



2022

MALUTI TVET COLLEGE Annual Performance Report



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



Great Place. Great Choice for Lifelong Learning.



HISTORICAL BACKGROUND

- Maluti Technical Vocational Education and Training College was established on the 1st of September 2002.
- Maluti TVET College is a Technical Vocational Education & Training Institution operating under the auspices of the Department of Higher Education and Training. The College is accredited by Umalusi and several Sector Education and Training Authorities (SETAs)
- Member of the Executive Council (MEC) for Free State Department of Education (FSDoE) merged the former Colleges of Education (Bonamelo, Sefikeng) and Technical Colleges (Itemoheleng, Bethlehem, Kwetlisong and Lere la Tshepe) to form one Maluti Technical Vocational Education & Training College.
- All in all the college has eight (8) campuses:
 - Bethlehem @ Bethlehem
 - Bonamelo @ Phuthaditjhaba
 - Harrismith @ Harrismith
 - Itemoheleng @ Phuthaditjhaba
 - Kwetlisong @ Riverside
 - Main (Campus) @ Phuthaditjhaba
 - Lere la Tshepe @ Tseki Village
 - Sefikeng @ Rosedale

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2. ABBREVIATIONS AND ACRONYMS

AGSA	Auditor General of South Africa
AGRISETA	Agriculture Sector Education and Training Authority
ASB	Accounting Standards Board
APP	Annual Performance Plan
ART	Anti-retroviral Treatment
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
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
MERSETA	Manufacturing, Engineering & Relating Services Sector Education & Training Authority

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

INTRODUCTION

The document styled annual report below, serve an institutional self-assessment instrument. It, very briefly takes its readers on the travelled and lessons learned during the academic and financial year, 2022. The list of contents at the beginning of the Report gives the reader an idea of the performance areas that are covered during the period under review. We have highlighted some of our successes (clean financial audits: improved pass rates in the various learning areas, etc.) and failures where set targets have not met. Successfully attaining goals and objectives, is largely dependent on strong partnerships between ourselves and SETA's and industry. This is critical in enabling the institution to produce through teaching and learning, future ready graduates. Successes attained were possible because of effective governance and management. A careful reading of this Report, will reveal that the college, in all matters related to performance, is on an upward trajectory.



PART A

GENERAL OVERVIEW



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3. MESSAGE FROM THE COUNCIL CHAIRPERSON

This annual report for the period 2022 – 2023 provides an overview Maluti TVET College's achievements and improvements for the year under review. The report by Management and the Auditor General lays out Maluti TVET's profile by granularly engaging with the financial figures and data to provide an updated accountability of the of the TVET's scope of coverage, mission and vision objectives and deliverables, as well as the education and training performance of the Maluti TVET College.

During the year under review Maluti TVET interacted with critical skills drivers, occupational shortages and skills gaps, through entering into partnerships with Business, Universities, Sector Education and Training Authorities and other Colleges, which are requisite for its mandate. During the year under review Maluti TVET addressed the needs of its students to improve their student experience, as well as where possible the integration with society at large. In addition, the TVET through its Council and Management embarked on a Continuous Improvement Plan (CIP), which supported governance, management, education and training, which led to an improvement of the audit outcome.

This Annual Report is testimony that the Maluti TVET is preparing the workforce for the new world of work fostered by the COVID-19 and the, harnessing technologies presented by the 4th and 5th Industrial Revolutions. Accordingly, the Maluti TVET has made attempts to align its Strategic Plan and Annual Performance Plan with key pieces of legislation and government policy imperatives that impact the TVET sector.

These pieces of legislation and policies include the Continuing and Training Act 16 (2000), National Skills Development Plan (NSDP) 2030, National Development Plan (NDP) Vision 2030, White Paper for Post School Education and Training 2013, New Growth Path Framework (NGPF), Medium Term Strategic Framework (MTSF) 2019-2024, Human Resource Development Strategy for South Africa 2010-2030 (HRDS- SA), Industrial Policy Action Plan (IPAP) 2018/19 to 2020/21 as well as the Skills Strategy which support the Economic Reconstruction and Recovery Plan (ERRP) (2020).

The Council would like to thank the Minister, Deputy Minister , DG, DDG TVET and the officials in the TVET Department of Higher Education and Training for their guidance and support to the sector in general and Maluti TVET College in particular. The success of the College is attributed to the students, workers, lecturers and management of this great mountainous rural institution.

The Council and the management of the College remain confident in achieving our goals as set out in our Strategic Plan 2022/2023 which will positively contribute to the aspirations of the ERRP (2020) specifically and NSDP2030 in general. We continue to be grateful to our stakeholder, partners, students and key role players. Together we will emerge better.



CHAIRPERSON OF THE COUNCIL
Dr. Raymond
DATE: 29 June 2023



4. THE ACCOUNTING OFFICER'S

FOREWORD

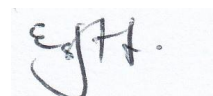
The College was able to deliver on the performance outcomes of the 2020 to 2024 of the strategic plan which are:

- ✓ 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.

The collective work by all the strategic partners was evident, hence the achievements. It is on such basis that I acknowledge the following stakeholders for their inputs and commitment:

- The Department of Higher Education Science and Innovation for the constant and continuous guidance and support in realising the set goals. The involvement of Higher Health at the College in various activities has been the great pillar for the health and wellness of students and staff.
- 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 which ensured the College consecutive unqualified audit outcome by AGSA. The inputs by:
 - ✓ The finance unit in ensuring that the control systems are improved
 - ✓ The corporate unit 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 hence the good performance of students
 - ✓ The innovation and development ensured that the College formed strategic partners which ensured placement of students

- The members of broad management whose impact was seen in how:
 - ✓ The campus management interacted 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.
- Labour involvement in ensuring labour peace through engagements and involvement in areas of collaboration.
- The SRC in handling the matters in the interest students.
- Other stakeholders, including SETAs, employers, QCTO, NSF, state entities and all institutions in education for support and commitment to Maluti TVET College



COLLEGE ACTING PRINCIPAL

Mr. ME TSOTETSI

DATE: 29 June 2023

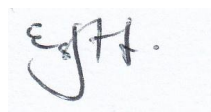


5.STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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

1. All information and amounts disclosed throughout the Annual Report are accurate.
2. The Annual Report has been prepared in accordance with the guidelines issued by the Department of Higher Education and Training.
3. The annual financial statements have been prepared in accordance with the relevant standards, frameworks and guidelines issued by National Treasury.
4. The Accounting Officer, i.e. the Principal, is responsible for the preparation of the Annual Financial Statements and for the judgements made in this document.

5. The Accounting Officer, i.e. the Principal, is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.
6. The Auditor-General and/or External Auditors express an independent opinion on the Annual Financial Statements



COLLEGE ACTING PRINCIPAL

Mr. ME TSOTETSI

DATE: 29 June 2023

6.LEGISLATION AND OTHER DIRECTIVES

6.1 LEGISLATIVE FRAMEWORK

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

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

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

6.2 LEGISLATIVE AND OTHER MANDATES

The Continuing and Further Education and Training (CET) Act, No 16 of 2016 and as amended, provides for Maluti TVET College to operate as a public TVET College under the auspices of the Department of Higher Education and Training. Further sets of legislation that impact on the TVET Colleges' sector and its strategic and performance objectives.

The legislative and policy mandates as captured in the 2015/16 - 2022/23 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:

- General and Further Education and Training Quality Assurance Act (No 58 of 2001);
- National Student Financial Aid Scheme Act (No 56 of 1999);
- National Qualifications Framework (NQF) Act (No 67 of 2008);
- Public Service Regulations (2016);
- Public Finance Management Act (1999);
- Skills Development Act (No 97 of 1998);
- Skills Development Levies Act (No 9 of 1999);
- Basic conditions of Employment Act (No 75 of 1997);
- National qualifications framework Act (No 67 of 2008);
- Skills development Act (No 97 of 1998)

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 Norms and Standards for funding TVET Colleges;
- National Trade Testing Regulations;
- National Skills Development Plan;
- Public TVET College Attendance and Punctuality Policy;
- Policy on the Conduct of National Examinations and Assessment;
- Workplace-Based Learning Programme Agreement Regulations;

6.2.1 CONSTITUTIONAL MANDATES

The Constitution is the supreme law of the Republic and any law or conducts inconsistent with the constitution is invalid; the obligations imposed by the constitution must be fulfilled. All citizens are equally entitled to the rights, privileges and benefits of citizenship and, equally, subject to the duties and responsibilities of citizenship.

Section 29(1) of the Constitution states that everyone has a right to basic education, including adult basic education and further education, which the State, through reasonable measures, must make progressively available and accessible. Sub-section 2 states that everyone has the right to receive education in the official language or languages of their choice in public educational institutions, where that education is reasonably practicable.



PART B

GOVERNANCE



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REPORT OF COUNCIL CHAIRPERSON

7.1 Constitution of the college council and governance structures

1. 2022 Composition of the College Council

College Council Members	
Designation	Name and Surname
Chairperson	Dr. Raymond Andrew Patel
Deputy Chairperson	Mr. Qhegu Wilson Lefora
Council Member	Mr. Mpho Mokhantso
Council Member	Dr. Veronica Zanele Masuku
Council Member	Mr. Makheo Mahamotsa
Council Member	Ms. Penelope Nkhiki Nthunya
Council Member	Mr. Makheo Mahamotsa
Council Member	Mr. Lehasa Oupa Mazibuko
Council Member	Advocate Thomas Edward Tsoeu
Council Member	Mr. Tsietsi Godfrey Makgale
Council Member	Mr. Fabian Brown
Council Member	Mr. Ditlakala Frans Mokale
SRC President	Ms. Relebohile Lekoetje
SRC Secretary General	Ms. Ntombi Mbongo
College Principal	Mr. Veli Eric Mabena
Staff Representative (Lecturers)	Mr. Lehlohonolo Joshua Zwane
Staff Representative (Support)	Mrs. Sibongile Merriam Mthabela-Mosia
Secretariat	Mrs. Kehilwe Sophia Manzini
Academic Board	Mrs. Elbie Els

COLLEGE COUNCIL AND SUB-COMMITTEE MEETINGS FOR 2022

Structure	Date	Meeting
Council	25.03.2022	1st Quarter Meeting
	15.07.2022	2nd Quarter Meeting
	14.10.2022	3rd Quarter Meeting
	09.12.2022	4th Quarter Meeting

Structure	Date	Meeting
Executive Committee of Council	18.03.2022	1st Quarter Meeting
	17.06.2022	2nd Quarter Meeting
	23.09.2022	3rd Quarter Meeting
	08.12.2022	4th Quarter Meeting

Structure	Date	Meeting
Conditions Of Service Committee	18.02.2022	1st Quarter Meeting
	06.05.2022	2nd Quarter Meeting
	29.07.2022	3rd Quarter Meeting
	04.11.2022	4th Quarter Meeting

Structure	Date	Meeting
ICT Committee	12.02.2022	1st Quarter Meeting
	10.06.2022	2nd Quarter Meeting
	06.09.2022	3rd Quarter Meeting
	18.11.2022	4th Quarter Meeting

Planning and Resource Committee	03.03.2022	1st Quarter Meeting
	02.06.2022	2nd Quarter Meeting
	05.09.2022	3rd Quarter Meeting
	18.11.2022	4th Quarter Meeting

Finance Committee	11.02.2022	1ST Quarter Meeting
	06.05.2022	2nd Quarter Meeting
	05.09.2022	3rd Quarter Meeting
	15.11.2022	4th Quarter Meeting

Audit and Risk Committee	11.03.2022	1ST Quarter Meeting
	23.03.2022	Special Meeting
	31.03.2022	Special Meeting
	03.06.2022	2nd Quarter Meeting
	12.09.2022	3rd Quarter Meeting
	24.11.2022	4th Quarter Meeting

- i. 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).

- ii. 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 expectations and roles of each committee. It went out of its way to source people with right skills, individual background experience.

7.2 Reports by Committees of Council

I. AUDIT AND RISK COMMITTEE

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 them exercising their independent/objective judgment as members of the Audit and Risk Committee.

The audit committee had four meetings and two special meeting.

First Meeting: Reasons and Performance: 11.03.2022

- Internal Audit Assessment Report
- Internal Audit Report: Curriculum
- Non-conformance
- SABS Audit Report
- Audit Action Plan

Second Meeting: Reasons and Performance 03.06.2022

- Internal Audit Report: Progress Report
- Internal Audit Report: Asset Management
- Fraud Hotline
- Non-conformances
- Auditor General's Report
- Internal Audit Charter: Review
- Strategic Risk Register

Third Meeting: Reasons and Performance: 12.09.2022

- Internal Audit Report: Curriculum (consolidated)
- Internal Audit Report: Progress Report
- Audit Action Plan
- Non-conformances
- Fraud Hotline Presentation

- Members Declaration of Interest
- Strategic Risk Register

Fourth Meeting Reasons and Performance: 24.11.2022

- Non-conformances
- SABS Audit Feedback
- Internal Audit Report: Progress Report
- Audit Action Plan
- Due Diligence Report
- Strategic Risk Register

Special Meeting Date: 23 March 2022:

Reasons and Performance:

- Students' debt write-off

Special Meeting Date: 31 March 2022

Reasons and Performance:

- Financial Statement Review
- The Committee met as expected for a minimum of four meetings during the financial year under review.
- The Audit and Risk Committee complied with the principles of good governance and in terms of the *Public Finance Management Act* (PFMA), Treasury Regulations are published to give direction to State Departments, Constitutional and Public Institutions and these are adopted as best practice for the College.
- College Management had a Strategic Risk Management workshop in November 2021 to identify strategic risks that are relevant to 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 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 2022;
- ✓ Supporting and recommending to the Council, for approval of the Institutional Risk Register;
- ✓ Confirming the external auditors being the Auditor General's, Audit Strategy and Fees for the financial year ending 31 December 2022;
- ✓ 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 2023 and beyond.

The following members served on the Committee:

No	Name	Position
1	Mr. Mahamotsa M	Chairperson: (External member)
2	Prof Masuku VZ	External Member
3	Advocate TE Tsoeu	External Member
4	Mr. Tsotetsi ME	Acting Principal (Ex-Officio)
5	Ms. KS Manzini	DP: Corporate (Internal member)
6	Mrs. E Els	Acting DP: Academic
7	Mrs. IK Van Heerden	DP: Innovation (Internal Member)
8	Mr. GD Mokoena	Human Resource Manager (Internal Member)
9	Ms. G Mosikili	HR Committee Secretariat
10	Mr. FB Brown	External Member
11	Mrs. SM Mosia	Support (Internal Member)
12	Mr. LJ Zwane	Academic (Internal Member)

Activities:

The four ordinary HR Committee meetings were held for the year 2022:

First meeting was held on 18th of February 2022.

- Reports were adopted to be presented to Council for noting.
- Principal's leave was extended until 30 June 2022.
- Mr LJ Zwane and Mrs. SM Mosia were appointed as the internal members for the Conditions of Employment Committee

Matters for approval by the Council:

- Employee bursary and financial assistance Policy
- Employee wellness Policy
- Grievance management Policy.
- HR Planning Policy
- Job Profile and Title Policy
- Payroll administrative Policy.
- Human Resources recruitment Policy
- WIL for lecturers Policy
- Dress Code Policy
- Remuneration and Condition of Service Policy.

II. CONDITIONS OF EMPLOYMENT COMMITTEE

The purpose of the Committee is to provide oversight over the College appointed employees, as well as to take note of all HR related activities at the College

Composition:

The committee is made up of College Council members as well as executive and four internal members of the College and three external members, free from any business or other relationship that could materially interfere with exercising their independent/objective judgment as members of the Committee.

Second meeting was held on 06th of May 2022.

- Reports were adopted to be presented to Council for noting.
- On the 5th May 2022 one support staff member from Bonamelo Campus passed away and on the 18th March another lecturer from Main Campus passed away.

Third meeting was held on 29th of July 2022.

- Reports were adopted to be presented to Council for noting.
- Mr Brown was congratulated on the Dashboard Report he compiled.

Fourth meeting was held on 04th of Nov 2022.

- Reports were adopted to be presented to Council for noting.
- A lecturer from Itemoheleng Campus succumbed to gun-shot wounds. The burial took place on 16-October 2022.

- On 31st of October 2022, two students from Itemoheleng Campus were shot at their place of residence and admitted at the hospital. Both have now fully recovered

Updates

- Staff Wellness was held at Reitz.
- Our Annual Staff Awards function was held at Protea Hotel: Clarens on October 2022. The college obtained donations for the awards from:
 - ✓ Thepa Trading R24 000
 - ✓ Draadloze R5 000
 - ✓ COMTEC R1 000
 - ✓ Epico 4 x Gaming Headsets, 12 x Laptop Backpacks, 3 x Lenovo Tab M10
 - ✓ FACHS Water and Drinks
 - ✓ Creative Thoughts:

III. ICT COMMITTEE

Purpose

The purpose of the Committee is to oversee and provide oversight on the operational as well as the strategic activities of the Information Technology committee of the College.

Composition.

No	Name	Position
1.	Mr. F Brown	Chairperson (External Member)
2.	Mr. TG Makgale	Acting Chairperson (External Member)
3.	Dr. RA Patel	External Member
4.	Mrs. IK van Heerden	Finance Manager (Internal Member)
5.	Mr. M Ramokhoahla	IT Technician (Internal Member)

The following matters were discussed in the Committee:

Highlights of the first meeting:

- The implementation was completed by June 2022.
- The Committee continued the implementation of the Maluti TVET ITC Governance Implementation Plan.

Highlights of the second meeting:

- The appointment of on IT Manager

Highlights of the third meeting:

- Implementation of the Information Communication and Technology Balance Score Card

Highlights of the fourth meeting

The score card as at year end 2022:

Information Communication and Technology Balance Scorecard				
Customer Service				
		Target	Score	Status
1	System Uptime (%)	99.5%	98%	
2	Data loss (Y/N)	No	NO	
3	Customer Support (ART)	24 hours	48	
4	Customer Satisfaction (1-5)	4 or 5 Rating	4	
Finance				
		Target	Score	Status
1	IT Budget (%)	5% Deviation	3 – See note	
2	Manage Supplier Contracts (1-5)	Adequate	4	
3	IT Projects	Budget (5%)		
		Schedule (5%)		
		Delivery (100%)		

Internal Processes				
		Target	Score	Status
1	Risk Register (Quarterly) (1-5)	Adequate	2	
2	Business Continuity and Disaster Recovery Simulation Testing (Bi-annually) (1-5)	Adequate	1	
3	Protection of Personal Information (Continuous) (1-5)	Adequate	5	
Compliance				
		Target	Score	Status
1	Internal Audit (Annually) (1-7)	Adequate	7	
2	AG Audit (Annually) (1-7)	Adequate	7	
Education and Growth				
		Target	Score	Status
1	Maintained Trained and Qualified Staff (Annually) (1-5)	Adequate	0	
2	End user education (Annually) (1-5)	Adequate	5	



MalutiTVET ICT Governance Implementation Plan				
No	Deliverable	Description	Date	Status
1	Establish ICT Steering Committee	Committee to direct, review, and approve IT strategic plans, oversee major initiatives, and allocate resources.	Feb-21	
2	Develop ICT Corporate Governance Framework	Enabling governance structures, processes, and practices.	Mar-21	
3	Risk Management	Process of identifying, assessing and controlling threats	Mar-21	
4	ICT Management Structure	Management processes, organizational structures, roles and responsibilities, activities as well as required skills and competencies.	Apr-21	
5	Formulate ICT Strategy	Migration plan from the “current” to a “future” environment.	Jun-21	
6	Formulate ICT Policies	The principles and practices.	Aug-21	
7	Implement Disaster Recovery Plan	A set of policies, tools and procedures to enable the recovery or continuation of vital technology infrastructure and systems	Oct-21	
8	Implement Business Continuity Plan	Creating systems of prevention and recovery to deal with potential threats	Oct-21	
9	Implement Simulation Testing	Verify how effective the Business Continuity Plan is in real-time scenarios	Nov-21	
10	ICT Procurement Strategy	Annual document which defines the products and services that a ICT will obtain from external suppliers	Nov-21	
11	ICT Annual Performance Plan	Measuring the output of ICT to increase the effectiveness of the process or procedure	Jan-22	
12	Policy Implementation / Sensitization	Leadership Roadshows	Mar-22	
13	Continuous Improvement	Successful implementation of a Corporate Governance of ICT system leads to continuous improvement	May 22 - Ongoing	
Legend				
	Not yet started			
	Achieved			
	In process			
	Delayed			

IV. FINANCE COMMITTEE

The Finance Committee operates in accordance with the Finance Committee Charter, which is reviewed and approved by the Council every three years or as and when business dictates.

