying Value Closing Balance |
|--------------------------------|--------------------------------|------------|--|-------------|--------------|--------------|-----------------|---------------------|-----------------|--------------------------------|
| | R | R | R | R | R | R | R | R | R | R |
| Land | 10,520,000 | | | | | | | | | 10,520,000 |
| Buildings | 115,227,353.95 | 82,334 | | | (3,360,235) | 10,659,357 | | | (958,571) | 121,650,238 |
| Capital projects | 320,589 | 10,381,027 | | | | (10,659,357) | | | (42,259) | - |
| Vehicles | 2,075,434 | 2,738,017 | | | (365,282) | | | | | 4,448,169 |
| Furniture and Fittings | 5,012,007 | 716,037 | | | (789,968) | | | | | 4,938,075 |
| Plant, Machinery and Equipment | 3,473,418 | 1,759,925 | | (25,149) | (587,108) | | | | | 4,621,086 |
| Office Equipment | 2,784,747 | 277,963 | | (1,585,887) | (294,124) | | | | | 1,182,698 |
| Computer Equipment | 15,096,168 | 10,923,888 | | (76,640) | (2,685,588) | | | | | 23,257,828 |
| Marketing material | 110,357 | - | | - | (20,137) | | | | | 90,220 |
| Total | 154,620,073 | 26,879,191 | - | (1,687,677) | (8,102,443) | - | - | - | (1,000,830) | 170,708,314 |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R | | | | | | | |
|---|-----------------------------------|------------|---|-----------|--------------|--------------|-----------------|---------------------|-----------------|-----------------------------------|
| Reconciliation of Property Plant and Equipment - 2020 | | | | | | | | | | |
| | Carrying Value Opening Balance | Additions | Acquisitions through entity combinations | Disposals | Depreciation | Transfers | Impairment loss | Impairment reversal | Other movements | Carrying Value Closing Balance |
| | R | R | R | R | R | R | R | R | R | R |
| Land | 10,520,000 | - | | | - | | | | | 10,520,000 |
| Buildings | 99,336,816 | 5,205,410 | | (15,450) | (2,729,761) | 13,430,340 | | | | 115,227,355 |
| Capital projects | 8,984,360 | 4,766,569 | | - | - | (13,430,340) | | | | 320,589 |
| Vehicles | 2,655,390 | 16,299 | | (382,005) | (214,230) | | | | | 2,075,454 |
| Furniture and Fittings | 4,946,310 | 943,738 | | (180) | (877,861) | | | | | 5,012,007 |
| Plant, Machinery and Equipment | 3,649,814 | 332,455 | | - | (508,851) | | | | | 3,473,418 |
| Office Equipment | 3,615,448 | 237,384 | | (349) | (1,067,737) | | | | | 2,784,746 |
| Computer Equipment | 11,858,665 | 5,272,531 | | (26,261) | (2,008,768) | | | | | 15,096,167 |
| Marketing material | 75,595 | 53,970 | | - | (19,208) | | | | | 110,357 |
| Total | 145,642,398 | 16,828,356 | - | (424,245) | (7,426,436) | - | - | - | - | 154,620,079 |

Estimated useful lives

The annual depreciation rates are based on the following estimated asset:

| Class | Useful Life Range in Years |
|--------------------------------|-------------------------------|
| Land | Indefinite Life |
| Buildings | 10-50 years |
| Capital projects | n/a |
| Vehicles | 8-13 years |
| Furniture and Fittings | 10-18 years |
| Plant, Machinery and Equipment | 12 years |
| Office Equipment | 10-18 years |
| Computer Equipment | 6 - 10 years |
| Marketing material | 10 years |

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

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

| | Opening Balance | Additions | 2021 Transfer | Other | Closing Balance | Opening Balance | Additions | 2020 Transfer | Closing Balance |
|-----------|-----------------|------------|------------------|----------|-----------------|-----------------|-----------|------------------|-----------------|
| | R | R | R | R | R | R | R | R | R |
| Buildings | 320,589 | 10,381,027 | (10,659,357) | (42,259) | - | 8,984,360 | 4,766,569 | (13,430,340) | 320,589 |
| | 320,589 | 10,381,027 | (10,659,357) | (42,259) | - | 8,984,360 | 4,766,569 | (13,430,340) | 320,589 |

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected, including reasons for any delays:

| | Reasons for delay |
|-----------|--|
| Buildings | Construction delayed due to Covid restrictions |

| 2021 Carrying Value | 2020 Carrying Value |
|------------------------|------------------------|
| R | R |
| - | 320,589 |
| - | 320,589 |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|---|------|------------------|-------------------|
| Repairs and maintenance Incurred | | | |
| Buildings | | | |
| Vehicles | | 8,499,636 | 1,137,246 |
| Computer Equipment | | 455,120 | 268,995 |
| Other property, plant and equipment | | 53,690 | 131,095 |
| | | 283,794 | 512,634 |
| | | <u>9,292,231</u> | <u>2,049,971</u> |
| Contractual commitments for the acquisition of property, plant and equipment | | | |
| By the date that the financial statements were authorised for issue the following contractual | | | |
| Land | | | |
| Buildings | | - | 7,500,000 |
| Capital projects | | - | 8,658,117 |
| | | - | <u>16,158,117</u> |
| PPE for which the College does not have the legal title, but has control | | | |
| Legal title vests in | | | |
| Department of Public Works | | | |
| Terms and conditions | | | |
| Lere La Tshepe Campus, Tseki Village, Qwa Qwa | | | |
| Kwetlisoeng Campus, Cnr Mampol and Bolata Road, Qwa Qwa | | | |
| Sefikeng Campus, Tseseng Village, Qwa Qwa | | | |
| Bonamele Campus, Stadium Road, Qwa Qwa | | | |
| Main Campus/Central office, Mampol Street, Qwa Qwa | | | |
| Itemoheleng Campus, Mampol Street, Qwa Qwa | | | |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|--|------|-----------|-----------|
|--|------|-----------|-----------|

7 Intangible assets

| | 2021 | | | 2020 | | |
|-------------------|---------|---|----------------|---------|---|----------------|
| | Cost | Accumulated Amortisation and Impairment | Carrying Value | Cost | Accumulated Amortisation and Impairment | Carrying Value |
| | R | R | R | R | R | R |
| Computer Software | 254,320 | (221,107) | 33,213 | 254,320 | (178,721) | 75,599 |
| Total | 254,320 | (221,107) | 33,213 | 254,320 | (178,721) | 75,599 |

Reconciliation of Intangible Assets - 2021

| | Carrying Value Opening Balance | Additions | Disposals | Transfers | Amortisation | Impairment loss | Impairment reversal | Internally Developed | Other movements | Carrying Value Closing Balance |
|-------------------|-----------------------------------|-----------|-----------|-----------|--------------|-----------------|---------------------|-------------------------|-----------------|-----------------------------------|
| | R | R | R | R | R | R | R | R | R | R |
| Computer Software | 75,599 | | | | (42,387) | | | | | 33,213 |
| Total | 75,599 | - | - | - | (42,387) | - | - | - | - | 33,213 |

Reconciliation of Intangible Assets - 2020

| | Carrying Value Opening Balance | Additions | Disposals | Transfers | Amortisation | Impairment loss | Impairment reversal | Internally Developed | Other movements | Carrying Value Closing Balance |
|-------------------|-----------------------------------|-----------|-----------|-----------|--------------|-----------------|---------------------|-------------------------|-----------------|-----------------------------------|
| | R | R | R | R | R | R | R | R | R | R |
| Computer Software | 117,986 | | | | (42,387) | | | | | 75,599 |
| Total | 117,986 | - | - | - | (42,387) | - | - | - | - | 75,599 |

Estimated useful lives

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

| Class | Useful Life Range in Years |
|-------------------|-------------------------------|
| Computer Software | 6 years |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| Note | 2021 R | 2020 R |
|--|-------------------|-------------------|
| 8 Trade and other payables from exchange transactions | | |
| Trade creditors | 6,082,817 | 5,163,083 |
| Payments received in advance | 1,540,493 | 1,197,502 |
| Unallocated receipts | 194,737 | 684,525 |
| Other Seta's | 8,490,594 | 3,970,622 |
| NSFAS Bursary payments | 40,647,792 | 38,246,630 |
| Total creditors | 56,956,433 | 49,262,363 |

9 Provisions

Reconciliation of Movement in Provision - 2021

| | Provision for Bonus R | Provision for Leave Pay R | Total R |
|----------------------------|-----------------------------|---------------------------------|------------------|
| Opening Balance | 1,554,846 | 941,120 | 2,495,967 |
| Movement | (685,875) | (260,373) | (946,248) |
| Closing Balance | 868,971 | 680,748 | 1,549,719 |
| Non-current provisions | - | - | - |
| Current portion provisions | 868,971 | 680,748 | 1,549,719 |

Reconciliation of Movement in Provision - 2020

| | Provision for Bonus R | Provision for Leave Pay R | Total R |
|----------------------------|-----------------------------|---------------------------------|------------------|
| Opening Balance | 1,220,390 | 547,735 | 1,768,125 |
| Movement | 334,456 | 393,385 | 727,841 |
| Closing Balance | 1,554,846 | 941,120 | 2,495,967 |
| Non-current provisions | - | - | - |
| Current portion provisions | 1,554,846 | 941,120 | 2,495,967 |

Provision for Bonus

Bonusses are paid to employees based on a month's salary and this is payable during the employee's birthday month.

