2023

Annual

Perfomance Report

higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

TSHWANE NORTH TVET COLLEGE
Technical and Vocational Education and Training College

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1. Introduction

Tshwane North Technical and Vocational Education and Training (TVET) College (the College) is a culmination of a merger of three former Further Education and Training Colleges, namely Mamelodi, Pretoria and Soshanguve FET Colleges in 2002. The College acquired Temba Campus through the cross-border demarcation and re-categorisation of municipal boundaries around 2006 from Orbit TVET College in the North-West Province. The College had two satellite campuses which were offering skills programmes at the time, but later converted into fully-fledged campuses, namely the Soshanguve North and Rosslyn campuses.

Tshwane North TVET College consists of six (6) campuses and a Central Office. The six campuses are Pretoria Campus (the biggest and in the urban area), Mamelodi Campus (previously disadvantaged area), Soshanguve South and North Campuses (previously disadvantaged area), Rosslyn Campus (automotive industrial area) and Temba Campus (semi-rural area).

The College employs approximately 600 staff members and enrolled 18 937 students in 2023. The challenge facing young people in the country is unemployment.

The Q3: 2023 Quarterly Labour Force Survey indicates that the unemployment rate was 31,9%.

Some young people have been disengaged from the labour market and they are not building on their skills base through education and training either as they are not in employment, education or training (NEET). The NEET rate serves as an important additional labour market indicator for young people. There were about 10,2 million young people aged 15–24 years in Q3: 2023, of which 32,7% were NEET. This is 1,8 percentage points lower than the NEET rate in Q3: 2023. In this age group, the NEET rate for males decreased by 1,3 percentage points and for females it decreased by 2,3 percentage points. The NEET rate for females was higher than that of their male counterparts in both years. Compared to Q3: 2022, the percentage of young persons aged 15–34 years who were NEET decreased by 2,0 percentage points from 44,0% to 42,0% in Q3: 2023. The NEET rate for males decreased by 1,5 percentage points, and for females the rate decreased by 2,6 percentage points. In both Q3: 2022 and Q3: 2023, more than four in every ten young people were NEET.

Possessing a tertiary education, especially a degree, enhances one's likelihood of securing employment. In the third quarter of 2023, individuals with an educational attainment less than matric experienced an unemployment rate of 38,8%. Unemployment rates for those with matric or lower educational qualifications exceeded the national rate, whereas individuals with other tertiary qualifications and graduates had rates below the national unemployment rate.

The thrust of TVET Colleges is to include national social and economic goals like economic growth and development, poverty reduction, employment creation, unequal income distribution, sustainable livelihoods, youth development, innovation and industrial advancement by providing high quality education and training programmes in the democratic developmental state. Tshwane North TVET College offers occupational and skills programmes. The Ministerial approved programmes across its delivery sites aimed at addressing the skills shortages among its communities. The limited resources available have prompted the College to form partnerships with industry, business and the Sector Education and Training Authorities (SETAs) in an endeavour to improve the quality of training, development and work experience. The College through the Partnerships and Linkages Unit remains committed to continuously improve the provision of quality education and training with the aim of improving the lives of its people.

2. Abbreviations and Acronyms

AET	Adult Education and Training
AFS	Annual Financial Statements
APP	Annual Performance Plan
CBMT	Competency Based Modular Training
CET Act	Continuing Education and Training Act
CFO	Chief Financial Officer (Deputy Principal: Finance)
COS	Centre of Specialisation
DHET	Department of Higher Education and Training
DP	Deputy Principal
E&A	Examination and Assessment
ETQA	Education and Training Quality Assurance
GETC	General Education and Training Certificate
GRAP	Generally Recognised Accounting Practice
HE	Higher Education
HRDS-SA	Human Resource Development Strategy for South Africa
ICT	Information Communication Technology
IDP	Integrated Development Plans
M&E	Monitoring and Evaluation
MIS	Management Information System
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NC(V)	National Certificate (Vocational) Qualification at NQF levels 2–4
NDP	National Development Plan
NEET	Not in employment nor in education and training (youth)
NEHAWU	National Education Health and Allied Workers Union
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
OLC	Open Learning Centre
PQM	Programme Qualification Mix
PSET	Post-School Education and Training
QCTO	Quality Council for Trades and Occupations
QMS	Quality Management System
RO	Regional Office: Free State and Gauteng
SAQA	South African Qualifications Authority
SETA	Sector Education and Training Authority
SNE	Special Needs Education
SO	Strategic Objective
SP	Strategic Plan
SSP	Sector Skills Plan
SWOT	Strengths, Weaknesses, Opportunities, Threats
TVET	Technical and Vocational Education and Training
UMALUSI	Council for Quality Assurance in General and Further Education and Training
WIL	Work Integrated Learning
WBE	Work-Based Experience

PART A:

GENERAL OVERVIEW

Prof. T.S. Phendla

3. Message from the Chairperson of Council

On behalf of the Tshwane North TVET College Council (the Council), it is a great privilege to present the 2023 Annual Report (Report). The Report has been prepared based on the principles enshrined in section 25 of the Continuing Education and Training (CET) Act (16 of 2006), the College Statute and some elements of the King IV Report on Corporate Governance for South Africa (King IV).

This Report reflects on the performance of the College in pursuit of its strategic objectives as encapsulated in the 2020/24 Strategic Plan and Annual Performance Plan. Hence, it takes stock of the students, governance, financial, technical, social and environmental performance of the College for the 2023 Academic and Financial Year (ending 31 December 2023).

Moreover, this Report may also contain forward-looking statements not supported by financial data contained herein or historical facts but based solely on observing emerging governance trends within the TVET sector. Hence, such statements are not a guarantee of future results but an endeavour to improve the operations of the College.From a governance perspective, it is worth noting that this Report will be the last from this generation of Council Members as the term of office is ending on 10 April 2024. I want to start off by thanking each of the 16 Council Members for their selflessness, dedication and passion for the College. From 2019 to date, the governance journey has been difficult, but our love and passion for the College kept us going. For that reason, I would like to thank you wholeheartedly!

The College Council has established functional and effective governance structures to oversee and support the Management in implementing the College's Strategic Plan. The Council has ten sub-committees, including the Academic Board, comprising capable men and women with the requisite skill sets to pursue the College's strategic objectives. These sub-committees will reflect on their achievements and challenges and make recommendations for consideration by the incoming Council.

Governance at the College is stable and has over the years inculcated a culture of ethical leadership within its bounds, as evidenced by the revision of the College Statute and the adoption of the Council Code of Conduct. It is also worth noting that for the past five years, no member of the Council was found to have had a conflict of interest with the College. On behalf of the College Council, I would like to extend my gratitude to our assurance providers: management and internal and external auditors.

To our students, being at your service has been a great pleasure. You have kept us on our toes, constantly reminding us that there is no College without the students. We thank you for your vibrancy and exemplary leadership. Continue to shine the Tshwane North College (TNC) light wherever you are. We wish you all the best in your future endeavours. Continue to advocate without prejudice the interests of students and be active participants in re-shaping TNC into a truly student-centred institution.

In summation, the 2023 academic year has been great! From an academic point of view, the College has improved its student performance. Further, the College has adopted a sound and responsive Programme Qualification Mix (PQM), which saw the introduction of new National Vocational Certificate Programmes in Mechatronics and Primary Agriculture. The College is also embarking on a vocational route, noting the hairdressing and Solar Voltaic programmes as excellent examples. In the future, with the Council's support, the College plans to strengthen areas relating to coding, entrepreneurship and refrigeration. We are indeed a responsive TVET College.

From a financial perspective, the College is a going concern, and it is also gradually improving its financial reporting (compared to the past financial years). This is evidenced by improved audit findings from years of disclaimers to a qualification with fewer negative findings. Looking into the future, a clean audit remains within reach.

From the point of view of infrastructure, the Council has approved legacy projects, which, in essence, shall increase access to the TVET College opportunities as new infrastructure will be erected to improve the experience of our students and surrounding communities.

Once again, thank you very much for a productive year! The Council has learnt so much from every one of you.

Because, indeed, "Courage is what it takes to stand up and speak; Courage is also what it takes to sit down and listen."

Best wishes
Prof. T.S. Phendla
Chairperson of the Council

Ms T.E. Tsibogo

4. The Accounting Officer's Foreword

I am pleased to report that Tshwane North TVET College continues to make significant strides in improving overall College performance and realising financial stability. Tshwane North College (TNC) is one of the biggest colleges, with complex dynamics from operations to management and governance due to historical challenges. The College remains committed to realising its vision of being *an innovative centre of excellence in skills development, supported* by the mission statement that directs the purpose of its existence – *"To equip students with skills, knowledge and attributes relevant to lead the modern economy."*

On behalf of the College Management Team, sincere appreciation is expressed to the College Council, all staff members and students for their commitment and diligence in striving for continuous improvement.

The College was generally stable during 2023, with less disruptions in teaching and learning compared to the previous periods amidst the continuing allowance disbursement challenges at NSFAS. The College Council has been fully constituted until September 2023, when one external additional member of Council resigned.

Instability in Senior Management remains a challenge. Of the four deputy principal posts, only two have been filled with two vacancies in Finance and Academic Services. The two positions for Deputy Principals Corporate Services and Innovation & Development were filled in November 2022 and February 2023 respectively. Of note is that the College is unable to fill the 11 vacant positions of Assistant Directors due to insufficient funding allocated on the cost of employees. These vacancies compromise continuity and expert leadership in middle management.

The College management has consistently supported the work of Council by serving as a key resource to all Council Committees to ensure statutory compliance in line with the provisions of the Continuing Education Training Act (16 of 2006). Management with the support of Council remains committed and focused in implementing and achieving the strategic goals set in the College Five (5) Year Strategic Plan.

The following demonstrates progress towards achieving the set goals:

- The College strives to improve the quality of teaching and learning to become a student-centred institution by gradually introducing the concept of the Maturity Model. Advocacy sessions were held to introduce the Maturity Model concept in an endeavour to reposition staff, processes, structures and systems to ensure continuous student performance improvements as well as to promote student wellbeing.
- The 2023 Student Representative Council (SRC) was successfully installed and ushered into office after robust induction and leadership training workshops. All members of the SRC were provided with tools of trade (laptops/tablets and data) to enable virtual meetings and enhance student-related operations. Of importance is the cordial relationship that the College Management enjoyed with the student leadership which was sustained by constant communication.
- Partnerships and collaborations remain central to sustaining strong relations with business and industry. A successful Business Breakfast with Captains of Industry and other key stakeholders was held in March 2023 to improve and strengthen relations. The College has partnered with the National Business Initiative (NBI) in training initiatives and entrepreneurial development. The collaboration resulted in the College being identified as a beneficiary of the Swiss Government's donor-funded Entrepreneurship and Rapid Incubation Hub to be built in the Mamelodi Campus to promote entrepreneurship among students and immediate community.
- Recognition and utilisation of students for Work-Based Exposure. Students that completed Report 191 Clothing Production N6 and Civil Engineering N6 are placed in the College Fashion Factory and Facilities Maintenance Unit for Work Integrated Learning (WIL). The fashion factory produces quality Personal Protective Equipment (PPEs) for the cosmetology, hospitality and engineering students and staff. The Facilities Unit utilises the services of the civil engineering students with maintenance and repairs work across campuses for work exposure.

- The College procured a farm in the north of Pretoria in Haakdoornlaagte to enhance teaching and learning in the new National Certificate Vocational (NCV) Primary Agriculture programme to be introduced at Temba Campus in the 2024 academic year. Further, the College received approval from the Department to offer the NCV Mechatronics Programme at Rosslyn Campus in 2024.
- The College Council approved an investment to the tune of R38m to overhaul the connectivity network at six of the seven delivery sites in preparation for the establishment of smart campuses. Pretoria Campus, due to its size and complexities, will be allocated funding in the 2024 academic year.
- Positive progress in the implementation of the Post Provisioning Norms (PPN) Model through the College Implementation Committee (CIC) was registered. The CIC managed to, among other achievements, revise and align the College structure to respond to the College operational needs.
- The College also hosted a successful in-person Graduation Ceremony at the Heartfelt Arena in Centurion, Pretoria, where one session of about 500 graduates was held.

In conclusion, our appreciation goes to the College Council for the support provided during 2023. Special thanks also go to all the staff members and the SRC for their dedication and hard work. This is evidenced by the improved November 2023 academic results and the unqualified audit opinion from the Auditor-General of South Africa (AGSA) for the 2023 Financial Statements. The 2023 Audited Financial Statements are included in this Annual Report.

Ms T.E. Tsibogo

Principal

5. Statement of Responsibility and Confirmation of Accuracy

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

1. All information and amounts disclosed throughout Annual Report are consistent.
2. The Annual Report has been prepared in accordance with the guidelines issued by the Department of Higher Education and Training.
3. The Annual Financial Statements have been prepared in accordance with the relevant standards, frameworks and guidelines issued by National Treasury.
4. The accounting officer, namely the principal, is responsible for the preparation of the Annual Financial Statements and for the judgements made in this document.
5. The accounting officer, namely 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 AGSA expressed an independent opinion on the Annual Financial Statements.

Ms T.E. Tsibogo

Principal

6. Legislation and other Directives

6.1 Legislative Framework

Tshwane North TVET College is enjoined by section 44(3) of the Continuing Education and Training (CET) Act (16 of 2006) (as amended) 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 CET Act, public 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.

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

In terms of sections 25(3) and 25(4) of the CET Act, public 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 their performance and their use of available resources.

In addition, these pieces of legislation govern and steer the College in terms of achievement of its strategic and performance objectives. Further sets of legislation that impact on the TVET Colleges sector and its strategic and national imperatives are listed below:

- Continuing Education and Training Act (16 of 2006)
- National Qualifications Framework (NQF) Act (67 of 2008)
- Higher Education (HE) Act (101 of 1997)
- Skills Development Act (97 of 1998) – Skills Development Levies Act (9 of 1999)
- The National Student Financial Aid Scheme (NSFAS) Act (56 of 1999)
- General and Further Education and Training Quality Assurance Act (58 of 2001)
- The Public Financial Management Act (1 of 1999) and Treasury Regulations (2005) (as amended)
- Preferential Procurement Policy Framework Act (5 of 2000)
- The Preferential Procurement Policy Framework Act (5 of 2000) and Preferential Procurement Regulations
- The Employment Equity Act (55 of 1998) (as amended)
- The Basic Conditions of Employment Act (75 of 1997) (as amended)
- The Labour Relations Act (66 of 1955) (as amended)
- Occupational Health and Safety Act (85 of 1993) (as amended)
- Skills Development Act (as amended) – Protected Disclosure Act (26 of 2000)
- Promotion of Access to Information Act (2 of 2000)
- Promotion of Administrative Justice Act 2000 (3 of 2000).

6.2 Legislative and Other Mandates

In terms of sections 25(3) and 25(4) of the Continuing Education and Training (CET) Colleges Act (16 of 2006) (as amended), public TVET Colleges are required to produce Annual Financial Reports and to comply with any reasonable additional reporting requirement established by the Minister. Moreover, section 44 of the Act requires colleges to annually report to the Minister in respect of its performance and its use of available resources. In addition, these pieces of legislation govern and steer the College in terms of achievement of its strategic and performance objectives.

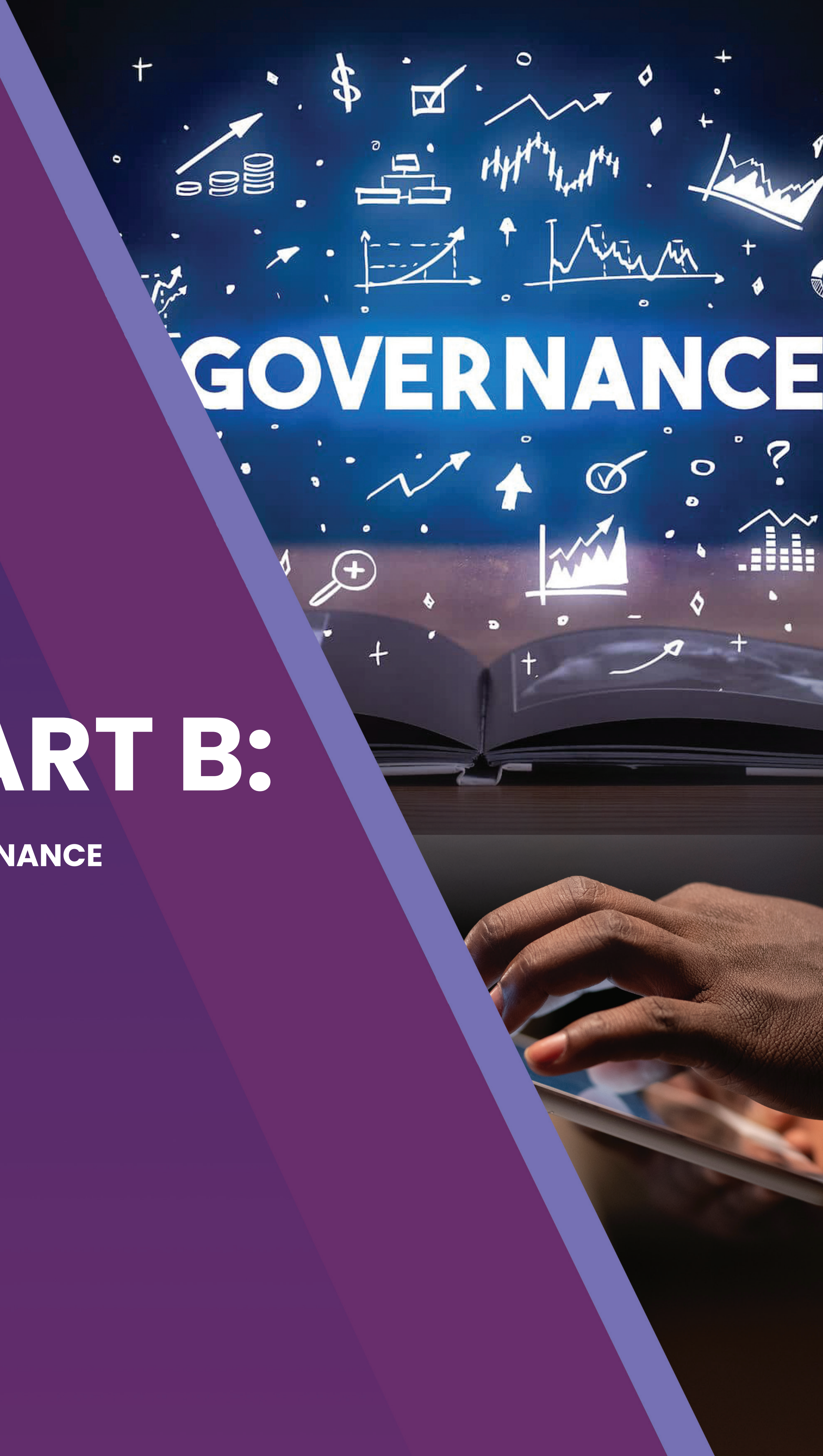
The Constitution of the Republic of South Africa (section 29(1)–(4)) provides for the right of basic and further education to everyone in the official language of their choice provided equity, redress and practicability are considered. In addition, the CET Act provides for the regulation of continuing and further education and training through the establishment, governance and funding of public TVET Colleges and the promotion of quality in continuing and further education and training.