Composition:

The following members served on the Committee:

No.	Name	Position
1.	Mr LO Mazibuko	Committee Chairperson (External Member)
2.	Mr W Lefora	Deputy Chairperson (External Member)
3.	Mr M Mokhantso	Council Member (External Member)
4.	Mr ME Tsotetsi	Acting Principal (Ex-Officio)
5.	Mrs. L van Wyk	Acting Finance Manager
6.	Mrs. IK van Heerden	Acting Deputy Principal: Finance (Internal Member)
7.	Ms N Zulu	ASD Financial Accounting (Internal Member)
Invitees		
8.	Dr. RA Patel	Council Chairperson (External Member)
9.	Mr LG Makgale	Council Member (External Member)
10.	Ms O Nel	Senior State Accountant (Internal Member)

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

First Meeting: Reasons and Performance

All standard reports were presented which include the DPF report, quarterly AFS, Procurement Report and the Maintenance Report. The reports were accepted and adopted.

Other matters:

The following policies were reviewed and the FINCOM recommended it for approval by council:

- Asset Management Policy
- Fleet and Transport Management Policy
- SCM Policy

Reasons and Performance: Second Meeting

- All standard reports were presented which includes the DPF Report, quarterly AFS,

Procurement Report and the Maintenance report. The reports were accepted and adopted.

Third Meeting: Reasons and Performance

- All standard reports were presented which includes the DPF Report, quarterly AFS, Procurement Report and the Maintenance report. The reports were accepted and adopted.

Other matters:

- SCM policy were reviewed and recommended for approval by Council.

Fourth Meeting: Reasons and Performance:

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

Other matters:

- The 2023 Budget was presented, discussed and recommended for approval by Council with all the relevant inputs and amendments.
- The 2023/24 Annual Maintenance Plan was presented and FINCOM recommended it for approval by Council.
- The Audit Action Plan for 2022 was presented and discussed.
- It was noted that the CIEG projects must be audited by an external auditor other than the AG
- The 2022 budget deviations were noted.

V. PLANNING & RESOURCE COMMITTEE

Composition:

The following members served on the committee:

No	Name	Position
1.	Mr Mabena VE	Principal
2.	Mr Mokale F	External Member
3.	Mr Mahamotsa M	External Member
4.	Mr Lefora QW	External Member
5.	Mr Tsotetsi ME	Acting Principal (Ex-Officio)
5	Mrs. Molete MM	Office Manager
6	Mrs. van Wyk L	Interim Finance Manager
7	Mrs. van Heerden IK	Acting Deputy Principal: Finance
7	Mr Mollo KA	TVETMIS Manager

□ Registration

An update on the actual intake versus the set targets was presented in each and every meeting. The approved funding grid targets were also reviewed to ensure that there was no under-performance from the set targets. The submitted funding grid versus the approved funding grid by the Minister was also discussed and the differences noted. The points of consideration were the students' headcount, the FTEs and the budget shortfall if any. In all the above the comparison would be the targets versus actual intake and the indicative budget versus the actual allocations.

Furthermore, the registration dates and the registration processes informed by the SoP were also presented for discussion. The NSFAS bursary funding was discussed with its impact.

□ Finance

The report regarding the financial health of the College to meeting its operational obligations was presented quarterly. The DHET funding allocation letter for the year and how it were to have impact on the College was also discussed and tracked throughout. The AGSA audit progress and the outcome which informed the College AAP was flagged continuously. The CIEG funding for maintenance was also presented together with the compliance matters attached to it. The NSFAS allocations and related matters were also presented for discussion. The funds received for special projects like NSF and SEDA funding were also presented to sensitize the committee on any impact on the resource and planning. Donations of resources like 8 engines from FordSA and 3 D x 2 printers were presented in the committee. An overview on tenders was also provided on continuous basis.

□ Human resources

An update on the PPN process was presented to inform the resource and planning on the progress and any challenges encountered which may impact the resources and planning for the College. The critical information on the migration of staff and progress on the appointments in the identified critical posts was discussed. The other normal critical appointments and terminations were also presented, one such critical appointment awaited, was of the Deputy Principal: Finance and the impact of such a

vacancy. The critical labour relations matters were also presented.

□ Academic affairs

The overview on the performance of students in their examinations was presented for each examination cycle. An overview on teaching and learning was also presented to inform the resource and planning sector. The academic calendar and the effectiveness of its implementation was also presented and discussed. The updates on the WorldSkills Competitions were provided quarterly including the participation of the College in all the stages. Furthermore, the updates on learnerships, apprenticeships and skills programmes and funding attached were provided.

□ Planning

The strategic planning processes were discussed which involved internal stakeholders and the College Council. The due date for the submission of the strategic plans also discussed and a recommendation taken to Council for approval. The M&E and compliance reports were also presented, and discussed. The schedule of Council meetings was also discussed.

7.3 ACADEMIC BOARD REPORT

Introduction

The constitution of the Academic Board was determined by Council. The 2022 Academic Board constituted of four Council members, the Acting Principal, the Deputy Principals, the SRC General Secretary, 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 lecturer from each of the eight campuses. The Senior Lecturers and Lecturers were elected by staff from their respective campuses.

In 2022, the Academic Board established nine sub-committees, namely: the Accreditation, New Programmes, Health and Safety, the Curriculum, the Examinations and Assessment, the Lecturer Development, the Partnerships and Placements, the Quality Assurance, the Student Support Services, the Student Governance and the TVETMIS. The purpose of the sub-committees was to ensure greater participation of all members of the Academic Board and more in-depth discussions of academic issues.

The Academic Board met once during each academic term during 2022. From the second Academic Board meeting of 2022 onwards, the chairpersons of the sub-committees presented their reports to the Academic Board. The reports were adopted by the Academic Board were presented to the Council.

During the meetings of 2022, the Academic Board discussed and recommended the following to Council for approval:

- The introduction of Graphic Design as an optional subject in the NC (V) Marketing Programme from 2023.
- The introduction of Renewable Energy Technologies as an optional subject in the NC (V) Electrical Infrastructure Construction programme from 2023.
- Class fees and residence fees of 2023.
- The programme qualification mix for both ministerial and skills programmes of 2023.
- Policies and amendments to existing policies.

7.4 STUDENT REPRESENTATIVE COUNCIL REPORT

SRC elections took place on the 28th February – 01 March 2022 across all campuses of Maluti TVET College (Bethlehem, Bonamelo, Harrismith, Itemoheleng, Kwetlisong, Lere la Tshepe, Main and Sefikeng Campus).

Officials from the local IEC assisted with the SRC election process, ensuring that the election process was free, fair, procedural and democratic. Eight (08) SRC members were elected per campus.

On Wednesday, 2nd March 2022, all Campus Presidents and Chairpersons held a meeting at Maluti TVET College, Central Office to elect the central structure.

The elected portfolios were as follows:

President : R Lekoetje
Deputy President : M Mbele
Secretary : M Mbongo
Academic officer : N Ndaba
Treasurer : P Ntambo
Media : T Mokoena
Placement : R Potjo
Sports : S Mofokeng
Health & Wellness : N Pillay

SRC Induction and leadership training

From 07th March to 10th March 2022, all campus SRC attended the SRC induction. The induction was held at Drakensville Resort at Bergville. The College

Senior Management and all Departmental Representatives did presentations, which was aligned to guide SRC members to be aware of the processes in the College. This training also enabled the SRC members to lead and serve the students of Maluti TVET College with integrity, dignity and pride.

Topics discussed amongst others:

- Importance of the Academic Board
- Role of TVET colleges in the country
- Effective leadership
- Conflict management
- SRC constitution
- SRC role within the College



SRC inauguration and hand-over ceremony

SRC inauguration and taking oath of office took place on the 14th -15th March 2022 with the hand-over ceremony at Golden Gate Hotel. The certificates were issued to the outgoing 2021 SRC to honour their hard work during the 2021 academic year.

SRC Winter training

The College SRC attended the winter training session at Aldam Resort and Hotel on the 19th June 2022 to 23rd June 2022 together with the College Bursary team and NFSAS officials. The training was two-fold; bursary training, and SRC leadership training.

Leadership topics discussed:

- Leadership skills
- How to deal with conflict
- How to tackle challenges
- How to control emotions
- How to lead with dignity

Bursary topics discussed amongst others:

- The difference between locked and block accounts
- The importance of not sharing both NSFAS portal and E-wallet passwords
- The necessity of regularly checking the portal
- How to track the funding process
- The importance of keeping students updated regarding NSFAS

SRC Academic Conference

The SRC held its first academic conference on 20th September 2022 to 23rd September 2022.

The purpose of the conference was to capacitate the SRC on College policies, Code of Conduct and reflection on academic performance.

Information was shared on how academic performance can be improved at various campuses.

Topics discussed:

- Performances of campuses and interventions
- Students' concerns
- Computer labs
- Role of tutors and class room assistance
- College performance

Election of student Parliament Committee

During the Academic Conference the student parliament committee was elected. The purpose of the student parliament committee is to ensure the SRC execute their duties and abide by their Constitution.

SRC policy review

Maluti TVET College SRC Chairpersons, Student Parliament and SSS Unit held a policy review at Drakensville Resort on the 28-30 November, 2022.

The purpose of policy review was to ensure that the policies address existing and emerging legislative needs of the institution as it grows, develops and responds to the needs of its stakeholders in achieving its vision and accomplishing its mission.

Reviewed policies:

- Student grievance policy
- Student code of conduct
- SRC Constitution

New policies developed:

- Students Parliament Policy
- Student Academic Conference Policy
- Student Health and Wellness Policy

SRC Mandela day event



The SRC celebrated Mandela day at the orphanage in QwaQwa on the 18th of July 2022.

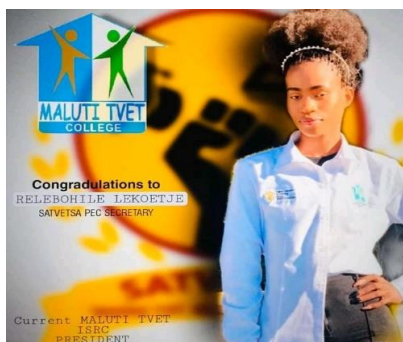


SATVETSA

The college SRC took part in the SATVETSA Provincial conference where 3 members of the college SRC were elected to form part of the provincial structure.



Ms Mothamaha Ntsatsi continues to form part of the SATVETSA National structure as the treasurer. She delivered a speech during the Allan Grey National Entrepreneurship competition at Birchwood.



Ms. Ntsatsi Mothamaha

Ms R Lekoetje was elected as the Provincial Secretary, Mr P Ntambo as the Policy and Development Officer and Mr T Mokoena as the Sports Officer



PART C

PERFORMANCE INFORMATION



Great Place. Great Choice for Lifelong Learning.

8. REPORT BY PRINCIPAL ON MANAGEMENT AND ADMINISTRATION

The Management of the College performed their management functions so as to foster cooperation of all stakeholders. The approach ensured that there was success in the operations of the College. One of outstanding achievements was the unqualified audit outcome for the second consecutive year. The output was then observed throughout the various sections.

The finance section improved controls in managing the College finances. Several activities were achieved that are outlined in the finance report below. Amongst others, was the implementation of the Maintenance Budget, the procurement of various budgeted items through the procurement plan and the reporting to the finance committee as prescribed. The installation of surveillance cameras was done to strengthen the security of the resources and safety of students on our campuses. Furthermore, the Corporate Affairs divisions focused more on the implementation of the PPN process where several appointments were made. One outstanding activity was the recognition of the employees who performed well during the 2021 academic year. This was celebrated during the 2022. It was the first activity of the year and the College appreciate' all the sponsors who made that function a

The core business of the College was driven well by the Academic affairs components. The report will detail relevant activities. It is important to mention that one special function was when the graduates of the previous three years (from 2019 to 2021) were given exit support through the graduation over three days with two sessions per day. Amongst the graduates were the Artisans who graduated for the first time and were awarded toolboxes with tools of their trades. The incorporation of theory and practice during teaching and learning was reinforced through the acquisition of relevant resources which are outlined in the academic report. Furthermore, the 4IR Resource Centre, sponsored by MerSETA and FESTO, was launched to provide advancement of digital skills. The performance of students in their academic activities was also excellent, details are covered under the results' report.

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

8.1 2022 CORPORATE SERVICES:

8.1. HUMAN RESOURCES MANAGEMENT



HUMAN RESOURCES ADMINISTRATION ACHIEVEMENTS

See the salaries below:

- Leave credits letters for College paid employees were issued to avoid over-granting of annual leave.
- The HR Unit performed quarterly leave audits to ensure compliance with regards to the submission of leave.
- 9 pension pay-outs were done (Retirement, Resignation).
- Quarterly leave and termination compliance reports to DHET were submitted.
- Appointed the Campus Manager for Kwetlisong Campus.
- Appointed 1 SL7 for Bethlehem Campus (Replacement)
- Appointed 1 PL2 for Bonamelo Campus (Replacement)
- 16 Officials identified for migration and were appointed on the PERSAL system as of 01 September 2022.
- 4 Assistant Directors' vacancies identified as critical posts for 2022/23 financial year were advertised.
- 5 PL2 posts identified as critical posts for 2022/23 financial year were advertised, were advertised.
- 4 SL7 and 10 SL4 identified as critical posts for 2022/23 financial year.
- 4 Assistant Directors positions were identified as critical posts for the 2021/22 financial year. These were advertised and the recruitment files submitted to DHET.
- PERSAL appointments for which the approval delegation is with the Principal are now done at the College.
- PPN Appointments
 - 1 x SL2 Cleaner
 - 12 x PL2 Education Specialists
 - 1 x SL8 Senior State Accountant
 - 1 x SL8 Senior E-learning Officer
 - 1 x PL3 Senior Education Specialist

Salaries paid timeously:

- Monthly Compensation of Maluti TVET Staff including their benefits (Pensions, Housing & Medical Aid)
- 12 Monthly payments summaries for auditors' purpose were kept and this report was signed-off by the Acting DPF.
- Contents of the various payroll reports and the interpretation of it.
- Maintenance of the employee data on the payroll system (COLTECH).
- Created Job titles, Pay run Groups & Cost Centres.
- Successfully managed to submit returns of earnings to the Department of Labour for the financial year 2021/2022 (COIDA).
- Submitted SARS reconciliation for financial year 2021/2022 and generated IRP5s for the staff, which was issued to staff in July 2022.
- Handling of PERSAL Payroll Certificates that must be signed off (verification of staff to be paid) by the Principal within five days of receipt and returned to DHET.
- Quarterly HR Committee meetings were held during the period 2022.

Pay progressions paid on time for College paid staff:

- Pay progression was effected together with the cash bonuses to the qualifying employees for the financial year 2021/2022

UIF claims attended to on time:

- Handling of UIF claims as and when requested by the applicant and file the payment schedule received from the Department of Labour as an indication that the applicant has been paid.

HUMAN RESOURCES DEVELOPMENT ACHIEVEMENTS

1. Compliance with the Skills Development Act

- a) The unit complied with regulations by submitting 2022 Workplace Skills Plans and 2021 Annual Training Report timeously to ETDP SETA.

2. Financial Assistance (Bursaries) Offered to Employees

Summary of 2022 bursaries awarded to staff

Qualification	Staff category	Number of beneficiaries
Bachelor of Accounting Science	Educator	1
B.Ed Senior FET Phases	Educator	2
B.Ed Foundation Phase	Educator	1
Bachelor of Education	Educator	1
B.Ed Honours	Educator	1
PGDHE	Educator	2
Master's in Education, Management, and Leadership	Educator	2
Master's in Education	Support staff	1
Bachelor of Business Admin Honours	Support staff	1
Certificate in Supervisory Management	Support staff	1
B.Com Generic	Support staff	1
Advanced Diploma in Information Resources	Support staff	1
Postgraduate Diploma in Tourism	Educator	1
Postgraduate Diploma in Business Management	Educator	1
BED Honours in Education, Leadership	Educator	1
Master of Education Management	Educator	1
Postgraduate Diploma in Education	Educator	1
PGDip Educational Leadership	Campus Manager	1
TOTAL		21

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. Staff were given an opportunity to apply. The Committee which is representative of the stakeholders then set criteria based on the College Employee Financial Assistance Policy. The outcome was:

- 21 staff members received financial assistance and in all instances Academic Staff were prioritised to ensure support for the core Business of the College, to that effect fifteen educators and six Support Staff member became beneficiaries.
- On the list of criteria to select the recipients were educators who registered for a teaching qualification or those who were improving qualifications which were directly related to their career paths.

Performance Management and Development

- a) The College has recognised the excellent performances of its employees for the 2021/2022 performance cycle and pay progressions were paid out to all deserving employees.
- b) It must be noted that all College employees are expected to perform according to set standards and for the 2021/2022 performance cycle, none of the employees was rated as a poor performer.
- c) The College Annual Performance Assessment moderation was held on 13th July 2022 at Corporate Office (Bethlehem).
- d) DHET Validation was held on August 2022 at Motheo TVET College (Bloemfontein).

Staff Induction

- a) 18 newly appointed staff attended the Induction on the 19th July 2022.

Other activities

- a) 5 Staff of Sefikeng Campus attended Agriculture 4.0: the Future of Farming Technology Summit 2022.
- b) 9 staff members were placed at different industries between September and November for 5 days.
- c) 10 staff members attended Financial Disclosure training on 18 November, 2022.
- d) 5 staff members rewrote the test for Enterprise, Audit Risk Management and Root Analysis.
- e) An Employee Wellness event was held at Reitz stadium on 21 October 2022.
- f) Staff Awards were held at Protea Hotel, Clarens on 2 December, 2022.
- g) Skills Levy Reports for 1 & 3 quarter were submitted to DHET.
- h) 2022 Data on lecturing qualifications were submitted to DHET for quarter 1 and 2.
- i) National profiles of staff were submitted to DHET on the 17/10/2022.

Summary of Training sessions: January – December 2022

- a) As per the Operational Plan and the training needs analysis through Personal Growth Plan and Personal Development Plans, the College embarked in the training of staff. The training were in line with the equity plan to treat staff fairly.
- b) The report below was therefore based on the number of training for each category and gender which were taking the operational plan targets into account.
- c) The College was able to claim the 2022 training funds from DHET.

No	Type of Training	Management	Support Staff	College Council	Lecturer	Interns	Total	Gender		Total
								F	M	
1	Web Design	0	3	0	13	0	16	7	9	16
2	Computer Practice	0	0	0	21	0	21	11	10	21
3	Assessor	0	0		14		14	8	6	14
4	Moderator	0	0		21		21	12	9	21
5	Facilitator	0	0		18		18	16	2	18
6	Mentoring & Coaching	0	0		10		10	0	10	10
7	Jon Evaluation	0	1		4		4	1	3	4
8	PERSAL Introduction Training	0	1		1		1	1	0	1
9	HR Induction	0	4		18		22	11	11	22
10	Cleaning & Disinfecting	0	29		0		29	29	0	29
11	Fourth Industrial Revolution (4IR)	0	0		21		21	10	11	21
12	WIL Conference	1	4		7	1	13	10	3	13
13	Asset Gap	0	4		0	0	4	4	0	4
14	First Aid training	0	64		27	0	91	40	45	91
15	Mechanical Horticulture	0	26		00	0	26	0	26	26
16	Disability	1	13		00	0	14	12	2	14
	TOTAL									

Employment Equity Act (EEA)

College submitted the EEA report to DHET and complied with the Department of Labour regulations.

8.1.2 Health and Safety

A security company and Health and Safety committees per site were appointed.

- 80 staff members were trained for First Aid level 2
- 60 were trained as Health and Safety representatives,
- 60 were trained for firefighting/fire marshals and
- 16 members of the Cleaning Staff attended a cleaning and hygiene session.
- 27 groundsman were trained for landscaping and horticulture.

As part of Arbor Week, we planted 35 trees on two campuses—the Harrismith campus with 16 trees and the Lere La Tshepe campus with 18 trees.

8.1.3 MARKETING

Career Exhibitions & Guidance

Career Exhibition & Career Guidance aim to introduce prospective students to the variety of programmes and courses offered by institutions and to provide career guidance to young people with potential.

Career exhibition

- Career Jamboree: Department of Education. Ficksburg Mehopung Primary School 05/05/2022
- Department of Labour: Multipurpose Hall 22-23/06/2022
- Career Exhibition: Khola Thuto Secondary School 24/06/2022
- Agriculture Career Expo: Makholokoeng Farm product support unit 22/07/2022
- Department of Labour: Makholokoeng Community Hall: 27/07/2022
- EE Monese Comprehensive School: 26/08/2022



Career guidance

- Lerato Uthando Harrismith 20/05/2022
- Metsimatsho High School: QwaQwa 22/07/2022
- Youth In Action: Kgola Thuto S School QwaQwa 18/08/2022
- LED Forum with SEDA: Khalanyoni Sediba Hall: Harrismith, 8/06/2022
- LED Forum with SEDA: Kestell Multipurpose Hall: 9/06/2022
- Letotolo Intermediate School



Outdoor Campaigns

Outdoor campaigns are part of the field excursions that happen yearly. They promote the College among the communities. The Unit had embarked on two outdoor campaigns.