Provision for Leave Pay

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

10 Unspent conditional grants and receipts

| | | |
|--|-------------------|-------------------|
| Unspent Conditional Grants from other spheres of Government | 11,466,880 | 11,466,880 |
| Grant: Department of HET - fee adjustment | 19,644 | 19,644 |
| Grant: NSF (*) | (226,226) | (226,226) |
| Capital Grant: Department of HET | 11,673,462 | 11,673,462 |
| Total Unspent Conditional Grants and Receipts | 11,466,880 | 11,466,880 |
| Non-current portion of unspent conditional grants and receipts | - | - |
| Current portion of unspent conditional grants and receipts | 11,466,880 | 11,466,880 |
| Movements during the year | | |
| Balance at the beginning of year | 11,466,880 | 586,368 |
| Additions during the year | 186,158,323 | 226,767,297 |
| income recognised during the year | (186,158,323) | (215,886,785) |
| | 11,466,880 | 11,466,880 |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|--|------|--------------------------------------|---|
| 11 Finance lease liability | | | |
| 2021 | | | |
| | | Future minimum lease payments | Future finance charges |
| | | | Present value of future minimum lease payments |
| Amounts payable under finance leases | | R | R |
| Within one year | | 446,806 | 7,529 |
| Within two to five years | | - | - |
| Later than five years | | - | - |
| Total future minimum lease payments | | 446,806 | 7,529 |
| Less: Amount due for settlement within 12 months (current portion) | | (446,806) | (7,529) |
| Non-current future minimum lease payments | | - | - |
| 2020 | | | |
| | | Future minimum lease payments | Future finance charges |
| | | | Present value of future minimum lease payments |
| Amounts payable under finance leases | | R | R |
| Within one year | | 1,787,221 | 138,019 |
| Within two to five years | | 446,806 | 7,526 |
| Later than five years | | - | - |
| Total future minimum lease payments | | 2,234,027 | 145,545 |
| Less: Amount due for settlement within 12 months (current portion) | | (1,787,221) | (138,019) |
| Non-current future minimum lease payments | | 446,806 | 7,526 |
| Finance Leases consists of the following: | | | |
| The College leases some of its copiers and printers under finance leases. The lease terms are 3 years. Interest rates are 10.25%. Interest rates are linked to prime. There is no escalation on these contracts. | | | |
| 12 Tuition and related fees | | | |
| Tuition fees paid directly by students or private bursaries | | | |
| Tuition fees - students | | 16,206,882 | 21,548,146 |
| | | 16,206,882 | 21,548,146 |
| Tuition fees funded by NSFAS bursaries | | | |
| Tuition fees - students | | 59,255,290 | 44,797,081 |
| Residential fees | | 441,000 | - |
| | | 59,696,290 | 44,797,081 |
| Total tuition and related fees | | 75,903,172 | 66,345,227 |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| Note | 2021 R | 2020 R |
|--|-----------|-----------|
| 13 Sale of goods and rendering of services | | |
| Sale of goods | | |
| Agricultural products sales | - | 32,000 |
| | - | 32,000 |
| Rendering of services | | |
| Guesthouse and other accommodation fees | - | 3,000 |
| | - | 3,000 |
| Total sale of goods and rendering of services | - | 35,000 |
| 14 Rental of facilities | | |
| Rental of facilities | 19,850 | 45,265 |
| - Straight-lined operating lease income | 19,850 | 45,265 |
| Total rentals | 19,850 | 45,265 |
| 15 Investment income | | |
| Interest - Bank | 3,921,455 | 2,745,420 |
| Total interest income | 3,921,455 | 2,745,420 |
| Total investment income | 3,921,455 | 2,745,420 |
| 16 Other income | | |
| From exchange transactions | | |
| Graduation and education support | 580,725 | 522,467 |
| Recovery of bad debts written off | 561,059 | 259,461 |
| | 1,141,784 | 781,928 |
| From non-exchange transactions | | |
| Tender fees | 123,131 | 89,300 |
| Donations received | 596,679 | - |
| Insurance claims received | - | 5,991 |
| | 719,810 | 95,292 |
| 17 Government grants and subsidies | | |

Reconciliation of Movement - 2021

| | Balance unspent at beginning of year R | Current year receipts / (allocations) R | Conditions met - transferred to revenue R | Conditions still to be met - remain liabilities R |
|---|--|--|--|--|
| Programme funding: Grants paid via Persal | - | 101,133,842 | (101,133,842) | - |
| Services in kind /Management fee: Paid via Persal | - | 3,967,240 | (3,967,240) | - |
| Grant: Department of HET | - | 80,377,142 | (80,377,142) | - |
| Grant: Department of HET - fee adjustment | 19,644 | - | - | 19,644 |
| Capital Grant: Department of HET | 11,673,462 | - | - | 11,673,462 |
| Grant: Seta's | - | 680,099 | (680,099) | - |
| Grant: NSF (*) | (226,226) | - | - | (226,226) |
| Total Government Grant and Subsidies | 11,466,880 | 186,158,323 | (186,158,323) | 11,466,880 |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

Note
2021
R
2020
R

Reconciliation of Movement - 2020

| | Balance unspent at beginning of year R | Current year receipts / (allocations) R | Conditions met - transferred to revenue R | Conditions still to be met - remain liabilities R |
|---|--|--|--|--|
| Programme funding: Grants paid via Persal | | 93,149,056 | (93,149,056) | - |
| Services in kind: Management fees paid via Persal | | 4,096,140 | (4,096,140) | - |
| Grant: Department of HET | | 114,655,360 | (114,655,360) | - |
| Grant: Department of HET - fee adjustment | 19,644 | - | - | 19,644 |
| Capital Grant: Department of HET | | 11,673,462 | - | 11,673,462 |
| Grant: Seta's | | 986,230 | (986,230) | - |
| Grant: NSF (*) | 566,724 | (792,950) | - | (226,226) |
| SEDA Grant | - | 3,000,000 | (3,000,000) | - |
| Total Government Grant and Subsidies | 586,368 | 226,767,297 | (215,886,785) | 11,466,880 |

*This grant is overspend at year-end as the students were paid in accordance with the agreement from NSF and the money will be claimed in 2022.

Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 9 of 2021), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

18 Employee related costs and DHET management fee

| | | |
|---|--------------------|--------------------|
| Employee related costs | | |
| Employee related costs - Salaries and Wages | 43,352,901 | 45,754,796 |
| Employee related costs - Contributions for UIF, pensions and medical aids | 6,322,274 | 6,271,149 |
| Housing benefits and allowances | 1,374,915 | 1,564,816 |
| Performance and other bonuses | 2,412,304 | 2,956,818 |
| Student stipends and casual wages | 749,026 | 390,324 |
| Provision for leave movement | (260,373) | 399,385 |
| | 53,951,047 | 57,331,289 |
| DHET salary related cost | | |
| Employee related costs - Salaries and Wages | 71,656,482 | 66,776,829 |
| Employee related costs - Contributions for UIF, pensions and medical aids | 16,126,578 | 16,046,190 |
| Travel, motor car, accommodation, subsistence and other allowances | 3,387,702 | 55,914 |
| Housing benefits and allowances | 4,051,852 | 4,050,075 |
| Performance and other bonuses | 5,911,229 | 5,902,844 |
| Leave pay | - | 317,204 |
| | 101,133,842 | 93,149,056 |
| DHET management fee cost | | |
| Employee related costs - Salaries and Wages | 2,834,271 | 2,983,563 |
| Employee related costs - Contributions for UIF, pensions and medical aids | 398,168 | 417,579 |
| Travel, motor car, accommodation, subsistence and other allowances | 477,299 | 460,850 |
| Performance and other bonuses | 257,501 | 234,147 |
| | 3,967,240 | 4,096,140 |
| Total employee related costs and DHET management fee | 159,052,129 | 154,576,484 |

Services in kind /Management fee(Paid via Persal or another source):

| | | |
|---|--------------------|-------------------|
| Lecturers and support staff engaged in Report 191 and NCV courses | 101,133,842 | 93,149,056 |
| Management remuneration | 3,967,240 | 4,096,140 |
| | 105,101,082 | 97,245,195 |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | 2021 | 2020 |
|--|--------------------|--------------------|
| Note | R | R |
| Expenses paid via College payroll: | | |
| Lecturers and support staff engaged in Report 191 and NCV courses | 54,211,420 | 56,937,903 |
| Provision for leave movement | (260,373) | 393,385 |
| | <u>53,951,047</u> | <u>57,331,289</u> |
| Total employee cost and DHET management fee: | | |
| Total funded | | |
| Lecturers engaged in Report 191 and NCV courses | 155,345,262 | 150,086,959 |
| Management remuneration | 3,967,240 | 4,096,140 |
| | <u>159,312,502</u> | <u>154,183,099</u> |
| Total non-funded and other | | |
| Provision for leave movement | (260,373) | 393,385 |
| | <u>(260,373)</u> | <u>393,385</u> |
| In terms of the CET Act, employees that are employed by DHET and have a dual accountability towards the council and DHET respectively. | | |
| 19 Impairment of debtors | | |
| Changes in debt impairment provision | 5,438,162 | 20,231,170 |
| | <u>5,438,162</u> | <u>20,231,170</u> |
| Council made an adjustment to the debtors recovery policy and student debt will now be recovered more actively. | | |
| 20 Depreciation and amortisation | | |
| Property, plant and equipment | 8,102,443 | 7,426,436 |
| Intangible assets | 42,387 | 42,387 |
| | <u>8,144,829</u> | <u>7,468,823</u> |
| 21 Repairs and maintenance | | |
| Land, buildings and infrastructure | 8,499,636 | 1,137,246 |
| Computer equipment | 53,690 | 131,095 |
| Other property, plant and equipment items | 283,794 | 512,634 |
| Motor vehicles | 455,110 | 268,995 |
| | <u>9,292,231</u> | <u>2,049,971</u> |
| 22 Professional services | | |
| Accounting and financial management fees | 209,846 | 201,907 |
| Legal fees | 320,941 | 105,278 |
| External audit cost | 2,816,172 | 2,434,522 |
| | <u>3,346,958</u> | <u>2,741,707</u> |
| 23 Finance costs | | |
| Finance leases | 80,159 | 252,691 |
| Trade and other payables | 4,418 | 3,466 |
| South African Revenue Services | 689 | 48 |
| | <u>85,266</u> | <u>256,204</u> |

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|---|------|--------------------|-------------------|
| 24 Other expenses | | | |
| Advertising | | 625,421 | 576,407 |
| Bank charges | | 298,777 | 550,826 |
| Cash shortages | | - | 2,000 |
| Cleaning and pest control | | 958,535 | 2,642,751 |
| Compensation commissioner contributions | | 97,378 | 87,807 |
| Council fees | | 978,696 | 574,022 |
| Farming expenses | | 602,825 | 355,617 |
| Fuel, oil and gas for machines and generators | | 394,362 | 338,696 |
| Human resource support | | 118,567 | 23,309 |
| Insurance | | 1,344,239 | 1,241,035 |
| Membership and registration costs | | 246,528 | 423,439 |
| Motor vehicle expenses: licences and insurance | | 32,640 | 33,659 |
| Motor vehicle expenses: fuel | | 864,281 | 631,186 |
| Consulting fees | | 1,024,280 | 446,677 |
| Rental of office equipment | | 2,252,010 | 2,069,504 |
| Sport club expenses | | 48,122 | 5,070 |
| SRC Training & Election Expenses | | 197,000 | - |
| Training | | 1,823,343 | 1,156,534 |
| Transport expenses | | 954,507 | 1,039,321 |
| Uniforms and overalls | | 1,005,280 | 2,162,003 |
| Various other expenses | | 713,220 | 1,333,312 |
| | | 14,580,011 | 15,693,174 |
| 25 Gain/(Loss) on sale of assets | | | |
| Property, plant and equipment disposals and assets derecognised | | (1,687,677) | (63,168) |
| | | (1,687,677) | (63,168) |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|---|------|-------------------|-------------------|
| 26 Employee benefits | | | |
| Defined contribution plans recognised as an expense: | | | |
| Government Employees Pension fund: Employees | | 9,357,856 | 10,093,285 |
| Government Employees Pension fund: Management fees | | 368,454 | 387,863 |
| Government Employees Pension fund: Council paid employees | | 4,119,022 | 4,218,450 |
| The amounts recognised in the statement of financial performance | | 13,845,332 | 14,699,597 |
| 27 Cash flows from operating activities | | | |
| Surplus/(deficit) for the year | | 29,698,485 | 52,128,623 |
| Adjustment for: | | | |
| Depreciation and amortisation | | 8,144,829 | 7,468,823 |
| Donation received (non-cash) | | (596,679) | - |
| Debt impairment | | 5,438,162 | 20,231,170 |
| Gain/loss on sale of assets | | 1,687,677 | 63,168 |
| Finance costs (non-cash) | | 85,266 | 252,691 |
| | | 44,457,740 | 80,144,475 |
| Changes in working capital: | | | |
| (Increase)/decrease in trade and other receivables from exchange transactions | | (5,701,035) | (20,126,109) |
| (Increase)/decrease in other receivables from non-exchange transactions | | 12,642,761 | (9,669,291) |
| Increase/(decrease) in unspent conditional grants and receipts | | - | 10,880,512 |
| Increase/(decrease) in trade and other payables from exchange transactions | | 7,694,070 | 11,745,906 |
| Increase/(decrease) in provisions | | (946,248) | 727,842 |
| Net cash flows from operating activities | | 58,147,288 | 73,703,335 |

MALUTI TVET COLLEGE**Notes to the Financial Statements for the year ended 31 December 2021**

| | Note | 2021 R | 2020 R |
|---|------|---|-----------|
| 28 Comparison of budget and actual amounts | | | |
| The material differences between the final budget and actual amounts are explained below: | | | |
| Tuition and related fees | | Higher than budget, as the budget were done with the lockdown uncertainties and student numbers were kept at 2020 level | |
| Sale of goods and rendering of services | | No guesthouse income due to lockdown regulations | |
| Rental of facilities and equipment | | Decrease in income due to lockdown regulation | |
| Investment income | | Increase in interest received due to money not being send on improvements as budgeted | |
| Other income | | Increase is due to donations received that were not included in the budget | |
| Government grants and subsidies | | Decrease due to a Capital grant that were budgeted for, but were not received. | |
| Impairment of debtors | | Lower than budget, as more students now got bursaries that is funding their studies. | |
| Depreciation and amortisation | | Underestimated the increase in assets, especially electronic, IT and capital assets. | |
| Books and learning materials | | Expense were overbudgeted as some of the items are capitalised. | |
| Repairs and maintenance | | Increase was due to the repairs to most of the campuses roofs and the removal of asbestos in some of the buildings | |
| Travel, accommodation and entertainment | | Decrease due to virtual training and meetings being done and no need to travel. | |
| Security | | Decrease was due to the new contract and the first month was free. | |
| Telephone, postage, internet, network and communication costs | | Increase due to staff that had to work remotely during the lockdown periods. | |
| Finance costs | | Decrease due to the contract that is almost complete. | |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|---|------|--------------------|------------------|
| 29 Correction of error | | | |
| During the year the following correction of errors occurred: | | | |
| During the 2021 year the College wrote-off additional debtors of R8,755,018 from 2018 that showed no movement since then. These debtors were already included in the provision for bad debts. | | | |
| The College made provision for the bonuses it needs to pay for the employees at the end of each financial period. | | | |
| During 2020 the College received a Grant for SEDA which were incorrectly included in payables at year-end and as this is not a conditional grant, this should be classified as grant income. | | | |
| The sale of livestock was incorrectly accounted for in 2020 and is now corrected. | | | |
| The comparative amount has been restated as follows: | | | |
| Statement of financial position | | | |
| Provision | | (1,554,846) | (1,220,390) |
| Accumulated surplus | | 1,220,390 | 1,220,390 |
| Trade and other receivables from exchange transactions | | - | - |
| Payables | | 3,000,000 | - |
| | | 2,665,544 | - |
| Statement of financial performance | | | |
| Employee cost | | 334,456 | - |
| Sale of goods and rendering of services | | 889,908 | - |
| Other expenses | | (889,908) | - |
| Government grants received | | (3,000,000) | - |
| | | (2,665,544) | - |
| Net effect on Accumulated surplus opening balance | | (1,445,154) | 1,220,390 |