In addition, the White Paper for Post-School Education and Training mandates delivery and strategic priorities in the TVET College sector. Other policy mandates include:

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

PART B:

GOVERNANCE



7. Report of Council Chairperson

7.1 Composition and Role of the College Council and Governance Structures

Council responsibility and approval

The Council is responsible for the integrity and completeness of this Report and any supplementary information annexed hereto. It performs this responsibility in concurrence with the assurance providers, namely the College management, Audit and Risk Functions of the College and the Council sub-committees. The Council approved the Annual Financial Statement on 31 March 2024 and the Annual Report on 31 June 2024. Thus, after having considered the completeness of the material items contained herein and the reliability of the information presented, the assurance process followed. The 2023 Annual Financial Statements were prepared and audited in accordance with the Generally Recognised Accounting Practice or GRAP Standards, as well as the requirements of the CET Act.

Governance at a glance

The College Council is the highest decision-making body of the College. In essence, the Council approves the material policies and processes that give effect to the delivery of the Strategic Plan of the College. Further, the Council oversees and monitors management's implementation and execution of the Strategic Plan and ensures that accountability for the TNC's performance is reflected in its performance reporting and any other related disclosures. The Council receives standing reports from its ten sub-committees – namely the Academic Board, Audit and Risk Committee (ARC), Finance Committee (Finco), Human Resources and Remuneration Committee (HRR-C), ICT Governance Committee (ICT Gov.), Planning and Resource Committee (PR-C), Student Support Services Committee (SSS-C), Stakeholder Committee (S-C), Student Representative Council (SRC) and Executive Committee (EXCO) at each quarterly meeting.

Each sub-committee has a Charter that defines its role. The Annual Workplans for sub-committees are then developed in line with the Charters and strategic focus areas of the College as contained in the Strategic Plan. The committees are thus relevant and function to assist the College in achieving its strategic intent by having focused discussions.

The Council is satisfied that it has fulfilled its responsibilities in terms of the CET Act, College Statute and its Charter for the period under review.

Composition of the Council

The College Council is constituted in terms of Chapter 3 of the CET Act, which enjoins every public college with the authority to establish a Council, Academic Board and SRC. In essence, the Council of the TNC comprises a balance between the external and internal members. It consists of the principal, five external members appointed by the Minister, one delegate from the Academic Board, one member representing the Donor Community, one member delegated by the lecturing staff, one member from the support staff, two students delegated by the SRC and four additional external members with varied skills appointed by the College in consultation with the Minister.

For the period under review, the Council had one resignation (dated September 2023) from an additional external member of the Council.

The table below captures the members of the Council for the period under review.

No.	SURNAME and INITIALS	NATURE OF APPOINTMENT	DESIGNATED FUNCTION	TERMINATION DATE
1.	Prof. T.S. Phendla	External Member – Ministerial Appointee	Chairperson of the EXCO and Council	10 April 2024
2.	Adv. V.N. Mgwenya	External Member – Ministerial Appointee	Deputy Chairperson of the Council and EXCO, Chairperson of the HRR-C and a member of the ARC	10 April 2024
3.	Dr K.I. Boshomane	External Member – Ministerial Appointee	Chairperson of the PR-C, member of the S-C and the Academic Board	10 April 2024
4.	Mr T. Phidane	External Member – Ministerial Appointee	Chairperson of the SSS-C, a member of the PR-C and Finco	10 April 2024
5.	Ms P. Kadi	External Member – Ministerial Appointee	Chairperson of the ICT Gov. and a member of the ARC	10 April 2024
6.	Mr T.R. Serote	External Member – Additional	Chairperson of the ARC and a member of the ARC	10 April 2024
7.	Mr D. Hlongwane	External Member – Additional	Chairperson of the Finco, a member of the SSS-C and PR-C	10 April 2024
8.	Mr S.J. Ngubane	External Member – Additional	Member of the ICT Gov., Finco and PR-C	Resigned: 05 Sep 2023
9.	Ms M.C. Matabane	External Member – Additional	Member of the HRR-C and SSS-C	10 April 2024
10.	Mr N.D. Khoza	Representing the Donor Community	Chairperson of the Stakeholder Committee and a member of the ICT Gov.	10 April 2024
11.	Ms T.E. Tsibogo	Principal	*Ex-Officio* member of all the sub-committees of the Council	10 April 2024
12.	Mr T.C. Masithi	Delegated by the Academic Board	Member of the Academic Board and invitee to all the sub-committees of the Council	10 April 2024
13.	Mr E. Gumede	Representing the Support Staff	Member of the HRR-C and PR-C	10 April 2024
14.	Ms N. Kone	Representing the Lecturing Staff	Member of the Academic Board	10 April 2024
15.	Ms K. Mthembu	Delegated by the SRC	Member of the Academic Board	29 Feb 2024
16.	Mr M. Selala	Delegated by the SRC	Member of the Academic Board	29 Feb 2024

Council activities

The Council meets every quarter, with further meetings held for, inter alia, the approval of the planning documents, financial statements, audit outcomes and any other pressing governance matters. Over and above the ten sub-committees, the Council has established ad hoc committees to improve audit outcomes and have focused discussions with its community stakeholders. For the period under review, the Council has approved a joint committee comprising the ARC & Finco to support the management in its endeavours to improve audit outcomes.

Further, the Council approved a proposal to formulate a multidisciplinary ad hoc committee to deal with issues of infrastructure to be funded by the People's Republic of China. Moreover, being stakeholder-centric, the Council has established an ad hoc committee to bring surrounding communities closer to the College.

In summation, for the 2023 academic year, the Council considered the following strategic issues.

Strategic business enablers

- The revision of the 2023/24 Strategic Plan and 2024 Annual Performance Plan.
- The revision of the College Statute to be more responsive to the College's strategic direction.
- Commercialisation of certain operations of the College in an endeavour to self-sustain.
- The procurement of a farm to introduce primary agriculture, which shall increase access to TVET College opportunities.

Policies

- The Finance Policies
- HR-related Policies
- Academic Affairs Policies
- ICT Policies, which the Council ratified in its endeavours to put controls in place and support the College's strategic direction

Governance

- Established an SSS-C to advise on matters of student governance
- Approved the Charter for the SSS-C
- Approved the reviewed Charter of the Finco, EXCO and Council

College performance and results

- Analysed Q4 performance reports from all its sub-committees – including from the Academic Board
- Approved the unaudited 2023 Financial Statements
- Approved the unaudited 2023 Annual Report
- Approved the College-Paid Structure (with its associated financial implications) to supplement Persal

Social responsibility

- The College has partnered with a Tshwaraganang Children's Home in Hammanskraal – a safe haven for abandoned children. The College has provided psychosocial support services to the Home and also donated computers, which will enhance the experience of its beneficiaries.
- In partnership with the City of Tshwane, the College will be donating computers to the Winterveldt High School. This gesture will nurture the teaching and learning environment and enable less fortunate students to succeed personally and academically.

The College is also fostering relations with the Ward Councillors within its vicinity. Strategic meetings were held with the latter, and processes are underway to implement the outcomes of such engagements.

Council meetings held for the period under review

The tables below illustrate the number of meetings held for the period under review.

ACADEMIC BOARD

DATE OF THE MEETING	TYPE OF THE MEETING
23 Jan 2023	Ordinary meeting held in person to consider the Q4 Academic Affairs performance report.
03 Apr 2023	Ordinary meeting held in person to consider the Q1 Academic Affairs performance report.
24 Jul 2023	Ordinary meeting held in person to consider the Q2 Academic Affairs performance report.
11 Oct 2023	Ordinary meeting held in person to consider the Q3 Academic Affairs performance report.

AR-C

DATE OF THE MEETING	TYPE OF THE MEETING
20 Jan 2023	Special meeting held in person to deal with Internal Audit Policies and Charter.
16 Feb 2023	Ordinary meeting held virtually on MS Teams to consider the Q4 performance report.
28 Mar 2023	Special joint meeting held virtually on MS Teams to consider the draft 2022 AFS.
26 Apr 2023	Follow-up special joint meeting held virtually on MS Teams to consider the draft 2022 AFS, which the Internal Audit reviewed.
03 May 2023	Ordinary meeting held virtually on MS Teams to consider the Q1 Internal Audit performance report.
29 May 2023	Follow-up special joint meeting held virtually on MS Teams to consider and recommend the final version of draft 2022 AFS to the Council for approval.
28 Jul 2023	Ordinary meeting held virtually on MS Teams to consider the Q2 Internal Audit performance report.
31 Oct 2023	Ordinary meeting held virtually on MS Teams to consider the Q3 Internal Audit performance report.

FINCO

DATE OF THE MEETING	TYPE OF THE MEETING
16 Feb 2023	Ordinary meeting held virtually on MS Teams to consider the Q4 Finance performance report.
24 Apr 2023	Ordinary meeting held virtually on MS Teams to consider the Q1 Finance performance report.
25 Jul 2023	Ordinary meeting held virtually on MS Teams to consider the Q2 Finance performance report.
31 Jul 2023	A special meeting was held virtually on MS Teams to finalise the Q2 Meeting Pack prior to its presentation to the College Council.
03 Nov 2023	Ordinary meeting held virtually on MS Teams to consider the Q3 Finance performance report.
09 Nov 2023	A special meeting was held virtually on MS Teams to consider and recommend the Finance Policies, Charter and 2024 Annual Budget to the Council for approval.

HRR-C

DATE OF THE MEETING	TYPE OF THE MEETING
31 Jan 2023	Ordinary meeting held virtually on MS Teams to consider the Q4 Corporate Services (HR&D and Labour) performance report.
17 Apr 2023	Ordinary meeting held virtually on MS Teams to consider the Q1 Corporate Services (HR&D and Labour) performance report.
13 Jul 2023	Special meeting held in person to consider and recommend the HR policies.
26 Jul 2023	Ordinary meeting held virtually on MS Teams to consider the Q2 Corporate Services (HR&D and Labour) performance report.
26-Oct-2023	Ordinary meeting held virtually on MS Teams to consider the Q3 Corporate Services (HR&D and Labour) performance report.

ICT GOV.

DATE OF THE MEETING	TYPE OF THE MEETING
03 Feb 2023	Ordinary meeting held virtually on MS Teams to consider the Q4 IT performance report.
13 Apr 2023	Ordinary meeting held virtually on MS Teams to consider the Q1 IT performance report.
18 Jul 2023	Ordinary meeting held virtually on MS Teams to consider the Q2 IT performance report.
17 Oct 2023	Ordinary meeting held virtually on MS Teams to consider the Q3 IT performance report.

PR-C

DATE OF THE MEETING	TYPE OF THE MEETING
07 Feb 2023	Ordinary meeting held virtually on MS Teams to consider the Q4 Infrastructure and OHS performance reports.
19 Apr 2023	Ordinary meeting held virtually on MS Teams to consider the Q1 Infrastructure and OHS performance reports.
20 Jul 2023	Ordinary meeting held virtually on MS Teams to consider the Q2 Infrastructure and OHS performance reports.
30 Oct 2023	Ordinary meeting held virtually on MS Teams to consider the Q3 Infrastructure and OHS performance reports.

S-C

DATE OF THE MEETING	TYPE OF THE MEETING
27 Jan 2023	Ordinary meeting held virtually on MS Teams to consider the Q4 Innovation and Development performance report.
12 Apr 2023	Ordinary meeting held virtually on MS Teams to consider the Q1 Innovation and Development performance report.
11 Jul 2023	Ordinary meeting held virtually on MS Teams to consider the Q2 Innovation and Development performance report.
10 Oct 2023	Ordinary meeting held virtually on MS Teams to consider the Q3 Innovation and Development performance report.

SSS-C

DATE OF THE MEETING	TYPE OF THE MEETING
04 May 2023	Ordinary meeting held virtually on MS Teams to consider the Q1 Student Support Services performance report.
14 Jul 2023	Ordinary meeting held virtually on MS Teams to consider the Q2 Student Support Services performance report.
18 Oct 2023	Ordinary Meeting held virtually on MS Teams to consider the Q3 Student Support Services performance report.

EXCO

DATE OF THE MEETING	TYPE OF THE MEETING
24 Feb 2023	Ordinary meeting held virtually on MS Teams to consider and recommend the Q4 Committee performance reports to the Council.
08 May 2023	Ordinary meeting held virtually on MS Teams to consider and recommend the Q1 Committee performance reports to the Council.
03 Aug 2023	Ordinary meeting held virtually on MS Teams to consider and recommend the Q2 Committee performance reports to the Council.
20 Nov 2023	Ordinary meeting held virtually on MS Teams to consider and recommend the Q3 Committee performance report to the Council for approval.

COUNCIL

DATE OF THE MEETING	TYPE OF THE MEETING
28 Feb 2023	Ordinary meeting held virtually on MS Teams to consider the Q4 Committee performance reports.
30 Mar 2023	Special meeting virtually to consider a report from the Joint Committee on the 2022 draft AFS.
28 Apr 2023	Special meeting held virtually to consider a progress report from a Joint Committee the 2022 draft AFS.
11 May 2023	Ordinary meeting held virtually on MS Teams to consider the Q1 Committee performance reports.
29 May 2023	Special meeting held in person to approve the 2022 draft AFS.
08 Aug 2023	Ordinary Meeting held virtually on MS Teams to consider the Q2 Committee performance reports.
27 Nov 2023	Ordinary Meeting held virtually on MS Teams to consider the Q3 Committee performance reports.

Statistical Analysis of the Governance Meetings held in the 2023 academic year

For the 2023 academic year, the Council and its sub-committees held 49 governance meetings, with the ARC having most of the meetings (08 meetings – 04 scheduled and 04 ad hoc) owing to a directive from the Council for the Committee to work jointly with the Finco in an endeavour to improve the audit outcomes. The Council follows the ARC with 07 (04 scheduled and 03 special meetings) in the academic year.

7.2 REPORTS FROM THE SUB-COMMITTEES OF THE COUNCIL

7.2.1 EXCO

Composition

The EXCO was established by a resolution of the Council in 2021. It comprises the Chairperson and Deputy Chairperson of the Council, who are the Chairperson and Deputy Chairperson of the EXCO, respectively, Chairpersons of all the sub-committees of the Council, the principal and the president of the SRC. The EXCO may invite any other person to form part of its proceedings for a specific purpose.

Number of meetings held in the 2023 academic year

For the period under review, the EXCO had four scheduled ordinary meetings.

Responsibilities

- Considers and debates quarterly performance reports from the sub-committees of the Council in an endeavour to prepare for the ordinary sittings of the College Council.
- Takes decisions on behalf of the College Council that, by virtue of their urgency, cannot be delayed.
- Acts as the Council Membership Committee.
- Monitors the functionality of Council Committees on behalf of the Council in such manner as it deems fit.
- Acts as the Remuneration Committee of the Council.

Key focus areas and achievements

The following matters were recommended to the Council for approval:

- Revised College Statute
- Revised EXCO and Council Charter
- The establishment of an SSS-C and its composition
- Annual workplans for the sub-committees of the Council
- Revised SCM Policy to accommodate the newly promulgated Treasury Regulations
- A task team to deal with the Chinese project
- Legal opinion on the payment of preparatory fees dating from 2019
- 2023 SRC Programme of Action
- 2023 Council Training Programme
- Co-funding of a WIL programme to cover the remaining 06 of the ETDP SETA-funded placements
- 2024/25 Strategic Breakaway Session
- The procurement of a lodge to serve as a Hospitality Centre of Excellence
- The utilisation of the Independent Development Trust (an entity of the Department of Public Works & Infrastructure) to assist the College in implementing some of its capital projects as a Principal-Agent
- The approval of the five ICT policies – namely Electronic Mail, ICT Backup, Information Security, Internet Access and Wireless Network
- 2023 Budget Forecast
- The Internal Audit Policies and Charter – namely Risk Management Policy, Internal Audit Policy, Prevention of Fraud and Corruption Policy, and Internal Audit Charter
- Finance Policies and a Charter – namely SCM Policy (to cater for the commercialisation of certain operations of the College), Garage and Credit Card Policy (aligning it with the bank requirements and ensuring that there are controls in place)
- 2024 Fee Structure and College-Paid Structure

The Council subsequently approved all these recommendations.

Challenges experienced by the EXCO in the 2023 academic year

Due to many sub-committees reporting to the EXCO as the highest decision-making body between the Council meetings, its proceedings tend to take long. Long meetings, by their nature, are draining and lead to a loss of concentration. Hence, it is recommended that only urgent matters be tabled at EXCO. EXCO also noted the late submission of reports by the management and the ever-changing meeting schedule; these matters must be addressed in the new academic year.

Conclusion

EXCO members have performed their oversight role admirably amid the challenges experienced in the year. Their selflessness and dedication to the College cannot be thanked enough. The College Council functions effectively and efficiently because of the hard work done by members of the EXCO. The Council salutes your efforts.

Duly signed

Prof. T.S. Phendla

Chairperson of the EXCO

7.2.2 Academic Board Report

The College principal is the chairperson of the Academic Board. The Academic Board is accountable to the Council for all teaching, learning, research and academic functions of the College (both Ministerial and Occupational Programmes). The Academic Board held three meetings in the 2023 academic year.