The following places were visited:

PLACE	DATE
Bethlehem Reitz	04/04/2022
Clarens Fouriesburg	05/04/2022
Senekal Ficksburg	06/04/2022
Harrismith Warden	07/04/2022
AfrikaSkop Tweeling	08/04/2022
Tsheseng Rietpan	09/04/2022
Vrede Warden	19/09/2022
Lindley	20/09/2022
Bergville	21/09/2022
Ladybrand	22/09/2022
Tweeling	23/09/2022
Marquard Ficksburg	26/09/2022
Clarens Fouriesburg	27/09/2022



School visits

School visits is a yearly programme that aims to inform learners at schools about the programmes and services offered at the College.

The following schools were visited;

- ☐ Mohato SS School
- ☐ Mantshatlala CET
- ☐ Reahola S School

Agricultural Open Day

In this our approach is a combination of driving awareness and engaging with clients (Students) to encourage them to contribute to food security programme and sustainable farming

PLACE	PLACE	DATE
Seotlong S School	Qwa-Qwa	04/04/2022
Bodibeng CET	Qwa-Qwa	05/04/2022
PLP Students Kwetlisong	Qwa-Qwa	06/04/2022
Tiisetso	Reitz	07/04/2022
Amangwanane S School	Bergville	08/04/2022
Libertas Combined	Senekal	09/04/2022



Celebrations of TVET Month

TVET month is celebrated annually in August with the intention to introduce the public, particularly school learners and others in education, to employment or training to programmes and career pathways that can be pursued through skills and programmes offered in the TVET Sector.



SCHOOL	PLACE	DATE
Ithabiseng S School Thalabodiba	Senekal	01/08/2022
	QwaQwa	
Rantsane S School MJ Mohlahli	QwaQwa	02/08/2022
	Ficksburg	
Magwanene S School Sibonakaliso S School	Bergville	03/08/2022
	Warden	
Matlwangtlwang	Steynrus	04/08/2022
Leifo Iziko High School Phukalla S School	Reitz	08/08/2022
	Lindley	

Iphondle S School	Warden	10/08/2022
Itutuko-Katleho S School	Vrede	
Ipokelleng S School	Fouriesburg	11/08/2022
Tshepang High School	Clocolan	12/08/2022
Bethlehem	Bethlehem	

Marketing Research

Six surveys were conducted according to our Marketing Plan, namely Custom Market Research (purpose was to check the best tool for recruitment of students and improvement of the service), Students Satisfaction Survey (purpose was to gather feedback from students about their experiences at the college, include their overall satisfaction with the teaching) and Students Retention Survey (main objective was to find out whether the College is retaining their students until the level of success (programme completion) or not.

Digital Marketing

Digital marketing enhanced more traffic, more lead business through which, we achieved our business goals of: increasing enrolment & brand awareness. Our customers are always online and able to reach us through:

- : Website
- : Facebook
- : Search Engine Optimization: 258533

Publications and Media

Publications	Name of the media	Achieved/Not Achieved
Radio interview regarding registration, campuses/programmes: need intake and new bursary opened for TVET Colleges.	QwaQwa Radio	Achieved
Government National Handbook	Yes Media	Achieved
Media briefing regarding skills development & training	QwaQwa Radio	Achieved
Made media briefing regarding campuses that has shortage of students	QwaQwa Radio	Achieved
Media briefing regarding Placement Issues	QwaQwa Radio	Achieved
Post matric	Yes Media	Achieved
Leadership Magazine	Cape Media	Achieved
Media briefing regarding 2022 registration & NSFAS online applications	QwaQwa Radio	Achieved

Community Outreach

Two projects were done as Corporate Social Responsibility (CSR) with the aim to better brand recognition, building a positive reputation and making a difference in communities. We provided a services to the people of Itsoseng Disability Self-help Organisation, donated food parcels and for Jehovah Jireh Orphanage we also developed a small vegetable garden and food handed out parcels.

#Fight poverty.



Awards

The College received the Golden Arrow fourth time in row, from PMR Africa at Kopano Nokeng Conference Centre and Country Lodge Bloemfontein on 14 September 2022 as best institution contributing to economy of our region and brand awareness.

8.2. Student Support Services

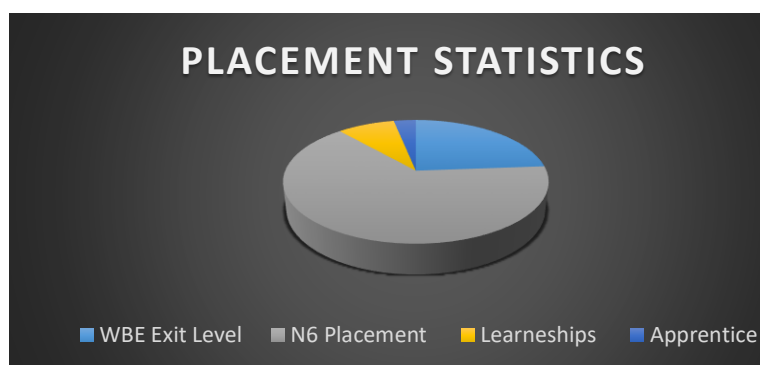
8.2.1 Placement (WIL) unit

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

- Work Based Exposure (WBE):
- Internship
- Apprenticeship
- Learnership

2022 Placement statistics

Programmes	Placement Statistics
WBE Exit Level	261
N6 Placement	709
Learnerships	91
Apprentice	35
TOTAL NUMBER OF STUDENTS	1095



Partnerships statistics

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

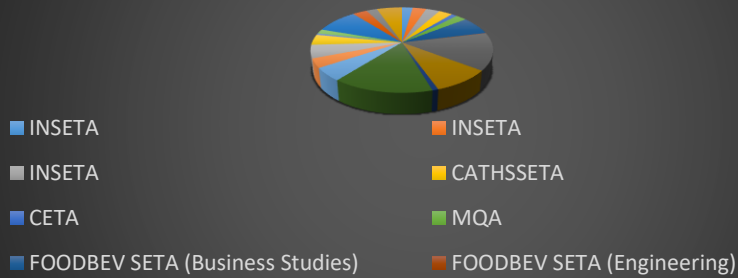
Host employers	Total partnerships
Private & Public Entity	313

□ SETA partnerships

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

SETA Partnerships for 2022			
Funded Projects			
SETA FUNDED PROJECT	Total Students	Start Date	End Date
INSETA	15	01/11/2020	30/04/2022
INSETA	19	01/11/2021	30/04/2023
INSETA	19	01/11/2022	30/04/2024
CATHSSETA	19	16/02/2021	16/10/2022
CETA	08	01/09/2022	31/08/2022
MQA	15	01/04/2021	30/09/2022
FOODBEV SETA (Business Studies)	45	15/03/2021	31/08/2022
FOODBEV SETA (Engineering)	01	15/03/2021	31/03/2023
FOODBEV SETA (Business Management)	93	15/01/2022	31/07/2023
FOODBEVSETA (Business Management)	60	01/11/2022	30/04/2024
FOODBEV SETA(Engineering)	06	01/11/2022	31/10/2024
Bank SETA	100	15/02/2022	31/07/2023
SACPO (W&R SETA)	33	01/04/2022	30/09/2023
SACPO (AgriSETA)	23	01/04/2022	31/03/2022
SACPO (Service SETA)	33	01/07/2022	31/12/2023
ETDP SETA	26	01/07/2022	31/12/2023
ETDP SETA	04	15/09/2022	15/08/2024
INSETA Long term Insurance	11	01/11/2021	30/11/2022
FOODBEV SETA learnerships	60	14/04/2022	30/03/2023
MICTSETA learnership	20	14/02/2022	30/01/2023
AgriSETA Apprentice	15	01/04/2022	30/01/2023
NYDA (Apprentice)	35	2018	31/12/2023

STUDENTS FUNDED BY SETAs FOR 2022

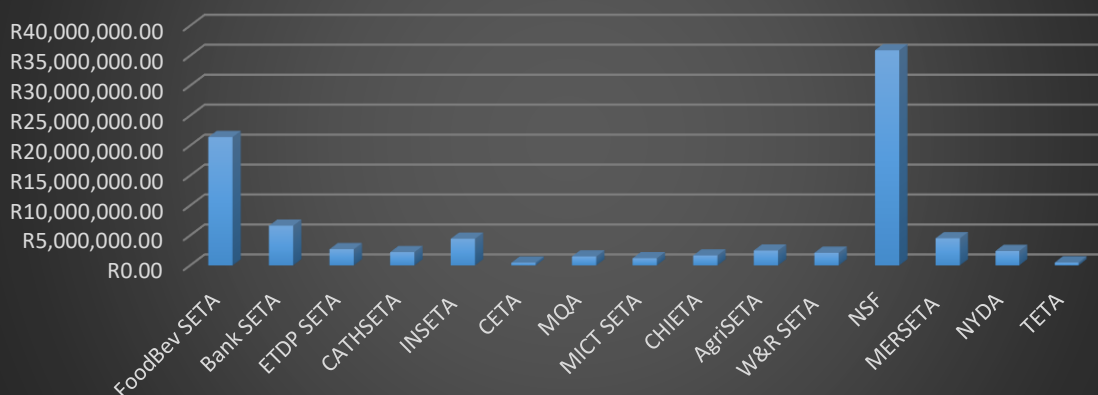


Funding received from partnership funders (sponsors)

COMPANY NAME	DESCRIPTION	BUDGET	NO OF BENEFICIARIES
FoodBev SETA	Stipend X 30 Unemployed Learnership: National Certificate - Information Technology-End-user Computing Stipend X 30 Unemployed Learnership : Further Education & Training Certificate -Technical Support	R3 480 000,00	60
FoodBev SETA	Stipend X 85 Public TVET Placement: Non-Engineering Stipend X 10 Public TVET Placement Engineering	R5 310 000,00	95
ETDP SETA	Stipend X 5 WIL Stipend X 2 Degree in IT/Finance students Stipend X 2 Diploma in IT/Finance Student	R786 000,00	9
CATHSSETA	Stipend X 25 Hospitality and Catering WIL	R1 845 000,00	25
INSETA	Stipend X 19 WIL Students	R1 370 850,00	19
INSETA	Stipend X 15 WIL Students	R992 250,00	15
FoodBev SETA	Stipend X 50 Learnership End-user Computing Stipend X 50 Learnership Technical Support Stipend X 56 WIL Students	R8 896 000,00	156
Bank SETA	Stipend X 100 WIL Students	R6 615 000,00	100
CETA	Stipend X 9 Civil Engineering & Building Construction Students WIL	R450 000,00	9
MQA	Stipend X 15 WIL Engineering Students	R1 485 000,00	15
MICT SETA	Bursary X 2 Learners	R57 674,00	2
MICT SETA	Stipend X Learnership Technical Support	R1 132 000,00	20
CHIETA	Stipend X Skills Programme	R60 000,00	15
CHIETA	Stipend X Coded Welder Skills Programme	R611 000,00	20

AgriSETA	Apprentice	R2 475 000,00	15
W&R SETA	Bursary X 77 Students	R1 550 000,00	77
CHIETA	Mechanical Engineering Bursary X 2	R108 000,00	2
NSF	WIL for 40 Business Studies students • WIL for 40 Engineering Studies students • IT: Technical Support Learnership (25 Learners) • IT: End User Computing (30 Learners) • CAPACITY BUILDING • Refurbishment of - Welding Workshop and Boiler Making Workshop	R4 621 516.59	135
MERSETA	Establishment of 4th Industrial Revolution Skill Centre	R4 528 331,00	0
W&RSETA	Lecturer Capacitation	R550 000,00	5
INSETA	Long Term Insurance	R717 200,00	11
NYDA	Funder for Apprenticeship	R2 400 000,00	42
TETA	Bursary x 3 employed staff members	R480 000,00	3
SAPCO-AGRI SETA	Internship opportunities	0	23
SAPCO-W&R SETA	Internship opportunities	0	34
SAPCO-Services SETA	Internship opportunities	0	33
ETDP SETA	Stipend X 26 WIL Students	R1 404 000,00	26
ETDP SETA	Stipend X 2 Degrees and 2 Diploma in Financial Management	R516 000,00	4
FOODBEV SETA	Stipend X 57 Business Management and 9 Engineering	R3 726 000,00	66
INSETA	Stipend X 19 WIL Students	R1 370 850,00	18
CATHSSETA	Stipend X 35 Hospitality	R367 500,00	35
CHIETA	Stipend X 10 ERD	R360 000,00	10
CHIETA	Stipend X 5 Electrical	R210 000,00	5
CHIETA	Stipend X 5 Mechanical Fitting	R300 000,00	5
TOTAL		R90 041 368,40	1334

PARTNERSHIP FUNDING RECEIVED FOR PROJECTS



8.2.2 2022 Bursary Report

▣ DHET Financial Aid scheme

6218 students received funding for tuition fee and the number consist of all cycles for the 2022 academic year. 5305 students received allowances using NSFAS wallet system and 632 received allowances using NSFAS bank cards that are being administered by Ezaga Holdings. NSFAS wallet system has been phased out and students will receive allowance using direct payment system. 54 students residing at the College residences received meals allowances on a monthly basis for a period of 10 months for NC (V) and Business studies for 5 months. Personal care was paid to them via NSFAS wallet/direct payment. Direct payment system was introduced in November 2022

CAMPUS	NR OF STUDENTS	TUITION FEE	NR OF STUDENTS	WALLET ALLOWANCES	NR OF STUDENTS	EZAGA ALLOWANCES	NR OF STUDENTS	COLLEGE RES ALLOWANCES	TOTAL ALLOWANCES
BETHLEHEM	916	R 5 338 736,00	874	R 5 219 520,00	21	R 191 060,00	0	R -	R 5 410 580,00
BONAMELO	1162	R 6 385 498,00	961	R 5 737 090,00	124	R 920 690,00	27	R 352 500,00	R 7 010 280,00
HARRISMITH	980	R 5 493 816,00	854	R 5 128 644,00	91	R 794 930,00	0	R -	R 5 923 574,00
ITEMOHELENG	1089	R 7 362 175,83	778	R 6 685 182,56	229	R 1 006 940,00	0	R -	R 7 692 122,56
KWETLISONG	34	R 184 926,00	34	R 184 926,00	1	R 3 075,00	0	R -	R 188 001,00
LERE LA TSHEPE	833	R 8 345 797,00	753	R 7 863 797,00	48	R 401 785,00	27	R 378 000,00	R 8 643 582,00
MAIN	1010	R 5 020 192,00	860	R 4 523 590,00	111	R 715 880,00	0	R -	R 5 239 470,00
SEFIKENG	194	R 4 643 546,00	191	R 4 566 935,00	7	R 65 230,00	0	R -	R 4 632 165,00
TOTAL	6218	R42 774 686,83	5305	R39 909 684,56	632	R 4 099 590,00	54	R 730 500,00	R 44 739 774,56

▣ Other funding:

2022 INSETA FUNDING

CAMPUS	NO OF STUDENTS	TIUTION FEE	TOTAL APPLIED FOR
Lere la Tshepe	47	R 258 941.54	258 941.54
This funding is for 2022 students with outstanding balance for tuition fee			

2022 CATHSSETA FUNDING

CAMPUS	NO OF STUDENTS	TOTAL APPROVED
Lere la Tshepe	10	R 580 000.00

2022 MERSETA FUNDING

CAMPUS	NO OF STUDENTS	SETA
Itemoheleng	15	MERSETA

2022 MQA FUNDING

CAMPUS	NO OF STUDENTS	SETA
Itemoheleng	10	MQA

2022 CHIETA

CAMPUS	NO OF STUDENTS APPROVED	SETA
Itemoheleng	02	CHIETA

2021 WRSETA CONTINUING

CAMPUS	NO OF STUDENTS	TUITION FEE	ALLOWANCES AND LAPTOP ALLOWANCES PAID TO STUDENTS	TOTAL RECEIVED
Bethlehem	04	R 24 837.00	R 124 000.00	R 148 837.00
Bonamelo	01	R 9495.00	R 33 000.00	R 42 495.00
Harrismith	01	R 10 063.00	R 33 000.00	R 43 063.00
TOTAL	06	R 44 395.00	R 190 000	R 234 395.00

2022 WRSETA FUNDING

CAMPUS	NO OF STUDENTS	TUITION FEE	ALLOWANCES PAID TO STUDENTS	TOTAL RECEIVED
Bonamelo	10	R 32 562.00	R 198 000.00	R 230 562.00
Harrismith	13	R 92 603 .00	R 257 400.00	R 350 003.00
Lere la Tshepe	16	R 116 168.17	R 316 800.00	R 432 968.00
Main	21	R 107 360.64	R 415 800.00	R 523 160.64
TOTAL	60	R 348 693.81	R 1 188 000.00	R 1 536 693.81

2022 S2 WRSETA FUNDING

CAMPUS	NO OF STUDENTS	TIUTION FEE	ALLOWANCES	TOTAL APPROVED
Bethlehem	3	R 16 120.00	R 63 000.00	R 79 120.00
Bonamelo	3	R 15 282.00	R 63 000.00	R 78 282.00
Harrismith	5	R 18 870.00	R 105 000.00	R 123 870.00
Main	4	R 15 832.00	R 84 00.00	R 99 832.00
TOTAL	15	R 66 104.00	R 315 000.00	R 381 104.00

TRC FUNDING

CAMPUS	YEAR	NO OF STUDENTS	TUITION	TRAVEL	TOTAL
Kwetlisoeng	2018	01	R 8 691.00	R 3 779.40	R 12 470.40
Itemoheleng	2022	01	R 976.50	R 3 428.00	R 4 404.50
TOTAL		02	R 9 667.50	R 7 207.40	R 16 874.90

8.2.3 Students services and extra-curricular activities

8.2.3.1 Student health & wellness

- 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. 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.

Peer educators

Recruitment of 63 Peer Educators took place at campuses. These peer educators also assisted in various health & wellness and activation programmes.

Activations

Pre/Post-activation meeting

Activations took place at all campuses during 2022.

Stakeholders involved in the Activations:

- ✓ Right to care
- ✓ WHRI
- ✓ Nic Dam
- ✓ Childlife and ChildWelfare
- ✓ Department of Health (Thabo Mofutsanyana District)

Mental health

Four hundred & twenty eight (428) students attended the mental health drive which was held in May and June 2022 by a Higher Health psychologist

Gender based violence awareness

The theme of 2022 was “Break the Silence & Speak out” which encourages the victims to speak out. The aim was to encourage students to speak out when they are facing challenges, and also encourage them to go for counselling within the campus premises.



March against illegal abortion

Maluti TVET College students participated in the Department of Health’s dialogue at Phuthaditjhaba Community Hall where Sexual Reproductive Health was discussed. The Dialogue has lead the Department to sit and discuss how best to help students and make primary health services accessible and friendly.

Disability

Maluti TVET College has established a disability unit to ensure that an integrated and inclusive learning experience for students with disabilities occurs. As part of the College goals and objectives, assistive devices were procured for disabled students.

- Laptops were purchased and distributed to 4 students.
- Voice recorders were purchased and distributed to 5 students.
- Glasses were purchased for two students.
- One student received lumbar support unit for chairs.
- A student with foot deformity received surgical boots to assist him in walking.

On 29 August 2022, the SSS Section held a disability support meeting at Central Office Boardroom to discuss and give support on the following matters:

- Disability policies and procedures.
- Inclusive education.
- Assistive devices.
- Planning of the disability awareness day.

Disability awareness

The Disability Unit under the Students’ Support Services section, hosted a disability awareness event at Bonamelo Campus Hall.

The Acting Principal, Mr ME Tsoetsi participated in a disability awareness activity and Thiboloha School for Deaf and Blind Choir performed various musical items. Mr S Moloi addressed the audience on deaf culture while, Mr Kalate interpreted the message to the audience.

Maluti TVET College prioritized Disability Unit by sending officials for disability training and they were all certificated.



8.2.3.2 College extra-curricular activities

Athletics

Maluti TVET College planned the Inter 2022 Provincial athletics meeting. The 4 Free State TVET Colleges participated in the provincial tournament.

Maluti TVET College was the overall winner of the tournament, and received trophies for the following:

- Best female track athlete
- Best female field events athlete
- Best male field events athlete.