30 Change in estimate

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

| | Value derived using the original estimate | Value derived using amended estimate | R-value impact of change in estimate |
|---|--|--|--|
| Change in depreciation / amortisation resulting from reassessment of useful lives. The following categories are affected: | - | (330,051) | 330,051 |
| Office equipment - the useful range life changed from 10 to 17.5 | - | (13,467) | 13,467 |
| Furniture and Fittings - the useful range life changed from 10 to 17.5 | - | (164,660) | 164,660 |
| Vehicles - the useful range life changed from 8 years to 13 years | - | (151,923) | 151,923 |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | 2021 | 2020 |
|------|------|------|
| Note | R | R |

31 Operating lease commitments

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

Operating lease arrangements

Lessee

The major category of asset leased is buildings.

At the reporting date the College had no outstanding commitments under non-cancellable operating leases, as all the contracts expired during the year:

| | | |
|--------------|---|-----------|
| Up to 1 year | - | 1,845,060 |
| | - | 1,845,060 |

Operating Leases consists of the following:

Leases are negotiated for an average term of 12 months and rentals are fixed. No contingent rent is payable. The contracts expired during the current financial year and the college continue to use the assets on a month to month basis.

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

There is no restrictions imposed by lease arrangements.

32 Commitments

COMMITMENTS IN RESPECT OF CAPITAL EXPENDITURE

- Approved and contracted for

| | | |
|---|---|------------|
| PPE | - | 16,158,117 |
| Fixing & Restoring of Heritage Building | - | 4,294,667 |
| Fixing floors at Kwetlesong campus | - | 2,669,539 |
| Roof repairs at Corporate office | - | 1,693,912 |
| Farm Stillerust 461ha, Harrismith: Deed signed, Transfer and guarentees outstanding | - | 7,500,000 |

| | | |
|----------------------------------|---|-------------------|
| Total capital commitments | - | 16,158,117 |
|----------------------------------|---|-------------------|

The capital commitments will be financed from

| | | |
|---------------------|---|------------|
| - Government Grants | - | 8,658,117 |
| - Own resources | - | 7,500,000 |
| | - | 16,158,117 |

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|---|------|--|-------------|
| 33 Contingent liabilities | | | |
| JJ Kruger and 150 others | | - | 15,161,000 |
| This amounts relates to litigation by JJ Kruger and 150 others regarding benefits that they feel are due to them according to the emoloyment policy. The court found in favour of the College. | | | |
| Mathews George | | 3,768,740 | 3,768,740 |
| The amounts relates to litigation by Mathews George for loss of income as a result of the closure of the illegal campus ran by him in Warden in 2014. The case was against the DHET and the college was the second defendant. | | | |
| 34 In-kind donations and assistance | | | |
| The College received the following in-kind donations and assistance which was not recognised: | | | |
| DHET | | | |
| Payment of the TVET's management fees | | 3,967,240 | 4,096,140 |
| Payment of the TVET's salary related costs | | 101,133,842 | 93,149,056 |
| 35 Related parties | | | |
| Members of key management | | <i>Management fee is paid to these persons.</i> | |
| DHET | | <i>Funding of TVET Colleges.</i> | |
| SETAs | | <i>Placement of Diploma students at various private and public sector organisations. The college manages the payments to the students on behalf of various Seta's.</i> | |
| NSFAS | | <i>Bursaries are provided to qualifying students for Tution fees, transport and accomodation. These funds are managed by the college on behalf of NSFAS.</i> | |
| National Skills Fund (NSF) | | <i>Provides funding for non-funded programs to the college.</i> | |
| Small Enterprise Development Agency (Seda) | | <i>Capital grants received for renovation to buildings</i> | |
| Entities under the common control of DHET | | <i>Payments for the Trade tests done by students</i> | |
| Related party balances | | | |
| Controlling entity: DHET | | | |
| Amounts included in Receivable (Payable) regarding related parties | | | |
| Grant receivable | | 17,022,999 | 29,665,760 |
| Amounts included in Income regarding related parties | | | |
| Grants received | | 185,478,224 | 211,900,555 |

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|--|------|--------------|--------------|
| Associates: | | | |
| Amounts included in Receivable (Payable) regarding related parties | | | |
| Mer Seta | | (210,250) | (210,250) |
| Bank Seta | | (231,063) | (172,739) |
| Cath Seta | | (1,243,291) | (770,785) |
| Chieta Seta | | (510,395) | (389,945) |
| FoodBEV Seta | | (610,791) | (343,295) |
| Teta Seta | | 297,895 | 412,995 |
| PSETA | | (285,664) | (285,664) |
| W&R SETA | | (2,138,222) | (662,916) |
| MIC SETA | | (895,778) | (490,718) |
| Inseta | | (858,143) | (540,972) |
| AgriSeta | | (928,350) | (23,850) |
| MQA | | (234,500) | - |
| Other Seta's | | (642,042) | (492,484) |
| Unspend Capital Grant: Department of HET | | (11,673,462) | (11,673,462) |
| NSFAS Bursaries | | (40,647,792) | (38,246,630) |
| Management | | | |
| Management fees paid to related parties | | | |
| Mr VE Mabena | | 1,122,333 | 1,134,041 |
| Mrs IK van Heerden | | 863,870 | 832,698 |
| Mr ME Tsotetsi | | 934,838 | 888,377 |
| Mrs SK Manzini | | 1,046,199 | 1,023,748 |
| Mr AJ Jordaan | | 74,590 | 881,700 |
| Mrs S Wiggett | | - | 217,276 |
| Other related parties | | | |
| Sitting allowances paid to Council members | | | |
| Various Council members | | 978,696 | 574,022 |
| Related party transactions | | | |
| Controlling entity: DHET | | | |
| Grants and donations received | | 185,478,224 | 223,574,017 |
| Associates: | | | |
| NSFAS received on behalf of students (Tution fees, accomodation and transport) | | | |
| Seda Grant received | | - | 3,000,000 |
| Other Seta's | | 16,114,255 | 8,546,779 |

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2021

| | 2021 | 2020 |
|---|-----------|-----------|
| Note | R | R |
| Remuneration of management | | |
| Council Remuneration: | | |
| Council fees for council and other activities | | |
| Mr W Lefora: Deputy Council Chairperson | 98,256 | 122,594 |
| Mr M Mokhantso: Council member | 5,500 | 6,738 |
| Dr VZ Masuku: Council member | 85,913 | 74,734 |
| Dr RA Patel: Council Chairperson | 116,878 | 108,549 |
| Mrs M Mahamotsa: HR Chairperson | 155,119 | 83,067 |
| Mr LO Mazibuko: Finance Chairperson | 57,524 | 1,500 |
| Dr TPE Tondl: Resource & Planning Chairperson | - | 41,388 |
| Adv TE Tsoeu: Legal | 36,604 | 1,500 |
| Mr TG Makgale: Audit Chairperson | 191,734 | 93,371 |
| Mr F Mokale: Council member | 5,500 | 28,555 |
| Mr Brown: Council member | 189,064 | 9,563 |
| Ms PN Nthunya: Council member | 36,604 | 2,463 |
| Total | 978,696 | 574,022 |
| College management Remuneration: | | |
| [Members of management that are also members of Council are only included under College Management] | | |
| Mr VE Mabena - Principal (Special leave from 1 January 2021) | | |
| <i>Fees for services as a member of management</i> | | |
| Basic salary | 785,558 | 794,264 |
| Bonuses and performance related payments | 65,463 | 65,463 |
| Other short-term employee benefits | 169,082 | 170,956 |
| Contribution to Pension funds | 102,122 | 103,254 |
| Contribution to Bargain Council | 108 | 103 |
| Total | 1,122,333 | 1,134,041 |
| Mrs IK van Heerden: Finance Manager and Acting CFO from 1 February 2021 | | |
| <i>Fees for services as a member of management</i> | | |
| Basic salary | 637,436 | 624,156 |
| Bonuses and performance related payments | 53,186 | 52,400 |
| Other short-term employee benefits | 73,502 | 57,619 |
| Contribution to Medical Aids | 17,280 | 17,280 |
| Contribution to Pension funds | 82,357 | 81,140 |
| Contribution to Bargain Council | 108 | 103 |
| Total | 863,870 | 832,698 |
| Mr ME Tsotetsi: Deputy Principal - Academic and Acting Principal from 1 January 2021 | | |
| <i>Fees for services as a member of management</i> | | |
| Basic salary | 627,474 | 622,062 |
| Bonuses and performance related payments | 74,021 | 51,453 |
| Other short-term employee benefits | 151,154 | 133,891 |
| Contribution to Pension funds | 82,081 | 80,868 |
| Contribution to Bargain Council | 108 | 103 |
| Total | 934,838 | 888,377 |

