TSHWANE NORTH TVET COLLEGE

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

2022
Annual Report

higher education
& training
Department:
Higher Education and Training
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TSHWANE NORTH TVET COLLEGE
Technical and Vocational Education and Training College

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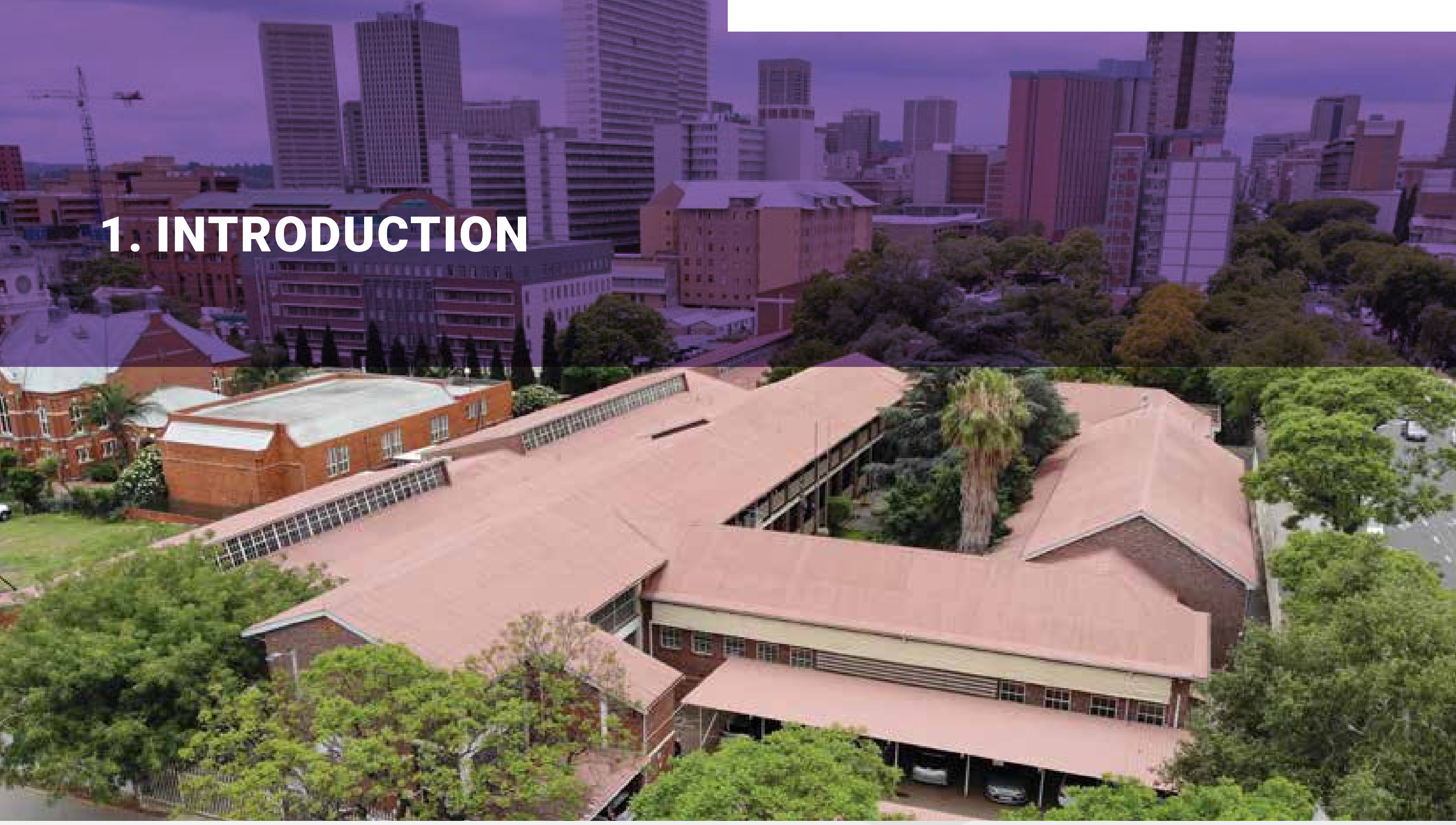
TABLE OF CONTENTS

1. INTRODUCTION



Tshwane North TVET 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-categorization 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 i.e, Soshanguve North and Rosslyn campuses.

Tshwane North TVET College (TNC) consists of six (6) campuses and a Central Office. The 6 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 approximately 17 923 students in 2022. The challenge facing young people in the country is unemployment.

The Quarter 3: 2022, Quarterly Labour Force Survey indicates that some young people who are Not in Employment, Education or Training (NEET) have been disengaged with the labour market and they are also not building on their skills base through education and training. 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: 2022, of which 34,5% were not in employment, education, or training.