Members of the Board deliberated on all academic-related matters with the aim of addressing all challenges that were experienced towards the attainment of the College and DHET set targets. The Academic Board further provided support, inputs and guidance towards the achievement of the 2023 approved targets.

The College achieved, among other outcomes, the following:

- The College has improved in its national ranking. For NCV, it ranked 20th, for Business and General studies, it ranked 10th and for Engineering Studies, the College ranked 6th nationally. At regional level, the College is ranked 09th, 04th and 04th respectively.
- The College exceeded the annual target 13 set for lecturers placed in industry. Fourteen (14) lecturers were placed at ABSA Bank and 01 was placed at Supreme Spring in the field of electronics.
- The institution was able to enrol 95 learners in programmes rated as occupations in high demand, funded by SETA and NSF.
- A total of 387 students engaged in entrepreneurship programmes in 2023, thus exceeding the annual target of 45.
- The College through the Workplace-Based Learning (WBL) programme placed 277 students on exit level. This is aimed at integrating theory and practice.
- Workplace Integrated Learning (WIL) is a system within the College where students who completed N6 Certificate in Report 191 Engineering and Business studies are placed in industry for 24 and 18 months respectively to obtain a National N diploma. The College placed 57 students despite limited funding.
- Tshwane North TVET College has purchased a farm to introduce a newly approved Primary Agriculture NCV programme.
- Tshwane North TVET College succeeded in getting 250 students to complete the N6 college programme in Engineering Studies.
- The College signed an MOU with Engineering Skills Academy a trade test centre situated at Hammanskraal. The aim of the partnership is to allow TNC apprentice learners to prepare for trade tests and to assess learner readiness aimed at closing identified gaps.
- The College has signed an MOU with Festo SA. The partnership is aimed at lecturer development in the newly introduced Mechatronics NCV Programme and Occupational L2 and the sharing of expertise.
- The College will participate in the 2023 WSZA competition in the following trades:

Plumbing and Heating, Mechatronics, Electrical Installations and Fashion Tech.

- The construction of the solar infrastructure is completed. All other resources (human, consumables etc.) are in place and application for accreditation will commence soon.
- Online application for 2023 TNC Graduation Ceremony opened on 1 June 2023. The colleges received 570 diploma applications.
- The phasing out of N1–N3 programmes has commenced, and the College did not enrol new N1 students in T1 2024.

Duly signed

Ms T.E. Tsibogo

Chairperson: Academic Board

Mr. T Serote

7.2.3 Audit and Risk Committee

Audit and Risk Committee responsibility

The Audit and Risk Committee is chiefly an assurance provider of the College Council. It is made up of three external members of the Council, one co-opted independent member with the requisite skills and knowledge, and senior staff members of the Audit and Risk within the College. The said staff members report functionally to the Audit and Risk Committee and administratively to the principal or accounting officer. This arrangement ensures the required levels of independence for the Committee to discharge its mandate without any prejudice. The Committee is statutorily required to conform with the provisions of section 25 (1) (c) of the Continuing Education and Training Act (16 of 2006) (the Act), as amended, thus over and above its duties and contained in the Charter and those allocated to it by the College Council. This report attempts to capture the essence of both the statutory obligations and other duties of the Committee for the period under review. The Act requires the College to "implement internal audit and risk management systems which are not inferior to the standards contained in the Public Finance Management Act (1 of 1999)" and GRAP. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference in the Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The College has a history of disclaimer of opinion; however, the year under review has shown great improvements as it has received an unqualified opinion with findings and there were no material findings identified. These improvements are attributed to the hard work put in by the management and all the governance structures of the College, wherein the audit improvement plan for AGSA 2022 findings was compiled for external audit findings. The plan was then approved by the Committee, and its implementation was monitored by the Internal Audit. The Audit Action Plan was compiled based on both external audits by the AGSA and Internal Audit findings. The College commenced with the implementation of the Audit Action Plans in 2020. The audit findings tracking register for both internal and external audit findings was developed and monitored by the Internal Audit Unit and presented to the Audit and Risk Committee on a quarterly basis.

From the various reports of the internal auditors, the Audit Report on the Audited Annual Financial Statements and the management report of the Auditor-General South Africa, there were no matters reported that indicated material deficiencies in the system of internal control. Accordingly, we can report that the system of internal control over financial reporting has improved significantly. Internal Audit will continue to monitor the effectiveness of controls to ensure that the College does not regress.

Evaluation of Financial Statements

The Audit and Risk Committee has:

Reviewed and discussed the Audited Annual Financial Statements to be included in the Annual Report with the Auditor-General and the internal auditors, reviewed changes in accounting policies and practices, and reviewed the entity's compliance with legal and regulatory provisions.

Internal Audit Function

The following reviews were conducted in 2023 by the Internal Audit Unit –

- Records management follow-up report: Presented to ARC in Q3 of 2023
- SSS follow-up audit review: Presented to ARC in Q3 of 2023
- HRM Review: Presented to ARC in Q2 of 2023
- Audit improvement plan: Presented to ARC in Q4 of 2023
- Annual Financial Statements Review: Presented to ARC in Q1 of 2024
- SCM Preliminary review: Presented to ARC in Q4 of 2023.

The 2023 approved Internal Audit Plan was risk-based and covered issues that assisted the College in improving and attaining an unqualified audit opinion.

Risk Management Function

The College is taking responsibility for and ownership of the implementation of the Enterprise Risk Management (ERM) systems, methodology and function. The Risk Officer at Assistant Director was appointed in October 2023, and the Risk Management Implementation Plan was approved in Q3 of 2023. A risk management diagnosis was undertaken for the College, and a report was shared with the Committee.

The following was executed in accordance with the approved Risk Management Implementation Plan:

- A strategic risk assessment was undertaken in January 2024. Presented and approved by the Committee in Q4 of the 2023–2024 financial year.
- Quarterly operational risk monitoring was conducted in Q4. Presented and approved by the Committee in the same quarter.
- The whistle-blowing policy was reviewed, presented and approved by the Committee in Q4 of 2023.
- The combined assurance policy was developed, presented and approved by the Committee in Q4 of 2023.

Risk assessment is to be conducted on a quarterly basis to ensure that the risks faced by the College are monitored and mitigated.

External Auditor's Report

The College has improved as it attained an unqualified audit opinion for the 2023 financial year. The Committee is pleased with the progress and encourages management to implement recommendations made by either external or internal audit to ensure that there is no regression in the 2024 financial year. Internal audit to continue monitoring the controls in place and give recommendations as and when a need arises.

In closing, the Committee would like to thank the management, the Internal and Risk components of the College, the College Council and all employees of the College for their hard work and determination. We are in this position because of your sacrifices. Continue with the great work; I salute you all!

Duly signed

Mr T. Serote

Audit and Risk Committee Chairperson

Mr. D Hlongwane

7.2.4 Finance Committee

The Finance Committee has been instrumental in ensuring that fiscal discipline and expenditure are aligned with strategic objectives informed by the Strategic Plan. The Committee diligently planned and monitored the College's financial activities to support its overall strategic objectives quarterly. This was achieved through the Committee's oversight roles of overseeing the College's budget, monitoring financial performance and reviewing financial policies.

The Committee strives to ensure optimal utilisation of the College's financial resources in the face of budget cuts. Emphasis has been placed on aligning the budget with the College's strategic goals. In this regard, teaching and learning have been the priority of the College's budget allocations.

The single largest item of the College's operational expenditure budget has been the procurement of Learner and Teaching Support Material (LTSM).

As the College moves towards blended learning, the focus of the College's capital expenditure programmes has been acquiring equipment with the technology to enable blended learning and improved connectivity. During the 2023 academic year, a total of R38m was spent on upgrading the network at six of the seven College delivery sites.

Infrastructure projects for teaching and learning are mostly funded by the Capital Infrastructure and Efficiency Grant (CIEG). However, spending on these projects has been low resulting in the DHET reducing the funding for the College.

During the year under review, the Committee reviewed several policies to ensure alignment with changes in legislation and good governance and to drive efficiency further and empower management.

The office of the Deputy Principal Finance (Chief Financial Officer) has been vacant over the last two financial years. At the time of writing this Report, interviews for the post had been concluded, and recommendations were made to the Director-General to appoint a permanent CFO.

The Committee has over the years been instrumental in strengthening the control environment at the College. As a result, the College has seen a steady improvement in audit outcomes.

In conclusion, the Committee remains committed to ensuring that the College continues to thrive in the face of economic challenges. It is against this background that new revenue streams should be pursued, and a culture of financial discipline should be fostered throughout the College.

Duly signed

Mr D. Hlongwane

Finance Committee Chairperson

Advocate V. Mgwenya

7.2.5 Human Resource and Remuneration

Formation of the Committee

The HRR-C, being established in terms of the Continuing Education and Training Act (16 of 2006), as amended, is thus accountable to the College Council and, therefore, executes its functions as assigned.

Composition of the Committee

The College statute (clause 14(1)(d)) provides for the establishment of the Human Resources Committee (the Committee) to oversee governance matters pertaining to the provision of human resource services to College staff. The Committee comprises a split between external and internal Councillors and two Campus Managers delegated by their peers to advocate for the human resources needs of campuses.

Accomplishments of the HRR-C in 2023

The HRR-C prides itself on the following milestones:

- The HRR-C upheld matters of governance in ensuring that meetings sit quarterly as contained in the College Charter and statute.
- Progress made in the PPN structure was enormous in that the College successfully matched and placed all lecturers and the majority of support staff, including those (SL 09–13), under the DG's delegation.
- To date, the College has three unmatched officials who are set to be declared at the level of Region; the success marks 97% of PPN implementation.
- Recruitment and selection of positions have been upheld, which is attributed to a reduced vacancy rate.
- Overall training and development have been a priority area, including the significant reduction of lecturers without teaching qualification.
- During the year 2023, there has been a sensible improvement in the management of leave whilst the College has reduced the number of operational risks and general issues of compliance.
- Of importance, the year 2023 saw a significant reduction of acting positions, whilst stability in the College's Senior Management was observed (no turnover).
- The majority of HR policies are due for review in 2024, which coincides with the Council's final year office and the amount of work alignment with the DHETs, possibly discontinuing some whilst aligning others, is of concern.
- The College was economical in utilising its savings and investments to pay salaries for College-paid staff members who were hired in key positions which are not covered by the PPN structure.
- Significant reduction of operational risks matters with respect to overtime, leave and acting allowances.
- Reduction of acting positions as underpinned by filling critical positions whilst ensuring stability in campuses such as Soshanguve South.
- Promotion of labour peace coupled with successful completion of grievances and misconduct cases within the stipulated time.

Conclusion

In conclusion, the HRR-C has demonstrated commendable dedication and effectiveness in fulfilling its mandate throughout the 2023 academic year. Established under legal frameworks and accountable to the College Council, the Committee convened regularly, effective utilisation of staff and funds to support the College's strategic priority areas. Under its purview, key strategic focus areas such as Skills Audit, PPN and overall strategic risks have been attended to and streamlined.

Duly signed

Advocate V. Mgwenya

Chairperson of the HRR-C

Ms P. Kadi

7.2.6 ICT Governance Committee

Formation and composition

The ICT Governance Committee (the Committee) is a sub-committee of the College Council created to specifically respond to the strategic outcomes 1 (Expanded access to TVET College opportunities) and outcome 2 (Improved success and efficiency of the TVET systems) – that is, over and above other ICT related strategic mandates allocated to it by the Council. The Committee is composed of a diverse membership, thus including external appointees, ex-officio members and campus representatives. The Committee convened four online meetings during the 2023 academic year, adhering to statutory requirements.

Key focus areas of the Committee

i. **Network maintenance**

- Progress was notable in network infrastructure enhancement, with 60% completion of Wi-Fi implementation across campuses and Central Office by February 2024.
- Local network cabling maintenance and upgrades were executed at multiple sites, with plans for completion by February 2024.
- Efforts aimed at enhancing student experience included 60% Wi-Fi coverage across all sites and the deployment of Wi-Fi cloud controller for efficient management.

ii. **Smartboards**

- A total of 56 smartboards were procured and deployed across teaching facilities, replacing traditional whiteboards and fostering a digitally enabled learning environment.

iii. **IT partnerships**

- Collaborations with Amazon Web Services (AWS) and Huawei aimed to offer ICT skills courses, including cloud computing and technical fields, aligning with industry demands.
- The Huawei partnership focused on practical course development and certification exams, enhancing graduates' employability and addressing talent cultivation challenges in the ICT sector.

iv. **Operational risks mitigation**

- Efforts targeted addressing operational ICT risks, including inadequate connectivity, governance, disaster preparedness, cybersecurity and compliance.
- Initiatives resulted in notable improvements, although budget constraints posed challenges in certain areas.

ICT policies

The Council endorsed several ICT policies, ensuring adherence to best practices and incorporating a three-year review period mandate for ongoing relevance.

Conclusion

Throughout 2023, the ICT Governance Committee demonstrated dedication and effectiveness in fulfilling its mandate. Progress was evident in network enhancement, smart technology integration, IT partnerships and operational risk mitigation. The Committee's proactive approach, coupled with the endorsement of vital ICT policies, underscores its pivotal role in fostering technological excellence and adaptability within Tshwane North TVET College.

Duly signed

Ms P. Kadi
Chairperson of the ICT Governance Committee

Dr I. Boshomane

7.2.7 Planning and Resource Committee

Formation of the Committee

The Planning and Resources Committee (PRC), being established in terms of the Continuing Education and Training Act (16 of 2006), as amended, is thus accountable to the College Council and, therefore, executes its functions in line with the mandate of the Committee. In sum, the PRC responds to the strategic outcomes 1 (Expanded access to TVET College opportunities) and 3 (Improved quality of the TVET College provisioning) of the College, as alluded to in the Strategic Plan – thus, over and above other governance issues allocated to the PRC by the Council from time to time. In response to the strategic outcomes alluded to, the PRC is responsible for providing an oversight role on the overall College Planning Processes, Infrastructure, Maintenance and Repairs projects, and acquisition of new strategic infrastructure. The PRC also provides oversight on the development of infrastructure maintenance annual work packages to be approved by the Department of Higher Education and Training. Once these have been approved and funded under the Capital Infrastructure Efficiency Grant, the Committee tracks the implementation, which includes but is not limited to the quality of the projects, spending patterns, project timelines and scope of work. Moreover, the Committee also provides oversight on issues around college security, cleaning services, occupational health and safety and hygiene since they fall under maintenance.

Strategic achievements of the PRC for the 2023 academic year

Infrastructure development and maintenance

- Completion of ablution and fencing works in Rosslyn Campus
- Completion of roof and ablutions at Temba Campus
- Successful completion of the roof, ablution and associated projects at the Pretoria Campus
- Over 50% expenditure rate on the CEIG
- Acquisition of a farm for primary agriculture projects
- Appointment of principal agents as a body that guides with technical expertise for projects
- Appointment of hygiene company

Security services

- The College has appointed two service providers to provide security services across its seven sites of deliveries – clustering its delivery sites into two.
- This approach has ensured that the College empowers more than one service provider in the field of security management.
- There were no significant security breaches for the period under review. The property and the human capital of the College are secure. Consequently, the College operates in a relatively safe environment.

Cleaning and hygiene services

- The College has outsourced cleaning, sanitation and hygiene services. The appointed service providers are performing as per the agreed-upon terms and conditions.
- The College operates in a clean and hygienic environment.

Occupational health and safety has:

- Serviced and maintained 30 eagle-eye reflectors and solar panels at the Central Office and Mamelodi Campus and fire hydrants were serviced at all delivery sites.
- The College is now compliant in terms of COIDA and firefighting as certificates were received respectively.
- Risk assessment was done at five delivery sites (Central Office, Mamelodi, Rosslyn, Pretoria and Temba campuses), and reports were drafted and tabled at the PRC and College Council, respectively.
- Procurement of first aid regulation 7 refill kits was done in all delivery sites.
- Pest control (fumigation and servicing of 60 bait stations) was done at four delivery sites (Central Office, Pretoria, Mamelodi and Soshanguve South campuses) and snake repellent was procured for Soshanguve North Campus.
- Aluminium building safety signages, evacuation plans and the framed Health and Safety Policy Statement were installed in all seven delivery sites.
- Relevant engineering protective clothing procured for learners for their work-based experiential training.
- The OHS unit responded well to the QCTO audit in terms of the preparations for the accreditation of workshops at Temba and Mamelodi campuses.
- Emergency response team posters were displayed on the notice boards at seven delivery sites as well and fire drills were conducted at Temba, Pretoria, Central Office and Rosslyn campuses.

In conclusion, the PRC would like to thank the management and College Council for their continued support and will continue to strive to ensure that the infrastructure of the College is continuously improved to provide a conducive teaching and learning environment.

Duly signed

Dr I. Boshomane

Chairperson: PRC

Mr N.D Khoza

7.2.8 Stakeholder Committee

Formation of the Committee

The Stakeholder Committee (hereinafter the Committee) was established by the College Council in the 2021 academic as one of its sub-committees in response to strategic outcomes 3 (Improved quality of the TVET College provisioning) and 4 (Improved responsiveness of TVET Colleges to the work). Hence, the primary mandate of the Committee is to forge strategic and impactful partnerships with the relevant stakeholders in support of the foregoing strategic outcomes and also in pursuance of the College's vision of becoming an innovative centre of excellence in skills development, which cannot be realised without aligning with strategic partners.

For the 2023 academic year, the Committee performed as follows:

Mandate: Forging sustainable and impactful partnerships and linkages

Student and lecturer placement (Work Integrated Learning and Work-Based Exposure)

- For Work Integrated Leaning, the College managed to place 451 students against an annual target of 320 – the annual target has been exceeded.
- For Work-Based Exposure (Nated and NCV programmes), the College managed to place 334 students against an annual target of 320 in the period under review. The target as per the Annual Performance Plan was 230, and the College managed to place 466 students for the Work Integrated Learning.
- Sixteen (16) lecturers were placed for industry exposure, against an annual target of 13. The College exceeded the target. The industry exposure assists lecturers in keeping up with new technologies and ensure responsiveness to industry needs.