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2021

| | 2021 | 2020 |
|--|-----------|-----------|
| Note | R | R |
| Mrs SK Manzini: Deputy Principal - Corporate | | |
| <i>Fees for services as a member of management</i> | | |
| Basic salary | 783,805 | 777,970 |
| Bonuses and performance related payments | 64,831 | 64,831 |
| Other short-term employee benefits | 83,561 | 67,708 |
| Contribution to Medical Aids | 12,000 | 12,000 |
| Contribution to Pension funds | 101,894 | 101,136 |
| Contribution to Bargain Council | 108 | 103 |
| Total | 1,046,199 | 1,023,748 |
| Mr AJ Jordaan: Head of Projects since June 2019 till 31 March 2020 and Acting Deputy Principal Finance since 1 April 2020 till 31 January 2021. | | |
| <i>Fees for services as a member of management</i> | | |
| Basic salary | 73,590 | 869,700 |
| Other short-term employee benefits | 1,000 | 12,000 |
| Total | 74,590 | 881,700 |
| Mrs S Wiggert: Deputy Principal - Finance (since 1 July 2019 till 31 March 2020) | | |
| <i>Fees for services as a member of management</i> | | |
| Basic salary | - | 165,111 |
| Other short-term employee benefits | - | 30,676 |
| Contribution to Pension funds | - | 21,464 |
| Contribution to Bargain Council | - | 24 |
| Total | - | 217,276 |
| Total Management remuneration: | | |
| <i>Fees for services as a member of management</i> | - | - |
| Basic salary | 2,907,861 | 3,853,263 |
| Bonuses and performance related payments | 257,501 | 234,147 |
| Other short-term employee benefits | 478,299 | 472,850 |
| Contribution to Medical Aids | 131,402 | 132,534 |
| Contribution to Pension funds | 266,332 | 284,608 |
| Contribution to Bargain Council | 433 | 437 |
| Total | 4,041,830 | 4,977,840 |

36 Key sources of estimation uncertainty and judgements

The following areas involve a significant degree of estimation uncertainty:

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

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

- Impairment of assets

37 Net Assets

In terms of the CET Act, the Minister of Higher Education and Training may close a public college subject to certain conditions. In such a case, the net assets of the College, comprising the accumulated surplus and reserves, will vest in the Minister of Higher Education and Training after the settlement of all liabilities.

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2021

| Note | 2021 R | 2020 R |
|------|-----------|-----------|
|------|-----------|-----------|

38 Risk management and other financial instrument disclosures
Maximum credit risk exposure

Credit risk exposure arise from mainly from cash deposits, cash equivalents and trade debtors. The College only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base, comprising mainly of students of the College. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the council. The utilisation of credit limits is regularly monitored.

The financial assets expose the College to credit risk. The value of the maximum exposure to credit risk are as follows for each of classes of financial assets:

| | | |
|--|-------------|-------------|
| Cash and cash equivalents | 150,225,156 | 119,094,022 |
| Trade and other receivables from exchange transactions | 1,504,396 | 1,241,523 |

Collateral held and other credit enhancements

The credit risk exposure, as posed by the financial assets detailed above, is further mitigated by the collateral held in relation to these instruments:

No such collaterals are held by the College

Liquidity risk

The College's risk to liquidity is a result of the funds available to cover future commitments. The College manages liquidity risk through an ongoing review of future commitments and credit facilities.

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

The table below analyses the College's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| 2021 | Not later than one month | Later than one month and not later than three months | Later than three months and not later than one year | Later than one year and not later than five years |
|---------------------------------|-----------------------------|---|--|--|
| Gross finance lease obligations | 148,935 | 297,871 | - | - |
| Grants due to students | - | - | 40,647,792 | - |
| Trade and other payables | 1,754,093 | 4,328,724 | - | - |
| Other Set's | - | - | 8,490,594 | - |

| 2020 | Not later than one month | Later than one month and not later than three months | Later than three months and not later than one year | Later than one year and not later than five years |
|---------------------------------|-----------------------------|---|--|--|
| Gross finance lease obligations | 167,048 | 334,095 | 1,503,429 | 439,280 |
| Grants due to students | - | - | 38,246,630 | - |
| Trade and other payables | 4,133,532 | 1,029,552 | - | - |
| Other Set's | - | - | 3,970,622 | - |

Defaults and breaches

During the year the College did not defaulted and / or breached any of the contractual terms of certain of its financial liabilities.

Interest rate risk

As the College has no significant interest-bearing assets, the College's income and operating cash flows are substantially independent of changes in market interest rates.

At year end, financial instruments exposed to interest rate risk were as follows:

| | | |
|-----------------|-------------|------------|
| - Call deposits | 132,430,525 | 88,885,107 |
|-----------------|-------------|------------|

Interest rate risk sensitivity analysis

The susceptibility of the College's financial performance to changes in interest rates is not considered to be significant.

39 Tax exemption

The College is exempt from normal taxation in terms of Section 10(1)(c)(i) (confirm) of the Income Tax Act, 1962 (Act No.58 of 1962).

MALUTI TVET COLLEGE

Statement of Comparison of Budget and Actual Amounts for the year ended 31 December 2021 (Unaudited)