This is 0,9 of a percentage point higher than the NEET rate in Q3: 2021. In this age group, the NEET rate for males and females increased by 0,3 of a percentage point and 1,6 percentage points, respectively. The NEET rate for females was higher than that of their male counterparts. The data shows that more than four in every ten young males and females were not in employment, education or training.

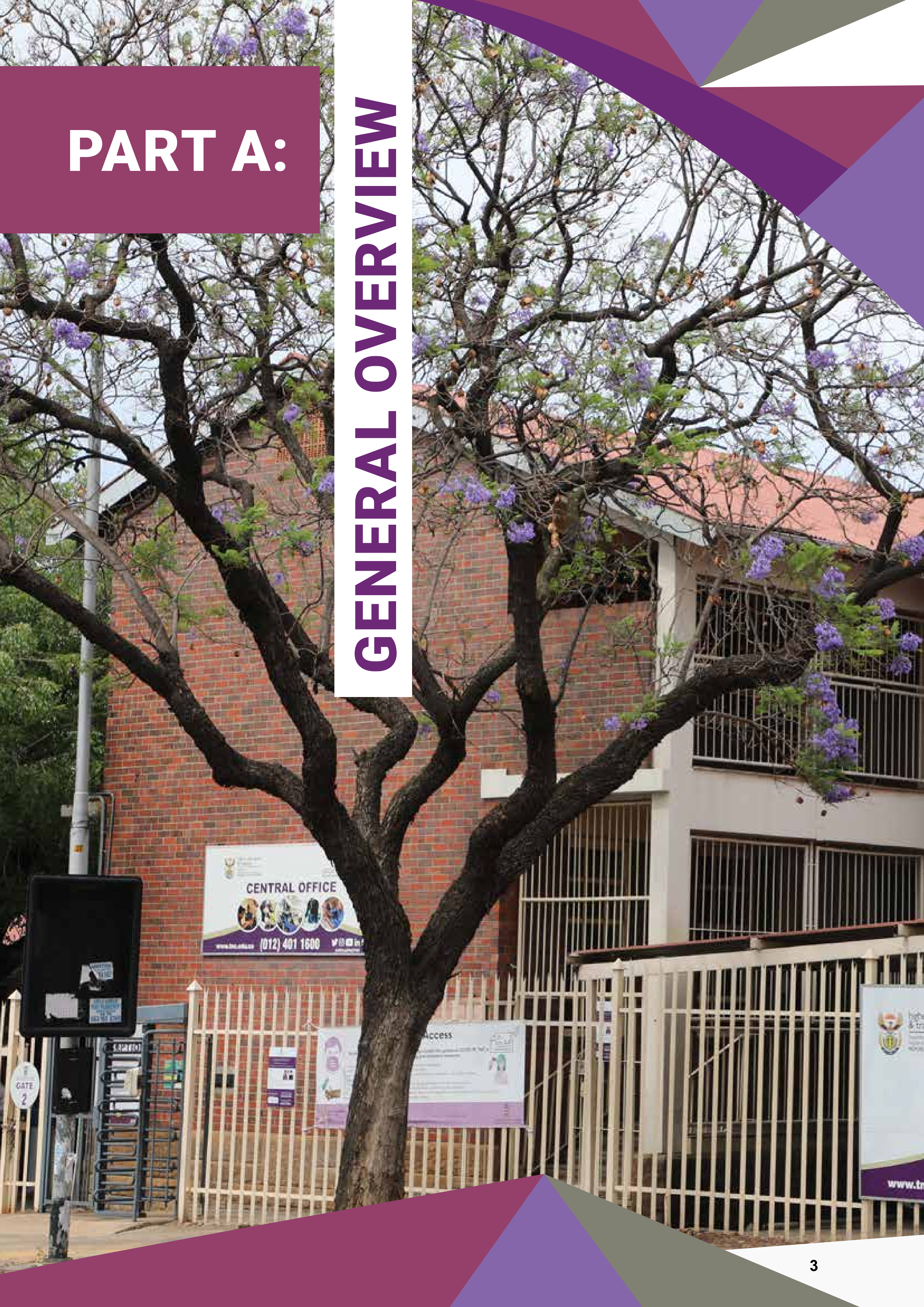
The thrust of TVET Colleges is to include national social and economic goals like economic growth and development, poverty reduction, employment creation, unequal income distribution, sustainable livelihoods, youth development, innovation, and industrial advancement by providing high quality education and training programmes in the democratic developmental state. Tshwane North TVET College offers Occupational, and Skills Programmes and 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	Continuing Education and Training Act
CFO	Chief Financial Officer (Deputy Principal: Finance)
COS	Centre of Specialisation
DHET	Department of Higher Education and Training (Department)
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



3. MESSAGE FROM THE CHAIRPERSON OF COUNCIL

On behalf of the Tshwane North TVET College Council (the Council), I am pleased to present the 2022 Annual Report (Report). The Report reflects on the governance and management activities for the period under review. The Report thus takes stock of how the College has fared in implementing its five-year strategic plan supported by an annual performance plan. In reflecting on the College's performance for the period under review, the statutory roles and responsibilities of the Council and management shall be pondered.