Signed Memorandum of Understanding and commitments

The College entered into 19 agreements against the set target of 13 with the following organisations during the period under review:

- FESTO, International You Foundation, Engineering Skills Academy, Glencarol, National Business Initiative (NBI), Global Material Technologies, Khaf's Media, Department of Public Works and Infrastructure, Insurance Sector and Training Authority, Allan Grey, Tshwane University of Technology, KDHT Training Academy, TLB, City of Tshwane, Sefako Makgatho Health Sciences University, University of Pretoria, TSC TVET College, The Innovation Hub, UNISA, Tucks Novation, Garvin Motors, FoodBev, HPCSA and Metanoia Ratings.

Donations received to enhance teaching, training and development as well as to reward excellent performance

- The NBI donated office furniture to support Mamelodi Campus work.
- The College received donations from several companies, including Calvin and Family Security Service, Future Manager, Oxford University Press, Aschor Travels, Macmillan Education, Van Schaik, The Park Lodge Hotel, and Elda Security Service. These donations were awarded to the best-performing students at the College.
- TVET CGC Donation at Temba Campus – TNC official opening of the ICT Lab sponsored by FASSET in partnership with Technical & Vocational Education and Training Colleges Governor's Council (TVETCGC) at Temba Campus. The purpose of the ICT lab is to assist students who are studying in the field of finance at the College.

Entrepreneurship performance analysis

- For the period under review, the target as per the Annual Performance Plan was to expose 150 students to entrepreneurial projects within the College. The College managed to expose 387 students in entrepreneurial projects to develop the entrepreneurial mindset.

Significant events hosted by the College for the period under review

Business breakfast event: 29 March 2023

- Tshwane North TVET College, under the stewardship of the principal, hosted the Business Breakfast with Captains of Industry under the theme "Nurturing and Sustaining Partnerships". The keynote address was presented by the Deputy Minister for Higher Education, Science, Innovation and Technology, Mr Buti Manamela, at the CSIR Convention Centre in Pretoria on Wednesday, 29 March 2023. The main purpose of the event was to resuscitate the existing partnerships as well as to forge new ones in an endeavour to keep and sustain collaborations.

2023 Graduation ceremony

- On 22 September 2023, Tshwane North TVET College organised an elegant and distinguished graduation ceremony. This event saw the conferral of diplomas to 450 students, and it drew more than 900 parents and family members who joined in the celebration. The College started with the process of gathering graduates' data to provide information regarding typical career trajectories as well as programme relevance and development.

National Civic Education and Health Skills Programme Launch – 20 July Mamelodi Campus

- In a significant step towards empowering the youth and fostering community development, Tshwane North TVET College, in collaboration with Higher Health, the Quality Council for Trades and Occupations (QCTO) and the Health and Welfare Sector Education and Training Authority (HWSETA), proudly launched the National Civic Education and Health Skills Programme on 20 July 2023. TNC students and lecturers have enrolled in the programme and impact thereof will be assessed after completion.

Exchange programmes

- During March 2023, the international exchange programme with the People's Republic of China saw two students leaving for the People's Republic of China to study Mechatronics Engineering Technology in Education for a period of two years. The students were part of the 50 students identified across all 50 TVET Colleges. The students are studying a bachelor's degree in Mechatronics at Nanjing Vocational University of Industry Technology. Upon their return, the students will be considered for succession and utilised in imparting the skills and knowledge learnt in China.

Visit Dutch Youth Ambassador – 29 November 2023 Mamelodi Campus

- The Embassy of the Netherlands in South Africa hosted the Dutch Youth Ambassador, His Excellency Mr Jurriaan Middelhoff, at Mamelodi Campus. The role of the Ambassador is to ensure that the voices of students around the world are heard and recognised in Dutch policies. The aim of the visit was to listen to the current challenges from students and lecturing staff, as well as to the success stories and good examples of how the Tshwane North TVET College is thriving.

APPRECIATION

The Committee would like to thank each and every stakeholder for their significant contributions to the College. The College cannot function without your support. We urge all of you to continue being part of this vibrant institution. Together, we are going to reach new heights, with young people being the real beneficiaries of our strategic partnerships. Thank you for opening your doors to be learning centres for our students and lecturers. Words alone cannot capture how grateful we are!

Duly signed

Mr N.D. Khoza

Chairperson of the Stakeholder Committee

Mr T Phidane

7.2.9 Student Support Services Committee

In terms of the stipulations of section 10(3) of the Continuing Education and Training Act (16 of 2006), as amended, the College Council, after consultation with the SRC, must provide for a suitable structure to advise on policies for student support services within the public College.

Tshwane North TVET College endeavours to be a student-centred College wherein all systems and processes are driven by the need to ensure excellence in student performance and wellbeing. Tshwane North TVET College, through its Council, established the SSS-C to serve as a Committee of Council to assist the College Council in repositioning the College to be a student-centred institution. The Committee held three meetings in the 2023 academic year – on 14 February 2022, 01 July 2022 and 02 December 2022.

The Committee performed its oversight role in ensuring that the Student Support Services Unit performed its role and reported progress and achievement on a quarterly basis. The following was achieved among other outcomes:

- The Student Support Services Unit ensured that student financial support is coordinated.
- The students that were declared to be eligible for the NSFAS bursary for PLP, NCV and Report 191 are as follows.
- NCV = 2287; Report 191 = 6956 and PLP = 60. Total = 9303

The College provided on-course academic support aimed at assisting campuses to ensure that the learning support provided in the classroom is of a high and consistent standard. The following was achieved.

- Academic induction was conducted at all six campuses.
- Catch-up support for high-risk subjects to improve performance in high-risk subjects was identified. The subjects were Financial Accounting N4, Information Processing N4 and N6. The College improved the performance to 70%.
- Extra classes were conducted in 2023 at Soshanguve South and Pretoria Campuses on Saturdays and during September recess.
- Peer tutoring – Peer Assisted Learning Strategies (PALS) at Rosslyn and Soshanguve South.

The College appointed six social workers in 2023 to provide psychosocial support and the following stress triggers were identified:

- A total of 70% of the cases related to suicidal and depression thoughts.
- Of the cases, 30% were poverty related.
- A total of 80% were cases of life stresses (personal rather than academic stressors).
- Counselling was provided to 85 students across campuses.
- Mental and social wellness was provided to 15 students.
- Assistance was provided to 14 students from poverty-stricken families.

Leadership development for students

- The College hosted its first Student Parliament on 1 September 2023. The Parliamentary seating focused on the development and review process of policies.
- The Parliament looked into the reviewal of the Class Representative's Policy, the Elections Policy, the SRC Benefits Policy and the SRC Constitution.
- Several amendments and inputs were presented and sent to the SSS-C for Council final approval.

Picture of SNE participating in Extra Curricular Activities

Picture of student parliament session

Student development

- The College held the 2023 SRC elections from 28 February to 01 March 2023 in line the SRC Election Policy. The Committee endorsed the SRC results and recommended approval to College Council.
- The College participated in the Provincial Mzansi challenge where 9 students were selected to be part of the Gauteng provincial team.
- Students will be representing the province in the National Summer Ball Games to be held at the Western Cape from 28 September to 03 October 2023.
- The visually impaired students competed at the goal ball tournament in Kwamashu, KZN. The College obtained the first position in the female category.
- The College participated in the Provincial Arts and Culture competitions and obtained gold in mezzo soprano, baritone, free style, charcoal drawing and brush painting.

Duly signed

Mr T. Phidane

Chairperson of the SSS Committee

Ms K.G. Mthembu

7.2.10 Student Representative Council

2023 SRC Programme of Action

The SRC successfully implemented its programme of action in 2023, except for one activity, namely Heritage Day. Below is a narrative of the planned activities.

Mandela Day

The SRC donated food parcels, sanitary pads and blankets to the children of Tshwaranang Orphanage in Temba Hammanskraal. They also donated seedlings and old computers with the help of the principal and the Student Support Services Office.

Heritage Day

The SRC was unable to hold the Heritage Day event because the dates between the Mandela Day event and Heritage Day were too close to each other, and students were in the middle of an examination. They, therefore, agreed as a team to cancel the Heritage Day event.

Spelling bee and disability awareness campaign

The SRC held a very successful spelling bee and disability awareness event at the Pretoria Campus. With the help from the office of Mr Motlhatlhedi, the SRC were able to gather all six campuses; students from their campus represented each campus. Speakers from different organisations advocated for people living with disabilities.

Buses were sourced to transport all students to and from campuses. The SRC is very proud to report that all students arrived home safely, and no problems were reported. The support received from the staff was astonishing.

Colour Run and LGBTQI+ awareness

The SRC held a colour run and LGBTQI+ awareness campaign at the Soshanguve South campus. Students who are within the LQBTQI community showed up in numbers. They also formed part of the speakers for the event. One speaker, an activist for GBV, educated students on the importance of respecting both women and men and protecting children. Student journalists from TUT covered the whole event and shared it on their media platforms.

Student Parliament

Student Parliament is an annual event that was established in 2023. The first successful Student Parliament events were held, which allowed students to interact directly with all stakeholders, management and the Council of the College on the development and effectiveness of Tshwane North TVET College in their academics. Furthermore, it serves as a platform where the SRC and the campus report back to students on their terms of office as student leaders.

On this platform, students themselves review students-related policies of the institution, and amendments are made to make sure that students are governed by policies that are relevant to their academic year.

Conclusion

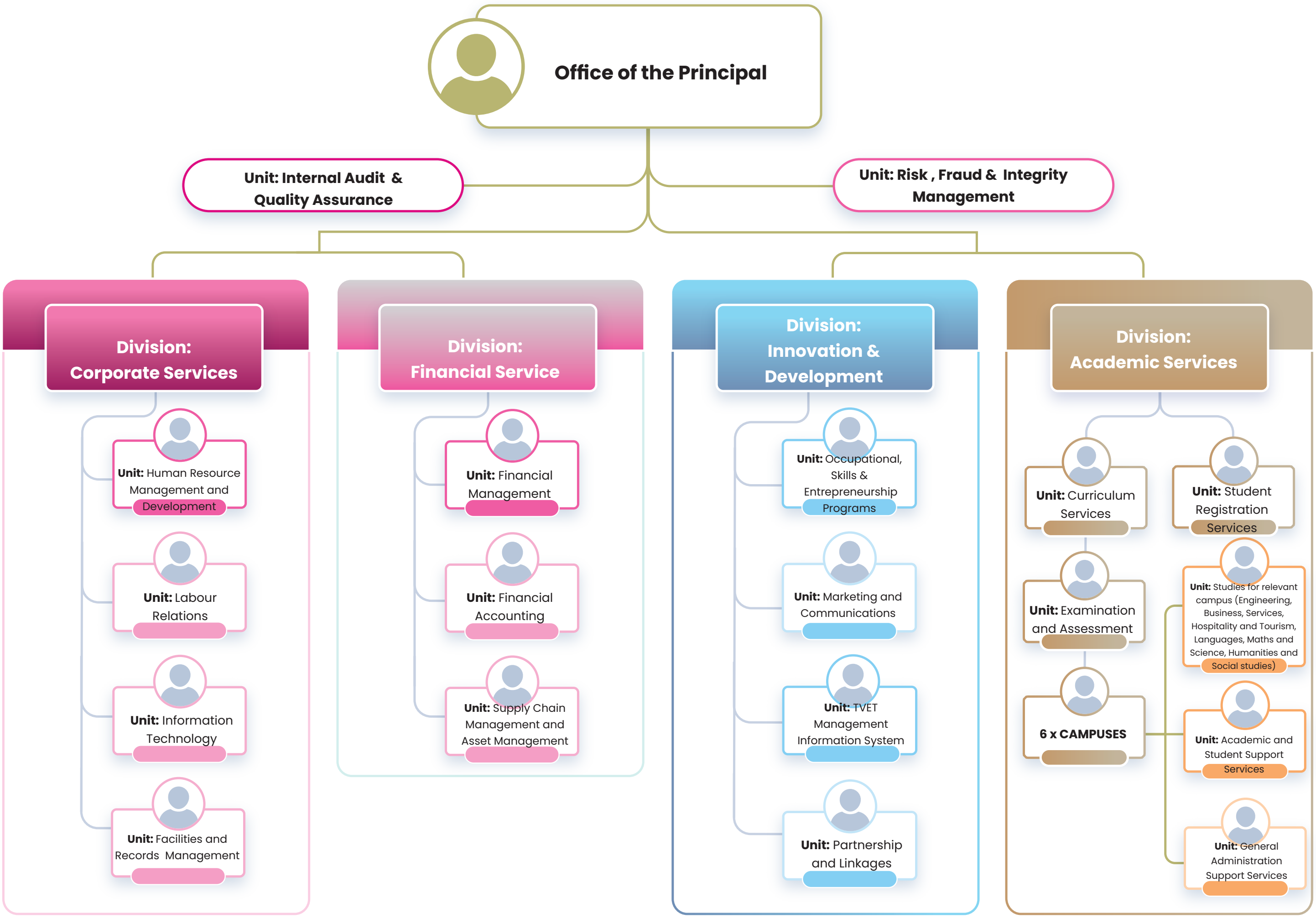
The SRC would like to thank the College Council, management and TNC Student Populace for their unending support and commitment to the vision of the College. We wish the incoming leadership the best in all their leadership endeavours.

Duly signed

Ms K.G. Mthembu

2023 SRC President

7.3. High-Level Organisational Structure



PART C:

PERFORMANCE INFORMATION

8. Report by Principal on Management and Administration

8.1 Performance Reporting

8.1.1 STRATEGIC OBJECTIVE 1:

TO DEVELOP GOVERNANCE FRAMEWORK, POLICIES AND SYSTEMS TO ENABLE EFFECTIVENESS OF THE INSTITUTION

The College has a functional and active Council. All Council members were fully inducted and most of them have settled in and adapted to the college environment. Management plays a critical role in supporting the work of Council as a key resource to all Committee and Council meetings. Further, management supports the Office of the Council secretariat in executing its responsibilities. Council meetings take place in terms of the College Statute and relevant Charters. The meetings are robust and focused where management accounts to Council on a quarterly basis.

Reporting is continuous at all Council meetings and the quality of discussions is of a high standard. The current Council provides strategic direction where management reports on the College performance. The areas of focus in 2023 were around the review of policies, monitoring the Audit Action Plans, improved Risk Management Processes, improving the external audit outcomes, appointing an independent service provider to assess the performance of Council with the aim to improve, and planning for legacy infrastructure projects for execution in 2024/25, given the availability of funds.

8.1.2 STRATEGIC OBJECTIVE 2:

TO PROVIDE TVET PROGRAMMES BY INCREASING QUALITY AND SUCCESS IN TERMS OF ACADEMIC THROUGHPUT AND RETENTION

The College enrolled 20 869 headcounts in 2023, higher than the 2022 actual enrolments of 15 027. The increase is attributed to over-enrolment in Report 191 due to the influx of students enrolling for only one or two subjects (mainly repeaters). The mitigation plan for this is to enrol them in the blended learning platform to unclog the system. The College enrolled low numbers in PLP; the set target was 210 with a shortfall of 116. The low enrolment numbers are attributed to lack of understanding and advocacy and scepticism towards the purpose of PLP programme. The targets for occupational programmes and skills/short programmes could also not be realised. Only 92 against the target of 150 was achieved for occupational programmes, with a shortfall of 58; and 64 against 120 was achieved for skills/short programmes with a shortfall of 56.

Throughput rate

The College projected a 9% throughput rate for L4 NCV but achieved 12%. The College has achieved slightly more than the projected target. The NCV programme enrolled 1 016 L2 students with 7 subjects in 2023; only 126 L2 students completed the qualification within the prescribed timeframe.

PLP retention rate

The PLP retention rate projected for 2023 was 88%. However, the College achieved 85%. The College underachieved due to dropouts, resulting in a 3% decline.

PLP progression rate

The College projected the progression rate of 65% for PLP but managed to achieve 58%, resulting in a decline of 7%.

8.2 Annual performance achievements

TABLE: COLLEGE HEADCOUNT TRENDS – 2021 to 2023

Pogramme	2021 Actual	2022 Actual	2023 Actual
NC(V)	3 636	2 767	3 338
Report 191	16 909	12 041	17 281
Occupational and Skills Learning Programmes	132	415	156
Pre-Vocational Learning Programme	29	109	94
Total	**20 706**	**15 027**	**17 869**

The table above shows actual enrolments over the period of three years. There was an improvement in the actual headcount enrolments from 15 027 in the 2022 academic year to 17 869.

2023 Academic Results

The table below provides an analysis of the 2023 academic year NC(V) Levels 2 to 4 November examination results in terms of subject pass, retention and certification rates.

2023 NCV						
Level	No. Enrol	No. Written	No. Passed	% Pass	% Cert. pass	% Retention
Level 2	9283	6136	5393	88	49	66
Level 3	5120	4506	3748	83	58	88
Level 4	3775	3357	2699	80	55	89
Total	**18178**	**13999**	**11840**	**85**	**54**	**77**

The overall subject pass rates are around 80%. However, the certification rates remain low as it takes longer for students to complete their qualifications beyond the stipulated timeframes.

The table below provides an analysis of the 2023 academic year Report 191 Business and General Studies N4 to N6 semester examination results in terms of subject pass, retention and certification rates per level.

2023: Semester 1							2023: Semester 2					
Level	No. Enrol	No. Written	No. Passed	% Pass	% Cert. pass	% Ret.	No. Enrol	No. Written	No. Passed	% Pass	% Cert. pass	% Ret.
N4	5918	4725	4104	87	66	80	5848	4681	4091	87	66	80
N5	4196	3665	3036	83	71	87	4471	4023	3263	81	71	90
N6	3440	3163	2661	84	76	92	3327	3039	2541	83	76	91
Total	**13554**	**11553**	**9801**	**85**	**71**	**85**	**23643**	**11743**	**9868**	**84**	**71**	**86**

The table below provides an analysis of the 2023 academic year N1 to N6 trimester examination results in terms of subject pass, retention and certification rates per level.