Cross country

The Cross country league was held at Caritas in Bethlehem. Maluti TVET College students competed in various leagues and performed as indicated below:

SURNAME AND INITIALS	CAMPUS	LEAGUE 1 DISTANCE AND POSITION	LEAGUE 2 DISTANCE AND POSITION	LEAGUE 3 DISTANCE AND POSITION	LEAGUE 4 DISTANCE AND POSITION
Lugedeni J.R	Bonamelo	-	4km- 3rd	4km-3rd	4km – 3rd
Mngomezulu L.G	Bonamelo	4km-1st	4km-1st	4km-1st	4km – 1st
Mokoena L.J	Itemoheleng	10km – 6th	10km – 5th	10km – 2nd	10km – 2nd
Mokoena M	Itemoheleng	4km – 3rd	4km – 2nd	4km – 1st	4km – 3rd
Malinga M.G	Itemoheleng	-	-	4KM – 6th	4KM – 4th
Hloele T.L	Kwetlisong	4km – 7th	4km – 5th	4km – 1st	4km – 4th

Moetseloa M	Main	-	4km-2nd	4km- 2nd	4km-1st
Mosala M.G	Main	-	4km-2nd	4km- 2nd	4km-2nd
Matela M.J	Sefikeng	4km – 2nd	4km – 2nd	4km – 2nd	4km – 2nd
Sefotha K	Itemoheleng	-	4km – 2nd	4km – 2nd	4km – 2nd
Hlongwane B.E	Main	-	4km – 5th	4km – 6th	4km – 7th

Maluti TVET College 1st Ever netball male team

The team participated in the FS Elite Male Netball League in Bethlehem on 2 July 2022.

One (1) student, Sizwe Mahlaba from Bethlehem Campus got selected for the Free State Senior A team for the National Netball SA males' festival. He also got selected for the u/23 National squad for 2023.

The College Male Netball Coach was selected as the Assistant Coach for the Free State Senior A team.

Free State Arts and Culture Competition:

The 2022 CoSACSA Arts and Culture Provincial Competition was held on the 09 July 2022 at Maluti TVET College.

Maluti TVET College obtained the following positions:

MUSIC ITEM	POSITION
Mixed Western	2 nd
Mixed African	1 st
Baritone	1 st
Chamber	2 nd
Male & Female Voices	1 st
Mezzo Soprano	2 nd
Tenor	2 nd

Visual & Performing Arts results

ITEM	POSITION
Drama	1 st
Poetry Male	1 st

National CoSACSA Arts & Culture Competition

Maluti TVET College obtained the following positions at the National CoSACSA competition:

No.	CATEGORY	TOP 3 POSITIONS
VISUAL ARTS		
CHORAL MUSIC		
01	Baritone - Sengala-Motse	3 rd Position
03	Male voices – Enough is Enough	2 nd Position
04	Mixed Choir Vernacular - Isithwakumbe	3 rd Position



Debate

Mr N Labane, Student Liaison Officer from Itemoheleng Campus was elected to the Provincial Committee as the Provincial Convener and Ms. Mthabela-Mosia was elected as the Regional Convener.

The Inter-Campus Debate Competition was held at Maluti TVET College on the 4 June 2022 and the following students were selected to represent the College at the Free State Provincial Selections:

NAME & SURNAME	CAMPUS
Kananelo Mokate	Lere la Tshepe
Doper Ramabulana	Sefikeng
Siyabonga	Main
Palesa Mokoena	Itemoheleng
Popi Lwane	Itemoheleng
Mojalefa Mokoena	Itemoheleng

The Free State Provincial Debate selections took place at Motheo TVET College from the 11 to 12 of June 2022).4 Students from Maluti TVET College were selected for the Regional Selections.

The Free State and Gauteng Regional Debate Selection took place at Ekurhuleni West TVET College. Three (3) Maluti TVET College students were selected for the Regional Team that were to participate at the DHET National Competition.

NAME & SURNAME	CAMPUS
Doper Ramabulana	Sefikeng
Popi Lwane	Itemoheleng
Mojalefa Mokoena	Itemoheleng
Palesa Mokoena (Researcher)	Itemoheleng



8.3 ACADEMIC

Academic Activities for 2022

8.3.1 Analysis of the examinations results after each examination cycle.

College results presentation and awards ceremony for best performing campuses and lecturers

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

8.3.3 Teaching and Learning Plan was developed, implemented and continuously monitored by the Curriculum Unit and DHET to ensure compliance.

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

Conduct College ICASS monitoring of portfolios on a quarterly basis

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

8.3.6 The coordination of the submission of portfolio of evidence for external audits by DHET (SBA) and Umalusi.

8.3.7 The coordination of the provision of LTSM. Verification of the quality and standard of Assessment tasks.

Ensuring proper administration of all Assessment tasks across campuses

8.3.8 The finalisation of the College Management Plans in relation with the DHET plans. Coordination management of internal marking centres and delivery points.

8.3.9 The monitoring of the aspects of examinations that involve collation College examination timetable, collation of marking plans, markers' reports, moderators' reports, and submission of marks to be captured on COLTECH system. Monitoring implementation of Examination Conduct and Administration Guidelines for external examinations during each examination cycle

8.3.10 conducting in-house training for lecturers on identified academic programmes. Outsourcing and organising teaching and learning trainings to capacitate lecturers.

8.3.11 finalising and approving assessment schedules.

8.3.12 facilitating the process of appointing external markers.

8.3.13 ensuring the proper administration of students' attendance registers.

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

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

8.3.1 Learning Management System

The prevalence of rapid digital transformation in the TVET sector compelled administrators, lecturers and students to adopt more digital methods to fulfil their obligations.

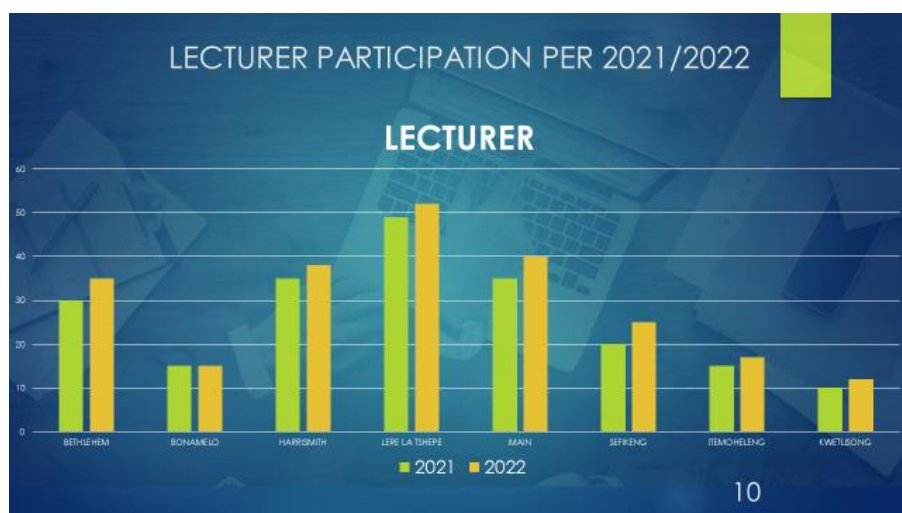
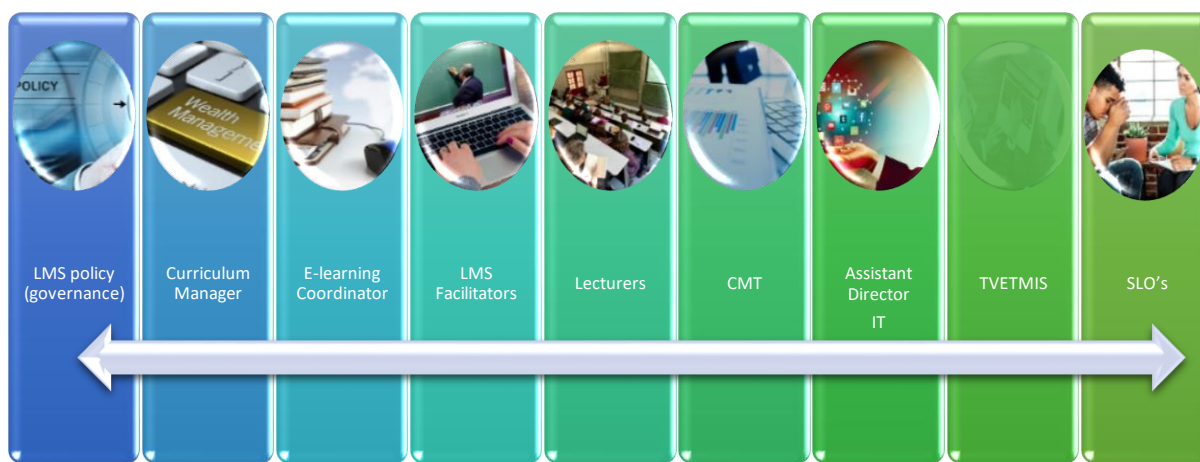
The Blended teaching and learning approach was introduced in order to ensure that teaching and learning continued to take place effectively and efficiently. This was also aligned it to 4IR initiatives. The Blended learning model is generally applied to the practice of using both online and face-to-face learning experiences when teaching students.

LMS SUCCESSES

1. Moodle training conducted for all lecturers.
2. LMS Roll-out plan implemented, up to 65% of online learning material uploaded on Moodle for students.
3. Integration of a virtual tool on Moodle for conducting virtual lessons.
4. Rolled out e-books for IT, Computer Science, Finance Economic & Accounting and marketing subjects (Project Management, Computer Programming and System Analysis and Design, Economic Environment and Consumer Behaviour L4).
5. The College has two academies namely Cisco and Huawei.
6. The College received its Cisco Networking Academy certificate.
7. The College has Cisco certified Instructors for Life Skills & Computer Literacy and IT Essentials.

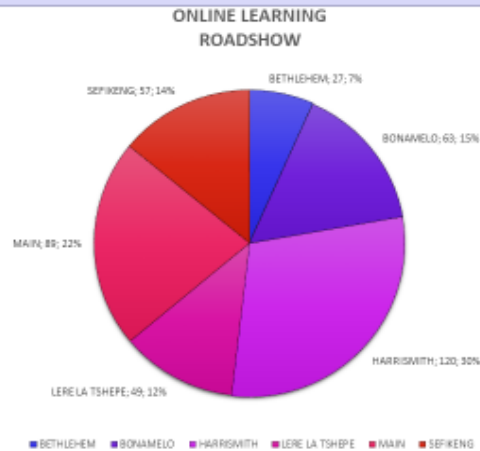
8. The Cisco programme was implemented for Life Skills and Computer Literacy level 2 across seven campuses, as well as IT & Computer Science level 3 and 4.
9. A total number of 795 level 2 students obtained Cisco Get Connected certificates and 2 IT Essentials students.
10. 23 IT & Computer Science students registered to participate in Huawei ICT Global Competition (Cloud track and Network track)
11. A total number of 30 IT & Computer Science level 3 and 4 students enrolled for Huawei HCIA Cloud Computing course and 23 students obtained certificates.
12. Approved College LMS policy
13. Each campus was represented by two LMS facilitators

LMS support structure



STUDENT PARTICIPATION 2022

NO	CAMPUS	CONNECTED	DATE CONNECTED
1	BETHLEHEM	27	10-Oct-22
2	BONAMELO	63	11-Oct-22
3	HARRISMITH	120	12-Oct-22
4	LERE LA TSHEPE	49	17-Oct-22
5	MAIN	89	18-Oct-22
6	SEFIKENG	57	19-Oct-22



8.3.2 Skills Academy

Accreditations Received

Programme Title	Programme ID	Accrediting Body	Status
Occupational Certificate: Motor Mechanics	97990	QCTO	Accredited
Occupational Certificate: Panel Beating	96364	QCTO	Accredited
Occupational Certificate: Welding	94100	QCTO	Accredited
Occupational Certificate: Electrician	91761	QCTO	Accredited
Occupational Certificate: Brick Layer	93627	QCTO	Accredited
Occupational Certificate: Computer Technician	101408	QCTO	Accredited
FETC: Long Term Insurance	49649	QCTO	Accredited
NC: Bread and Flour Confectionery Baking	50307	QCTO	Accredited

Meetings Hosted/Attended and Accreditations Site Visits.

- INSETA Provider Accreditation Site Visit.
- NSA RoundTable Discussions in Collaboration with Limpopo Province.
- INSETA SDP's Workshop INSETA SDP's Workshop.
- EPWP/AgriSETA Apprenticeship Training Provincial Operations Committee Meeting.
- MERSETA/Maluti TVET College- Programme Approval Extension Meeting and Workshop Inspection.
- CHIETA - Coded Welder Exemplar Workshop.
- TETA SETA - Contract Management Workshop.
- Flavius Mareka -Official Opening - Electrical and Plumbing Artisan Training.
- ECSA - Identification of Engineering Work (IDoEW) Consultation Session.
- Coded Welder Site Visit by QCTO.
- Accreditation Site Visit Inspection by QCTO.
- TVET Phase iii Project Kick-Off Meeting and Reporting Template Workshop.

Projects achieved

Funders	Achievements
FOODBEV SETA	30 Students registered on IT: End User Computing Learnership 30 Students registered on IT: Technical Support Learnership
INSETA	11 Students registered on Long Term Insurance Learnership
MICT SETA	20 Students registered on IT: Technical Support Learnership
MICT SETA	24 Students registered on IT: Technical Support Learnership
AGRI SETA	15 students on going apprenticeship
TETA SETA	3 Bursaries for employed
W&R SETA	Funding to establish a Wholesale & Retail Centre of Specialisation
FOODBEV SETA	30 Students registered on IT: End User Computing Learnership 30 Students registered on IT: Technical Support Learnership
ESKOM	Seed funding for Electrical workshop
TETA SETA	Infrastructure funding for Electrical Workshop
NSF Phase III Funding	Funding for Welding workshop refurbishment Funding for Boiler Making refurbishment Funding for 75 Students IT: Technical Support Learnership Funding for 90 student's IT: End User Computing Learnership Funding for WIL 80 Business Studies students Funding for WIL 80 Engineering Studies students
Thabo Mofutsanyana 4IR Resource Lab	Completed and launched the 4IR Resources lab, on 8th December 2022, which was in partnership with FESTO DID DIDACTIC, MERSETA and Maluti TVE College.

The 4IR Resource Lab aims to introduce 4IR programmes to enhance employability, increase productivity and capacity building of staff of rural-based TVET Colleges. The introduction of the lab, which equipped with 4IR equipment and tools, will see the development and introduction of curricula that have components such as awareness training for Industry 4.0; introduction to Industry 4.0 for management; and Industry 4.0 applications and practice, to support the College.

Background

The project came into being through being selected by DHET through the engagements it had with MerSETA and FESTO as key partners. The College was one of the nine selected colleges to build the industry 4.0 (I4.0) resources centre. The project was made possible by the public-private partnership which brought together 50% funding from MerSETA and 25% from FESTO and 25% Maluti TVET College.

Equipment and software installed in the lab.

- Bionics and Microcontrollers.
- Automation Technology: Fluid power, Sensor technology, Digitalisation and PLC Programming.
- Connected learning: Electrical Engineering.
- 3D printing or additive manufacturing.
- Intelligent Components and Industry 4.0 Systems: Smart Sensors & MPS 403.
- Robotics: MPS Sorting Station Robotic Arm and Mobile Robot.
- Networking and IT security.
- Virtual learning environments: CIROS® and CIROS® VR.
- Digital learning portal: e-learning, mobile learning, learner management, online authoring.

1. The outcomes of the project

The outcomes of the project were stated in the concept document and to date we can report progress made as follows:

1.1 The establishment and equipping the College with 4IR solution that included the following features to adequately address the I4.0 topic across different streams:

- Bionics and Microcontrollers.
- Automation Technology: Fluid Power, Sensor technology, Digitalization and PLC Programming.
- Connected learning: Electrical Engineering.
- 3D printing or additive manufacturing.
- Intelligent Components and Industry 4.0 Systems: Smart Sensors & MPS 403.
- Robotics: Robotic Arm and Mobile Robot Networking and IT security.
- Virtual learning environments: CIROS® and CIROS® VR.
- Digital learning portal: eLearning, mobile learning, learner management, online authoring.

1.2 The training awareness to College lecturers and Support Staff in I4.0

To date 17 lecturers and support staff have been trained in the resource centre covering:

- Sensors Technology and Electro Pneumatics.
- Meclab programming using GRAFCET and Flow code.
- PLC programming of Pneumatics.
- Programming of Tech2Screens Simulation.
- Advanced PLC programming – Pump Station using Analog and Smart Sensors.
- Creation of LAN, Configuration of WLAN and network security.
- MPS and Robot Programming: Simulation (Ciros Virtual Reality) and physical machines.
- Programming and operation of mobile robot.
- Digitization, Production – Order creation on (MES) transportation using (Robotino) and tracking.
- Welding simulator with AR.
- Bionics, 3D Design and Printing.

1.3 The awareness session with 19 Broad Management members which included:

- Introduction to industry 4.0 for Management.
- Industrial Revolutions (Industry 1.0 – Industry 4.0).
- Core elements of the industrial internet of things Industry 4.0.
- Social – technological developments and their consequences.
- Emerging competency profiles.
- Group activities.
- Demonstration on the Robotino, MPS, Electro Pneumatics and Pump Station.
- FESTO LX.

The College Council visited the 4IR Lab. They were taken through: different types of machinery and tools in the lab with explanations pertaining to the functions and uses of the machinery and how this technology will benefit the students.

Identified Programmes to be implemented in the 4IR Lab.

- Mechatronics Occupational Qualification.
- Water Technology.
- Fluid Power Skills Programme.
- FESTO LX online courses.
- Robotics.

- 3 D Printing.

WSSZA COMPETITION

- Participated in the National Competitions with the following trades:
- Bricklaying, Welding, Electrical Installation, Automotive Technology, Panel Beating, Information Technology and ICT.
- Before the National Competition, Electrical Installation had a boot camp for a week preparing the learners on PLC Siemens Logo 8 programming to ensure that all the learners understand for fairness.
- In Electrical Installation our student won position 2 in the national competition.
- Electrical Installation Boot camp for Provincial Preparation – A week was spent at EEC Skills and Artisan Development Centre
- Electrical Installation National Boot Camp 2 weeks at EEC Skills and Artisan Development Centre
- Electrical Installation Boot Camp Preparation for World Skills International 3 weeks at EEC and 2 weeks at SAR in PTA.
- Attended National Competition at C3 Panel beaters.



INSETA learnership student's graduations

- IT Technical Support L4 Unemployed learnership programme started in April 2021 and ended on the 31 April, 2022.
- 30 Students were funded by INSETA.
- The students graduated in November 2022 and received their certificates from MICT SETA.



FoodbevSETA funded learnership

- The programme started in April 2021 and ended on the 31st April 2022. It was for unemployed youth. IT: Technical Support L4 – 41 students and IT: End User Computing L3 – 46 students.
- The students graduated in May 2022 and were awarded certificates by MICT SETA.



Extra mathematics lessons project awards

- 250 Students from Kwetlising and Itemoheleng Campus participated in extra Mathematics lessons project for a period of 2 weeks.
- The programme was to support the students who are in engineering and occupational programmes and initiative really assisted the students as their performance.



Apprentice (Boilermaker)

Boilermaking apprenticeship the project funded by NSF, was awarded to DPWI and then the administrated by AGRISETA.

The Minister of Public Works arranged an engagement in Bloemfontein and requested that every TVET College participated in the 3-year Apprenticeship programme. Two (2) students were nominated to deliver a speech regarding the Apprenticeship programme experience, benefits and challenges.



8.3.3 Centre for Entrepreneurship Rapid Incubator (CfERI)

The establishment of Maluti TVET Centre for Entrepreneurship Rapid Incubator is one of the greatest achievements for Maluti TVET College. Maluti TVET CFERI was mainly established to transform the economy of Maluti a Phofung. The programme assists aspiring entrepreneurs in achieving their business goals. In addition to offering upskilling and business development opportunities to students and the community, the programme creates a platform for them to develop innovative ideas that will contribute to the competitiveness of the local economy. The business

incubation programme helps stabilise start – ups, and provide resources such as networking services, office space, training programmes, business development, technical support and other essential services.

Starting a new incubation centre has plunged us in to the deep end as we had to learn in the process and navigate our way to success. We have established 25 incubates, 14 of which are former students and 11 are members of the community. We provide facilities and created a conducive working environment for entrepreneurs to run their businesses. We have successfully developed 14 incubates, who have presented signs of business growth.

So far, we have achieved more than 5% increase on eight incubates average turnover and reported 29 jobs created through the entrepreneurship programme. We have established collaborative engagements with eco-system partners, namely; FDC, DTIC and SEDA as the main funder. Maluti TVET College has always been on the fore-front as the founder of the Incubation Centre.





8.3.4 Agri- Village (Sefikeng Campus)



The College took on a project of revamping the farm for the purpose of student's exposure to practical's and the integration of farm activities and academic activities.



The Farm Management implemented a number of enterprises on the farm which includes the Apiary Unit (bee production), large stock (Bonsamara herd) small stock (sheep and goat), Piggery Unit, vegetable production tunnels, and 100ha of dry crops (maize, soya beans and dry beans).