Moreover, the Council's (including its sub-committees) duties and responsibilities as per the dictates of the Continuing Education & Training Act, 16 of 2006 (the CET Act), the College Statute (as revised), King IV Report on Corporate Governance for South Africa (2016), and other related frameworks on good governance shall be considered in making specific disclosures.

The Report provides the College with the opportunity to report on the implementation of the strategic vision and goals of the Department of Higher Education and Training (the Department), including the strategic objectives and sub-outcomes the Tshwane North TVET College (the College) has committed to for the period under review.

For the 2022 academic year, the College has focused on the targets in two sub-outcomes of the Medium-Term Strategic Framework (MTSF), namely:

Sub-outcome 2: Increased access and success in programmes leading to intermediate and high-level learning and

Sub-outcome 4: Increased access to occupationally directed programmes in needed areas and expansion of the availability of intermediate-level skills with a specific focus on Artisan skills.

These sub-outcomes shall predominantly feature in this Report – thus, over and above the 2022 specific strategic objectives the College focused on.

Overall, the 2022 academic year started quite well, with minimal disruptions to teaching and learning. This situation is pivotal to the College. It ensures that the College is stable and can deliver on its teaching and learning mandate. The Council sincerely thanks the 2022 Student Representative Council for their exemplary leadership in steering student governance.

Toward the end of the 2022 academic year, the Council was ecstatic to have learned that the College had significantly improved students' academic performance. For this, we would like to extend our sincere gratitude to the principal, management, staff, students, and other stakeholders who have played a significant role in turning the College into a "centre of excellence."

I would also like to wholeheartedly thank the Council of the College for their selfless leadership. The Council continues to exude ethical and effective leadership in all its engagements at the College. The Council is very committed to the vision of the College and attended several pieces of training and best practices to sharpen their governance skills.

This generation of Councillors has turned years of consistent disclaimers into a better audit outcome, and it continues to work tirelessly for even better audit outcomes. The Council is fully constituted, and all its meetings held in the 2022 academic year achieved over 95% attendance. This is evidence of a committed Council.

Looking at the future, the College shall endeavour to introduce new responsive programmes relevant to the ever-changing labour market opportunities and challenges as per the recommendations of a Programme Qualification Mix/PQM Research Report compiled by the Enterprise University of Pretoria. We are building a TVET College of the future.

The College shall continue to mobilise resources to improve its current infrastructure and capabilities to remain true to its vision of being an innovative centre of excellence in skills development.

On behalf of the Council, we salute everyone who makes the College work. The College is open for business and would like to invite all relevant stakeholders (Public and Private) to partner with it and make South Africa better.

Prof. TS Phendla

Date: 4/12/2023

4. THE ACCOUNTING OFFICER'S FOREWORD

This Annual Report highlights key activities, successes, achievements, improvements, and challenges during the 2022 Academic Year. Tshwane North College (TNC) is one of the biggest Colleges with complex dynamics from operations to management and governance due to historical challenges. TNC remains committed to realising its vision – *"To be an innovative centre of excellence in skills development"* supported by the mission statement that directs the purpose of our existence – *"To equip students with skills, knowledge and attributes relevant to lead the modern economy."*

This Annual Report reflects performance activities, achievements, and challenges in the 2022 Academic Year. The Management Team wishes to express its sincere appreciation to all staff members and students for their commitment and diligence in striving for continuous improvement. The College Council, Academic Board, Student Representative Council, management, staff, and students' continuous commitment toward the successes achieved during 2022 is recognised.

The 2022 Academic Year started differently with enrolments for NC(V) and Report 191 Business and Social Utility Studies and an examination for the Trimester 3 (T3) which was postponed from November 2022 to January 2023 after the adjusted College calendar due to the impact of Covid-19 in teaching and learning in 2021. During 2022, the College was fairly stable with less disruptions in teaching and learning compared to the previous periods. The College held its 2022 graduation ceremony in person after advent of COVID-19 which saw more than 500 students graduating with National Diplomas – a huge number ever to be recorded at Tshwane North TVET College.

The College management has consistently supported the work of Council by serving as a key resource to all to 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 focussed in implementing and achieving the strategic goals set in the College Five (5) Year Strategic Plan.