2023: Trimester 1							2023: Trimester 2						2023: Trimester 3					
Level	No. Enrol	No. Written	No. Passed	% Pass	% Cert. pass	% Ret.	No. Enrol	No. Written	No. Passed	% Pass	% Cert. pass	% Ret.	No. Enrol	No. Written	No. Passed	% Pass	% Cert. pass	% Ret.
N1	2861	2065	1738	84	53	72	2416	1799	1548	86	53	74	1129	852	723	85	53	75
N2	2411	2026	1239	61	47	84	2429	2064	1430	69	46	85	2300	1838	1255	68	48	80
N3	1705	1446	1072	74	46	85	1641	1371	929	68	48	84	1955	1738	1211	70	48	89
N4	1037	870	690	79	51	84	1053	861	607	70	53	82	1117	968	780	81	53	87
N5	721	623	412	66	44	86	833	681	470	69	43	82	806	712	551	77	44	88
N6	359	319	222	70	45	89	463	372	245	66	45	80	571	500	360	72	45	88
Total	**9094**	**7349**	**5373**	73	**48**	**81**	**8835**	**7148**	**5229**	**73**	**49**	**81**	**7878**	**6608**	**4880**	**74**	**49**	**84**

2023 Overall College performance across programmes

2023						
Programme & Level	**No. Enrolled**	**No. Written**	**No. Passed**	**% Pass**	**% Cert. pass**	**% Retention**
NC(V) L2 – L4	18178	13999	11840	85	54%	77
Report 191 Business & Gen. studies N4 – N6	37197	23296	21544	169	71%	62
Report 191 Engineering Studies N1 – N6	25807	21105	15482	147	49%	83
Total	**81182**	**58400**	**48866**	**401**	**61**	**74**

The below table delineates the position of the College performance for the 2021 to 2023 academic years at national, regional and provincial levels.

Programme	**National (50 TVETC)**			**Regional (12 TVETC)**			**Provincial (8 TVETC)**		
	2021	**2022**	**2023**	**2021**	**2022**	**20223**	**2021**	**2022**	**2023**
NC(V)	22	16	20	8	4	9	5	3	4
Report 191 Bus & Gen. Studies	22	11	10	7	8	4	4	4	3
Report 191 Engineering Studies	18	9	6	2	4	4	1	2	2

8.3 ANNUAL PERFORMANCE ACHIEVEMENTS

The tables below report on achievements of annual performance targets.

Strategic Objective 1: To provide quality technical and vocational education and training services academic achievement and success of student.

PERFORMANCE INDICATORS	COLLEGE 2022/23 PLANNED TARGET	COLLEGE 2022/23 ACHIEVEMENT	EXPLANATOR Y REMARKS
Appropriate teaching and learning support plan developed and implemented	1	1	The Teaching and Learning Plan was implemented and monitored. College common assessment must be introduced to improve assessment standard.
Appropriate student support plan developed and implemented	1	1	SSS plan was implemented; target exceeded particularly on student placement and extra-curricular activities.
TVET students enrolled in foundation or bridging programmes (n)	120	64	PLP target numbers are achieved NCV. Report 191 students are reluctant to register for PLP.
Students completing artisan-related programmes (n)	150	0	This apprentice programme commenced in 2023 and will continue until 2025.
Retention rate (%) students placed in PLP	88%	85%	A total of 110 students enrolled; however, 16 dropped out due to the course being offered as a bridging course for a year, resulting in a 3% decline rate.
Progression rate (%) of PLP students	65%	58%	The College succeeded to progress 64 learners in 2023. However, we were unable to reach the target of 65% per the APP.

Strategic Objective 2: To have adequate infrastructure and systems in place to increase access and provide effective services to students.

PERFORMANCE INDICATORS	COLLEGE 2022/23 PLANNED TARGET	COLLEGE 2022/23 ACHIEVEMENT	EXPLANATOR Y REMARKS
Number of students completing college programmes NCV L4	650	166	Only 26% of our leaners were certified in 2023 for NCV L4 programmes.
Number of students completing college programmes N6 semester	2 600	795	The College achieved 31% of learners that are certified for N6 semester programmes.
Number of students completing college programmes N6 trimester	480	220	The College has achieved 46% of learners that are certified for N6 trimester programmes.

Strategic Objective 3: To develop partnerships and maintain good stakeholder relations to increase the number of students who are adequately prepared to enter the labour market or further and higher learning opportunities.

PERFORMANCE INDICATORS	COLLEGE 2022/23 PLANNED TARGET	COLLEGE 2022/23 ACHIEVEMENT	EXPLANATORY REMARKS
TVET students placed in workplaces / industry for specified periods for work exposure, experiential learning and certification purposes (n)	WBE = 320 WIL = 230	WBE = 334 WIL = 466	The College has exceeded its targets in placing students in WBE and WIL.
Number of partnerships for exchange and placement of students and lecturers	12	19	MoUs were signed for placement, training and development of both students and lecturers.
Number of lecturers placed in industry	13	16	The target was slightly exceeded for lecturer placement in industry.
Number of students in engaged in entrepreneurship programmes and projects	150	387	The target was exceeded. Students at Pretoria, Mamelodi and Soshanguve were exposed to entrepreneurship projects.

Strategic Objective 4: To develop governance framework, policies and systems to enable effectiveness of the institution.

PERFORMANCE INDICATORS	COLLEGE 2022/23 PLANNED TARGET	COLLEGE 2022/23 ACHIEVEMENT	EXPLANATOR Y REMARKS
Compliance to governance standards (%)	100%	92%	College could not comply and is working on adhering to the submit financials on time as required by the DHET. The internal controls are put in place to address this.
Compliance with national policy of college examination centres conducting exams and assessments (%)	100%	98%	The College does not have an OHS certificate; however, the College is working very hard to address this challenge.

Strategic Objective 5: To monitor and evaluate all College processes in terms of the framework for TVET College quarterly performance and reports

PERFORMANCE INDICATORS	COLLEGE 2022/23 PLANNED TARGET	COLLEGE 2022/2023 ACHIEVEMENT	EXPLANATOR Y REMARKS
Accurate M&E quarterly reports submitted (n)	4	4	All reports submitted on time

COLLEGE ACHIEVEMENT IN TERMS OF TVET SYSTEM T ARGETS

SYSTEM TARGET	2022/23 Planned National Target	TVET College 2022/23 Planned Target	TVET College 2022/23 Achievement	Explanatory Remarks
Certification rate NC(V)	50%	40%	54%	
Certification rate N6 (%) Eng. studies	50%	49%	49%	
Certification rate N6 (%) Bus. & Gen. studies	50%	52%	71%	
Throughput rate (%) of NCV L4 cohort	5%	9%	12%	The College exceeded its target for the NCV Level 4 cohort

- **Improved responsiveness of TVET College to the world of work**

As per the White Paper on Post-School Education and Training, every workplace should be turned into a training space. The College partnered with industries, organisations, government departments and SETAs for purposes of Work Integrated Learning (WIL) and Work-Based Exposure (WBE) for both students and lecturers. The College has recorded an improvement in the placement of students in workplaces for both WIL and WBE. The set targets are 320 for WIL and 320 for WBE, and these targets were exceeded, registering 451 for WIL and 336 for WBE respectively.

- **Student registration and enrolment planning**

The College successfully conducted 2023 registration in the following programmes: Report 191, NCV and PLP. The College administered registration in line with DHET Standard Operating Procedure. The College received positive compliance enrolment report during 2023 enrolment monitoring as it concluded student application, selection and admission for the 2023 academic year in November 2022.

The College continues to administer 100% online application and registration processes. Returning students are auto-promoted so that they can register online. This is one of the key achievements that the College has recorded in 2023. The system is very efficient and can handle high data volumes at any given time.

Admitted applicants were informed of their college admission and were afforded an opportunity to register online in January 2023.

- **Management of examinations and assessment**

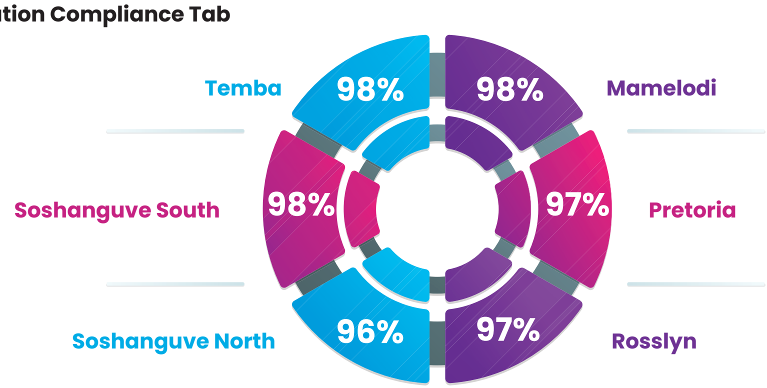
Compliance with the examination regulation is a strategic requirement. The College has complied with mandatory monitoring of the conduct, administration and management of the national examination to ensure that the assessment is fair, valid, reliable and complies with the directives issued by the Department.

The College internal monitoring of examination was conducted in the Trimester, Semester and Year Programme in 2023 to ensure that campuses comply with examination requirements and regulations.

The College was monitored by the DHET and scored an average of 98%. The College is currently working on obtaining an OHS certificate to be 100% compliant.

Campus	College Monitoring Dates	Compliance Rate	DHET Monitoring Date	Compliance Rate	Regional Monitoring Date	Compliance Rate
Mamelodi	30 Nov 23	98%	07 Dec 23	99%		
Pretoria	27 Nov 23	97%				
Rosslyn	27 Nov 23	97%	22 Nov 23	98%		
Soshanguve North	23 Nov 23	96%	17 Nov 23	98%		
Soshanguve South	22 Nov 23	98%				
Temba	29 Nov 23	98%	13 Nov 23	95%		

College Examination Compliance Tab



Irregularities reported by the College during November 2023 examination

The College recorded six (6) irregularities during the November/December 2023 National Examinations. Of the 6 irregularities, 3 were reported as crib notes, whilst the other 3 were scripts damaged by the students during the national examination.

PART D:

FINANCIAL INFORMATION

9. Financial Reporting

9.1 Audit Report

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Tshwane North Technical, Vocational Education and Training (TVET) College set out on pages xx to xx, which comprise the statement of financial position as at 31 December 2023, statement of financial performance, statement of changes in net assets and cash flows 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 Tshwane North TVET College as at 31 December 2023 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 6 of 2006 (CET Act).

Basis for Opinion

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

Emphasis of matter

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

Prior period error note

7. As disclosed in note 28 to the financial statements, the corresponding figures for 31 December 2022 were restated as a result of an error in the financial statements of the college at, and for the year ended 31 December 2023.

Responsibilities of the Council for the financial statements

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

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

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

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx to the auditor's report, forms part of our auditor's report.

Report on the audit of the annual performance report

12. In terms of the CET Act, the college is not required to prepare an annual report.

Report on compliance with legislation

13. 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.

14. 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.

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

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

Annual financial statements and annual report

17. The financial statements submitted for auditing were not prepared in accordance with generally recognised accounting practice, as required by section 25(1)(b)of the CETA.

18. Material misstatements of receivables from exchange transactions and trade and other payables from exchange transactions identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

Other information in the annual report

19. The Council is responsible for the other information included in the annual report. The other information referred to does not include the financial statements.

20. 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.

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

22. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that 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, it if is corrected, this will not be necessary.

Internal control deficiencies

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

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

25. Preventative controls were not adequately implemented to ensure reliable financial reporting and compliance with the CETA.

Auditor-General

Pretoria

31 May 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

The council is required by the CET Act No.16 of 2006, as amended, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the council to ensure that the annual 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 period then ended. The Auditor-General South Africa was engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

The council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement.

The council has reviewed the college's cash flow forecast for the year to 31 December 2024 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 annual financial statements set out on page 4, which have been prepared on the going concern basis, were approved by the council members on 31 May 2024 and were signed on its behalf by:

TE Tsibogo

Principal

Statement of Financial Position as at 31 December 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Inventories	3	3,742,947	5,701,032
Trade and other receivables from exchange transactions	4	72,057,087	44,978,658
Receivables from non-exchange transactions	5	32,916,790	43,986,591
Interest Receivable	6	1,415,707	1,354,485
Cash and cash equivalents	7	230,187,974	261,141,331
		340,320,505	**357,162,097**
Non-Current Assets			
Property, plant and equipment	8	246,952,667	214,724,890
Total Assets		**587,273,172**	**571,886,987**
Liabilities			
Current Liabilities			
Conditional grants	9	38,249,747	37,984,929
Trade and other payables from exchange transactions	10	31,989,954	29,000,692
Project liabilities	12	7,698,240	7,663,235
Other financial liabilities	11	84,150,992	81,198,534
Financial aid received in advance	13	36,373,765	24,726,013
		198,462,698	**180,573,403**
Total Liabilities		**198,462,698**	**180,573,403**
Net Assets		**388,810,474**	**391,313,584**
Accumulated surplus		388,810,474	391,313,584
Total Net Assets		**388,810,474**	**391,313,584**

Statement of Financial Performance for the year ended 31 December 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Tuition and related fees	14	75,979,868	67,848,168
Rental of facilities and equipment	15	311,688	110,276
Sundry income	16	9,058,210	7,092,532
Interest received	17	15,340,920	8,445,415
Total revenue from exchange transactions		**100,690,686**	**83,496,391**
Revenue from non-exchange transactions			
Services in kind			
Service in kind	18	37,685,079	35,551,962
Transfer revenue			
Government grants & subsidies	19	358,067,861	345,188,667
Public contributions and donations	20	576,715	13,570,692
Total revenue from non-exchange transactions		**396,329,655**	**394,311,321**
Total revenue		**497,020,341**	**477,807,712**
Expenditure			
Employee related costs	21	(265,740,634)	(248,467,797)
Repairs and maintenance	22	(21,389,679)	(31,179,520)
Depreciation and amortisation	8	(18,869,855)	(17,131,645)
Impairment loss - property, plant and equipment	8	(291,109)	(133,111)
Projects- Stipends	23	(3,202,153)	(807,902)
Debt Impairment		(16,491,818)	(58,327,175)
Notional expense	18	(37,685,079)	(35,551,962)
Cleaning expenses		(10,631,644)	(9,044,773)
Consulting and professional fees		(7,201,677)	(7,700,177)
Security		(18,118,839)	(15,876,765)
Books and learning material	24	(16,948,500)	(12,839,143)
Loss on disposal of property, plant and equipment		(450,237)	(657,406)
Audit fees		(4,804,352)	(3,602,560)
Inventories losses/write-downs		(1,673,501)	(998,657)
Sundry expenses	25	(76,024,375)	(77,076,252)
Total expenditure		**(499,523,452)**	**(519,394,845)**
Deficit for the year		**(2,503,111)**	**(41,587,133)**

Statement of Changes in Net Assets for the year ended 31 December 2023

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported		
Adjustments	508,009,428	508,009,428
Prior period errors	(81,760,874)	(81,760,874)
Balance at 01 January 2022 as restated*	**432,900,717**	**432,900,717**
Changes in net assets		
Surplus for the year	(41,587,133)	(41,587,133)
Total changes	(41,587,133)	(41,587,133)
Opening balance as previously reported	555,962,579	555,962,579
Adjustments	(164,648,993)	(164,648,993)
Prior period errors		
Restated Balance at 01 January 2023 as restated*	**391,313,585**	**391,313,585**
Changes in net assets Surplus for the year	(2,503,111)	(2,503,111)
Total changes	(2,503,111)	(2,503,111)
Balance at 31 December 2023	**388,810,474**	**388,810,474**

Cash Flow Statement for the year ended 31 December 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Tuition and related fees		42,014,503	31,863,667
Government Grants and subsidies		134,705,488	163,893,475
Rental of facilities and equipment		311,688	106,276
Sale of goods and services		357,219	-
Interest received		17,667,293	8,203,859
Sundry income		14,013,784	2,971,084
Donations		-	1,589,273
		209,069,975	208,627,634
Payments			
Employee costs		(34,450,238)	(30,908,945)
Suppliers		(154,225,116)	(162,145,719)
		(188,675,354)	(193,054,664)
Net cash flows from operating activities	27	**20,394,621**	**15,572,970**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(51,347,978)	(30,753,038)
Net (increase)/decrease in cash and cash equivalents		**(30,953,357)**	**(15,180,068)**
Cash and cash equivalents at the beginning of the year		261,141,331	276,321,399
Cash and cash equivalents at the end of the year	7	**230,187,974**	**261,141,331**

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance, and compliance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board 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 annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand and the figures have been rounded to the nearest R1.

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

A summary of the significant accounting policies, which have been consistently applied with those of the previous year in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

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

1.2 Going concern assumption

Management have made the assessment that the college is a going concern and the financial statements have been prepared on a going concern basis. These annual financial statements have been prepared based on the expectation that the college will continue to operate as a going concern for the foreseeable future.

1.3 Significant judgements and sources of estimation uncertainty

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

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and 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 current period and applied prospectively.

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

Impairment testing

i) Financial assets

The college assesses its financial assets (including trade and other receivables) 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. On trade debtors an impairment loss is recognised in the surplus and or deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cashflows discounted at the effective interest rate computed ay initial recognition.

ii) Non- financial assets

In testing for and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cashflows (in the case of cash-generating assets). For non-cash generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

iii) 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.

iv) Allowance for obsolete stock

Management performs inventory count on an annual basis in the process of preparing financial statements. Textbooks are clearly separated for identification purposes. The key considerations for obsolete textbook identification include Textbooks with torn and missing pages, and outdated Textbooks due to syllabi changes. Inventory identified as such is then taken as provision for obsolete or considered for write-off.

1.3 Significant judgements and sources of estimation uncertainty (continued)

Service in kind revenue

The college recognised notional rental for the current and the prior year for the rental benefit which the college is deemed to have paid on the campuses that they do not have title deeds on the land. The college does not have title deeds on Central Office campus, Soshanguve North and South Campus, Mamelodi campus and Temba campus. A Professional Valuer was used in the determination of the market value of the notional rental benefit. The market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The Valuer placed a value on the rights attaching to the property and the benefits of occupation and/or ownership thereof. In the valuation process, cognizance was taken of the purpose for which the property is capable of being used and the future income or amenities, which it is likely to produce. At the same time, however, the property must be compared with available substitutes and/or alternative investment opportunities. The object of the valuation process, therefore, is to arrive at a figure which will reflect the point of equilibrium between supply and effective demand at the time of valuing the rental benefit.