| | | 2021 | 2021 | 2021 | 2021 |
|---|------|-------------------------|----------------------|--|---|
| | | Approved budget R | Final budget R | Actual amounts on a comparable basis R | Differences between final budget and actual amounts R |
| | Note | | | | |
| Revenue | | | | | |
| Revenue from exchange transactions | | 72,109,281 | 72,109,281 | 80,986,261 | (8,876,980) |
| Tuition and related fees | 28 | 67,465,789 | 67,465,789 | 75,903,172 | (8,437,383) |
| Sale of goods and rendering of services | 28 | 10,000 | 10,000 | - | 10,000 |
| Rental of facilities and equipment | 28 | 200,000 | 200,000 | 19,850 | 180,150 |
| Investment income | 28 | 2,793,916 | 2,793,916 | 3,921,455 | (1,127,539) |
| Other income | | 1,639,576 | 1,639,576 | 1,141,784 | 497,792 |
| Revenue from non-exchange transactions | | 219,657,981 | 219,657,981 | 186,878,133 | 32,779,848 |
| Government grants and subsidies | | 219,657,981 | 219,657,981 | 186,158,323 | 33,499,658 |
| Other income | | - | - | 719,810 | (719,810) |
| Total revenue | | 291,767,262 | 291,767,262 | 267,864,394 | 23,902,868 |
| Expenses | | | | | |
| Employee related costs and DHET management fee | | (160,247,973) | (160,247,973) | (159,052,129) | (1,195,844) |
| Impairment of debtors | | (16,000,000) | (16,000,000) | (5,438,162) | (10,561,838) |
| Depreciation and amortisation | | (9,474,832) | (9,474,832) | (8,144,829) | (1,330,003) |
| Books and learning materials | 28 | (12,530,498) | (12,530,498) | (7,350,765) | (5,179,733) |
| Repairs and maintenance | 28 | (2,994,134) | (2,994,134) | (9,292,231) | 6,298,097 |
| Travel, accommodation and entertainment | 28 | (5,239,915) | (5,239,915) | (2,063,631) | (3,176,285) |
| Security | | (12,800,000) | (12,800,000) | (11,388,438) | (1,411,562) |
| Professional services | 28 | (3,532,865) | (3,532,865) | (3,346,958) | (185,907) |
| Municipal services | 28 | (5,150,000) | (5,150,000) | (5,255,911) | 105,911 |
| Telephone, postage, internet, network and communication costs | | (6,068,153) | (6,068,153) | (7,464,715) | 1,396,562 |
| Printing and stationery | | (3,363,477) | (3,363,477) | (3,015,187) | (348,290) |
| Finance costs | 28 | (319,683) | (319,683) | (85,266) | (234,417) |
| Other expenses | | (14,347,841) | (14,347,841) | (14,580,011) | 232,171 |
| Total expenses | | (252,069,371) | (252,069,371) | (236,478,233) | (15,591,138) |
| Other gains/losses | | - | - | (1,687,677) | 1,687,677 |
| Gain/(Loss) on sale of assets | | - | - | (1,687,677) | 1,687,677 |
| Surplus/(Deficit) for the year | | 39,697,891 | 39,697,891 | 29,698,484 | Not in balance |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | 2021 | 2020 |
|---|--------------------|-------------------|
| Note | R | R |
| 24 Other expenses | | |
| Advertising | 625,421 | 576,407 |
| Bank charges | 298,777 | 550,826 |
| Cash shortages | - | 2,000 |
| Cleaning and pest control | 958,535 | 2,642,751 |
| Compensation commissioner contributions | 97,378 | 87,807 |
| Council fees | 978,696 | 574,022 |
| Farming expenses | 602,825 | 355,617 |
| Fuel, oil and gas for machines and generators | 394,362 | 338,696 |
| Human resource support | 118,567 | 23,309 |
| Insurance | 1,344,239 | 1,241,035 |
| Membership and registration costs | 246,528 | 423,439 |
| Motor vehicle expenses: licences and insurance | 32,640 | 33,659 |
| Motor vehicle expenses: fuel | 864,281 | 631,186 |
| Consulting fees | 1,024,280 | 446,677 |
| Rental of office equipment | 2,252,010 | 2,069,504 |
| Sport club expenses | 48,122 | 5,070 |
| SRC Training & Election Expenses | 197,000 | - |
| Training | 1,823,343 | 1,156,534 |
| Transport expenses | 954,507 | 1,039,321 |
| Uniforms and overalls | 1,005,280 | 2,162,003 |
| Various other expenses | 713,220 | 1,333,312 |
| | 14,580,011 | 15,693,174 |
| 25 Gain/(Loss) on sale of assets | | |
| Property, plant and equipment disposals and assets derecognised | (1,687,677) | (63,168) |
| | (1,687,677) | (63,168) |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| Note | 2021 R | 2020 R |
|---|--------------------|-------------------|
| 24 Other expenses | | |
| Advertising | | |
| Bank charges | 625,421 | 576,407 |
| Cash shortages | 298,777 | 550,826 |
| Cleaning and pest control | - | 2,000 |
| Compensation commissioner contributions | 958,535 | 2,642,751 |
| Council fees | 97,378 | 87,807 |
| Farming expenses | 978,696 | 574,022 |
| Fuel, oil and gas for machines and generators | 602,825 | 355,617 |
| Human resource support | 394,362 | 338,696 |
| Insurance | 118,567 | 23,309 |
| Membership and registration costs | 1,344,239 | 1,241,035 |
| Motor vehicle expenses: licences and insurance | 246,528 | 423,439 |
| Motor vehicle expenses: fuel | 32,640 | 33,659 |
| Consulting fees | 864,281 | 631,186 |
| Rental of office equipment | 1,024,280 | 446,677 |
| Sport club expenses | 2,252,010 | 2,069,504 |
| SRC Training & Election Expenses | 48,122 | 5,070 |
| Training | 197,000 | - |
| Transport expenses | 1,823,343 | 1,156,534 |
| Uniforms and overalls | 954,507 | 1,039,321 |
| Various other expenses | 1,005,280 | 2,162,003 |
| | 713,220 | 1,333,312 |
| | 14,580,011 | 15,693,174 |
| 25 Gain/(Loss) on sale of assets | | |
| Property, plant and equipment disposals and assets derecognised | | |
| | (1,687,677) | (63,168) |
| | (1,687,677) | (63,168) |

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|---|------|-------------------|-------------------|
| 26 Employee benefits | | | |
| Defined contribution plans recognised as an expense: | | | |
| Government Employees Pension fund: Employees | | 9,357,856 | 10,093,285 |
| Government Employees Pension fund: Management fees | | 368,454 | 387,863 |
| Government Employees Pension fund: Council paid employees | | 4,119,022 | 4,218,450 |
| The amounts recognised in the statement of financial performance | | 13,845,332 | 14,699,597 |
| 27 Cash flows from operating activities | | | |
| Surplus/(deficit) for the year | | 29,698,485 | 52,128,623 |
| Adjustment for: | | | |
| Depreciation and amortisation | | 8,144,829 | 7,468,823 |
| Donation received (non-cash) | | (596,679) | - |
| Debt impairment | | 5,438,162 | 20,231,170 |
| Gain/loss on sale of assets | | 1,687,677 | 63,168 |
| Finance costs (non-cash) | | 85,266 | 252,691 |
| | | 44,457,740 | 80,144,475 |
| Changes in working capital: | | | |
| (Increase)/decrease in trade and other receivables from exchange transactions | | (5,701,035) | (20,126,109) |
| (Increase)/decrease in other receivables from non-exchange transactions | | 12,642,761 | (9,669,291) |
| Increase/(decrease) in unspent conditional grants and receipts | | - | 10,880,512 |
| Increase/(decrease) in trade and other payables from exchange transactions | | 7,694,070 | 11,745,906 |
| Increase/(decrease) in provisions | | (946,248) | 727,842 |
| Net cash flows from operating activities | | 58,147,288 | 73,703,335 |

MALUTI TVET COLLEGE**Notes to the Financial Statements for the year ended 31 December 2021**

| | Note | 2021 R | 2020 R |
|---|------|---|-----------|
| 28 Comparison of budget and actual amounts | | | |
| The material differences between the final budget and actual amounts are explained below: | | | |
| Tuition and related fees | | Higher than budget, as the budget were done with the lockdown uncertainties and student numbers were kept at 2020 level | |
| Sale of goods and rendering of services | | No guesthouse income due to lockdown regulations | |
| Rental of facilities and equipment | | Decrease in income due to lockdown regulation | |
| Investment income | | Increase in interest received due to money not being send on improvements as budgeted | |
| Other income | | Increase is due to donations received that were not included in the budget | |
| Government grants and subsidies | | Decrease due to a Capital grant that were budgeted for, but were not received. | |
| Impairment of debtors | | Lower than budget, as more students now got bursaries that is funding their studies. | |
| Depreciation and amortisation | | Underestimated the increase in assets, especially electronic, IT and capital assets. | |
| Books and learning materials | | Expense were overbudgeted as some of the items are capitalised. | |
| Repairs and maintenance | | Increase was due to the repairs to most of the campuses roofs and the removal of asbestos in some of the buildings | |
| Travel, accommodation and entertainment | | Decrease due to virtual training and meetings being done and no need to travel. | |
| Security | | Decrease was due to the new contract and the first month was free. | |
| Telephone, postage, internet, network and communication costs | | Increase due to staff that had to work remotely during the lockdown periods. | |
| Finance costs | | Decrease due to the contract that is almost complete. | |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|--|------|-----------|-----------|
|--|------|-----------|-----------|

29 Correction of error

During the year the following correction of errors occurred:

During the 2021 year the College wrote-off additional debtors of R8,755,018 from 2018 that showed no movement since then. These debtors were already included in the provision for bad debts.

The College made provision for the bonuses it needs to pay for the employees at the end of each financial period.

During 2020 the College received a Grant for SEDA which were incorrectly included in payables at year-end and as this is not a conditional grant, this should be classified as grant income.

The sale of livestock was incorrectly accounted for in 2020 and is now corrected.