The following among others demonstrate progress towards achieving the set goals:

- The introduction of relevant and responsive programmes. The Department approved the request to introduce three (3) new Ministerial Programmes. The 2023 Academic Year will be dedicated for planning to introduce the 3 new NC(V) programmes in 2024 at 3 of our 6 campuses namely, Primary Agriculture (Temba Campus), Mechatronics (Rosslyn Campus) and the Robotics Module in the current ICT NC(V) programme at Mamelodi Campus.

  a. Capacity building and development of skills mastery for the occupation of Solar Photovoltaic Technician (SPVT). A merSETA funded project in collaboration with SARETEC under the auspices of the Cape Peninsula University of Technology (CPUT). Three graduates from the Tshwane University of Technology have been trained as Technical Mentors with the aim of retaining them to offer skills programmes in solar installation and maintenance.

- Enhancing partnerships and collaboration with communities, relevant stakeholders, specifically industry to enhance teaching, learning, training, and employability:

  √ The Mechatronics lecturers visited Germany through a partnership with the Southern African-German Chamber of Commerce and Industry (SAGCCI) in support of the NC(V) mechatronics programme offering.

  √ The Technical Mentors attended the international exhibition in Abu Dhabi to be exposed to new trends and technology in the green economy.

  √ One lecturer in the Faculty of Clothing Production attended the Paris Fashion Week in Paris for exposure and networking.

  √ Staff, SRC, Management and Council visited sister Colleges in the country to share best practices and for benchmarking with the aim of improving operations to enhance performance.

  √ The Thai Summit Auto-parts Industry South African (TSSA) CO. (Pty) Ltd operating in the Tshwane Automotive Special Economic Zone (TASEZ) in Silverton partnered with the College and trained students in a Robotic Programming initiative aimed at bridging the gap between industry and TVET Colleges.

- √ Nissan South Africa partnered with 5 Colleges (Tshwane North, Tshwane South, Waterberg, Vuselela, and Central Johannesburg TVET Colleges) through a Co-operation Agreement concluded by the Department of Higher Education and Training and Nissan South Africa wherein the parties agreed to develop technical skills of TVET College learners in accordance with the automotive industry requirements.
- √ Collaboration with the National Business Initiative (NBI) at Mamelodi Campus in implementing the Installation, Repair and Maintenance (IRM). The skills training programme is aimed at expanding opportunities for TVET students to embark on artisanal learning and employment pathways.
- √ School Principals and District Directors' Breakfast meeting in August 2022 to advocate for cooperations and articulation.
- √ Formalisation of the stakeholder engagement platform with Ward Counsellors within the vicinity of the College delivery sites aimed at improving relations through training and development including outreach programmes.

- In response to aligning the College infrastructure with the strategic direction/outcomes of the College five-year Strategic Plan of training and developing entrepreneurs and introducing innovation in response to the digital economy; the Council approved the concept of developing legacy infrastructure projects in 2023/24 utilising the investment funds to create a learning environment that is fit for purpose. Further, approval to appoint the manager for the envisaged Centre for Entrepreneurship has been granted. Planning and conceptualisation of the entrepreneurship idea will take place in 2023 for full-blown roll-out in 2024.
- The University of Pretoria has been appointed to undertake research in determining the College's Programme Qualification Mix (PQM). The outcomes of the findings and recommendations will serve as a basis for planning in 2023 for the new five-year Strategic Planning Cycle commencing in 2024.
- Approval to fill the vacant positions of Assistant Directors was granted by the DG. Two vacant Deputy Principal's posts for Corporate Services and Innovation & Development were finalised by the end of 2022.
- Tshwane North TVET College like all other institutions of higher learning received correspondence from the Special Investigating Unit (SIU) regarding the investigations of the affairs of the National Student Financial Aid Scheme (NSFAS) in terms of Proclamation R. 88 of 2022 published in the Government Gazette on 26 August 2022. The College committed to cooperating with the investigation team.

The following challenges among others are worth noting:

- Spending for the Capital Infrastructure Efficiency Grant has been low at 50% by the end of the academic year. Low spending was attributed to one service provider abandoning a site after citing financial challenges, the other service provider bridged the contract for two projects due to under-pricing.
- Progress is also slow regarding the development of the Chinese funded Vocational Education and Training Centres for both Tshwane North and Tshwane South TVET Colleges. The feasibility study and infrastructure designs have been completed. The challenge relates to construction that has been stalled since both Colleges do not possess title deeds.
- Inability for the Department to retain Deputy Principals: Finance (DP: F) Recommendations were made in 2022 however, all recommended candidates declined the offer. The College is still without a permanent DP: F.