Taxation

The College is exempt in terms of Section 10(1)(c)A(i)u of the Income Tax Act of 1962 (Act No.58 of 1962).

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is stated at cost less accumulated depreciation and adjusted for any impairment. Property, plant and equipment acquired at no cost are stated fair value as at the date of acquisition less any subsequent accumulated depreciation.

Property, plant and equipment is depreciated on a straight-line basis over their expected useful lives to their estimated residual values. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised).

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

Item	Depreciation method	Average useful life
Land	Not depreciated	Indifinite
Buildings	Straight-line	30 to 50 years
Computer equipment	Straight-line	5 to 10 years
Furniture and office equipment	Straight-line	5 to 17 years
Machinery and equipment	Straight-line	5 to 14 years
Motor vehicles	Straight-line	5 to 10 years

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

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

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

Deemed Cost

When information about the historical cost is not available, the acquisition cost is measured using a surrogate value (deemed cost) at the date the college adopted the Standards of GRAP. Deemed cost is determined as the fair value of an asset at the measurement date.

1.5 Financial instruments

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

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

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

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

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

A financial asset is:

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

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

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

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

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

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments.

Classification

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

Class	Category
Cash and Cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Interest Receivable	Financial asset measured at amortised cost

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Project liabilities	Financial liability measured at amortised cost
Financial aid received in advance	Financial liability measured at amortised cost

Financial instruments (continued)

Initial recognition

The college recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument. The college recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition at amortised cost. All financial assets measured at amortised cost are subject to an impairment review.

Impairment and un-collectability of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivable where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the trade receivable account and the allowance account is reversed. Subsequent recoveries of amounts of amounts previously written off are credited in surplus or deficit. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

Cash and cash equivalents are stated at amortised cost, which due to their short-term nature, closely approximate their fair value.

Derecognition

Financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, are settled or waived.

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.

Financial liabilities

The entity 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.

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.

Presentation

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

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

1.6 Statutory receivables Identification

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

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

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

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations.

Recognition

The college recognises statutory receivables as follows:

- The receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The college initially measures statutory receivables at their transaction amount.

Subsequent measurement

The college measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

The College earns interest on bank balances, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the interest rate as offered by the bank. Accrued interest is a financial asset measured at amortised cost.

Interest earned in the financial year is recorded in the statment of financial performance.

Derecognition

The college derecognises a statutory receivable, or a part thereof, when:

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

1.7 Leases

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.

1.8 Inventories

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

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

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

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

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

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

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

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

Inventory is valued at weighted average cost and any textbooks that are considered obsolete in line with key assumptions are provided for in full.

1.9 Impairment of non-cash-generating assets

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

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

In order to determine if any of the College’s assets are cash generating it looks at the objective of the asset and what return does it generate.

Administrative / owner-occupied assets

It is accepted that all administrative assets, for example, vehicles, office equipment/furniture, plant and machinery, computer equipment and administrative land and buildings are non-cash generating assets as they do not generate any return.

Classroom buildings - Campuses

Even though the campuses conduct learning and teaching from which students are levied tuition fees which is a return to the College, they are still non-cash generating units as documented below:

These assets do not generate a return on their own but collectively. These returns generated are small and immaterial in relation to the cost of the assets and therefore is not considered to be a commercial return. In addition, all assets of the College are held with the primary objectives of offering education to the community in terms of the Continuing Education and Training Act, Act No.16 of 2006, as amended. As a public TVET College, the fees levied on students do not count as commercial return as they are not sufficient to cover the operating costs of the College and the Department augments this by assisting with operational grants.

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.

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.

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

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

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

Value in use

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

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

Depreciated replacement cost approach

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

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The basis is that the entity 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.

1.10 Employee benefits

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and

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 Human Resources related functions, e.g. administering the payroll and appointment, performance management, termination and disciplinary processes.

1.11 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised.

1.12 Commitments

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

Capital commitments arise when the college has entered into a contract on or before the end of the financial year to incur expenditure over subsequent accounting periods relating to construction of infrastructure, the purchase of major items of property, plant and equipment.

Operational commitments arise when the college has ordered goods/services in the normal course of business but for which no delivery has taken place at the reporting date.

Disclosure of open orders

Open order represents a firm commitment by the college. Open orders are for once off transactions for which settlement of the expenditure is expected to take place from the budget of the current financial year.

Contractual commitments

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.13 Revenue from exchange transactions

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

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

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

Recognition

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.

Rendering of services (continued)

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 a different method better represents the stage of completion. When a specific act is much more significant than another, 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.

Tuition

Tuition fees are recognised as income at the fair value of the consideration received or receivable in the period to which they relate (academic year).

Measurement

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation and regulation. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

1.14 Revenue from non-exchange transactions

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

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the college.

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

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

Measurement

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

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

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the College with no future related costs is recognised as income of the period in which it become receivable.

Grants related to income are presented as a credit in the surplus or deficit (separately).

Grants, gifts and donations (other than services in-kind) are recognised when the definition of an asset is met, and the recognition criteria of an asset are satisfied.

Non-conditional grants

For grants, gifts and donations received without conditions attached, revenue is recognised when the asset is recognised. Transferred assets are measured at their fair value as at the date of acquisition.

Conditional Grants

For grants, gifts and donations received that have conditions attached to it, a liability will be recognised to the extent that the conditions have not been met and will be reduced as the conditions are satisfied with a corresponding increase in revenue.

Programme funding

The direct 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. The portion of the programme funding retained by DHET for paying salaries through PERSAL is recognised to the extent that DHET has incurred Persal expenditure for employees placed at the College up to reporting date and to the extent that the conditions in the funding norms have been met at the reporting date.

Services in-kind

Except for financial guarantee contracts, the college recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related income when it is probable that the future economic benefits or service potential will flow to the college and the fair value of the assets can be measured reliably.

Where 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 college disclose the nature and type of services in-kind received during the reporting period.

1.15 Accounting by principals and agents Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the college is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether the college is a principal, or an agent requires the college to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The college assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the college in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the college concludes that it is not the agent, then it is the principal in the transactions.

The college is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the college has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The college applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the college is an agent.

Based on the assessment done by management, it was concluded that no principal-agent arrangement have been entered into by the College.

1.16 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.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.17 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

Based on the assessment done by management, there are no segments and the following factors were considered in arriving at such a conclusion:

- There is(are) no other activity(activities) by the central office or the six campuses, individually and/or together, that generated any form of economic benefits, that management had the interest of reviewing regularly, apart from its main activity of providing learning programmes to students. (AND):
- There is no separate financial information prepared by the college, that being the central office and the campuses, apart from the annual financial statements.

1.18 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 required to be made publicly available and has not elected to do so as per GRAP 24. Therefore, the college does not present and disclose the comparison of actual and budgeted amounts.

1.19 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

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

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

Significant influence 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 those family members who may be expected to influence, or be influenced by that person in their dealings with the college.

1.19 Related parties (continued)

The college is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within 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 are within the normal operating parameters established by that reporting entity's legal mandate.

Where the college is exempt from the disclosures in accordance with the above, the college discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.20 Events after reporting date

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

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

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

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

1.21 Prepayments

Prepayments are payments made in advance for services that have not been delivered for which the entity expects the delivery in the next financial period. Prepayments are recognised as current assets and are not discounted as the discounting effect thereof is considered immaterial.

1.22 Net assets

The accumulated surplus/(deficit) represents the net difference between the total assets and the total liabilities of the College. Any surpluses and deficits realised during a specific reporting period are credited/debited against accumulated surplus/(deficit). Prior year adjustments, relating to income and expenditure, are credited/debited against accumulated surplus/(deficit) when retrospective adjustments are made.

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.

2. New standards and interpretations GRAP 25 (as revised):

Employee Benefits

Background

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.
- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

Key amendments to GRAP 25

The Board agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The Board's decisions to depart are explained in the basis for conclusions.

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

The effective date of these revisions have not yet been set. 01 April 2099.

The entity expects to adopt the revisions for the first time in the 2098/2099 annual financial statements. It is unlikely that the revisions will have a material impact on the entity's annual financial statements.

Guideline: Guideline on the Application of Materiality to Financial Statements

The objective of this guideline: The objective of this Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. The Guideline aims to assist entities in achieving the overall financial reporting objective. The Guideline outlines a process that may be considered by entities when applying materiality to the preparation of financial statements. The process was developed based on concepts outlined in Discussion Paper 9 on Materiality – Reducing Complexity and Improving Reporting, while also clarifying existing principles from the Conceptual Framework for General Purpose Financial Reporting and other relevant Standards of GRAP. The Guideline includes examples and case studies to illustrate how an entity may apply the principles in the Guideline, based on specific facts presented.

It covers: Definition and characteristics of materiality, Role of materiality in the financial statements, Identifying the users of financial statements and their information needs, assessing whether information is material, Applying materiality in preparing the financial statements, and Appendixes with References to the Conceptual Framework for General Purpose Financial Reporting and the Standards of GRAP & References to pronouncements used in the Guideline.

The guideline is encouraged to be used by entities.

The entity expects to adopt the guideline for the first time when the Minister sets the effective date.

2. New standards and interpretations (continued)

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the revisions is not yet set by the Minister of Finance.

The entity expects to adopt the revisions for the first time when the Minister sets the effective date for the revisions. It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 21: The Effect of Past Decisions on Materiality

Background

The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3) applies to the selection of accounting policies. Entities apply the accounting policies set out in the Standards of GRAP, except when the effect of applying them is immaterial. This means that entities could apply alternative accounting treatments to immaterial items, transactions or events (hereafter called "items").

The Board received questions from entities asking whether past decisions to not apply the Standards of GRAP to immaterial items effect future reporting periods. Entities observed that when they applied alternative accounting treatments to items in previous reporting periods, they kept historical records on an ongoing basis of the affected items. This was done so that they could assess whether applying these alternative treatments meant that the financial statements became materially "misstated" over time. If the effect was considered material, retrospective adjustments were often made.

This Interpretation explains the nature of past materiality decisions and their potential effect on current and subsequent reporting periods.

IGRAP 21 addresses the following two issues:

- Do past decisions about materiality affect subsequent reporting periods?
- Is applying an alternative accounting treatment a departure from the Standards of GRAP or an error?

The effective date of these interpretations has not yet been set. 01 April 2023.

The entity expects to adopt the interpretation for the first time in the 2024 annual financial statements.

It is unlikely that the interpretation will have a material impact on the entity's annual financial statements.

GRAP 2020: Improvements to the standards of GRAP 2020

2. New standards and interpretations (continued)

Every three years, the Accounting Standards Board undertakes periodic revisions of the Standards of GRAP, in line with best practice internationally among standard setters.

Improvements to Standards of GRAP are aimed at aligning the Standards of GRAP with international best practice, to maintain the quality and to improve the relevance of the Standards of GRAP.

Amendments include,

GRAP 5 – Borrowing Costs

- For general borrowings, borrowing costs eligible for capitalisation determined by applying a capitalisation rate
  - Clarify that borrowings made specifically for purposes of obtaining a qualifying asset are excluded until substantially all the activities necessary to prepare asset for intended use or sale are complete

GRAP 13 – Leases

- Operating leases & Sale and leaseback transactions are currently assessed for impairment in accordance with GRAP 26
- Clarify that these arrangements may also be assessed in accordance with GRAP 21

GRAP 16 – Investment Property

- Clarify that GRAP 21 may be applied to assess investment property for impairment
- Include heading "Classification of property as investment property" (par 6 and 7) & delete existing headings
- Investment property under construction (within scope of GRAP 16)
  - Added heading "Guidance on initially measuring self-constructed investment property at fair value"
  - Added clarification that investment property is measured at fair value at earliest of:
    - completion of construction or development; or
    - when fair value becomes reliably measurable
- Clarify requirements on transfers to and from Investment property
  - Change in use involves an assessment on whether:
    - property meets, or ceases to meet definition of investment property and
    - evidence exists that a change in use has occurred
  - List of examples of a change in use is regarded as non-exhaustive

GRAP 17 – Property, Plant and Equipment

- Delete example indicating that quarries and land used for landfill may be depreciated in certain instances
  - Land has an unlimited useful life and cannot be consumed through its use

GRAP 20 – Related Party Disclosures

- Clarify that entity, or any member of a group of which it is part, providing management services to reporting entity (or controlling entity of reporting entity) is a related party
  - Disclose amounts incurred by the entity for the provision of management services that are provided by a separate management entity
  - If an entity obtains management services from another entity ("the management entity") the entity is not required to apply the requirements in paragraph .35 to the remuneration paid or payable by the management entity to the management entity's employees or those charged with governance of the entity in accordance with legislation, in instances where they are required to perform such functions
  - Management services are services where employees of management entity perform functions as "management" as defined

GRAP 24 – Presentation of Budget Information in Financial Statements

- Terminology amended
  - Primary financial statements amended to "financial statements" or "face of the financial statements"

GRAP 31 – Intangible Assets

- Extend requirement to consider whether reassessing useful life of intangible asset as finite rather as indefinite indicates that asset may be impaired
  - Both under cost model or revaluation model

GRAP 32 – Service Concession Arrangements: Grantor

- Clarify disclosure requirement for service concession assets
  - Disclose carrying amount of each material service concession asset recognised at the reporting date.

2. New standards and interpretations (continued)

GRAP 37 – Joint Arrangements

- Application guidance clarified
  - When party obtains joint control in a joint operation where activity of joint operation constitutes a function (GRAP 105 or GRAP 106), previous held interest in joint operation is not remeasured

GRAP 106 – Transfer of Functions Between Entities Not Under Common Control

- When party obtains control of joint operation and entity had rights to assets, or obligations to liabilities before acquisition date, it comprises an acquisition received in stages
  - Apply the requirements for an acquisition achieved in stages, including remeasuring previously held interest in joint operation

Directive 7 – The Application of Deemed Cost

- Clarify that bearer plants within scope of Directive The effective date of these improvements is 01 April 2023.

The entity expects to adopt the improvements for the first time in the 2024 annual financial statements.

It is unlikely that the improvements will have a material impact on the entity's annual financial statements.

GRAP 1 (amended): Presentation of Financial Statements

Amendments to this Standard of GRAP, are primarily drawn from the IASB's Amendments to IAS 1. Summary of amendments are:

Materiality and aggregation

The amendments clarify that:

- information should not be obscured by aggregating or by providing immaterial information;
- materiality considerations apply to all parts of the financial statements; and
- even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

An entity applies judgement based on past experience and current facts and circumstances. The effective date of this amendment is for years beginning on or after 01 April 2025.

The entity expects to adopt the amendment for the first time in the 2026 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

Figures in Rand	2023	2022
3. Inventories		
Textbooks	12,696,208	19,711,780
	12,696,208	19,711,780
Allowance for obsolete inventory	(8,953,261)	(14,010,748)
	3,742,947	**5,701,032**

Inventory pledged as security

There is no inventory pledged as security.

4. Trade and other receivables from exchange transactions

Financial assets at amortised cost	-	-
Student debtors	282,160,602	239,146,385
Staff debtors	107,391	320,825
Sundry debtors	299,231	824,853
DHET Marking fee debtors	6,941,308	5,646,229
Less: Allowance for doubtful debts		
Student debtors	(217,451,445)	(200,959,627)
	(217,451,445)	**(200,959,627)**
Receivables less allowance for doubtful debts		
Student debtors	64,709,157	38,186,751
Staff debtors	107,391	320,825
Sundry debtors	299,231	824,853
DHET debtors	6,941,308	5,646,229
	72,057,087	**44,978,658**
	-	**-**
Student debtors ageing		
Over 120 days	282,346,374	239,159,245

Reconciliation of allowance for impairment of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Opening balance	(200,959,627)	(142,632,452)
Allowance for doubtful debts	(16,491,818)	(58,327,175)
Closing balance	**(217,451,445)**	**(200,959,627)**

Receivables from exchange transactions past due but not impaired

Student debtors are assessed for impairment based on their payment history. Student debtors outstanding for more than 60 days are considered past due. At 31 December 2023, R64 709 157 (2022: R38 186 758) were past due but not impaired.

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

4 months past due	64,709,157	38,186,758

Figures in Rand	2023	2022

4. Trade and other receivables from exchange transactions (continued)

Receivables from exchange transactions impaired

The amount of the allowance was 217,451,445 as of 31 December 2023 (2022: 200,959,657).

Receivables from exchange transactions are impaired on an individual basis. The impairment of receivables from exchange transactions has been determined with reference to past default experience. The following are considered for impairment:

- Student Debtors with Credit Balances, are not considered for impairment
- Student who are NSFAS Funded per the full current and previous year NSFAS Remmittances are not considered for imapirment;
- For Student who are long outstanding that is Student Debtor balances over 5 years (2018 Age Analysis and analyse versus the 2023 Ageing) and the balances have not moved since 2018, and these students do not appear on NSFAS Remmittances for 2018 to 2023 and their last registration date was 2018 and years before 2018, the balances will be impaired in full.
- Perform a payment trend analysis from the Direct Deposit Listing for 3 years including reporting date and subsequent year after reporting date. If a student has not paid per the payment trend then extract the listing for further impairment testing. Remove active students that is students registered in current year and year after reporting date. Impair the remaining balances as there is no possibility of recovering the balance owing

The ageing of these amounts is as follows:

4 months past due	(217,451,445)	(200,959,627)

Receivables from exchange transactions pledged as security

There are no receivables from exchange transactions that have been pledged as security for financial liabilities. Student debtors are from tuition fees.

5. Receivables from non-exchange transactions

National Skills Fund	8,919,236	8,919,236
Projects debit balance	4,143,061	2,637,262
Statutory receivables	19,854,493	32,430,093
	32,916,790	**43,986,591**

Statutory receivables included in receivables from non-exchange transactions above are as follows:		
DHET – Direct transfers receivable	19,854,493	32,430,093
Total receivables from non-exchange transactions	32,916,790	43,986,591

Statutory receivables general information

Transaction(s) arising from statute

The above statutory receivables arose from the National Norms and Standards for Funding TVET Colleges (NNSF-TVET) from which college funding is split between the Compensation of Employees (CoE) grant which retained by DHET and the Direct Transfers. The unspent CoE grant is transferrable in cash to the college. The Direct Transfer is paid in six tranches of which the final one is receivable in February of the following year. Both statutory receivables were received in the first quarter of 2024.