Achievements

	Simulation with pictures (Contour ridges)	Content
		<ul style="list-style-type: none"> ▢ This was the construction of contour ridges ▢ Contour ridges are of high importance given the current annual rainfall distribution. ▢ They control the movement of water to a desired destination according to the topography /slope of the land ▢ 100ha of land was constructed contour ridges to help control water. ▢ This was a big achievement for the Farm as it directly influences our production practices.
	 	<ul style="list-style-type: none"> ▢ In 2022 we managed to plant 50ha Maize and 50ha Soya beans. ▢ Our yield was very good ▢ It was a big achievement for the Farm as it has been a very long time since the farm managed to plant all it fields. ▢ The right production procedures were followed. ▢ Different cultivars were tested in maize production between DEKAB and PANNAR and we concluded DEKALB was the best adaptable cultivar in our region as it can withstand harsh weather conditions.

Simulation with pictures (piggery unit)	Content
	<ul style="list-style-type: none"> ▢ Our Piggery Unit was reconstructed /renovated. ▢ We have 10 sows and 1 boar ▢ We had our first litters which amounted to an average of 13 litters/sow ▢ The piggery unit was well constructed ▢ Water system was installed ▢ Drainage system was installed together with a proper sewerage system. ▢ This was a big achievement for the time as this was the first implementation of a piggery unit on campus.
▢ Simulation with pictures (Lime spreading)	▢ Content
	<ul style="list-style-type: none"> ▢ Lime is a soil conditioner and controls the soil acidity by neutralising the effects of acids from nitrogen (N) fertiliser, slurry and high rainfall. Other benefits include an increase in earthworm activity, improvement in soil structure and grass is more palatable to livestock ▢ After taking soil samples to the lab the results stipulated that the hydrogen was high on our soils and needed to be corrected. ▢ Lime was sourced from ALDABRI CC and was spread in all our fields. ▢ This year 2023 we are expecting higher yields as our soils have been corrected.

	Simulation with pictures (farm academic integration)	Content
		<ul style="list-style-type: none"> □ The integration between the academic has been so far very successful □ The students have been exposed to different enterprises on the farm without having to outsource practical exposure for our students. □ In the picture it was during maize harvesting in 2022. □ Subject lectures do bring the students for practical at the farm. □ The time table designed by the academic does have practical slots on daily basis for students to come for their practical. □ We had a number of students who volunteered over the weekends and holidays.
	Simulation with pictures (large stock)	Content
		<ul style="list-style-type: none"> □ This is our herd of Bonsmaras □ This is a very good breed for our region □ The animals are well taken care of □ We bought 10 heifers and 1 bull and currently we have a total of 17 livestock. □ This was a big achievement for the farm as we did not have any livestock on the farm. □ All the livestock is branded as our College brand mark


Simulation with pictures (Small Stock)	Content
	<ul style="list-style-type: none"> ▢ This is our small stock we have Boar goats and Dohne merino sheep. ▢ The college had none small stock ▢ We bought 10 of each plus 1 ram of each. ▢ We are currently on the second round of birth. ▢ We currently have 21 goats and 22 sheep ▢ This has been our biggest achievement at the farm as we had none of the livestock before. ▢ Our students are very happy to have livestock of their own.
Simulation with pictures (Soya beans)	Content
	<ul style="list-style-type: none"> ▢ This is a picture of our Soya beans for year 2022 ▢ This was a very big achievement for the Farm as we got to explore other crop options.

	Simulation with picture(water system)	Content
		<ul style="list-style-type: none"> ▢ This is our water source which has been upgraded to a windmill with a solar system and an electrical submersive pump. ▢ The water is very clean and fresh for both human consumption and livestock. ▢ The water is also used for irrigation in the tunnels and gardens on campus
	Simulation with picture (Apiary unit)	Content
	 	<ul style="list-style-type: none"> ▢ We do have an Apiary Unit ,which was implemented on the Farm ▢ We have 10 boxes but only 3 boxes are operational with 3 different colonies. ▢ We do also have the honey processing equipment which includes PPE

Simulation with picture (Veterinary services)	Content
<div data-bbox="212 792 228 815" style="display: inline-block; width: 10px; height: 10px; background-color: #f0e68c; border: 1px solid black; margin-bottom: 10px;"></div>  	<ul style="list-style-type: none"> <div data-bbox="1153 248 1169 271" style="display: inline-block; width: 10px; height: 10px; background-color: #f0e68c; border: 1px solid black; margin-right: 5px;"></div> A good relationship has been formed between the Agri Village and the veterinary services. <div data-bbox="1153 398 1169 421" style="display: inline-block; width: 10px; height: 10px; background-color: #f0e68c; border: 1px solid black; margin-right: 5px;"></div> The Vet comes every now and then on request to do check-ups, vaccinations and helps with feeding rations. <div data-bbox="1153 589 1169 611" style="display: inline-block; width: 10px; height: 10px; background-color: #f0e68c; border: 1px solid black; margin-right: 5px;"></div> We do outsource external services from service providers where help is needed as it is the first time implementing other projects.

Simulation with picture (Fire belts construction)	Content
	<ul style="list-style-type: none"> ▢ We do fire belts annually as a precautionary measure to prevent fires. ▢ Fire belts are of high importance as they help prevent fires. ▢ We do have all necessary equipment for fire fighting ▢ We also have a good relationship with our neighbouring farmers and to help each other when the need arises.
Simulation with picture (Baling)	Content
	<ul style="list-style-type: none"> ▢ 20ha of tuff was planted for the purpose of winter feed. ▢ We harvested round about 2 bales /ha ▢ These bales are of great help when it comes to winter feeding. ▢ Our bailer machines has been serviced and it is well taken care of.

	Simulation with picture (Tractor servicing)	Content
		<ul style="list-style-type: none"> □ Our tractors and other farm vehicles are serviced on frequent basis. □ It is of high importance to service as we are using our own equipment without outsourcing.
	Simulation with picture (Vegetables Tunnels)	Content
		<ul style="list-style-type: none"> □ We have two tunnels on campus. □ An open system tunnel and a hydroponic system tunnel. □ The tunnels are of great assistance to students for their practicals. □ They are mainly used in winter due to the harsh weather conditions.

Simulation with picture (Water Reservoir)	Content
	<ul style="list-style-type: none"> ▢ This is the main water reservoir. ▢ The reservoir mainly supplies the tunnels with water ▢ The reservoir is well maintained as the canvas insides usually tears and wears with time.
Simulation with picture (Fencing)	Content
<div data-bbox="188 1480 209 1509" style="display: inline-block; vertical-align: middle;">▢</div> 	<ul style="list-style-type: none"> ▢ Fencing is one of the most important aspects in farming as it creates clear boundaries. ▢ It also helps for safe keeping of either the crops on the fields or livestock. ▢ There is a number of fencing projects that have taken place on campus to divide camps. ▢ Our camps have been very large camps created for a large number of livestock. ▢ Camp division helps in terms of camp rotation in order sustain our natural grasses and prevent over grazing.

Simulation with picture (Implements)	Content
	<ul style="list-style-type: none"> A number of implements have been bought including 6 row cultivator, grass slasher and rake. The implements were bought for the purpose of using our own instead of outsourced implements.
Simulation with picture (Greening Maluti TVET)	Content
 	<ul style="list-style-type: none"> We planted 99 trees on campus for the purpose of windbreakers. We were working with our interns and the Department of Agriculture The trees are well maintained and watered at frequently as desired.

Simulation with picture (Students involvement)	Content
	<ul style="list-style-type: none"> □ The students have been very involved in the practicals. □ On the first picture we were using a hammer mealier to prepare feed rations for our livestock. □ 2nd picture we were from harvesting maize on the fields. □ In the 3rd picture the students were planting seeds for seedlings' purpose. □ The lecturers are also fully involved in bringing students for practicals.

8.6 Finance

1. Procurement

- Monthly Procurement Committee meetings were held to adjudicate on claims above R50 0000 up to and including R500 000.
- Quarterly Finance Committee meetings were held to present financial reports to members of Council and to obtain approval for any deviations.
- A 2022 Procurement Plan was in place to assist with proper planning and budgeting.
- 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 and other learning material.
- Lecturer, staff and/or SRC training.
- Furniture to replace broken items & Board room and office furniture for campuses/sites.
- Generators were procured for our campuses.
- Fire equipment for all sites.
- JOJO tanks for 2 sites.
- Solar assessment done at all sites of Maluti TVET College.
- Telephone systems for 4 sites.

- Maluti TVET Fraud Hotline.
- SSS activities eg. Athletics, ball games, arts and cultural events.

Procurement done for the Maluti TVET College, *Agri -Village*:

- Preparing of land and planting of maize, dry beans and soya beans.
- Fertilizer.
- Harvesting of crops.
- Farming implements and equipment.
- Upgrading pig units.
- Livestock.
- Fencing.
- Feed for farm animals.
- Assessment done for the rehabilitation of the access road.
- Agricultural excursion for students (they attended the Royal Agricultural Show in Pietermaritzburg).
- Carports and paving for the campus.
- Septic tanks.

The following tenders were awarded:

- Desktop Computers for computer laboratories.
- Surveillance Cameras for 4 sites.
- 3 x Mini busses.

2. Maintenance and infrastructure

- Since the start of the DHET CIEG Project, 24 projects were approved for Maluti TVET College. By the end of 2022 Maluti College fully completed 23 of these approved projects. Additional 2022/23 CIEG grant was received.
- Monthly and quarterly CIEG reports were submitted.
- The following CIEG projects were completed in 2022:
 - Roof repairs at Main Campus.
 - Ablution facility upgrades at Bethlehem and Bonamelo Campuses.
- The 2023/24/25 Maintenance Plan was approved, endorsed by council and submitted to DHET.

3. Donations received

- Torapa: Student bursaries (33 students benefitted)
- Ford SA: Engines for teaching and learning
- Thepa Trading: Staff Awards.
- Epico Networks: Staff Awards.
- Draadloze: Staff Awards.
- COMTEC: Staff Awards.

4. 4IR Workshop established

- The 4IR workshop was launched at Kwetlisong Campus. This was a partnership project funded jointly by MERSETA, FESTO and Maluti TVET College.

5. General

- College Broad Management reviewed all Finance Policies in 2022.
- Internal Audits were conducted in 2022 on debtors' management, creditors' management and asset management. These internal audits contributed to the improved systems in the Finance Section.
- The Unit prioritized deliberate effort in dealing with non-conformance.
- Staff members attended GRAP training and Asset Management training. This will contribute to the effectiveness of the Finance Section.

9. COLLEGE PERFORMANCE REPORTING

9.1 2022 Examinations

The compliance rating with examination standards and policy is 98% and very close to the target of 100%. The College has maintained a compliance rating of above 95% since 2019 and has improved slightly every year. The challenges which prevented the College from reaching the target of 100% were administrative or technical in nature and did not bring the credibility of the examinations into question.

2019 – 95.27%

2020 – 97.57%

2021 - 97.76%

2022 – 98.64%

The Pre-Vocational Learning Programme (PLP) results improved significantly from the previous year. In 2021 the completion rate was 20% but in 2022 it improved with 35% to meet the target of 55% as set in the Annual Performance Plan. The PLP obtained a retention rate of 83% which exceeded the target of 74%. The overall subject pass percentage of PLP increased with 32%, from 56% in 2021 to 88% in 2022.

9.2 Graduation 2022

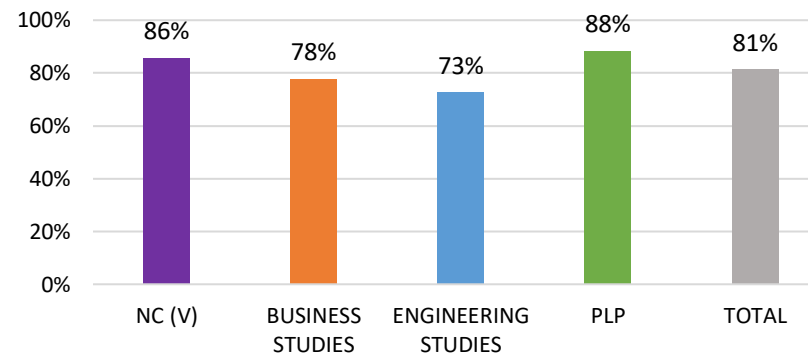
The Annual Graduation Ceremony was conducted on August 23-25, 2022. The College had for the first-time Artisan graduates during this important event. There were five boilermaking apprentices, one welding apprentice, twenty-five electrician apprentices, and one apprentice who qualified as both a fitter and an electrician.



1. Subject Pass Rate

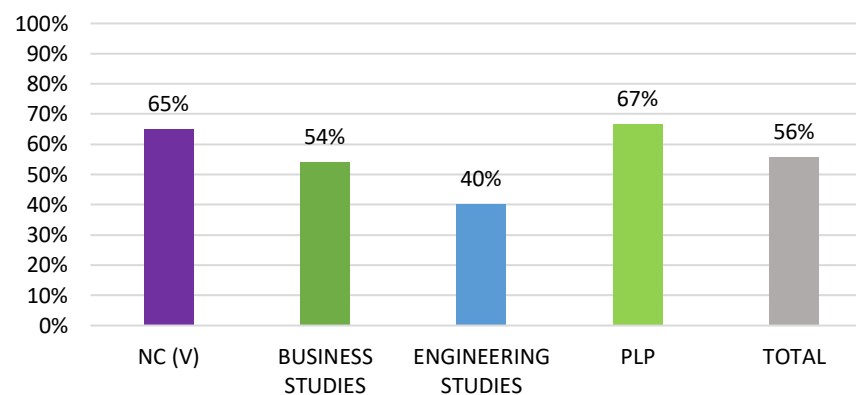
CAMPUS	NCV					BUSINESS STUDIES					ENGINEERING STUDIES					PLP					TOTAL				
	SUBJECTS ENROLLED	SUBJECTS WRITTEN	SUBJECTS PASSED	DISTINCTIONS	SUBJECT PASS RATE	SUBJECTS ENROLLED	SUBJECTS WRITTEN	SUBJECTS PASSED	DISTINCTIONS	SUBJECT PASS RATE	SUBJECTS ENROLLED	SUBJECTS WRITTEN	SUBJECTS PASSED	DISTINCTIONS	SUBJECT PASS RATE	SUBJECTS ENROLLED	SUBJECTS WRITTEN	SUBJECTS PASSED	DISTINCTIONS	SUBJECT PASS RATE	SUBJECTS ENROLLED	SUBJECTS WRITTEN	SUBJECTS PASSED	DISTINCTIONS	SUBJECT PASS RATE
Bethlehem	3277	2766	2570	180	93%	2408	2174	1691	48	78%											5685	4940	4261	228	86%
Bonamelo	3506	2860	2586	97	90%	4490	3933	2988	80	76%											7996	6793	5574	177	82%
Harrismith	3631	2984	2668	138	89%	2576	2320	1744	51	75%											6207	5304	4412	189	83%
Itemoheleng	3162	2459	2073	119	84%						4190	3189	2305	118	72%						7352	5648	4378	237	78%
Kwetlisong											80	61	56	9	92%	160	129	114	12	88%	240	190	170	21	89%
Lere la Tshepe	3476	2850	2193	97	77%	1804	1613	1173	14	73%											5280	4463	3366	111	75%
Main	3030	2318	1814	65	78%	3645	3140	2652	83	84%											6675	5458	4466	148	82%
Sefikeng	1730	939	808	40	86%																1730	939	808	40	86%
TOTAL	21812	17176	14712	736	86%	14923	13180	10248	276	78%	4270	3250	2361	127	73%	160	129	114	12	88%	41165	33735	27435	1151	81%

Subject Pass Rate



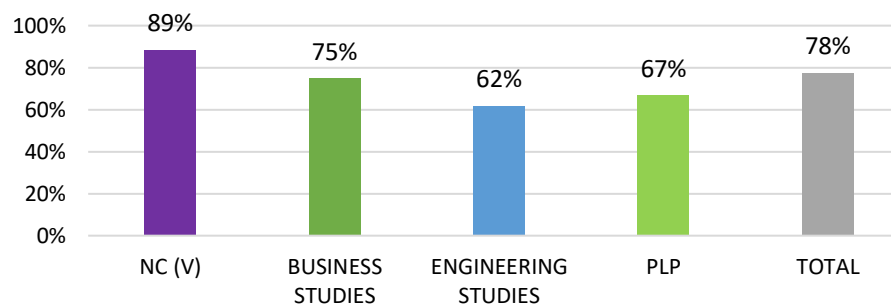
CAMPUS	NCV					BUSINESS STUDIES					ENGINEERING STUDIES					PLP				TOTAL				
	ENROL 7/7	WROTE	PASS 7/7	PASS 5+6/7	CERTIFICATION WRITTEN	ENROL 4/4	WROTE	PASS 4/4	PASS 3/4	CERTIFICATION WRITTEN	ENROL 4/4	WROTE	PASS 4/4	PASS 3/4	CERTIFICATION WRITTEN	ENROL	WRITTEN	PASS 4/4	CERTIFICATION WRITTEN	ENROL	WROTE	PASS 7/7 OR 4/4	PASS 5+6/7 OR 3/4	CERTIFICATION WRITTEN
Bethlehem	367	339	257	61	76%	417	403	213	86	53%										784	742	470	147	63%
Bonamelo	296	264	203	48	77%	716	669	368	146	55%										1012	933	571	194	61%
Harrismith	383	342	268	55	78%	459	432	224	85	52%										842	774	492	140	64%
Itemoheleng	292	243	153	67	63%						714	622	245	136	39%					1006	865	398	203	46%
Kwetlisoeng											20	16	11	2	69%	40	33	22	67%	60	49	33	2	67%
Lere la Tshepe	355	321	179	87	56%	316	293	129	69	44%										671	614	308	156	50%
Main	276	234	128	76	55%	731	678	406	127	60%										1007	912	534	203	59%
Sefikeng	150	128	28	46	22%															150	128	28	46	22%
TOTAL	2119	1871	1216	440	65%	2639	2475	1340	513	54%	734	638	256	138	40%	40	33	22	67%	5472	5017	2801	1091	56%

Certification Rate

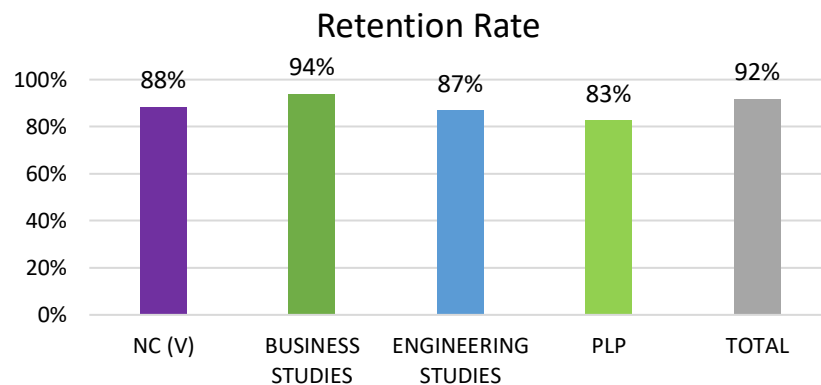


CAMPUS	NCV					BUSINESS STUDIES					ENGINEERING STUDIES					PLP				TOTAL				
	ENROL 7/7	WROTE	PASS 7/7	PASS 5+6/7	PROGRESSION	ENROL 4/4	WROTE	PASS 4/4	PASS 3/4	PROGRESSION	ENROL 4/4	WROTE	PASS 4/4	PASS 3/4	PROGRESSION	ENROL	WRITTEN	PASS 4/4	PROGRESSION	ENROL	WROTE	PASS 7/7 OR 4/4	PASS 5+6/7 OR 3/4	PROGRESSION
Bethlehem	367	339	257	61	94%	417	403	213	86	74%										784	742	470	147	83%
Bonamelo	296	264	203	48	95%	716	669	368	146	77%										1012	933	571	194	82%
Harrismith	383	342	268	55	94%	459	432	224	85	72%										842	774	492	140	82%
Itemoheleng	292	243	153	67	91%						714	622	245	136	61%					1006	865	398	203	69%
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Lere la Tshepe	355	321	179	87	83%	316	293	129	69	68%										671	614	308	156	76%
Main	276	234	128	76	87%	731	678	406	127	79%										1007	912	534	203	81%
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TOTAL	2119	1871	1216	440	89%	2639	2475	1340	513	75%	734	638	256	138	62%	40	33	22	67%	5472	5017	2801	1091	78%

Progression Rate



CAMPUS	NCV			BUSINESS STUDIES			ENGINEERING STUDIES			PLP			TOTAL		
	ENROL 7/7	WROTE	RETENTION	ENROL 4/4	WROTE	RETENTION	ENROL 4/4	WROTE	RETENTION	ENROL	WRITTEN	RETENTION	ENROL	WROTE	RETENTION
Bethlehem	367	339	92%	417	403	97%							784	742	95%
Bonamelo	296	264	89%	716	669	93%							1012	933	92%
Harrismith	383	342	89%	459	432	94%							842	774	92%
Itemoheleng	292	243	83%				714	622	87%				1006	865	86%
Kwetlisong							20	16	80%	40	33	83%	60	49	82%
Lere la Tshepe	355	321	90%	316	293	93%							671	614	92%
Main	276	234	85%	731	678	93%							1007	912	91%
Sefikeng	150	128	85%										150	128	85%
TOTAL	2119	1871	88%	2639	2475	94%	734	638	87%	40	33	83%	5472	5017	92%



10. COLLEGE ACHIEVEMENT IN TERMS OF STRATEGIC SYSTEM TARGETS

The compliance rating with examination standards and policy is 98% and very close to the target of 100%. The College have maintained a compliance rating of above 95% since 2019 and has improved slightly every year. The challenges which prevented the College from reaching the target of 100% were administrative or technical in nature and did not bring the credibility of the examinations into question.