In conclusion, on behalf of the College management and staff, we express gratitude to Mr Selaelo Sebetlene, the Deputy Principal Academic Services (DP: AS) for his enormous positive contributions at Tshwane North College. Mr Sebetlene played a huge role in stabilising and improving the academic results during his tenure as the DP: AS. Mr Sebetlene left the College at the end of December 2022 after accepting a promotional position of Director at the Limpopo Regional Office of the Department of Higher Education and Training.

We wish Mr Sebetlene well in his new responsibilities and all future endeavours. Further, our appreciation and gratitude go to the College Council for support during 2022. My gratitude also goes to all the staff members & the Student Representative Council (SRC) for their dedication and hard-work-this is evidenced in the improved November 2022 academic results. The College received a Qualified Audit Opinion from the Auditor-General of South Africa (AGSA) for the 2022 Financial Statements. The 2022 audited financial statements are included in this Annual Report

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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

1. All information and amounts disclosed throughout Annual Report are consistent.
2. The Annual Report has been prepared in accordance with the guidelines issued by the Department of Higher Education and Training.
3. The annual financial statements have been prepared in accordance with the relevant standards, frameworks and guidelines issued by National Treasury.
4. The Accounting Officer, i.e., the principal, is responsible for the preparation of the Annual Financial Statements and for the judgements made in this document.
5. The Accounting Officer, i.e., the principal, is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
6. The AGSA expressed an independent opinion on the annual financial statements.

Ms TE 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, No. 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 Technical and Vocational Education and Training (TVET) Colleges are required to produce annual financial reports and to comply with any reasonable additional reporting requirement established by the Minister. Moreover, Section 44 of the Act requires Colleges to annually report to the Minister in respect of its performance and its use of available resources.

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

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 (No 16 of 2006)
- National Qualifications Framework (NQF) Act (No 67 of 2008)
- Higher Education (HE) Act (No 101 of 1997)
- Skills Development Act (No 97 of 1998) - Skills Development Levies Act (no 9 of 1999)
- The National Student Financial Aid Scheme (NSFAS) Act (No 56 of 1999)
- General and Further Education and Training Quality Assurance Act (No 58 of 2001)
- The Public Financial Management Act (1999) (Act No 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 (1998) (Act no 55 of 1998) (as amended)
- The Basic Conditions of Employment Act (1997) (Act no 75 of 1997) (as amended)
- The Labour Relations Act (Act no 66 of 1955) (as amended)
- Occupational Health and Safety Act (Act no 85 of 1993) (as amended)
- Skills Development Act (as amended) - Protected Disclosure Act 2000 (Act no 26 of 2000)
- Promotion of Access to Information Act 2000 (Act no 2 of 2000)
- Promotion of Administrative Justice Act 2000 (Act no 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, No. 16 of 2006 (as amended), public Technical and Vocational Education and Training (TVET) Colleges are required to produce Annual Financial reports and to comply with any reasonable additional reporting requirement established by the Minister. Moreover, Section 44 of the Act requires Colleges to Annually Report to the Minister in respect of its performance and its use of available resources. In addition, these pieces of legislation govern and steer the College in terms of achievement of its strategic and performance objectives.

The 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, and
- √ Policy on the Conduct of National Examinations and Assessment.

PART B:

GOVERNANCE

7. REPORT OF COUNCIL CHAIRPERSON

7.1 CONSTITUTION OF THE COLLEGE COUNCIL AND GOVERNANCE STRUCTURES

I.COMPOSITION OF THE COUNCIL

Chapter 3 of the CET Act makes provision for governance at TVET Colleges. The College Council continues to exude characteristics of good governance. The Council is fully constituted with no vacancies. All Council members (except the delegates from the Student Representative Council/SRC) have been inducted and are aware of their roles and responsibilities. The Council has a diverse membership with a range of skills, competencies, and experience relevant to deliver on the mandate of the College. In all its engagements, the Council –

- observe the principle of legality and the rule of law – all Council decisions take into consideration its limitation in the exercise of its powers and authority.
- act transparently – decisions and actions of the Council are open to scrutiny, and the public has a right to access information about the College activities.
- act in an accountable manner – the Council always acts in the best interests of the College, and it is answerable to all its stakeholders for its actions and decisions.
- act with impartiality and integrity – all its decisions are based on objective criteria and avert bias.
- act efficiently & effectively – all its decisions are based on the optimal utilisation of the available resources.