None of the statutory receivables was past due at reporting date and both were collected in the first quarter of 2024.

Figures in Rand	2023	2022

6. Interest receivable

Interest receivable relates to December interest income that the college receives at the beginning of January on the college's ABSA Call Account.

GRAP 2020: Improvements to the standards of GRAP 2020	1,415,707	1,354,485

7. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash on hand	13,859	4,741
Bank balances	230,174,115	261,136,590
	230,187,974	**261,141,331**

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings information about counterparty default rates:

8. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	22,114,426	-	22,114,426	21,086,590	-	21,086,590
Buildings	344,262,741	(194,903,745)	149,358,996	342,854,820	(188,460,453)	154,394,367
Furniture and office equipment	25,588,181	(10,685,141)	14,903,040	18,676,690	(9,011,434)	9,665,256
Motor vehicles	8,906,897	(5,057,117)	3,849,780	8,906,897	(4,496,434)	4,410,463
Machinery and equipment	37,034,283	(27,316,728)	9,717,555	35,094,687	(25,391,977)	9,702,710
IT equipment	85,046,402	(38,037,532)	47,008,870	48,624,837	(33,159,333)	15,465,504
Total	**522,952,930**	**(276,000,263)**	**246,952,667**	**475,244,521**	**(260,519,631)**	**214,724,890**

Credit rating

BB-	230,174,115	261,136,590

The entity had the following bank accounts

Account number / description	Bank 31 December	statement balances		Cash book balances		
		31 December	31 December	31 December	31 December	31 December
	2023	2022	2021	2023	2022	2021
Absa bank - Pretoria campus -	445,885	190,020	1,315,463	445,885	190,020	1,315,463
1418410074	1,116,325	2,947,407	158,129	1,116,325	2,947,407	158,129
Absa bank - National Skills Fund						
-4079880065	32,408,790	38,431,457	51,647,704	32,408,790	38,431,457	51,647,704
Absa bank- Capital						
Infrastructure- 405297985 Absa bank - Training centres -	693,389	916,562	291,053	693,389	916,562	291,053
4063212989	4,652,389	555,746	50,626,724	4,652,389	555,746	50,626,724
Absa bank - Main - 454922418						
Absa bank -Hostel/NSFAS-	18,635,441	17,574,118	32,388,193	18,635,441	17,574,118	32,388,193
4061385344	1,877,511	2,265,892	1,315,580	1,877,511	2,265,892	1,315,580
Absa Bank - Community college						
projects - 4974866191	139,175,767	167,317,196	138,574,895	139,175,767	167,317,196	138,574,895
Absa Bank - Call - 4095404467						
CIEG hostel-4103820290	31,168,618	30,938,192	-	31,168,618	30,938,192	-
Total	**230,174,115**	**261,136,590**	**276,317,741**	**230,174,115**	**261,136,590**	**276,317,741**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Reclassification	Disposals	Depreciation	Impairment loss	Total
Land	21,086,590	1,027,836	-	-	-	-	22,114,426
Buildings	154,394,367	1,327,931	78,982	-	(6,377,213)	(65,071)	149,358,996
Furniture and office equipment	9,665,256	7,047,097	-	(23,664)	(1,769,473)	(16,176)	14,903,040
Motor vehicles	4,410,463	-	-	-	(520,824)	(39,859)	3,849,780
Machinery and equipment	9,702,710	2,533,565	(78,982)	(118,065)	(2,280,618)	(41,055)	9,717,555
IT equipment	15,465,504	39,902,551	-	(308,508)	(7,921,729)	(128,948)	47,008,870
	214,724,890	**51,838,980**	**-**	**(450,237)**	**(18,869,855)**	**(291,109)**	**246,952,667**

Reconciliation of property, plant and equipment - 2022 (Continued)

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	21,086,590	-	-	-	-	21,086,590
Buildings	150,837,149	9,878,691	-	(6,321,473)	-	154,394,367
Furniture and office equipment	6,471,450	4,944,833	(88,009)	(1,647,187)	(15,831)	9,665,256
Motor vehicles	3,414,110	1,449,884	-	(453,531)	-	4,410,463
Machinery and equipment	8,694,756	3,230,704	(152,481)	(2,048,139)	(22,130)	9,702,710
IT equipment	11,389,959	11,248,925	(416,917)	(6,661,313)	(95,150)	15,465,504
	201,894,014	**30,753,037**	**(657,407)**	**(17,131,645)**	**(133,111)**	**214,724,890**

Change in estimates

Reconciliation of Work-in-Progress 2023

	Included within Buildings	Total
Opening balance	17,076,131	17,076,131
Additions/capital expenditure	23,952,520	23,952,520
Closing balance	**41,028,651**	**41,028,651**

Reconciliation of Work-in-Progress 2022

	Included within Buildings	Total
Opening balance	7,197,440	7,197,440
Additions/capital expenditure	9,878,691	9,878,691
	17,076,131	**17,076,131**

8 Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment	2023	2022
included in Statement of Financial Performance		
Land and buildings	20,290,448	27,959,625
Furniture and office equipment	75,263	99,240
Motor vehicles	366,769	180,874
Machinery and equipment	645,450	2,931,412
Computer equipment	11,749	8,369
	21,389,679	**31,179,520**

9. Conditional grants

Current		
Missing middle grant not allocated	6,872,000	6,872,000
CIEG: Hostel Grant	31,377,747	31,112,929
	38,249,747	**37,984,929**

Conditional grant relates to additional funding made available by the DHET to the college to subsidise the missing middle. Government describes missing middle as those who are too poor to afford higher education, yet not poor enough to qualify for funding through the National Student Financial Aid Scheme (NSFAS). The funds are exclusively intended to subsidies the fee adjustments for the poor and the missing middle students to a maximum of 8% until they are fully utilised. For the funds to be allocated, the college must implement the required systems, processes and procedures to identify qualifying students.

During 2022, the College received a special conditional grant (CIEG) to assist with the refurbishment of vandalised student accommodation amounting to R30 000 000. The College has an obligation to return any funds back to the Department, if not used for the refurbishment of vandalised student accommodation.

10. Trade and other payables from exchange transactions

Trade payables	5,330,316	3,302,027
Retention liability	864,945	-
Sundry payables	412,758	492,880
Unallocated deposits	18,340,073	18,159,435
Payroll creditors	512,039	677,956
Leave pay accrual	426,851	431,898
Accrued expenses	6,102,972	5,936,496
	31,989,954	**29,000,692**

Reconciliation of financial liabilities at amortised cost

Total trade and other payables from exchange transactions	31,989,954	29,000,692
Less: payroll creditors	(512,039)	(677,956)
Less: leave pay accrual	(420,851)	(431,898)
	31,057,064	**27,890,838**

11. Other Financial Liabilities

Other financial liabilities	2023	2022
Student debtors with credit balance	84,150,992	81,198,534

The College allocates funds to student accounts based on NSFAS remittance listings. In certain instances, students pay for their fees upfront and the allocation follows.

The College applies the full remittance to student accounts as instructed by NSFAS. There is a process currently which will result in a close-out report for the NSFAS account.

12. Project liabilities

Project liabilities comprise of:

Unspent funds from project funders		
SETAs and other funders	7,698,240	7,663,235

Project liabilities relate to funds received from sponsors to address work placement issues relating to the students of the college. It is mandatory for students to undergo work placement before they can obtain certification. The funds received from funders which are mainly used to pay stipends to the students during the course of the training/placement are recognised as a liability until stipends are disbursed.

13. Financial aid received in advance

NSFAS Control Account	36,368,425	24,433,245
Student Bursaries	5,340	292,768
	36,373,765	**24,726,013**

The college receives upfront payments from National Student Financial Aid Scheme (NSFAS). The amount will then be allocated to students when the college receives NSFAS remittance list.

14. Tuition and related fees

Refund administration fee	3,500	3,300
Class fees: Report 191	36,491,161	31,597,435
Class fees: Skills	-	34,345
Pre-Vocational programme	1,684,322	2,796,460
Fees: examination and registration	871,610	415,562
Class fees: National Certificate Vocational (NCV)	36,929,275	33,001,066
	75,979,868	**67,848,168**

15. Rental of facilities and equipment

Facilities and equipment		
Rental of facilities	311,688	110,276

The rental relates to the funds received on a monthly basis from a company that has erected signal towers at the Mamelodi Campus. The rental is effectively for the lease of land.

16. Sundry income

Sundry	8,616,739	6,673,235
Project income	84,252	419,297
Cafeteria sales	357,219	-
	9,058,210	**7,092,532**

17. Interest received

Bank	15,340,920	8,445,415

18. Services in kind

Service in kind or notional rent refers to the rental benefit which the college deemed to have paid on the campuses for which they do not have title deeds on the land. The rental per campus is as below:

Site/location	Estimated annual rental 2023	Estimated annual rental 2022
Central office	5,316,516	5,015,581
Temba Campus	5,759,524	5,433,513
Soshanguve South Campus	9,982,459	9,417,414
Soshanguve North Campus	7,955,278	7,504,981
Mamelodi Campus	8,671,302	8,180,473
	37,685,079	**35,551,962**

19. Government grants and subsidies

Operating grants		
Programme funding: Grants paid in cash	119,130,000	117,485,000
Programme funding: Grants paid via Persal	231,290,396	217,561,405
Skills development grant-DHET	558,336	2,388,149
	350,978,732	**337,434,554**
Capital grants		
Government grant (CIEG)	7,089,129	7,754,113
	358,067,861	**345,188,667**

20. Public contributions and donations

Donations received: private	576,715	13,570,692
Donations and contributions		
Private donations received	576,715	1,589,273
Chinese project	-	11,981,419
	576,715	**13,570,692**

Chinese project

Chinese project-an agreement was entered between the DHET and the People's Republic of China in which the project is funded by amounts donated by the People's Republic of China. The funding is earmarked for two colleges i.e., Tshwane North and Tshwane South TVET college. Tshwane South (TVET) College is the lead College and is managing the funds. Tshwane North is recognising its portion of the expenditure is incurred on the upgrading of Temba and Mamelodi campuses as a (donation) benefit in a non-exchange arrangement. The amount is not recognised as an asset because the College does not have legal title over the campuses.

21. Employee related costs and DHET management fee

Employee Related Costs- Salaries and wages	32,811,504	27,642,285
Travel allowances	109,688	20,104
Medical aid - company contributions	87,864	19,500
Workers' compensation assistance	36,608	1,506,984
Staff development: Bursaries	1,335,920	1,398,678
Leave pay accruals	(5,047)	315,913
Long-service awards	-	928
Merit awards	73,701	2,000
	34,450,238	**30,906,392**

Remuneration of the Principal - TE Tsibogo

Annual Remuneration	887,083	836,478
Performance Bonuses	70,507	66,445
Contributions to UIF, Medical and Pension Funds	115,321	108,742
Sundry	208,330	201,808
	1,281,241	**1,213,473**

Remuneration of Deputy Principal -Academic: S Sebetlene (To 31 December 2023)

Annual Remuneration	-	645,635
Performance Bonuses	-	53,791
Contributions to UIF, Medical and Pension Funds	-	75,517
Sundry	-	159,419
	-	**934,362**

Remuneration of Deputy Principal Academic Affairs (Acting): Masithi TC (from 20 February 2023)

Annual Remuneration	587,945	-
Contributions to UIF, Medical and Pension Funds	154,697	-
Sundry	84,618	-
	827,260	**-**

Remuneration of Deputy Principal Finance: Mr M. Mapulanka

Annual Remuneration	940,673	846,379
Sundry	22,684	74,269
	963,357	**920,648**

Remuneration of Deputy Principal Innovation and Development: Kosani LL (from 1 February 2023)

Annual Remuneration	661,607	-
Contributions to UIF, Medical and Pension Funds	89,565	-
Sundry	123,936	-
	875,108	**-**

Remuneration of Deputy Principal Corporate: M Lebese

Annual Remuneration	719,145	115,077
Contributions to UIF, Medical and Pension Funds	93,489	14,960
Sundry	108,998	15,180
	921,631	**145,217**

Remuneration of Acting Deputy Principal Corporate: J Toba (1 May 2022 to 31 October 2022)

Annual Remuneration	-	306,341
Contributions to UIF, Medical and Pension Funds	-	39,824
Sundry	-	19,931
	-	**366,096**

DHET management fee cost

Annual Remuneration	231,290,396	217,561,405

Total employee cost

Total employee cost and DHET management fee	265,740,634	248,470,350

22. Repairs and maintenance

Property, plant and equipment	21,389,679	31,179,520

23. Projects-Stipends

College students placements	3,202,153	807,902

It is a requirement that the students of the college require experiential learning to obtain their certificates and to eventually graduate. Learners with no workplace experience can therefore complete their qualification but never get to obtain their certificates. In order to redress this matter, the college within available resources places its students to obtain workplace experience and disburse the stipends to these students for the duration of the placements.

24. Books and learning material

Learning material	16,948,500	12,839,143

Included under books and learning materials are issues out of inventory amounting to R16 072 276 (2022: R11 658 838).

25. Sundry expenses

Accounting fees	300,740	461,313
Advertising	-	269,390
Audit fees	698,914	346,838
Bank charges	341,984	316,148
Business information systems licenses	4,947,727	1,279,053
Catering expenses	3,387,785	2,467,897
Cleaning materials	836,770	570,545
Conferences and seminars	420,183	827,169
Consumable material	7,069,023	7,664,961
Diesel costs	1,164,681	23,016
Diploma ceremony	643,735	147,416
Reimbursement	1,773,968	-
Fire equipment	490,338	-
Insurance	5,983,303	5,751,836
Job placement costs	727,634	868,273
Medical expenses	1,963,392	3,026,819
Membership fees and subscriptions	235,980	151,768
General expenses	909,717	454,076
Packaging	201,492	1,488,586
Parking expenses	72,080	66,075
Pest control	55,248	6,908
Printing and stationery	6,270,395	3,200,541
Programme excursions	546,842	94,611
Promotions and sponsorships	3,717,747	4,572,235
Rental of equipment	1,130,133	843,689
Provision for obsolete stock	-	463,253
Rates and taxes	7,827,860	7,748,064
Rental of photocopying and printing machines	2,552,354	2,730,115
Sport and cultural expenses	582,061	403,930
Subscription fees	3,545,310	5,738,566
Telephone and fax	2,595,676	5,762,708
Training and staff development	1,389,520	1,170,891
Travel - local	3,922,316	4,904,258
Water and electricity	9,719,467	13,255,304
	76,024,375	**77,076,252**

26. Related parties

Relationships Council Members	Significant Influence
Members of key Management	Day to day management of the college Controlling Entity
Department of Higher Education and Training (DHET) Minister of Higher Education and Training	Dr BE Nzimande
National Skills Fund (NSF)	Under common control of DHET
Various Sector Education and Training Authorities National Student Financial Aid Scheme (NSFAS)	Under common control of DHET
Minister of Department of the Higher and Training, Science and Innovation	Under common control of DHET
TVET colleges	Under common control of DHET
Community education and training colleges State Universities	Under common control of DHET
South African Qualifications Authority	Under common control of DHET
Council for Higher Education and Quality Council for Trades and Occupations.	Under common control of DHET
	Under common control of DHET
	Under common control of DHET

Related party balances

Trade and other receivables from non-exchange transactions	**2023**	**2022**
DHET: National Skills fund	8,919,236	8,919,236
DHET: Unspent management fees and other subsidies	19,854,493	43,327,946
NARYSEC	314,400	314,400
CATHSETA	-	298,119
INSETA PROJECT	160,710	199,696
FOOD BEV PROJECT	2,138,147	1,347,871
FP & M SETA	159,031	-
MICT PROJECT	-	146,299
CETA PROJECT	1,051,632	-
SERVICES SETA PROJECT	211,073	148,810
WRSETA	108,068	182,068
Project liabilities		
ETDP SETA	(483,860)	(488,662)
P SETA	(250,610)	(71,835)
FP&M SETA	-	(110,969)
CATHSETA	(218,481)	-
MERSETA	(999,894)	(229,576)
GCRA: Allowance	(460,442)	-
NBI	(56,649)	-
DHET: National Skills fund	(1,574,668)	(2,941,068)
CHIETA	(330,000)	(330,000)
National Skills fund control account	(998,286)	-
MICT Project	(252,901)	(152,000)
UJ PROJECT	(2,040,450)	(1,253,728)
Unspent Conditional grants		
Unspent Conditional grants (DHET)	(6,872,000)	(6,872,000)
CIEG Grant Liability	(31,377,747)	(31,112,929)
Related party transactions		
Grants: DHET		
Programme funding: Grants paid via Persal (Management fee)	231,290,396	217,561,405
Programme funding: Grants paid cash (Operational grants)	119,130,000	117,484,762
Skills development grant: DHET	558,336	2,388,149

26. Related parties (continued)

Remuneration of Council Members and Management - 2023

Name	Honorarium	Total
Professor Thidziambi Phendla- Chairperson **	194,903	194,903
Advocate Vusi Ngwenya- Deputy Chairperson **	153,747	153,747
Mr Isaac Boshomane **	182,778	182,778
Ms CM Matabane *	140,217	140,217
Mr TR Serote *	175,275	175,275
Mr D Hlongwane *	213,831	213,831
Mr SJ Ngubane * (resigned 05/09/2023)	122,202	122,202
Ms P Kadi **	133,218	133,218
Mr ND Khoza	111,678	111,678
Mr BTA Matabane #	48,588	48,588
Mr T Phidane (appointed by minister)	203,307	203,307
Mr AT Tsebe #	37,053	37,053
	1,716,797	**1,716,797**

2022

Name	Honorarium	Total
Professor Thidziambi Phendla- Chairperson **	223,584	223,584
Advocate Vusi Mgwenya- Deputy Chairperson **	142,568	142,568
Mr Isaac Boshomane **	134,100	134,100
Ms CM Matabane *	130,258	130,258
Mr TR Serote *	104,361	104,361
Mr D Hlongwane*	171,887	171,887
Mr SJ Ngubane*	82,950	82,950
Ms P Kadi **	148,788	148,788
Mr ND Khoza *	125,739	125,739
Mr BTA Matabane *	27,060	27,060
Mr T Phidane	112,575	112,575
Mr AT Tsebe	27,060	27,060
	1,430,930	**1,430,930**

** - denotes that the council member was appointed by the Minister in terms of section 10(4)(b) of the CET Act,No. 16 of 2006 (as Amended) effective on the 10th of April 2019.