2019 – 95.27%

2020 – 97.57%

2021 - 97.76%

2022 – 98.64%

The Pre-Vocational Learning Programme (PLP) results improved significantly from the previous year. In 2021 the completion rate was 20% but in 2022 it improved with 35% to meet the target of 55% as set in the Annual Performance Plan. The PLP obtained a retention rate of 83% which exceeded the target of 74%. The overall subject pass percentage of PLP increased with 32%, from 56% in 2021 to 88% in 2022.

10.1 Annual Performance Achievements

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2022 PLANNED TARGET	TVET COLLEGE 2022 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	8656	9743	The College over-enrolled due to the pipeline and repeating students.
		*NCV	3174	3609	The College over-enrolled due to the pipeline and repeating students.
		*Report 191	4142	5659	The College over-enrolled due to the pipeline and repeating students.

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2022 PLANNED TARGET	TVET COLLEGE 2022 ACHIEVEMENT	EXPLANATORY REMARKS
		*PLP	40	40	The College reached the target as set.
		*Occupational qualifications	300	0	The College did not reach target due to less students enrolling due to financial challenges as a per the country's economy.
		*Trades (COS)	0	0	The College is not offering the programme.
		*Higher Certificates	0	0	The College is not offering the programme.
		*Shorter skills programmes (accredited and non-accredited)	1000	435	The College did not reach target due to less students enrolling due to financial challenges.
	1.2 College student accommodation is optimally utilized	Occupation rate (%) per enrolment cycle	100%	53%	The College did not reach the target as less students opted to stay at College residences.
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	0	0	The College is not offering the COS
	2.2 Students complete qualifications and programmes and exit the college	Number of students at exit levels exiting college programmes	1550	541	The College annual achievement
		Number of students exiting NCV L4	410	306	The College did not reached the annual

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2022 PLANNED TARGET	TVET COLLEGE 2022 ACHIEVEMENT	EXPLANATORY REMARKS
					target, but set processes are in place to improve the situation.
	2.3 NCV students complete qualification within 3 years	Throughput rate (%) of NCV L4 student cohort	12%	16%	Number of students who <u>enrolled</u> L2 in 2020 = 2 069 Number of students in that cohort that passed L4 in 2022 (November 2022 including supplementary) = 332
	2.4 PLP students are retained	Retention rate (%) in PLP	74%	85%	The College reached the set annual target, set as the survey hub and not accessible M&E report.
	2.5 PLP student's progress into initial programmes of choice	Progression rate (%) of PLP students	55%	26%	The College did not reach target set as more students changed priorities from the initial programme of choice.
SO3 Improved quality of TVET college provision	3.1 College councils are constituted and comply with standards	% compliance with governance standards	100,00%	99,00%	The College under achieve to reach the annual target more precautions will be implement to make sure that

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2022 PLANNED TARGET	TVET COLLEGE 2022 ACHIEVEMENT	EXPLANATORY REMARKS
					target is reached.
	3.2 Examinations are conducted with minimum irregularity reported	% compliance with examinations standards and policy	100%	96%	College under achieved and did not reach the annual target. Efforts precautions will be made to ensure that target is reached in future.
	3.3 More students meet the requirements for writing examinations	% of registered students (based on subject enrolment) qualifying for examinations	89%	86%	The College under achieved.
	3.4 TVET college lecturers are placed in industry for specified periods to gain relevant experience	% of TVET college lecturers placed in industry	8,00%	2,00%	The College under achieved as less lecturers were placed due to lack of companies that were willing to place lecturers.
	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	250	286	College over achieved annual target as more partnerships for exchange and placement of students and lecturers were established
SO4 Improved responsiveness of TVET colleges to the world of work	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	1300	435	The College did not reach target due to less students enrolling due to financial challenges.
	4.2 Entrepreneurship hubs are established and supported	Number of students engaged in entrepreneurship			College did not reach the annual target

STRATEGIC OUTCOME	OUTPUTS	OUTPUT PERFORMANCE INDICATORS	TVET COLLEGE 2022 PLANNED TARGET	TVET COLLEGE 2022 ACHIEVEMENT	EXPLANATORY REMARKS
		programmes and initiatives	40	27	set as the new CfERI was starting to produce more students engaged in entrepreneurship programmes.
	4.3 Students are placed for WBPL at exit levels	Number of students placed for WBPL at exit levels			
		*Number of students placed for WBPL at NCV L4	200	227	College annual performance reached the target set.
		*Number of students placed for WBPL at N6	630	714	College annual performance achieved the target set

10.2 Strategy to deal with Underperformance

- The college held a successful 3rd Special Academic Event to improve on 2022 results, hosted in March and May.

Best performing campuses and lecturers received awards, in the following categories:

- ✓ Top three best performing campuses (NCV) subject pass %
 - Bethlehem Campus
 - Bonamelo Campus
 - Harrismith Campus
- ✓ Top three campuses (NCV) Certification rate
 - Harrismith Campus
 - Bonamelo Campus
 - Bethlehem Campus
- ✓ Top 3 Campuses Business Studies Subject Pass % Rate
 - Main Campus
 - Harrimisth Campus
 - Bethlehem Campus
- ✓ Top 3 Campuses Business Studies Certification Rate
 - Harrismith Campus
 - Main Campus

- Bethlehem Campus
- ✓ Campuses where TWO programmes met subject pass % target of 80 % in ALL THREE LEVELS
 - Bethlehem Campus: Education & Development L2-L4, Office Administration L2-L4
 - Bonamelo Campus: Office Administration L2-L4, Tourism L2-L4
 - Harrismith Campus: Office Administration L2-L4 Transport & Logistics L2-L4
 - Itemoheleng Campus: Civil Engineering & Building Construction L2-L4, Engineering Related Design L2-L4.
- ✓ Campuses where ONE programme met subject pass % target of 80 % in ALL THREE LEVELS
- ✓ Most Improved Campuses in R191 & NCV Respectively
 - Campuses which improved the most from Nov 2021 to Nov 2022 in NCV: Itemoheleng
 - Campuses which improved the most from Nov 2021 to Nov 2022 in NATED: Bethlehem
- ✓ Campus that Improved OVERALL the most from November 2021 to November 2022
 - Kwetlisong Campus.
- ✓ Campus that Managed the Internal Marking Centre the Best during November 2022
 - Lere la Tshepe Campus
- ✓ Top 3 Best Campuses in Fundamentals
 - Itemoheleng Campus
 - Sefikeng Campus
 - Bethlehem Campus
- ✓ Top 3 Campuses with reliable ICASS marks to Final Exam Mark – NCV only
 - Itemoheleng Campus
 - Bethlehem Campus
 - Harrismith Campus
- ✓ Top 3 Best Performing Lecturers
 - Schnetler C
 - Tshabalala MS
 - Mohale M
- All campuses presented their 2022 November results indicating poor performing subjects and explaining management plans with interventions for improvement. Best practices with good performing subjects were highlighted.
- An interpretation of analysis of results was done to identify challenges and introduce specific interventions in which students underperformed. These informed the College Improvement Plan. The plan included quarterly class visits to support and mentor newly appointed lecturers and lecturers who offered subjects in which students underperformed. Challenges were also identified through student questionnaires and student profiler. Where programmes/subjects were shared by campuses, best performing lecturers/campuses embarked on team teaching to assist poor performing campuses. Pre examination rally and team teaching for R191 was held for one week prior to commencement of June examinations, for poor performing subjects, where lecturers shared modules, administered class activities and pre examination to students.
- Mr Radile as a scholar by observing, providing advice, wrapped up at the end of the event. He summarized the event as follows:
 - ✓ The College Improvement Plan is implemented well and is yielding positive results
 - ✓ He was impressed that some campuses who were not performing have improved.
 - ✓ The event was of a high calibre and professionally organized.
 - ✓ The debates and engagements were high level.

□ **The College Teaching and Learning Plan** was

submitted in February

and received a GOOD rating. Six of the eight items were rated GOOD and two AVERAGE. The College had to make extensive adaptations to the plan.

□ Regional Office monitored the Implementation of the Teaching and Learning Plan. The team visited Main campus and Itemoheleng Campus to also monitor the two newly introduced NCV subjects which are Graphic Design Level 2 and Renewable Energy Technologies, Level 2.

□ The College LMS roll-out plan was developed by the E-learning Coordinator. Campus LMS facilitators submit weekly reports on uploaded learning material to the E-Learning Coordinator and lecturers continue to use the College online platform (Moodle) for supporting students with teaching and learning material. Participation by lecturers and students is gradually improving.

Lecturer training: IT and Life Skills lecturers attended Cisco training to become Instructors for Cisco Online courses and various webinars of teaching and learning.

In-house training sessions took place to capacitate lecturers. Training topics were: Revised 2022 ICASS Guidelines, College Assessment Schedule and Academic Calendar, Teaching and Learning Plan, The College Improvement Plan, Use of Quick Exams software for setting quality and standardized tasks, to ensure credibility of ICASS marks - ICASS marks to match examination marks, the integration of the theoretical and practical components to be indicated in lesson plans, Presentation of evidence of practicals conducted in workshops, computer labs, and practicum rooms, Regular use of student profiler (On-course activities) by students and lecturers, to identify and address student's academic challenges

Campus Managers presented samples of moderated assessments to the acting DPA to ensure quality and high standard.

Intercampus/College ICASS monitoring was conducted in March. Campuses administered peer monitoring in February and submitted a March ICASS monitoring report. Campuses continued to conduct ICASS monitoring on monthly basis and submitted reports. Campuses submitted regular ICASS reports which were presented, and followed up that management plans are implemented.

The acting DPA, acting Curriculum Manager and acting SSS Manager visited campus during February/March to monitor progress in teaching and learning, and provide support needed.

Site Based Assessment was conducted DHET and Umalusi on R191NS/BS and NCV during October/November, no reports were received.

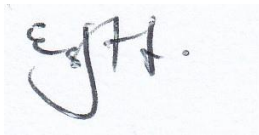
CONCLUSION

As an institution of teaching and learning, we regard the year under review, 2022, as a high water mark year in respect of our performance as a premier provider of *lifelong learning*. We have laboured hard to be where we are today, where even our peers now regard us a TVET programmes provider of choice. For a

rural-located institution, our performance and compliance rates are nothing short of impressive. Above all, we are proud that in the two immediate past reporting cycles, our College received the clean audits because of our sound financial management practices. The pass % rates in the year 2022, speak for themselves.

We accept that there is ample room for improvement in all our areas of endeavour. We wish to assure our Council and all other stakeholders that existing opportunities for improvement, will not be squandered. At Maluti TVET College, we are going into the future with our heads held high in the knowledge that we shall grow from strength to strength.

It is only proper that, in concluding, we thank all those who partnered and worked with us to make our success possible, Foremost among these are our College Council who guided and advised our Management Team. Our gratitude also goes to the SETA's that partnered with us and provided much needed funding for some of our flagship projects. We have much appreciation for the sponsorships generously donated by the Business Community in support of our Awards ceremonies. Last but not least, our thanks go to the lecturing staff and students for their perseverance through the highs and lows the academic year 2022.

A handwritten signature in black ink, appearing to read 'Egth.' or similar, on a light blue background.

COLLEGE ACTING PRINCIPAL
Mr. ME TSOTETSI

29 June 2023



PART D

FINANCIAL INFORMATION



Great Place. Great Choice for Lifelong Learning.

REQUIRED ATTACHMENTS FOR FINANCIAL REPORTING

B. COUNCIL RESPONSIBILITY AND APPROVAL

MALUTI TVET COLLEGE

Financial Statements for the year ended 31 December 2022

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 2023 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 R11 271 971 (2021 : -R21 682 775) 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 2023 and were signed on its behalf by:



Dr RA Patel
Chairperson of the Council
31 March 2023

B. REPORT OF THE AUDIT AND RISK COMMITTEE

a. Audit Committee Responsibility

- i. 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.

b. Internal audit

- i. 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 2022 annual plan activities as approved by the Audit Committee.
- ii. We have met with the Internal Audit Unit members during the year to ensure that the function duties were executed effectively and objectively.
- iii. 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.

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

- i. 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.

d. The effectiveness of internal control

- i. 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. We will be able to address this paragraph once AG has issued AFS Report.
- ii. 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.
- iii. 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.
- iv. 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. We will be able to finalise this paragraph after receiving AG Report.

MALUTI TVET COLLEGE

Financial Statements for the year ended 31 December 2022

GENERAL INFORMATION

Controlling entity	Department of Higher Education and Training (DHET)
Financial Statements relate to	MALUTI TVET COLLEGE (Individual entity and not group)
Domicile, legal form and jurisdiction	The College is a Public Technical and Vocational Education and Training College, constituted in terms of the Continuing Education and Training Act No. 16 of 2006, as amended (CET Act), and operates within the Republic of South Africa.
Nature of business and principal activities	To provide continuing education and training to registered students for all learning and training programmes leading to qualifications or part qualifications at levels 1 to 4 of the National Qualifications Framework.
Council Members	Dr RA Patel - Chairperson Mr W Lefora - Deputy Chairperson Mr M Mokhantso Dr VZ Masuku Mrs PN Nthunya Mr M Mahamotsa Mr LO Mazibuko Adv TE Tsoeu Mr TG Makgale Mr F Mokale Mr F Brown Mrs SM Mthabela-Mosia Mr L Zwane
Principal	Mr M.E. Tsotetsi (Acting)
Chief Financial Officer (CFO)	Mrs JE van Wyk (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

C. AUDITED ANNUAL FINANCIAL STATEMENTS

Report of the 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

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 2022, 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 2022, 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 responsibilities of the auditor-general for the audit of financial statements section of my report.
4. I am independent of the college in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of 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 R20 376 776 (2021: R15 507 169).

Material losses

8. As disclosed in note 4 to the financial statements, material losses of R6 402 364 (2021: R10 773 517) were incurred as a result of a write-off of irrecoverable trade debtors.

Restatement of corresponding figures

9. As disclosed in note 31 to the financial statements, the corresponding figures for 31 December 2021 were restated as a result of errors in the financial statements of the college at, and for the year ended, 31 December 2022.

Responsibilities of the council for the financial statements

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

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

12. 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.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

14. In terms of the CETA the college is not required to prepare an annual performance report.

Report on compliance with legislation

15. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The council is responsible for the college's compliance with legislation.

16. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
17. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial management of the college, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
18. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

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

Other information in the annual report

20. The council is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor's report.
21. My opinion on the financial statements and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
22. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
23. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, 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

24. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

25. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on compliance with legislation included in this report:
26. Leadership did not establish and communicate policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities.
27. Management of the college did not implement sufficient controls over daily and monthly processing and reconciling transactions, in a form of detailed reviews of transactions that are captured on the system. This was mainly due to instability in key positions in the finance unit.
28. Management and leadership did not ensure that an adequate audit action plan was implemented in time to avoid material misstatements in the financial statements, which resulted in material adjustments to the financial statements.
29. Management's lack of detailed review of the financial statements and the underlying records resulted in material misstatements that were not detected by the college's internal processes.

Bloemfontein

AUDITOR - GENERAL

31 May 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

2. 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 selected requirements in key legislation.

Financial statements

3. 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 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

4. 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.
5. 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.

Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Continuing Education and Training Act of South Africa 16 of 2006 (CETA).	CETA 3(3) CETA 10(9)(c) CETA 10(9)(e)(iii) CETA 10(9B) CETA 20(7)(b) CETA 20(8)(a)-(c) CETA 25(1)(b) CETA 25(3) CETA 44(1) CETA 46(1)(a)(i) CETA 46(1)(a)(ii)
The Prevention and Combating of Corrupt Activities Act 12 of 2004	PRECCA 34(1)

2. Statement of Financial Position

MALUTI TVET COLLEGE

Statement of Financial Position as at 31 December 2022

	Note	2022 R	2021 R
ASSETS			
Current assets		233,408,000	195,788,526
Cash and cash equivalents	3	183,070,353	150,225,156
Trade and other receivables from exchange transactions	4	29,816,425	28,540,371
Other receivables from non-exchange transactions, including transfers	5	20,521,222	17,022,999
Non-current assets		186,002,084	165,102,096
Property, plant and equipment	6	185,237,159	165,068,884
Intangible assets	7	417,825	33,213
Biological assets that form part of an agricultural activity	8	347,100	-
Total assets		419,410,084	360,890,622
LIABILITIES			
Current liabilities		72,152,509	64,468,864
Trade and other payables from exchange transactions	9	55,003,072	51,469,610
Provisions	10	834,814	1,093,096
Unspent conditional grants and receipts	11	16,314,622	11,466,880
Finance lease liability	12	-	439,277
Non-current liabilities		-	-
Finance lease liability	12	-	-
Total liabilities		72,152,509	64,468,864
Net assets		347,257,576	296,421,758
Accumulated surplus/(deficit)		347,257,576	296,421,758
Total net assets and liabilities		419,410,084	360,890,622

MALUTI TVET COLLEGE**Statement of Financial Performance for the year ended 31 December 2022**

	Note	2022 R	2021 R
Revenue			
Revenue from exchange transactions		62,325,414	77,826,421
Tuition and related fees	13	59,410,658	75,903,172
Sale of goods and rendering of services	14	1,196,267	-
Rental of facilities and equipment	15	291,539	19,850
Other income	17	1,426,950	1,903,399
Revenue from non-exchange transactions		255,207,348	190,799,588
Government grants and subsidies	18	246,764,290	186,158,323
Investment income	16	8,027,502	3,921,455
Other income	17	415,557	719,810
Total revenue		317,532,763	268,626,009
Expenses			
Employee related costs and DHET management fee	19	(165,616,515)	(158,669,901)
Impairment of debtors	20	(11,271,971)	21,682,775
Depreciation and amortisation	21	(8,505,685)	(8,174,271)
Books and learning materials		(14,559,545)	(7,350,765)
Repairs and maintenance	22	(6,063,078)	(9,292,231)
Travel, accommodation and entertainment		(6,570,579)	(2,063,631)
Security		(12,819,679)	(11,388,438)
Professional services	23	(3,987,183)	(3,346,958)
Municipal services		(5,170,232)	(5,255,911)
Telephone, postage, internet, network and communication costs		(6,964,589)	(7,666,705)
Printing and stationery		(3,680,454)	(3,015,187)
Finance costs	24	(15,893)	(85,266)
Other expenses	25	(21,510,071)	(14,433,826)
Total expenses		(266,735,474)	(209,060,315)
Other gains / losses		38,529	(1,687,677)
Gain/(Loss) on sale of assets	26	142,429	(1,687,677)
Gain/(Loss) on biological assets and agricultural produce	27	(103,900)	-
Surplus/(Deficit) for the year		50,835,817	57,878,017

Statement of Changes in Net Assets

MALUTI TVET COLLEGE

Statement of Changes in Net Assets for the year ended 31 December 2022

	Note		39
		Accumulated Funds	
		Accumulated Surplus/(Deficit)	Total: Net Assets
		R	R
Balance at 01 January 2021		238,543,742	238,543,742
As previously reported		239,383,286	239,383,286
Correction of errors	31	(839,578)	(839,578)
Surplus/(deficit) for the year		57,878,017	57,878,017
As previously reported		29,698,484	29,698,484
Correction of errors	31	28,179,533	28,179,533
Balance at 01 January 2022		296,421,758	296,421,758
Surplus / (deficit) for the year		50,835,817	50,835,817
Balance at 31 December 2022		347,257,576	347,257,576

MALUTI TVET COLLEGE
Cash Flow Statement for the year ended 31 December 2022

	Note	2022 R	2021 R
Cash flows from operating activities			
Receipts		169,574,372	169,869,975
Tuition and related fees		46,862,632	70,202,137
Sale of goods and rendering of services		1,196,267	-
Rental of facilities and equipment		291,539	19,850
Interest		8,027,502	3,921,455
Government grants and subsidies		111,639,924	93,700,002
Other receipts		1,556,508	2,026,531
Payments		(107,192,860)	(110,721,858)
Employee costs		(29,400,913)	(54,897,294)
Suppliers		(77,791,947)	(55,824,564)
Net cash flows from operating activities	29	62,381,512	59,148,117
Cash flows from investing activities			
Purchase of property, plant and equipment		(28,507,582)	(26,282,512)
Purchase of intangible assets		(338,703)	-
Purchase of biological assets that form part of an agricultural activity		(452,000)	-
Proceeds from the sale of property, plant and equipment		216,140	-
Proceeds from the sale of biological assets that form part of an agricultural activity		1,000	-
Net cash flows from investing activities		(29,081,145)	(26,282,512)
Cash flows from financing activities			
Finance lease repayments		(455,170)	(1,734,471)
Net cash flows from financing activities		(455,170)	(1,734,471)
Net increase/(decrease) in cash and cash equivalents		32,845,197	31,131,134
Cash and cash equivalents at the beginning of the year	3	150,225,156	119,094,022
Cash and cash equivalents at the end of the year		183,070,353	150,225,156

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2022

1.00 ACCOUNTING POLICIES

1.01 Presentation of Financial Statements and Basis of preparation

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

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

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

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

A summary of the significant accounting policies are disclosed below.