Table 1 below depicts the 2022 composition of the College Council:

SURNAME & INITIALS	DESIGNATED FUNCTION & MEMBERSHIP	DATE OF APPOINTMENT
Phendla TS (Prof)	Ministerial Appointee: Chairperson of Executive Committee & Council	10 April 2019
Mgwenya VN (Adv.)	Ministerial Appointee: Deputy Chairperson of Council and Chairperson of the Human Resources Committee	10 April 2019
Boshomane KI (Dr.)	Ministerial Appointee: Chairperson of the Planning & Resources Committee	10 April 2019
Kadi P (Ms)	Ministerial Appointee: Chairperson of the ICT Governance	10 April 2019
Phidane T (Mr)	Ministerial Appointee: Chairperson of the Student Support Services Committee	31 August 2021 – backdated 10 April 2019
Hlongwane D (Mr)	Additional Member of the Council: Chairperson of the Finance Committee	28 November 2019 – backdated 10 April 2019
Serote TR (Mr)	Additional Member of the Council: Chairperson of the Audit & Risk Committee	08 November 2020 - backdated 10 April 2019
Ngubane SJ (Mr)	Additional Member of the Council: External member of the: ICT Governance Committee, Finance Committee, & Planning & Resources Committee	12 November 2020 – backdated 10 April 2019
Matabane MC (Ms)	Additional Member of the Council: External Member of: Academic Board, Human Resources & Remuneration Committee, Student Support Services Committee	31 August 2021 – backdated 10 April 2019
Khoza ND (Mr)	Donor Appointee: Chairperson of the Stakeholder Committee	27 February 2020 – backdated 10 April 2019
Gumede E (Mr)	Internal Member: Representing the Support Staff	07 February 2020 – backdated to 10 April 2019
Kone AN (Ms)	Internal Member: Representing the Lecturing Staff	31 March 2021 – backdated to 10 April 2019
Tsibogo TE (Ms)	Principal	10 April 2019
Sebetlene S (Mr)	Delegated by the Academic Board	10 April 2019
Maswanganye KL (Ms)	Delegated by the SRC (President)	2022 – year of appointment
Borole S (Mr)	Delegated by the SRC (Secretary)	2022 – year of appointment

II.GOVERNANCE MEETINGS HELD IN THE 2022 ACADEMIC YEAR:

Table 2.1: Academic Board:

Over and above the Academic Board and the SRC, the College Council has created 08 subcommittees in terms of section 9(2) of the CET Act, read with the relevant provisions of the College Statute. The subcommittees are as follows:

- Academic Board,
- Audit & Risk Committee,
- The Executive Committee of the Council/EXCO,
- Finance Committee Human Resources & Remuneration Committee,
- ICT Governance Committee,
- Planning & Resources Committee,
- Stakeholder Committee, and
- Ad hoc Committee/s

The Tables below depict the governance meetings held for the period under review:

DATE OF THE MEETING	TYPE OF THE MEETING
12 January 2022	In-person Ordinary Meeting
14 February 2022	In-person Ordinary Meeting
01 July 2022	In-person Ordinary Meeting
02 December 2022	In-person Ordinary Meeting

Table 2.2: Audit & Risk Committee:

DATE OF THE MEETING	TYPE OF THE MEETING
01 March 2022	In-person Ordinary Meeting
16 March 2022	In-person Ordinary Meeting
26 July 2022	In-person Ordinary Meeting
Q2 Meeting: October	In-person Ordinary Meeting
08 December 2022	Reports endorsed via round-robin as per the resolution of the Council

Table 2.3: Finance Committee:

DATE OF THE MEETING	TYPE OF THE MEETING
10 March 2022	Virtual Ordinary Meeting
25 August 2022	Virtual Ordinary Meeting: covered Q1 & Q2
29 August 2022	Virtual Ordinary Meeting
03 September 2022	Virtual Ordinary Meeting
05 December 2022	Virtual Ordinary Meeting
09 December 2022	Virtual Ordinary Meeting

Table 2.4: Human Resources & Remuneration Committee:

DATE OF THE MEETING	TYPE OF THE MEETING
25 February 2022	Virtual Ordinary Meeting
08 July 2022	Virtual Ordinary Meeting
Q2 Meeting: October 2022	Reports endorsed via round-robin as per the resolution of the Council
28 November 2022	Virtual Ordinary Meeting

Table 2.5: ICT Governance Committee:

DATE OF THE MEETING	TYPE OF THE MEETING
04 March 2022	Virtual Ordinary Meeting
18 July 2022	Virtual Ordinary Meeting
Q2 Meeting: October 2022	Reports endorsed via round-robin as per the resolution of the Council
06 December 2022	Virtual Ordinary Meeting

Table 2.6: Planning & Resource Committee:

DATE OF THE MEETING	TYPE OF THE MEETING
08 March 2022	Virtual Ordinary Meeting
22 July 2022	Virtual Ordinary Meeting
Q2 Meeting: October 2022	Reports endorsed via round-robin as per the resolution of the Council
06 December 2022	Virtual Ordinary Meeting
14 December 2022	Virtual Special Meeting