* - denotes that the council member was appointed by the Council in terms of section 10(6)(b) of the CET Act,No. 16 of8 2006 (as amended) with requisite skill.

Council members are remunerated as per the TVET lettered circular HV-2018/19 Remuneration of non-official member commission, committees of inquiry and audit committees dated 04 June 2019 effective retrospectively from 01 April 2018. Council members do not receive any remuneration.

Mr BTA Matabane and AT Tsebe are not council members but independent members of the Audit Committee and Academic Board, respectively

26. Related parties (continued)

Executive management

2023

	Basic salary	Bonuses	Pension Funds Contributions	Sundry benefits received	Total
Name					
TE Tsibogo - Principal	887,083	70,507	115,321	208,330	1,281,241
Kosani LL – DP Innovation& Development	661,607	52,652	86,009	74,841	875,109
Masithi TC	587,945	45,933	76,433	116,949	827,260
Mapulanka M - DP Finance	910,210	-	-	53,146	963,356
M Lebese - D P Corporate	719,145	30,113	93,489	78,884	921,631
	3,765,990	**199,205**	**371,252**	**532,150**	**4,868,597**

2022

	Basic salary	Bonuses	Pension Funds Contributions	Sundry benefits received	Total
Name					
TE Tsibogo - Principal	836,478	66,445	108,742	201,808	1,213,473
Sebetlene S - DP Academic	645,635	53,791	75,517	159,419	934,362
J Toba - Deputy Principal Corporate	626,467	-	81,439	90,928	798,834
Mapulanka M - DP Finance	846,379	-	-	74,269	920,648
M Lebese - DP Corporate	115,077	-	14,960	15,180	145,217
	3,070,036	**120,236**	**280,658**	**541,604**	**4,012,534**

27. Cash flows from operating activities

	2023	2022
Deficit	(2,503,111)	(41,587,133)
Adjustments for:		
Depreciation	18,869,855	17,131,645
Loss on sale of assets	450,237	657,406
Impairment deficit	291,109	133,111
Allowance for doubtful debts	16,491,818	58,327,175
Inventory losses	1,673,501	1,461,910
Donations	(576,715)	-
Donation under expenditure	85,715	-
Changes in working capital:	284,583	164,915
Decrease in Inventories		
Increase in trade and other receivables from exchange transactions	(44,105,914)	(74,414,799)
Decrease in other receivables from non-exchange transactions	10,050,802	6,262,168
(Increase) Decrease in deposit	15,453,346	33,908,692
(Increase) decrease in prepayments	150,600	(230,569)
Increase in other receivables from exchange	(61,222)	(954,326)
Other financial liabilities	(388,065)	-
Decrease in payables from exchange transactions	4,910,686	(20,380,354)
Increase in project liabilities	(947,422)	3,980,155
Repayment of conditional grants	264,818	31,112,974
	20,394,621	**15,572,970**

Figures in Rand	2023	2022
28. Commitments		
Capital expenditure		
Already contracted for but not recognised		
• Property, plant and equipment	19,960,134	14,054,926
Total capital commitments		
Already contracted for but not provided for	19,960,134	14,054,926
Operational expenditure		
Already contracted for but not recognised		
• Goods and Services	87,028,689	98,139,222
Total operational commitments		
Already contracted for but not provided for	87,028,689	98,139,222
Financing of commitments		
Breakdown for financing of the commitments		
Capital infrastructure efficiency grant	19,458,334	2,013,171
College internal resources	87,530,488	110,180,977
	106,988,822	**112,194,148**
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	748,826	1,754,234
- in second to fifth year inclusive	-	727,528
	748,826	**2,481,762**

Operating lease payments represent rentals payable by the college for certain of its photocopying and printing machines. No contingent rent is payable. The rental remains the same throughout the period of the lease.

29. Prior period errors

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

Statement of financial position

2022

	Note	As previously reported	Correction of error	Re-classification	Restated
Trade and other receivables from exchange transactions	{a}	238,001,634	(193,022,976)	-	44,978,658
Receivables from non- exchange transactions	{l}	43,505,591	481,000	-	43,986,591
Interest receivable		1,354,485	-	-	1,354,485
Property, plant and equipment		214,724,890	-	-	214,724,890
Cash and cash equivalents		261,141,331	-	-	261,141,331
Inventory		5,701,032	-	-	5,701,032
Conditional grants	{b}	(6,872,000)	-	(31,112,929)	(37,984,929)
Financial aid received in advance	{c}	(31,951,866)	7,225,853	-	(24,726,013)
Trade and other payables from exchange transactions	{d}	(31,873,644)	2,872,960	-	(29,000,684)
Other financial liabilities	{m}	(129,729,639)	48,531,096	-	(81,198,543)
Project liabilities	{l}	(8,039,235)	376,000	-	(7,663,235)
Accumulated surplus	{o}	(555,962,579)	133,536,067	31,112,929	(391,313,583)
		-	-	-	-

Statement of financial performance

2022

	Note	As previously reported	Correction of error	Re-classification	Restated
Tuition and related fees		67,848,168	-	-	67,848,168
Rental of facilities and equipment		110,276	-	-	110,276
Services in kind		35,551,962	-	-	35,551,962
Interest received- bank balances	{e}	9,558,344	-	(1,112,929)	8,445,415
Other income	{f}	6,592,532	500,000	-	7,092,532
Government grants and subsidies	{g}	375,188,667	-	(30,000,000)	345,188,667
Public contributions and donation		13,570,692	-	-	13,570,692
Employee related costs and DHET management fee		(248,467,798)	-	-	(248,467,798)
Loss on disposal of property, plant and equipment		(657,406)	-	-	(657,406)
Debt Impairment	{h}	(303,928)	(58,023,247)	-	(58,327,175)
Books and learning material	{i}	(12,938,436)	99,293	-	(12,839,143)
Depreciation		(17,131,645)	-	-	(17,131,645)
Impairment loss-Property, plant and equipment		(133,111)	-	-	(133,111)
Repairs and maintenance	{j}	(31,068,266)	(111,254)	-	(31,179,520)
Audit fees	{k}	(3,602,560)	-	-	(3,602,560)
Consulting and professional fees	{k}	(8,402,300)	702,123	-	(7,700,177)

Cleaning expenses	{k}	(12,294,773)	3,250,000	-	(9,044,773)
Security	{k}	(15,144,314)	(732,451)	-	(15,876,765)
Sundry expenses	{k}	(112,491,977)	35,415,724	-	(77,076,253)
Notional rental expense		(35,551,962)	-	-	(35,551,962)
Project Stipends	{l}	(721,752)	(86,150)	-	(807,902)
Inventories losses/write-downs		(998,657)	-	-	(998,657)
Deficit for the year		**8,511,756**	**(18,985,962)**	**(31,112,929)**	**(41,587,135)**

Reclassification

	Note	As previously reported	Reclassification	Reclassification	Restated
Audit fees	{m}		-	(3,602,560)	(3,602,560)
Consulting and professional fees	{m}		-	(7,700,177)	(7,700,177)
Cleaning expenses	{m}		-	(9,044,773)	(9,044,773)
Security	{m}		-	(15,876,765)	(15,876,765)
Sundry Expenses	{m}		(113,300,528)	36,224,275	(77,076,253)
Trade and other payables from exchange transactions	{m}		(110,199,226)	81,198,534	(29,000,692)
Other financial liabilities	{m}		-	(81,198,534)	(81,198,534)
			(223,499,754)	**-**	**(223,499,754)**

Cash flow statement

2022

	Note	As previously reported	Reclassification	Reclassification	Restated
Cash flow from operating activities Tuition and related fees		42,820,998	(10,957,331)	-	31,863,667
Rental of facilities and equipment		106,276	-	-	106,276
Grants received		163,889,430	-	-	163,889,430
Donations		1,589,273	-	-	1,589,273
Interest income		8,203,859	-	-	8,203,859
Other income		6,996,691	(4,025,607)	-	2,971,084
Cash paid to employees		(30,908,945)	2,552	-	(30,906,393)
Cash paid to supplier		(162,449,602)	301,432	-	(162,148,170)
		30,247,980	**(14,678,954)**	**-**	**15,569,026**
Cash flow from investing activities Purchase of property, plant and equipment		30,753,038	-	-	30,753,038
Cash flow from financing activities Other financial liabilities		14,675,010	-	(14,675,010)	-

29. Prior period errors (continued)

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

Corrections were as a result of:

{a} Receivables from exchange transactions

Errors amounting to R193 022 976 identified in student billings as incorrect fees were charged to some students on the system. These errors were identified through a reconciliation process, reference to approved fee structure and corrections were processed. Transactions were also updated onto student accounts. NSFAS allocations were also processed to reflect the correct student debtor's balance.

{b}Conditional grants

CIEG grants amounting to R31 112 929 were incorrectly classified under government grants and subsidies. These were reclassified to conditional grants.

{c} Financial aid received in advance

There are NSFAS allocations of R7 225 853 that were not processed in the prior year. These were processed to reflect the correct NSFAS balance.

{d} Trade and other payables from exchange transactions

Student accounts with credit balances of R51 404 056 were not reported correctly as a consequence of errors in the age analysis these balances were reclassified to trade payables for presentation and disclosure purposes. The age analysis was reconstructed to reflect the correct position.

{e} Interest received

Interest liability amounting to R1 112 292 was incorrectly classified under interest received. These were reclassified to conditional grants.

{f} Other income

The NSFAS Management fee amounting to R500 000 was not recorded in the prior year. The adjustment was made to correct the amount.

{g} Government grants and subsidies

CIEG grants amounting to R30 000 000 was incorrectly classified as government grants. This amount was reclassified to conditional grants.

{h} Impairment of debtors

Student debtors' of R58 023 247 were restated due to incorrect fees that were charged not in line with the approved fee structure. Impairment assessment was re-done and the necessary adjustments were done.

{i} Books and learning material

Invoices amounting to R99 293 were not recorded in the prior year. The adjustment was made to correct the amount.

29. Prior period errors (continued)

{j} Repairs and maintenance

Invoices amounting to R111 253.90 were not recorded in the prior year. The adjustment was made to correct the amount.

{k} Sundry expenses

Invoices amounting to R5 843 612 that were recorded in the wrong financial year (cut-off), were identified. These were recorded in the correct financial period.

{l} Project liabilities

Invoices amounting to R376 000 for project liabilities with credit and R481 000 project liabilities with debit balance that were recorded in the wrong financial year (cut-off), were identified. These were recorded in the correct financial period.

{m} Reclassification

Audit fees, Consulting and professional fees, cleaning services and security fees were recorded incorrectly under sundry expenses and reclassified to the face of financial performance to correct the error.

Other financial liabilities were recorded incorrectly under Trade and other payables from exchange transactions and were reclassified to other financial liabilities.

29. Prior period errors (continued)

{o} Accumulated Surplus

Opening balance		(555,962,579)
Trade and other receivables from exchange transactions	{a}	193,022,976
Receivables from non- exchange transactions	{l}	(481,000)
Trade and other payables from exchange transactions	{b}	(2,872,960)
Other financial liabilities	{m}	(48,531,096)
Conditional grants	{c}	31,112,929
Financial aid received in advance	{d}	(7,225,853)
Project Liabilities	{l}	(376,000)
		(391,313,583)

Financial instruments and risk management

Disclosure for financial instruments has been restated based on adjusted receivables and payables.

Financial assets	As previously reported	Correction of error	Restated amount
Receivables from exchange transactions	238,001,634	(193,022,976)	44,978,658

Financial liabilities	As previously reported	Correction of error	Restated amount
Payables from exchange transactions	(31,873,648)	2,872,960	(29,000,688)
Financial aid received in advance	(31,951,866)	7,225,853	(24,726,013)
	(63,825,514)	**10,098,813**	**(53,726,701)**

30. Financial instruments disclosure

Categories of financial instruments

Reclassification

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	72,057,087	72,057,087
Cash and cash equivalents	230,187,974	230,187,974
Accrued interest	1,415,707	1,415,707
	303,660,768	**303,660,768**

Financial liabilities

	At amortised cost	Total
Financial aid received in advance	36,373,765	36,373,765
Trade and other payables from exchange transactions	31,057,064	31,057,064
Project liabilities	7,698,240	7,698,240
	75,129,069	**75,129,069**

2022

Financial assets	At amortised cost	Total
Receivables from exchange transactions	44,978,658	44,978,658
Cash and cash equivalents	261,141,331	261,141,331
Accrued interest	1,354,485	1,354,485
	307,474,474	**307,474,474**

Financial liabilities

30. Financial instruments disclosure	At amortised cost	Total
Financial aid received in advance	24,726,013	24,726,013
Trade and other payables from exchange transactions	27,890,838	27,890,838
Project liabilities	7,663,235	7,663,235
	60,280,086	**60,280,086**

Financial instruments in Statement of financial performance

Reclassification

	At amortised cost	Total
Debt impairment	13,801,106	13,801,106

2022

	At amortised cost	Total
Debt impairment	58,327,175	58,327,175

31. Financial Instruments and risk management

Financial risk management

In the course of the college's operations, it is exposed to liquidity, credit, interest rate and market risk. The college has developed risk strategies to monitor and control the risks. The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Figures in Rand	2023	2022

31. Financial Instruments and risk management (continued)

Liquidity risk

At 31 December 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Project liabilities	7,698,240	-	-	-
Payables from exchange transactions	31,057,064	-	-	-
At 31 December 2022	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Project liabilities	7,663,235	-	-	-
Payables from exchange transactions	27,890,838	-	-	-

Prudent liquidity risk management implies maintaining sufficient cash and available funding.

The college's risk to liquidity is as a result of funds available to cover future commitments. The college manages the liquidity risk through an ongoing review of future commitments and the cash flows arising from DHET programme funding allocations. Balances of financial liabilities due within 12 months equal their carrying balances as the impact of discounting is not significant. The financial liabilities maturity analysis of the college for the reporting period shows contractual outflows on an undiscounted basis as indicated above.

The college's exposure to the interest rate is limited as the college has no significant interest-bearing liabilities. Furthermore, other than cash held by the college in the bank accounts, the college has no significant interest-bearing assets or liabilities. The entity's income and operating cash flows are substantially independent of changes in market interest rates.

In managing liquidity risk, the college has minimised risk of liquidity as shown by its sufficient cash and cash equivalents. The college also has a budget that is continually updated.

Liabilities are only payable to grantors if the college does not meet some agreed upon conditions. At year end, the college expects to meet all conditions in relation to the liabilities. The table below analyses the entity's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Credit and interest rate risks

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The college only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows for each class of financial assets. There is no portion of any accounts receivables that was pledged as security for any financial liabilities.

Financial instrument	2023	2022
Trade and other receivables from exchange transactions	72,057,087	44,978,658
Cash and cash equivalents	230,187,974	261,141,331
Accrued interest	1,415,707	1,354,485
Financial assets carried at amortised cost past due but not impaired		

Financial assets carried at amortised cost which are less than 1 months past due are not considered to be impaired.

Figures in Rand	2023	2022

31. Financial Instruments and risk management (continued)

Market risk

Interest rate risk

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

Cash flow interest rate risk

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

	2023	2022
Bank balances	230,174,115	261,136,590

Interest rate risk sensitivity analysis 2023

Interest rate increase of 25 basis points	575,435
Interest rate decrease of 25 basis points	(575,435)
	-

2022

Interest rate increase of 25 basis points	652,841
Interest rate decrease of 25 basis points	(652,841)
	-

The method applied to determine the interest rate sensitivity analysis has the following limitations that may result in the information not being fully representative of the actual future results.

Most interest-bearing call accounts are linked to prime and a change in the interest rate would cause an increase or decrease in the interest received for the year.

No changes were made to the methods and assumptions applied, in the prior year, to the determination of the sensitivity analysis.

32. Going concern

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

The ability of the college to continue as a going concern is dependent on a number of factors. The most significant of these is that the college is dependent on the Department of Higher Education and Training for continued funding of operations in line with the annual programme funding allocation. The college's 2024 budget is fully funded by the cash reserves and the funding allocation from the Department of Higher Education and Training (DHET).

33. Segment information

General information

Identification of segments

The College is organised on the basis of four (6) functional locations (campuses) in Gauteng Province. All of the segments offer teaching and learning of various courses, and they generate economic benefits (tuition from students) to the College. Results from the campuses are regularly reviewed by College management to make decisions about resources to be allocated to that activity and in assessing its performance. Management uses these same segments for determining strategic objectives. The Campuses of the College are listed below:

1. Pretoria Main
2. Soshanguve South
3. Soshanguve North
4. Temba
5. Rosslyn
6. Mamelodi

Segment separate financial information

The College's financial system does not permit production of reliable financial information. The cost required to upgrade the financial system to produce the required segment financial information would be excessive. Therefore, the College is unable to report on separate segment financial information. The College does not produce separate financial information and do not manage the segments based on their financial performance.

34. Contingencies

Payment of invoice

The college has received a letter of demand from the attorneys of Pro-Serve Consulting (Pty) Ltd in connection with a disputed invoice of R1 115 411. The service provider is claiming 80% of contract value of a project of which only 5% of work was done. Management believes the matter will be settled in the college's favour.

Alleged Injury on Campus (Pretoria Campus) / Civil claim against the College Plaintiff: Ngwatomosadi Salphina Deka

Case No: 28013/22

The plaintiff claims damages to the value of R1 800 000 for the damages as a result of injuries sustained on the college's premises when an object fell on her head, neck and the back. The damages are for past and future medical expenses and for general damages. The claim excludes the legal fees to be paid to the attorneys representing the College.

The College may have to reach an out of court settlement with the plaintiff.

35. Taxation status

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

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