The comparative amount has been restated as follows:

Statement of financial position

| | 2020 R | 2019 R |
|--|------------------|-------------|
| Provision | (1,554,846) | (1,220,390) |
| Accumulated surplus | 1,220,390 | 1,220,390 |
| Trade and other receivables from exchange transactions | - | - |
| Payables | 3,000,000 | - |
| | 2,665,544 | - |

Statement of financial performance

| | | |
|---|--------------------|------------------|
| Employee cost | 334,456 | - |
| Sale of goods and rendering of services | 889,908 | - |
| Other expenses | (889,908) | - |
| Government grants received | (3,000,000) | - |
| | (2,665,544) | - |
| Net effect on Accumulated surplus opening balance | (1,445,154) | 1,220,390 |

30 Change in estimate

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

| | Value derived using the original estimate | Value derived using amended estimate | R-value impact of change in estimate |
|---|--|--|--|
| Change in depreciation / amortisation resulting from reassessment of useful lives. The following categories are affected: | - | (330,051) | 330,051 |
| Office equipment - the useful range life changed from 10 to 17.5 | - | (13,467) | 13,467 |
| Furniture and Fittings - the useful range life changed from 10 to 17.5 | - | (164,660) | 164,660 |
| Vehicles - the useful range life changed from 8 years to 13 years | - | (151,923) | 151,923 |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|---|-------------|--|-------------------|
| 33 Contingent liabilities | | | |
| JJ Kruger and 150 others | | - | 15,161,000 |
| This amounts relates to litigation by JJ Kruger and 150 others regarding benefits that they feel are due to them according to the emoloyment policy. The court found in favour of the College. | | | |
| Mathews George | | 3,768,740 | 3,768,740 |
| The amounts relates to litigation by Mathews George for loss of income as a result of the closure of the illegal campus ran by him in Warden in 2014. The case was against the DHET and the college was the second defendant. | | | |
| 34 In-kind donations and assistance | | | |
| The College received the following in-kind donations and assistance which was not recognised: | | | |
| DHET | | | |
| Payment of the TVET's management fees | | 3,967,240 | 4,096,140 |
| Payment of the TVET's salary related costs | | 101,133,842 | 93,149,056 |
| 35 Related parties | | | |
| Members of key management | | <i>Management fee is paid to these persons.</i> | |
| DHET | | <i>Funding of TVET Colleges.</i> | |
| SETAs | | <i>Placement of Diploma students at various private and public sector organisations. The college manages the payments to the students on behalf of various Seta's.</i> | |
| NSFAS | | <i>Bursaries are provided to qualifying students for Tution fees, transport and accomodation. These funds are managed by the college on behalf of NSFAS.</i> | |
| National Skills Fund (NSF) | | <i>Provides funding for non-funded programs to the college.</i> | |
| Small Enterprise Development Agency (Seda) | | <i>Capital grants received for renovation to buildings</i> | |
| Entities under the common control of DHET | | <i>Payments for the Trade tests done by students</i> | |
| Related party balances | | | |
| Controlling entity: DHET | | | |
| Amounts included in Receivable (Payable) regarding related parties | | | |
| Grant receivable | | 17,022,999 | 29,665,760 |
| Amounts included in Income regarding related parties | | | |
| Grants received | | 185,478,224 | 211,900,555 |

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|--|------|--------------|--------------|
| Associates: | | | |
| Amounts included in Receivable (Payable) regarding related parties | | | |
| Mer Seta | | (210,250) | (210,250) |
| Bank Seta | | (231,063) | (172,739) |
| Cath Seta | | (1,243,291) | (770,785) |
| Chieta Seta | | (510,395) | (389,945) |
| FoodBEV Seta | | (610,791) | (343,295) |
| Teta Seta | | 297,895 | 412,995 |
| PSETA | | (285,664) | (285,664) |
| W&R SETA | | (2,138,222) | (662,916) |
| MIC SETA | | (895,778) | (490,718) |
| Inseta | | (858,143) | (540,972) |
| AgriSeta | | (928,350) | (23,850) |
| MQA | | (234,500) | - |
| Other Seta's | | (642,042) | (492,484) |
| Unspent Capital Grant: Department of HET | | (11,673,462) | (11,673,462) |
| NSFAS Bursaries | | (40,647,792) | (38,246,630) |
| Management | | | |
| Management fees paid to related parties | | | |
| Mr VE Mabena | | 1,122,333 | 1,134,041 |
| Mrs IK van Heerden | | 863,870 | 832,698 |
| Mr ME Tsotetsi | | 934,838 | 888,377 |
| Mrs SK Manzini | | 1,046,199 | 1,023,748 |
| Mr AJ Jordaan | | 74,590 | 881,700 |
| Mrs S Wiggett | | - | 217,276 |
| Other related parties | | | |
| Sitting allowances paid to Council members | | | |
| Various Council members | | 978,696 | 574,022 |
| Related party transactions | | | |
| Controlling entity: DHET | | | |
| Grants and donations received | | 185,478,224 | 223,574,017 |
| Associates: | | | |
| NSFAS received on behalf of students (Tuition fees, accommodation and transport) | | 74,248,220 | 133,808,770 |
| Seda Grant received | | - | 3,000,000 |
| Other Seta's | | 16,114,255 | 8,546,779 |

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|---|------|------------------|------------------|
| Remuneration of management | | | |
| Council Remuneration: | | | |
| Council fees for council and other activities | | | |
| Mr W Lefora: Deputy Council Chairperson | | 98,256 | 122,594 |
| Mr M Mokhantso: Council member | | 5,500 | 6,738 |
| Dr VZ Masuku: Council member | | 85,913 | 74,734 |
| Dr RA Patel: Council Chairperson | | 116,878 | 108,549 |
| Mrs M Mahamotsa: HR Chairperson | | 155,119 | 83,067 |
| Mr LO Mazibuko: Finance Chairperson | | 57,524 | 1,500 |
| Dr TPE Tondi: Resource & Planning Chairperson | | - | 41,388 |
| Adv TE Tsoeu: Legal | | 36,604 | 1,500 |
| Mr TG Makgale: Audit Chairperson | | 191,734 | 93,371 |
| Mr F Mokale: Council member | | 5,500 | 28,555 |
| Mr Brown: Council member | | 189,064 | 9,563 |
| Ms PN Nthunya: Council member | | 36,604 | 2,463 |
| Total | | <u>978,696</u> | <u>574,022</u> |
| College management Remuneration: | | | |
| [Members of management that are also members of Council are only included under College Management] | | | |
| Mr VE Mabena - Principal (Special leave from 1 January 2021) | | | |
| <i>Fees for services as a member of management</i> | | | |
| Basic salary | | 785,558 | 794,264 |
| Bonuses and performance related payments | | 65,463 | 65,463 |
| Other short-term employee benefits | | 169,082 | 170,956 |
| Contribution to Pension funds | | 102,122 | 103,254 |
| Contribution to Bargain Council | | 108 | 103 |
| Total | | <u>1,122,333</u> | <u>1,134,041</u> |
| Mrs IK van Heerden: Finance Manager and Acting CFO from 1 February 2021 | | | |
| <i>Fees for services as a member of management</i> | | | |
| Basic salary | | 637,436 | 624,156 |
| Bonuses and performance related payments | | 53,186 | 52,400 |
| Other short-term employee benefits | | 73,502 | 57,619 |
| Contribution to Medical Aids | | 17,280 | 17,280 |
| Contribution to Pension funds | | 82,357 | 81,140 |
| Contribution to Bargain Council | | 108 | 103 |
| Total | | <u>863,870</u> | <u>832,698</u> |
| Mr ME Tsotetsi: Deputy Principal - Academic and Acting Principal from 1 January 2021 | | | |
| <i>Fees for services as a member of management</i> | | | |
| Basic salary | | 627,474 | 622,062 |
| Bonuses and performance related payments | | 74,021 | 51,453 |
| Other short-term employee benefits | | 151,154 | 133,891 |
| Contribution to Pension funds | | 82,081 | 80,868 |
| Contribution to Bargain Council | | 108 | 103 |
| Total | | <u>934,838</u> | <u>888,377</u> |

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| Note | 2021 R | 2020 R |
|--|------------------|------------------|
| Mrs SK Manzini: Deputy Principal - Corporate | | |
| <i>Fees for services as a member of management</i> | | |
| Basic salary | 783,805 | 777,970 |
| Bonuses and performance related payments | 64,831 | 64,831 |
| Other short-term employee benefits | 83,561 | 67,708 |
| Contribution to Medical Aids | 12,000 | 12,000 |
| Contribution to Pension funds | 101,894 | 101,136 |
| Contribution to Bargain Council | 108 | 103 |
| Total | 1,046,199 | 1,023,748 |
| Mr AJ Jordaan: Head of Projects since June 2019 till 31 March 2020 and Acting Deputy Principal Finance since 1 April 2020 till 31 January 2021. | | |
| <i>Fees for services as a member of management</i> | | |
| Basic salary | 73,590 | 869,700 |
| Other short-term employee benefits | 1,000 | 12,000 |
| Total | 74,590 | 881,700 |
| Mrs S Wiggett: Deputy Principal - Finance (since 1 July 2019 till 31 March 2020) | | |
| <i>Fees for services as a member of management</i> | | |
| Basic salary | - | 165,111 |
| Other short-term employee benefits | - | 30,676 |
| Contribution to Pension funds | - | 21,464 |
| Contribution to Bargain Council | - | 24 |
| Total | - | 217,276 |
| Total Management remuneration: | | |
| <i>Fees for services as a member of management</i> | | |
| Basic salary | - | - |
| Bonuses and performance related payments | 2,907,861 | 3,853,263 |
| Other short-term employee benefits | 257,501 | 234,147 |
| Contribution to Medical Aids | 478,299 | 472,850 |
| Contribution to Pension funds | 131,402 | 132,534 |
| Contribution to Bargain Council | 266,332 | 284,608 |
| Total | 4,041,830 | 4,977,840 |