Table 2.7: Stakeholder Committee:

DATE OF THE MEETING	TYPE OF THE MEETING
03 February 2022	Virtual Special Meeting
17 February 2022	Virtual Special Meeting
15 July 2022	Virtual Ordinary Meeting: covered Q1 & Q2
07 December 2022	Virtual Ordinary Meeting

Table 2.8: Executive Committee of the Council :

DATE OF THE MEETING	TYPE OF THE MEETING
28 March 2023	Virtual Ordinary Meeting
28 September 2023	Virtual Ordinary Meeting
12 December 2023	Virtual Ordinary Meeting

Table 2.9: College Council:

DATE OF THE MEETING	TYPE OF THE MEETING
08 April 2022	Virtual Ordinary Meeting
31 May 2022	Virtual Special Meeting
29 July 2022	Virtual Special Meeting
22 August 2022	Virtual Special Meeting
06 September 2022	Virtual Special Meeting
30 September 2022	Virtual Ordinary Meeting
10 November 2022	Virtual Special Meeting
15 December 2022	Virtual Ordinary Meeting

Table 2.10: Joint Committee in Re the 2021 AFS: ARC & Finance:

DATE OF THE MEETING	TYPE OF THE MEETING
04 May 2022	Virtual Meeting
27 May 2022	In-person Meeting

Table 2.11: Ad hoc Meetings:

DATE OF THE MEETING	TYPE OF THE MEETING
30 March 2022	Virtual Meeting in Re: Status of Records Review with the AGSA
02 April 2022	In-person meeting with the Ward Cllrs within the vicinity of the College
06 May 2022	In-person follow-up meeting with the Ward Cllrs within the vicinity of the College
20 September 2022	Virtual Meeting in Re: Preparatory Fees for the non-official members of the Council
03 November 2022	Virtual Meeting in Re: Legal Opinion on the Preparatory Fees for the non-official members of the Council

III. PERFORMANCE IN TERMS OF THE STATUTORY FUNCTIONS

Council fiduciary duties & obligations towards the College:

- Throughout the 2022 academic year, the Council has acted in good faith and to the benefit of the College with reasonable care and skill in exercising all its functions, duties, and responsibilities. There is no report, at least to the best knowledge of the Council, on it acting ultra vires.
- In all its actions and decisions, the Council acted in the College's best interest as required in section 10(9)(b) of the CET Act.
- All the Council members are encouraged not to place themselves under financial or any other obligation to any individual or organisation that might influence the performance of any function of the Council.
- There is no reported case of a member of the Council who has a direct or indirect conflict of interest with the College.
- Council members are obligated before the start of any ordinary sitting of the Council and its subcommittee to declare any direct or indirect financial, personal, or other interest in any matter to be discussed at a meeting that entails or may entail a conflict or possible conflict of interest with the College.
- All the members of the Council report conflict of interest annually.

IV. POWERS AND FUNCTIONS OF THE COUNCIL

In line with the CET Act, the Council has:

- revised the College statute and rules,
- developed and approved an adjusted College strategic plan – thus, providing a strategic direction to fulfil the College's mandate of providing quality teaching and learning activities to its students,
- developed and adopted policies in a range of areas to assist the management and staff in implementing the approved strategic plan,
- established a Student Support Services Committee to champion student governance matters,
- approved the 2022 annual budget of the College to fulfil its strategic obligations,
- created additional posts and employed certain members of staff where there was a lack of capacity,
- determined the functions, conditions of service and privileges of its employees,
- developed and adopted disciplinary code for its employees,
- determined the establishment, composition, manner of election, term of office, functions, and privileges of the SRC through the management of the College – as the Council has delegated this function to the Office of the Principal,
- has a student disciplinary code of conduct and procedures in place, and
- has adopted a code of conduct for its members and those of its subcommittees.

V. ACCOUNTABILITY AND REPORTING:

As required by the CET Act, the Council has:

- kept records of all its 2022 proceedings,
- kept complete accounting records of all assets, liabilities, income and expenses and any other financial transaction of the College as a whole,
- implemented Internal Audit and Rsk Management Systems which are not inferior to the standards contained in the PFMA – though there is still room for improvement,
- an overall view on the management and governance of the College reported through its subcommittees,
- an apprehension about the overall performance of students in the programmes offered by the College – the Council is apprised quarterly on this matter,
- provided a duly audited 2021 AFS to the Minister – though a bid late; and
- submitted the Strategic Plan and Annual Report to the Minister – though not in line with the legislative requirements.