1.02 Presentation currency

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

1.03 Going concern assumption

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

1.04 Comparison of budget and actual amounts

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

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

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

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

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2022

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.

The transactions and amounts are disclosed in Note 18.

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2022

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.

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Notes to the Financial Statements for the year ended 31 December 2022

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

The transactions and amounts are disclosed in Note 19.

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.

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2022

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

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

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

Estimates

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

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

Debt impairment

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

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

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

Provisions

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

Refer to Note 10 for the provisions affected.

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Notes to the Financial Statements for the year ended 31 December 2022

Useful lives and residual values of assets; depreciation and amortisation

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

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

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

Effective interest rate

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

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

Fair value determination of properties (excluding heritage assets)

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

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

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

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

Biological assets

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

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

1.06 Biological assets that form part of an agricultural activity

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

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

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

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

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

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

1.07 Property, plant and equipment

Property, plant and equipment include:

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

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

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

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

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

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

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Notes to the Financial Statements for the year ended 31 December 2022

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

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

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

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

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

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

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

Deemed cost

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

1.08 Intangible assets

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

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

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

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

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

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

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

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

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

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

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

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Notes to the Financial Statements for the year ended 31 December 2022

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

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

Deemed cost

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

1.09 Financial instruments

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

Class	Category
Trade and other receivables	Financial asset at 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.

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Notes to the Financial Statements for the year ended 31 December 2022

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

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

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

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

Impairment and uncollectability of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

Derecognition

Financial assets

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

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Notes to the Financial Statements for the year ended 31 December 2022

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

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

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

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

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

Financial liabilities

The College removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

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

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

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2022

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 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.

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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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Value in use

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

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

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

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.14 Impairment of non-cash-generating assets

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

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

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

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

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

Value in use

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

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

Depreciated replacement cost approach

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

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

Restoration cost approach

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

Service units approach

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

Recognition and measurement

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

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

Reversal of an impairment loss

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

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

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

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

Redesignation

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

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

1.15 Employee benefits

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

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

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

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

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

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

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

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

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

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

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- 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

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

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

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

DHET management fee

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

1.16 Provisions and contingencies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.17 Revenue from exchange transactions

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

Sale of goods

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

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

Rendering of services

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

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

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

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

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

Interest, royalties, dividends and tuition fees

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

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

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

Tuition fees are recognised over the period of instruction.

1.18 Revenue from non-exchange transactions

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

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

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

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

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

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

Programme funding

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

Transfers

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

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

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

Government grants and unspent conditional grants

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised. To qualify as a conditional grant, the conditions of the grant must be clearly stipulated including:

- 1) The required outputs and outcomes; and
- 2) That any unspent portion must be repaid to the grantor.

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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.

1.19 Borrowing costs

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

1.20 Comparative figures

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

1.21 Related parties

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

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

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

The following entities are related parties of the College:

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

Control is the power to govern financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers). 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 2022

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 2022.

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

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2022

	2022	2021
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

3 Cash and cash equivalents

Cash and cash equivalents consist of the following:

Cash on hand	38,353	39,235
Cash at bank	33,134,407	17,755,396
Call deposits	149,897,593	132,430,525
	183,070,353	150,225,156

The College has the following bank accounts:

<u>ABSA</u> <u>DECEMBER 2022</u>	Cashbook balance - Beginning of year	Cashbook balance - end of year	Bank statement balance - Beginning of year	Bank statement balance - end of year
ABSA: 4054510287	981,900	6,248,459	981,900	6,248,459
ABSA: 4099787354	2,445	808,603	2,445	808,603
ABSA: 4079725683	1,019	4,621,217	1,019	4,621,217
ABSA: 4074720507	16,770,032	21,456,127	16,770,032	21,456,127
ABSA: 4082686547	132,430,525	149,897,593	132,430,525	149,897,593
	150,185,921	183,031,999	150,185,921	183,031,999

<u>ABSA</u> <u>DECEMBER 2021</u>	Cashbook balance - Beginning of year	Cashbook balance - end of year	Bank statement balance - Beginning of year	Bank statement balance - end of year
ABSA: 4054510287	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

<u>Cash on hand</u>	38,353	39,235
Total cash and cash equivalents	183,070,353	150,225,156

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2022

Note
2022
R
2021
R

4 Trade and other receivables from exchange transactions

	Gross Balances	Provision for Impairment of debts	Net Balance
	R	R	R
31 December 2022			
Student debtors	47,278,830	(20,376,776)	26,902,055
Payments made in advance	844,000	-	844,000
Sundry debtors	1,854,907	-	1,854,907
VAT receivable	215,464	-	215,464
Total trade and other receivables	50,193,201	(20,376,776)	29,816,425

	Gross Balances	Provision for Impairment of debts	Net Balance
	R	R	R
31 December 2021			
Student debtors	42,898,016	(15,507,169)	27,390,847
Payments made in advance	215,263	-	215,263
Sundry debtors	783,303	-	783,303
VAT receivable	150,958	-	150,958
Total trade and other receivables	44,047,540	(15,507,169)	28,540,371

Students: Ageing

Current (0 – 30 days)	(909)	(436,042)
31 - 60 Days	(6,406)	(1,840)
61 - 90 Days	145,905	742,507
91 - 120 Days	6,689	(4,983)
121 + Days	47,133,551	42,598,374
Total	47,278,830	42,898,016

Payments made in advances: Ageing

Current (0 – 30 days)	844,000	-
31 - 60 Days	-	215,263
61 - 90 Days	-	-
91 - 120 Days	-	-
121 + Days	-	-
Total	844,000	215,263

Sundry Debtors: Ageing

Current (0 – 30 days)	1,443,413	371,181
31 - 60 Days	-	-
61 - 90 Days	-	528
91 - 120 Days	-	-
121 + Days	411,494	411,594
Total	1,854,907	783,303

VAT receivable: Ageing

Current (0 – 30 days)	215,464	150,958
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121 + Days	-	-
Total	215,464	150,958

Reconciliation of the provision for debt impairment

Balance at beginning of the year	15,507,169	47,963,461
Contributions to provision	11,271,971	(21,682,775)
Bad debts written off against provision	(6,402,364)	(10,773,517)
Balance at end of year	20,376,776	15,507,169

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	2,501,968	86,098
31 to 60 days	(6,406)	213,423
61 to 90 days	145,905	743,035
91 to 120 days	6,689	(4,983)
Greater than 120 days	27,168,270	27,502,799
	29,816,425	28,540,371

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2022

	2022	2021
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

20,521,222	17,022,999
20,521,222	17,022,999

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

20,521,222	17,022,999
-	-
-	-
-	-
-	-
-	-
20,521,222	17,022,999

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2022

	Note	2022 R	2021 R
6 Property, plant and equipment			
		2022	2021
		Cost	Cost
		Accumulated Depreciation and Impairment	Accumulated Depreciation and Impairment
		Carrying Value	Carrying Value
		R	R
Land		5,170,000	5,170,000
Buildings		147,721,439	122,571,649
Capital projects		2,538,634	2,538,634
Vehicles		10,239,847	6,117,450
Furniture and Fittings		12,868,453	7,069,259
Plant, Machinery and Equipment		18,768,781	14,636,892
Office Equipment		2,069,306	1,360,457
Computer Equipment		38,354,160	25,897,863
Marketing material		173,675	74,955
Total		282,664,295	185,237,159

Reconciliation of Property Plant and Equipment - 2022

	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	5,170,000	-	-	-	-	-	-	-	-	5,170,000
Buildings	121,275,782.79	2,237,099	-	-	(3,521,562)	2,580,329	-	-	-	122,571,649
Capital projects	-	5,118,943	-	-	-	(2,580,329)	-	-	-	2,538,634
Vehicles	4,533,194	2,395,074	-	(15,421)	(795,397)	-	-	-	-	6,117,450
Furniture and Fittings	4,938,075	2,556,099	-	(511)	(424,404)	-	-	-	-	7,069,259
Plant, Machinery and Equipment	4,621,086	10,758,495	-	-	(742,689)	-	-	-	-	14,636,892
Office Equipment	1,182,698	30,185	-	(172)	(203,534)	-	-	-	-	1,360,457
Computer Equipment	23,257,828	5,345,185	-	(57,607)	(2,848,342)	-	-	-	-	25,897,863
Marketing material	90,220	-	-	-	(15,265)	-	-	-	-	74,955
Total	165,068,684	26,793,580	-	(79,713)	(8,551,594)	-	-	-	-	185,237,159

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2022

	Note	2022 R	2023 R							
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	5,170,000	-	-	-	-	-	-	-	-	5,170,000
Buildings	114,651,764	82,334	-	-	(3,359,101)	10,659,357	-	-	(958,571)	121,275,783
Capital projects	320,589	10,381,027	-	-	-	(10,659,357)	-	-	(42,259)	-
Vehicles	2,191,034	2,756,017	-	-	(395,657)	-	-	-	-	4,551,394
Furniture and Fittings	5,012,007	716,037	-	-	(789,868)	-	-	-	-	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	-	-	(1,585,887)	-	-	-	-	-	1,182,698
Computer Equipment	15,096,168	10,923,888	-	(76,440)	(2,685,348)	-	-	-	-	23,257,828
Marketing material	110,357	-	-	-	(20,137)	-	-	-	-	90,220
Total	149,010,084	26,879,181	-	(1,687,677)	(8,131,884)	-	-	-	(1,000,810)	165,068,684

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 - 15 years
Furniture and Fittings	10 - 15 years
Plant, Machinery and Equipment	12 years
Office Equipment	10 - 15 years
Computer Equipment	6 - 15 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	2022 Transfer	Closing Balance	Opening Balance	Additions	2021 Transfer	Other	Closing Balance
	R	R	R	R	R	R	R	R	R
Buildings	-	5,118,963	(2,580,329)	2,538,634	320,589	10,381,027	(10,659,357)	(42,259)	-
	-	5,118,963	(2,580,329)	2,538,634	320,589	10,381,027	(10,659,357)	(42,259)	-

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2022

	2022	2021
Note	R	R
Repairs and maintenance incurred		
Buildings	5,091,106	8,499,636
Vehicles	453,410	453,110
Computer Equipment	16,735	53,690
Other property, plant and equipment	503,827	283,794
	6,065,078	9,290,230
Contractual commitments for the acquisition of property, plant and equipment		
By the date that the financial statements were authorised for issue the following contractual		
Buildings	3,134,829	-
Plant, Machinery and Equipment	1,668,238	-
	4,803,067	-

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2022

	Note	2022 R	2021 R
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7 Intangible assets

	2022			2021		
	Cost	Accumulated Amortisation and Impairment	Carrying Value	Cost	Accumulated Amortisation and Impairment	Carrying Value
	R	R	R	R	R	R
Computer Software	593,023	(175,198)	417,825	254,320	(221,107)	33,213
Total	593,023	(175,198)	417,825	254,320	(221,107)	33,213

Reconciliation of Intangible Assets - 2022

	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	33,213	338,703	-	-	45,909	-	-	-	-	417,825
Total	33,213	338,703	-	-	45,909	-	-	-	-	417,825

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

Estimated useful lives

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

Class	Useful Life Range in Years
Computer Software	6-9 years

MALUTI TVET COLLEGE

Notes to the Financial Statements for the year ended 31 December 2022

	Note	2022 R	2021 R
# Physical assets that form part of an agricultural activity			
		2022	2021
		Cost	Accumulated Depreciation and Impairment
		R	R
Cattle		211,000.00	-
Sheep		43,000	-
Pigs		63,600	-
Goats		30,000	-
Donkeys		500	-
Total		347,100	-
		2021	2020
		Cost	Accumulated Depreciation and Impairment
		R	R
Cattle		-	-
Sheep		-	-
Pigs		-	-
Goats		-	-
Donkeys		-	-
Total		-	-
Reconciliation of Biological Assets - 2022			
		Carrying Value Opening Balance	Purchases
		R	R
Cattle		-	211,000
Sheep		-	43,000
Pigs		-	63,600
Goats		-	30,000
Donkeys		-	500
Total		-	347,100
		Acquisitions through entity combinations	Disposals
		R	R
Cattle		-	-
Sheep		-	(1,000)
Pigs		-	-
Goats		-	-
Donkeys		-	-
Total		-	(1,000)
		Depreciation	Increase/Decrease Assets acquired through a non-exchange transaction
		R	R
Cattle		-	(5,500)
Sheep		-	333
Pigs		-	(19,000)
Goats		-	(34,000)
Donkeys		-	500
Total		-	(57,667)
		Gains/losses arising from changes in fair value less costs to sell	Decrease due to deaths / theft
		R	R
Cattle		-	(18,500)
Sheep		-	(2,333)
Pigs		-	(2,400)
Goats		-	(3,000)
Donkeys		-	-
Total		-	(46,233)
		Impairment loss / Reversal of impairment loss	Transfers
		R	R
Cattle		-	-
Sheep		-	-
Pigs		-	-
Goats		-	-
Donkeys		-	-
Total		-	-
		Other movements	Carrying Value Closing Balance
		R	R
Cattle		-	211,000
Sheep		-	43,000
Pigs		-	62,600
Goats		-	30,000
Donkeys		-	500
Total		-	347,100
Quantities of the output of agricultural produce for each class of biological asset			
		Units	Units
Cattle		15	-
Sheep		22	-
Pigs		97	-
Goats		20	-
Donkeys		1	-

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2022

		2022	2021
	Note	R	R
9 Trade and other payables from exchange transactions			
Trade creditors		6,539,313	5,801,022
Payments received in advance		2,027,602	1,540,493
Unallocated receipts		251,445	194,737
Other Seta's		12,889,097	7,697,991
NSFAS Bursary payments		21,309,118	24,248,870
NSFAS Unallocated deposits		11,986,497	11,986,497
Total creditors		55,003,072	51,469,610

10 Provisions
Reconciliation of Movement in Provision - 2022

	Provision for Bonus R	Provision for Leave Pay R	Total R
Opening Balance	814,972	278,124	1,093,096
Movement	(272,286)	14,004	(258,282)
Closing Balance	542,686	292,128	834,814
Non-current provisions	-	-	-
Current portion provisions	542,686	292,128	834,814

Reconciliation of Movement in Provision - 2021

	Provision for Bonus R	Provision for Leave Pay R	Total R
Opening Balance	1,480,452	941,120	2,421,572
Movement	(665,480)	(662,996)	(1,328,476)
Closing Balance	814,972	278,124	1,093,096
Non-current provisions	-	-	-
Current portion provisions	814,972	278,124	1,093,096

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.

11 Unspent conditional grants and receipts

Unspent Conditional Grants from other spheres of Government	16,314,622	11,466,880
Grant: DHET - fee adjustment	19,644	19,644
Grant: NSF	4,621,517	(226,226)
Capital Grant: DHET	11,673,462	11,673,462
Total Unspent Conditional Grants and Receipts	16,314,622	11,466,880
Non-current portion of unspent conditional grants and receipts	-	-
Current portion of unspent conditional grants and receipts	16,314,622	11,466,880
Movements during the year		
Balance at the beginning of year	11,466,880	11,466,880
Additions during the year	251,612,032	186,158,323
Income recognised during the year	(246,764,290)	(186,158,323)
	16,314,622	11,466,880

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2022

		2022	2021
	Note	R	R

12 Finance lease liability
2022

	Future minimum lease payments	Future finance charges	Present value of future minimum lease payments
	R	R	R
Amounts payable under finance leases			
Within one year	-	-	-
Within two to five years	-	-	-
Later than five years	-	-	-
Total future minimum lease payments	-	-	-
Less: Amount due for settlement within 12 months (current portion)	-	-	-
Non-current future minimum lease payments	-	-	-

2021

	Future minimum lease payments	Future finance charges	Present value of future minimum lease payments
	R	R	R
Amounts payable under finance leases			
Within one year	446,806	7,529	439,277
Within two to five years	-	-	-
Later than five years	-	-	-
Total future minimum lease payments	446,806	7,529	439,277
Less: Amount due for settlement within 12 months (current portion)	(446,806)	(7,529)	(439,277)
Non-current future minimum lease payments	-	-	-

Finance Leases consists of the following:

The College leases some of its copiers and printers under finance leases. The lease terms were 3 years. Interest rates are 10.25%. Interest rates are linked to prime. There is no escalation on these contracts. These leases were paid off in 2022 financial year.

13 Tuition and related fees
Tuition fees paid directly by students or private bursaries

Tuition fees - students	10,501,890	16,206,882
	10,501,890	16,206,882

Fees funded by NSFAS bursaries

Tuition fees - students	47,663,168	59,255,290
Residential fees	1,245,600	441,000
	48,908,768	59,696,290

Total tuition and related fees

	59,410,658	75,903,172
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MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2022

	Note	2022 R	2021 R
14 Sale of goods and rendering of services			
Sale of goods			
Agricultural products sales		1,195,487	-
		1,195,487	-
Rendering of services			
Guesthouse and other accommodation fees		780	-
		780	-
Total sale of goods and rendering of services		1,196,267	-
15 Rental of facilities			
Rental of facilities		291,539	19,850
- Straight-lined operating lease income		291,539	19,850
Total rentals		291,539	19,850
16 Investment Income			
Interest - Bank		8,027,502	3,921,455
Total interest income		8,027,502	3,921,455
Total investment income		8,027,502	3,921,455
17 Other income			
From exchange transactions			
Education support		1,350,890	641,351
Recovery of bad debts written off		76,060	561,059
Additional funding by NSFAS		-	700,990
		1,426,950	1,903,399
From non-exchange transactions			
Tender fees		63,230	123,131
Donations received		285,999	596,679
Insurance claims received		66,328	-
		415,557	719,810
18 Government grants and subsidies			
Reconciliation of Movement - 2022			

Programme funding: Grants paid via Persal
 Services in kind /Management fee: Paid via Persal
 Grant: DHET
 Grant: DHET - fee adjustment
 Capital Grant: DHET
 Grant: FESTO
 Grant: ETD Skills Levy
 Grant: NSF
 SEDA Grant
Total Government Grant and Subsidies

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
-	132,312,748	(132,312,748)	-
-	4,161,137	(4,161,137)	-
-	84,838,898	(84,838,898)	-
19,644	-	-	19,644
11,673,462	15,759,101	(15,759,101)	11,673,462
-	6,792,496	(6,792,496)	-
-	1,774,910	(1,774,910)	-
(226,226)	4,847,742	-	4,621,517
-	1,125,000	(1,125,000)	-
11,466,880	251,612,032	(246,764,290)	16,314,622

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2022

		2022	2021		
	Note	R	R		
Reconciliation of Movement - 2021					
		Balance unspent at beginning of year	Current year receipts / (allocations)	Conditions met - transferred to revenue	Conditions still to be met - remain liabilities
		R	R	R	R
Programme funding: Grants paid via Persal		-	101,133,842	(101,133,842)	-
Services in kind: Management fees paid via Persal		-	3,967,240	(3,967,240)	-
Grant: DHET		-	80,377,142	(80,377,142)	-
Grant: DHET - fee adjustment		19,644	-	-	19,644
Capital Grant: DHET		11,673,462	-	-	11,673,462
Grant: ETDP Skills Levy		-	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

*This grant is overspend at 2021 year-end as the students were paid in accordance with the agreement from NSF and the money were claimed in 2022.

Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 5 of 2022), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

19 Employee related costs and DHET management fee
Employee related costs

Employee related costs - Salaries and Wages	23,911,327	43,352,901
Employee related costs - Contributions for UIF, pensions and medical aids	2,621,368	6,322,274
Housing allowances	494,729	1,374,915
Performance and other bonuses	1,478,093	2,432,700
Casual wages	623,112	749,026
Provision for leave movement	14,004	(662,996)
	29,142,631	53,568,820

DHET salary related cost

Employee related costs - Salaries and Wages	91,366,032	71,015,925
Employee related costs - Contributions for UIF, pensions and medical aids	20,945,339	16,016,140
Travel, motor car, accommodation, subsistence and other allowances	5,530,417	3,371,942
Housing allowances	5,980,164	4,034,110
Performance and other bonuses	7,175,635	5,863,630
	130,997,588	100,301,746

DHET management fee cost

Employee related costs - Salaries and Wages	3,852,532	3,474,828
Employee related costs - Contributions for UIF, pensions and medical aids	601,161	508,605
Travel, motor car, accommodation, subsistence and other allowances	677,094	510,801
Performance and other bonuses	345,509	305,100
	5,476,297	4,799,335

Total employee related costs and DHET management fee

165,616,515	158,669,901
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Services in kind /Management fee(Paid via Persal or another source):

Lecturers and support staff engaged in Report 191 and NCV courses	130,997,588	100,301,746
Management remuneration	5,476,297	4,799,335
	136,473,884	105,101,082

MALUTI TVET COLLEGE**Notes to the Financial Statements for the year ended 31 December 2022**

	2022	2021
Note	R	R
Expenses paid via College payroll:		
Lecturers and support staff engaged in Report 191 and NCV courses	29,128,627	54,231,816
Provision for leave movement	14,004	(662,996)
	29,142,631	53,568,820
Total employee cost and DHET management fee:		
Total funded		
Lecturers engaged in Report 191 and NCV courses	160,126,215	154,533,562
Management remuneration	5,476,297	4,799,335
	165,602,512	159,332,897
Total non-funded and other		
Provision for leave movement	14,004	(662,996)
	14,004	(662,996)
In terms of the CET Act, employees that are employed by DHET and have a dual accountability towards the council and DHET respectively.		
20 Impairment of debtors		
Changes in debt impairment provision	11,271,971	(21,682,775)
	11,271,971	(21,682,775)
Council made an adjustment to the debtors recovery policy and student debt will now be recovered more actively.		
21 Depreciation and amortisation		
Property, plant and equipment	8,551,594	8,131,884
Intangible assets	(45,909)	42,387
	8,505,685	8,174,271
22 Repairs and maintenance		
Land, buildings and infrastructure	5,091,106	8,499,636
Computer equipment	16,735	53,690
Other property, plant and equipment items	503,827	283,794
Motor vehicles	451,410	455,110
	6,063,078	9,292,231
23 Professional services		
Accounting and financial management fees	190,618	209,846
Legal fees	79,743	320,941
External audit cost	3,716,822	2,816,172
	3,987,183	3,346,958
24 Finance costs		
Finance leases	7,526	80,159
Trade and other payables	8,120	4,418
South African Revenue Services	247	689
	15,893	85,266

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2022

	Note	2022 R	2021 R
25 Other expenses			
Advertising		443,433	625,421
Bank charges		275,045	298,777
Cash shortages		2,000	-
Cleaning and pest control		930,896	958,535
Compensation commissioner contributions		85,925	97,378
Consulting and architectural fees		1,311,326	1,075,455
Council fees		867,340	781,336
Farming expenses		1,743,916	602,825
Fines and penalties		71,428	-
Fuel, oil and gas for machines and generators		696,604	394,362
Human resource support		126,147	118,567
Insurance		1,536,430	1,344,239
Membership and registration costs		251,778	246,528
Motor vehicle expenses: licences and insurance		30,723	32,640
Motor vehicle expenses: fuel		1,500,910	864,281
Other installations		3,777	-
Rental expenses		3,959,518	2,252,010
Sport club expenses		91,201	48,122
SRC Training & Election Expenses		300,735	197,000
Training		2,640,254	1,823,343
Transport expenses		2,105,939	954,507
Uniforms and overalls		1,778,229	1,005,280
Various other expenses		756,517	713,220
		21,510,071	14,433,826
26 Gain/(Loss) on sale of assets			
Property, plant and equipment disposals and assets derecognised		142,429	(1,687,677)
		142,429	(1,687,677)
27 Gain/(Loss) on fair value adjustment			
Biological assets carried at fair value		(103,900)	-
		(103,900)	-

MALUTI TVET COLLEGE**Notes to the Financial Statements for the year ended 31 December 2022**

	Note	2022 R	2021 R
28 Employee benefits			
Defined contribution plans recognised as an expense:			
Government Employees Pension fund: Employees		12,009,931	9,357,856
Government Employees Pension fund: Management fees		384,785	368,454
Government Employees Pension fund: Council paid employees		1,723,659	4,119,022
The amounts recognised in the statement of financial performance		14,118,374	13,845,332
29 Cash flows from operating activities			
Surplus/(deficit) for the year		51,284,744	31,031,124
Adjustment for:			
Depreciation and amortisation		8,505,685	8,144,829
Fair value adjustment on Biological assets		103,900	-
Donation received (non-cash)		(285,999)	(841,282)
Debt impairment		10,823,045	5,438,162
Gain/loss on sale of assets		(142,429)	1,687,677
Finance costs (non-cash)		15,893	85,266
		70,304,839	45,545,776
Changes in working capital:			
(Increase)/decrease in trade and other receivables from exchange transactions		(12,548,026)	(5,701,035)
(Increase)/decrease in other receivables from non-exchange transactions		(3,498,223)	12,642,761
Increase/(decrease) in unspent conditional grants and receipts		4,847,742	-
Increase/(decrease) in trade and other payables from exchange transactions		3,533,463	7,989,091
Increase/(decrease) in provisions		(258,283)	(1,328,476)
Net cash flows from operating activities		62,381,512	59,148,117

MALUTI TVET COLLEGE**Notes to the Financial Statements for the year ended 31 December 2022**

	Note	2022 R	2021 R
30 Comparison of budget and actual amounts			
The material differences between the final budget and actual amounts are explained below:			
Tuition and related fees		Tuition fees were overbudgeted in the current year.	
Sale of goods and rendering of services		The guesthouse did not generate income and the farming income were less than budget.	
Rental of facilities and equipment		Increase was due to the rental of college halls for the UFS project.	
Investment income		Interest received from Call account and Infrastructure account due to increase in account balances.	
Other income		Increase is due to donations received and income from the UFS project that were not included in the budget	
Government grants and subsidies		An additional R19.9m were received from DHET and R7.9m additional other grants were obtained.	
Impairment of debtors		Lower than budget, as more students now got bursaries that is funding their studies.	
Books and learning materials		Additional text book for 2023 were procured at the end of the year.	
Repairs and maintenance		Increase was due to the repairs to most of the campuses roofs, electrical work and the installation of generators.	
Travel, accommodation and entertainment		More face to face meetings and training and functions were again held during the year.	
Other expenses		Increased due to additional diesel for generators, additional training and increased farming activities.	
Telephone, postage, internet, network and communication costs		Lower than budget as none of the employees worked from home resulting in lower costs.	

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2022

	2022	2021
Note	R	R

31 Correction of error

During the year the following correction of errors occurred:

In 2021 the College made provision for Council member to claim outstanding sitting allowances. None of the Council members claimed any outstanding allowances and this was written back in 2021.

Outstanding creditors from 2021 were found in the current year and corrected to the relevant accounts in 2021.

The College made provision for leave for employees that moved over to the DHET during October 2021. Agreement were reached with DHET that they will take over the outstanding leave obligation for these employees. The provision were thus corrected to now excluded these employees.

Errors in the bonus provision were corrected for 2021.

The Debtors opening balance were corrected to agree to the debtors system.

A vehicle that were donated to the college in 2016 were accounted for and the related depreciation.

The additional amounts received from NSFAS as COVID relief were accounted for a income in 2020 and 2021. And the opening balance were also corrected to the supporting documents.

The SETA control account were corrected by allocating the Administration fees received and other adjustments.

The Accruals account were adjusted to agree to the actual payments and the professional fees and related assets were corrected and then adjusted the depreciation.

The land that is controlled by the College but registered in the name of Public Works were removed from the assets.

The provision for debt impairment were adjusted to agree to the expected collection rate of the outstanding student debtors.

The comparative amount has been restated as follows:	2021	2020
	R	R
Statement of financial position		
Provision	382,228	74,394
Property, Plant and Equipment	(29,441)	(5,609,989)
Accumulated surplus	-	839,578
Trade and other receivables from exchange transactions	27,120,937	(84,962)
Payables	705,810	4,780,979
	28,179,533	-
Statement of financial performance		
Other Income	(761,615)	-
Employee cost	(382,228)	-
Depreciation	29,441	-
Telephone, postage, internet, network and communication costs	201,991	-
Other expenses	(146,185)	-
Impairment of debtors	(27,120,937)	-
	(28,179,533)	-
Net effect on Accumulated surplus opening balance	(28,179,533)	839,578

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2022

		2022	2021
	Note	R	R

32 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:	-	(1,601,776)	1,601,776
Office equipment - the useful range life changed from 10 to 18	-	(107,599)	107,599
Furniture and Fittings - the useful range life changed from 10 to 18	-	(627,798)	627,798
Vehicles - the useful range life changed from 8 years to 13 years	-	(201,790)	201,790
Computer equipment - the useful range life changed from 10 years to 13 years	-	(664,589)	664,589

33 Commitments
COMMITMENTS IN RESPECT OF CAPITAL EXPENDITURE

- Approved and contracted for	4,278,350	-
PPE	4,278,350	-
Ablution at Bonomelo campus	1,275,846	-
Gutters at Bonomelo campus	912,813	-
Renovation at one building at Main campus	946,170	-
Surveillance Cameras	1,143,521	-
Total capital commitments	4,278,350	-
The capital commitments will be financed from		
- Government Grants	3,134,829	-
- Own resources	1,143,521	-
	4,278,350	-

MALUTI TVET COLLEGE**Notes to the Financial Statements for the year ended 31 December 2022**

	Note	2022 R	2021 R
34 <u>Contingent liabilities</u>			
Mathews George		-	3,768,740
<p>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. Confirmation was received that this claim is closed by the attorneys.</p>			
35 <u>In-kind donations and assistance</u>			
The College received the following in-kind donations and assistance which was not recognised:			
DHET			
Payment of the TVET's management fees		5,476,297	4,799,335
Payment of the TVET's salary related costs		130,997,588	100,301,746
36 <u>Related parties</u>			
Members of key management	<i>Management fee is paid to these persons.</i>		
Council	<i>Sitting allowances are paid to the members of council.</i>		
DHET	<i>Funding of TVET Colleges.</i>		
Minister of Higher Education, Science and Technology	<i>The executive authority of all TVET Colleges.</i>		
SETAs	<i>Placement of Diploma students at various private and public sector organisations. The college manages the payments to the students on behalf of various Seta's.</i>		
NSFAS	<i>Bursaries are provided to qualifying students for Tuition fees, transport and accommodation. These funds are managed by the college on behalf of NSFAS.</i>		
Entities under the common control of DHET	<i>Payments for the Trade tests done by students</i>		
National Skills Fund (NSF)	<i>Provides funding for non-funded programs to the college.</i>		
Related party balances			
Controlling entity: DHET			
Amounts included in Receivable (Payable) regarding related parties			
Grant receivable		20,521,222	17,022,999
Unspent conditional grants		(11,673,462)	(11,673,462)
Amounts included in Income regarding related parties			
Grants received		237,071,883	185,478,224

MALUTI TVET COLLEGE**Notes to the Financial Statements for the year ended 31 December 2022**

	Note	2022 R	2021 R
Other related parties:			
Amounts included in Receivable (Payable) regarding related parties			
Mer Seta		(210,250)	(210,250)
Bank Seta		(1,962,645)	(42,580)
Cath Seta		(639,953)	(785,460)
Chieta Seta		(546,207)	(510,395)
FoodBEV Seta		(2,695,588)	(610,791)
Teta Seta		242,609	297,895
PSETA		(192,500)	(192,500)
W&R SETA		(2,065,851)	(2,138,222)
MIC SETA		(986,510)	(895,778)
Inseta		(2,200,589)	(919,452)
AgriSeta		(392,100)	(928,350)
MQA		-	(234,500)
ETDP		(755,360)	(92,860)
Other Seta's		(484,153)	(434,749)
Unspent Capital Grant: Department of HET		(11,673,462)	(11,673,462)
NSFAS Bursaries		(21,309,118)	(24,248,870)
Related party transactions			
Controlling entity: DHET			
Grants and donations received		237,071,883	185,478,224
Other related parties:			
NSFAS received on behalf of students (Tuition fees and accommodation)		43,078,967	74,248,220
Other Seta's		23,350,715	16,114,255
Remuneration of management			
Council Remuneration:			
Council fees for council and other activities			
Mr QW Lefora: Deputy Council Chairperson		117,719	98,256
Mr M Mokhantso: Council member		5,500	5,500
Dr VZ Masuku: Council member		70,701	85,913
Dr RA Patel: Council Chairperson		185,393	116,878
Mrs M Mahamotsa: HR Chairperson		129,195	124,015
Mr LO Mazibuko: Finance Chairperson		5,500	5,500
Adv TE Tsoeu: Legal		5,500	5,500
Mr TG Makgale: Audit Chairperson		178,405	139,710
Mr F Mokale: Council member		10,522	5,500
Mr Brown: Council member		153,405	189,064
Ms PN Nthunya: Council member		5,500	5,500
Total		867,340	781,336

MALUTI TVET COLLEGE**Notes to the Financial Statements for the year ended 31 December 2022**

	Note	2022 R	2021 R
College management Remuneration:			
Mr VE Mabena - Principal (Special leave from 1 January 2021)			
<i>Fees for services as a member of management</i>			
Basic salary		824,119	785,558
Bonuses and performance related payments		69,420	65,463
Other short-term employee benefits		212,977	169,082
Contribution to Pension funds		107,135	102,122
Contribution to Bargain Council		113	108
Total		1,213,764	1,122,333
Mrs IK van Heerden: Finance Manager and Acting CFO from 1 February 2021 till 17 July 2022 and Deputy Principal Innovations from 18 July 2022			
<i>Fees for services as a member of management</i>			
Basic salary		673,053	637,436
Bonuses and performance related payments		57,538	53,186
Other short-term employee benefits		75,531	73,502
Contribution to Medical Aids		17,280	17,280
Contribution to Pension funds		87,497	82,357
Contribution to Bargain Council		113	108
Total		911,012	863,870
Mr ME Tsoetsi: Deputy Principal - Academic and Acting Principal from 1 January 2021			
<i>Fees for services as a member of management</i>			
Basic salary		655,313	627,474
Bonuses and performance related payments		53,008	74,021
Other short-term employee benefits		161,388	151,154
Contribution to Pension funds		85,190	82,081
Contribution to Bargain Council		113	108
Total		955,012	934,838
Mrs SK Manzini: Deputy Principal - Corporate from 1 January 2021			
<i>Fees for services as a member of management</i>			
Basic salary		807,406	783,805
Bonuses and performance related payments		65,803	64,831
Other short-term employee benefits		91,064	83,561
Contribution to Medical Aids		12,000	12,000
Contribution to Pension funds		104,963	101,894
Contribution to Bargain Council		113	108
Total		1,081,349	1,046,199
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
Other short-term employee benefits		-	1,000
Total		-	74,590
Mrs E Els: Deputy Principal Academics since 1 January 2021			
<i>Fees for services as a member of management</i>			
Basic salary		588,104	566,967
Bonuses and performance related payments		49,704	47,599
Other short-term employee benefits		38,151	32,502
Contribution to Medical Aids		38,976	36,624
Contribution to Pension funds		76,453	73,706
Contribution to Bargain Council		141	108
Total		791,529	757,506

MALUTI TVET COLLEGE**Notes to the Financial Statements for the year ended 31 December 2022**

	Note	2022 R	2021 R
Mrs L van Wyk: Acting Deputy Principal - Finance (since 18 July 2022)			
<i>Fees for services as a member of management</i>			
Basic salary		304,538	-
Bonuses and performance related payments		50,035	-
Other short-term employee benefits		19,310	-
Contribution to Medical Aids		31,404	-
Contribution to Pension funds		39,590	-
Contribution to Bargain Council		80	-
Acting allowance		78,674	-
Total		<u>523,631</u>	<u>-</u>
Total Management remuneration:			
<i>Fees for services as a member of management</i>			
Basic salary		3,852,532	3,474,828
Bonuses and performance related payments		345,509	305,100
Other short-term employee benefits		598,420	510,801
Contribution to Medical Aids		206,795	168,026
Contribution to Pension funds		393,693	340,038
Contribution to Bargain Council		673	541
Acting allowance		78,674	-
Total		<u>5,476,297</u>	<u>4,799,335</u>

37 Segmental Reporting

No segmental report are done in the Annual Financial Statements as the Management of the College do not use segments in it's reports and the budget and other decisions are not based on any segments.

38 Key sources of estimation uncertainty and judgements

The following areas involve a significant degree of estimation uncertainty:

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

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

- Impairment of assets

39 Net Assets

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

MALUTI TVET COLLEGE
Notes to the Financial Statements for the year ended 31 December 2022

	Note	2022 R	2021 R
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40 Risk management and other financial instrument disclosures
Maximum credit risk exposure

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

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

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

Cash and cash equivalents	183,070,353	150,225,156
Trade and other receivables from exchange transactions	29,816,425	28,540,371

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.

2022	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
Grants due to students	-	-	21,309,118	-
Trade and other payables	4,794,548	1,744,765	-	-
Other Seta's	-	-	12,889,097	-
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	-	-	24,248,870	-
Trade and other payables	1,754,093	4,046,929	-	-
Other Seta's	-	-	7,697,991	-

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	149,897,593	132,430,525
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Interest rate risk sensitivity analysis

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

41 Tax exemption

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

MALUTI TVET COLLEGE
Statement of Comparison of Budget and Actual Amounts for the year ended 31 December 2022 (Unaudited)

		2022	2022	2022	2022
		Approved budget	Final budget	Actual amounts on a comparable basis	Differences between final budget and actual amounts
	Note	R	R	R	R
Revenue					
Revenue from exchange transactions		77,924,489	77,924,489	70,352,916	7,571,573
Tuition and related fees	30	72,522,057	72,522,057	59,410,658	13,111,399
Sale of goods and rendering of services	30	1,511,000	1,511,000	1,196,267	314,733
Rental of facilities and equipment	30	100,000	100,000	291,539	(191,539)
Investment income	30	3,487,898	3,487,898	8,027,502	(4,539,604)
Other income		303,534	303,534	1,426,950	(1,123,416)
Revenue from non-exchange transactions		216,593,931	216,593,931	247,179,847	(30,585,916)
Government grants and subsidies		216,593,931	216,593,931	246,764,290	(30,170,359)
Other income		-	-	415,557	(415,557)
Total revenue		294,518,420	294,518,420	317,532,763	(23,014,343)
Expenses					
Employee related costs and DHET management fee		(172,007,931)	(172,007,931)	(165,616,515)	(6,391,416)
Impairment of debtors		(19,803,700)	(19,803,700)	(11,271,971)	(8,531,729)
Depreciation and amortisation		(9,875,617)	(9,875,617)	(8,505,685)	(1,369,932)
Books and learning materials	30	(13,060,538)	(13,060,538)	(14,559,545)	1,499,007
Repairs and maintenance	30	(3,120,786)	(3,120,786)	(6,063,078)	2,942,292
Travel, accommodation and entertainment	30	(5,461,564)	(5,461,564)	(6,570,579)	1,109,015
Security		(13,341,440)	(13,341,440)	(12,819,679)	(521,761)
Professional services	30	(4,201,932)	(4,201,932)	(3,987,183)	(214,749)
Municipal services	30	(5,367,845)	(5,367,845)	(5,170,232)	(197,613)
Telephone, postage, internet, network and communication costs		(8,620,835)	(8,620,835)	(6,964,589)	(1,656,246)
Printing and stationery		(3,505,752)	(3,505,752)	(3,680,454)	174,702
Finance costs	30	(333,206)	(333,206)	(15,893)	(317,313)
Other expenses		(16,373,392)	(16,373,392)	(21,510,071)	5,136,679
Total expenses		(275,074,538)	(275,074,538)	(266,735,474)	(8,339,064)
Other gains/losses		-	-	38,529	(38,529)
Gain/(Loss) on sale of assets		-	-	142,429	(142,429)
Gain/(Loss) on fair value adjustment	30	-	-	(103,900)	103,900
Surplus/(Deficit) for the year		19,443,882	19,443,882	50,835,817	(31,391,935)

MALUTI TVET COLLEGE**Notes to the Financial Statements for the year ended 31 December 2022****Supplementary Schedule for the Capital Infrastructure and Efficiency Grant (CIEG) (Unaudited)**

	2022	2021
	R	R
Opening Balance in Bank account	16,770,032	30,006,163
Total CIEG Grant funding received from the Department of Higher Education and Training	15,759,101	-
Plus: Interest received on the CIEG dedicated bank account	263,408	60,250
Total CIEG funding received	32,792,541	30,066,413
Less: Bank charges / finance charges	(1,845)	(1,800)
Less: Expenditure paid in terms of approved work package approvals issued by the Department of Higher Education and Training	(7,057,088)	(13,294,581)
Total CIEG funds per dedicated CIEG bank account	25,733,608	16,770,032
Less: Committed expenditure not yet paid in terms approved work package approvals issued by the Department of Higher Education and Training	-	-
TOTAL AVAILABLE CIEG GRANT FUNDING	25,733,608	16,770,032