36 Key sources of estimation uncertainty and judgements

The following areas involve a significant degree of estimation uncertainty:

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

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

- Impairment of assets

37 Net Assets

In terms of the CET Act, the Minister of Higher Education and Training may close a public college subject to certain conditions. In such a case, the net assets of the College, comprising the accumulated surplus and reserves, will vest in the Minister of Higher Education and Training after the settlement of all liabilities.

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2021

| | Note | 2021 R | 2020 R |
|--|------|-----------|-----------|
|--|------|-----------|-----------|

38 Risk management and other financial instrument disclosures

Maximum credit risk exposure

Credit risk exposure arise from mainly from cash deposits, cash equivalents and trade debtors. The College only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base, comprising mainly of students of the College. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the council. The utilisation of credit limits is regularly monitored.

| |
|--|
| The financial assets expose the College to credit risk. The value of the maximum exposure to credit risk are as follows for each of classes of financial assets: |
| Cash and cash equivalents |
| Trade and other receivables from exchange transactions |

| | |
|-------------|-------------|
| 150,225,156 | 119,094,022 |
| 1,504,396 | 1,241,523 |

Collateral held and other credit enhancements

The credit risk exposure, as posed by the financial assets detailed above, is further mitigated by the collateral held in relation to these instruments:

No such collaterals are held by the College

Liquidity risk

The College's risk to liquidity is a result of the funds available to cover future commitments. The College manages liquidity risk through an ongoing review of future commitments and credit facilities.

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

The table below analyses the College's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2021

| | Not later than one month | Later than one month and not later than three months | Later than three months and not later than one year | Later than one year and not later than five years |
|---------------------------------|-----------------------------|---|--|--|
| Gross finance lease obligations | | | | |
| Grants due to students | 148,935 | 297,871 | - | - |
| Trade and other payables | | | 40,647,792 | - |
| Other Seta's | 1,754,093 | 4,328,724 | - | - |
| | - | - | 8,490,594 | - |

2020

| | Not later than one month | Later than one month and not later than three months | Later than three months and not later than one year | Later than one year and not later than five years |
|---------------------------------|-----------------------------|---|--|--|
| Gross finance lease obligations | | | | |
| Grants due to students | 167,048 | 334,095 | 1,503,479 | 439,280 |
| Trade and other payables | - | - | 38,246,630 | - |
| Other Seta's | 4,133,532 | 1,029,552 | - | - |
| | - | - | 3,970,622 | - |

Defaults and breaches

During the year the College did not defaulted and / or breached any of the contractual terms of certain of its financial liabilities.

Interest rate risk

As the College has no significant interest-bearing assets, the College's income and operating cash flows are substantially independent of changes in market interest rates.

At year end, financial instruments exposed to interest rate risk were as follows:

- Call deposits

| | |
|-------------|------------|
| 132,430,525 | 88,885,107 |
|-------------|------------|

Interest rate risk sensitivity analysis

The susceptibility of the College's financial performance to changes in interest rates is not considered to be significant.

39 Tax exemption

The College is exempt from normal taxation in terms of Section 10(1)(c)(i) (confirm) of the Income Tax Act, 1962 (Act No.58 of 1962).

MALUTI TVET COLLEGE

Statement of Comparison of Budget and Actual Amounts for the year ended 31 December 2021 (Unaudited)

| | | 2021 | 2021 | 2021 | 2021 |
|---|------|----------------------|----------------------|--|---|
| | Note | Approved budget R | Final budget R | Actual amounts on a comparable basis R | Differences between final budget and actual amounts R |
| Revenue | | | | | |
| Revenue from exchange transactions | | 72,109,281 | 72,109,281 | 80,986,261 | (8,876,980) |
| Tuition and related fees | 28 | 67,465,789 | 67,465,789 | 75,903,172 | (8,437,383) |
| Sale of goods and rendering of services | 28 | 10,000 | 10,000 | - | 10,000 |
| Rental of facilities and equipment | 28 | 200,000 | 200,000 | 19,850 | 180,150 |
| Investment income | 28 | 2,793,916 | 2,793,916 | 3,921,455 | (1,127,539) |
| Other income | | 1,639,576 | 1,639,576 | 1,141,784 | 497,792 |
| Revenue from non-exchange transactions | | 219,657,981 | 219,657,981 | 186,878,133 | 32,779,848 |
| Government grants and subsidies | | 219,657,981 | 219,657,981 | 186,158,323 | 33,499,658 |
| Other income | | - | - | 719,810 | (719,810) |
| Total revenue | | 291,767,262 | 291,767,262 | 267,864,394 | 23,902,868 |
| Expenses | | | | | |
| Employee related costs and DHET management fee | | (160,247,973) | (160,247,973) | (159,052,129) | (1,195,844) |
| Impairment of debtors | | (16,000,000) | (16,000,000) | (5,438,162) | (10,561,838) |
| Depreciation and amortisation | | (9,474,832) | (9,474,832) | (8,144,829) | (1,330,003) |
| Books and learning materials | 28 | (12,530,498) | (12,530,498) | (7,350,765) | (5,179,733) |
| Repairs and maintenance | 28 | (2,994,134) | (2,994,134) | (9,292,231) | 6,298,097 |
| Travel, accommodation and entertainment | 28 | (5,239,915) | (5,239,915) | (2,063,631) | (3,176,285) |
| Security | | (12,800,000) | (12,800,000) | (11,388,438) | (1,411,562) |
| Professional services | 28 | (3,532,865) | (3,532,865) | (3,346,958) | (185,907) |
| Municipal services | 28 | (5,150,000) | (5,150,000) | (5,255,911) | 105,911 |
| Telephone, postage, internet, network and communication costs | | (6,068,153) | (6,068,153) | (7,464,715) | 1,396,562 |
| Printing and stationery | | (3,363,477) | (3,363,477) | (3,015,187) | (348,290) |
| Finance costs | 28 | (319,683) | (319,683) | (85,266) | (234,417) |
| Other expenses | | (14,347,841) | (14,347,841) | (14,580,011) | 232,171 |
| Total expenses | | (252,069,371) | (252,069,371) | (236,478,233) | (15,591,138) |
| Other gains/losses | | - | - | (1,687,677) | 1,687,677 |
| Gain/(Loss) on sale of assets | | - | - | (1,687,677) | 1,687,677 |
| Surplus/(Deficit) for the year | | 39,697,891 | 39,697,891 | 29,698,484 | Not in balance |

MALUTI TVET COLLEGE**Notes to the Financial Statements for the year ended 31 December 2021****Supplimentary Schedule for the Capital Infrastructure and Efficiency Grant (CIEG) (Unaudited)**

| | 2021 R | 2020 R |
|---|-------------------|-------------------|
| Opening Balance in Bank account | 30,006,163 | 25,113,556 |
| Total CIEG Grant funding received from the Department of Higher Education and Training | - | 11,673,462 |
| Plus: Interest received on the CIEG dedicated bank account | 60,250 | 338,584 |
| Total CIEG funding received | 30,066,413 | 37,125,602 |
| Less: Bank charges / finance charges | (1,800) | (2,394) |
| Less: Expenditure paid in terms of approved work package approvals issued by the Department of Higher Education and Training | (13,294,581) | (7,117,044) |
| Total CIEG funds per dedicated CIEG bank account | 16,770,032 | 30,006,163 |
| Less: Committed expenditure not yet paid in terms approved work package approvals issued by the Department of Higher Education and Training | - | (11,493,925) |
| TOTAL AVAILABLE CIEG GRANT FUNDING | 16,770,032 | 18,512,238 |