VI. PERFORMANCE IN MOBILISING COMMUNITY STAKEHOLDERS:

- The College Council has resolved to establish a working committee comprising all the Ward Councillors within the vicinity of the College and selected members of the College Council.
- The Working Committee has made serious inroads, and a plan is in place to maintain relations and collaborate on issues of mutual interest that will benefit surrounding communities.

7.2 REPORTS BY COMMITTEES OF COUNCIL

i. Executive Committee of the Council

The Executive Committee of the Council (EXCO) is chaired by the chairperson of the College Council (Council). It is the highest decision-making body between the Council meetings on urgent matters. As a sub-committee of the Council, the EXCO accounts to the College Council for all its decisions. It is indeed a great privilege to present the 2022 EXCO Integrated Report. In line with the EXCO Charter, the following critical strategic achievements are worth noting:

Organisational Strategy and Governance

- The EXCO interrogated all the Reports of its sub-committee and resolved that for impact, all the sub-committee reports must be aligned to each sub-committee Charter and the key strategic focus areas of the College. Consequently, all the sub-committee reports to the Council address issues in the Strategic Plan and targets in the Annual Performance Plan. The EXCO also recommended an independent assessment of the Council and its sub-committees, which the Council approved. The assessment outcome shall be used to strengthen all areas of governance in the ensuing academic year.
- The EXCO is also responsible for ensuring that the Council and its sub-committees are fully constituted. For the 2022 academic year, the Council and its sub-committees were fully constituted with no vacancies. The Council and its sub-committees are fully functional and convened meetings with an attendance of over 95%. All the 2022 governance meetings had a quorum. Hence all decisions taken were implemented by the management.
- The EXCO also acts as a Remuneration Committee of the Council. Hence it has resolved that all of its non-official members who are not employed in the public service be remunerated for their preparation time in line with the relevant provision of the DHET guidelines.
- The EXCO has not received any conflict of interest from any of its members and those of the Council.
- The EXCO supported the Council Code of Conduct and was subsequently approved by the Council.

Performance of the EXCO

- The EXCO has reviewed its Charter, which the Council subsequently approved.
- Established a task team to critically review the College Statute, which was later presented and approved by the Council.
- Resolved that the Audit & Risk and Finance Committees must jointly provide oversight on preparing the Financial Statements and any other related matter for audit purposes. This resolution is among the factors which contributed to the 2021 improved audit outcomes – from years of disclaimers to a qualified audit opinion.
- To provide better oversight on the functionality of its sub-committees, the EXCO has resolved that each sub-committee must have an Annual Workplan informed by the Charter, the Council resolutions, and the College's strategic focus areas. The Annual Workplans shall be reported on at both the EXCO and Council.
- To ensure that members of the Council are continuously developed, the EXCO supported a 2022 Council training plan and attended two governance training (excluding those provided by the DHET) on Strategic Planning in the public sector and Policy Development and Evaluation.

Challenges

- The EXCO is expected to meet at least four times a year. For the 2022 academic year, the EXCO managed to meet three times due to a lack of proper planning. However, for the 2023 academic year, the Council approved a meeting schedule that shall be followed to avoid delays.
- The inability of the College to submit the Annual Financial Statements as legislated remains one of the challenges the EXCO has to grapple with in the 2023 academic year.

Into the 2023 academic year

- The EXCO shall analyse the outcome of the independent assessment of the Council and its sub-committees and implement its recommendations (once approved by the Council) to strengthen governance systems.
- The EXCO shall intensify oversight on the sub-committees of the Council through the Annual Workplans, which are tracked quarterly.
- Given the fact that the Council is about to conclude its first term of office, the EXCO shall facilitate a reflection session where the Council shall take stock of its five-year strategic plan – thus critically reflecting on the achievements, and challenges and coming up with strategies to mitigate the identified challenges.
- The reflections and the outcome of the assessment shall then form part of the handover report to the new Council to ensure continuity.

As the Chairperson of the EXCO, I would like to thank all the members for their commitment and dedication to the College. I look forward to strengthening governance with all of you in the 2023 academic year.

Mudzimu vha ni fhatutshedze – God bless you!

Prof. TS Phendla
Chairperson of the EXCO

ii. Audit Committee.

Below is the presentation of our report for the financial year ended December 2022.

Audit and Risk Committee Responsibility

In compliance with Section 25 (1) (c) of the Continuing Education and Training Act, Act 16 of 2006, the Audit and Risk Committee is tasked with the implementation of Internal Audit and Rsk Management Systems in line with the standards set forth in the Public Finance Management Act, 1999 (Act 1 of 1999), as well as Generally Recognised Accounting Practices (GRAP). The Committee has formally adopted its terms of reference as per its charter and has effectively executed all its prescribed duties.

The Effectiveness of Internal Control

While the College has a history of receiving disclaimers of opinion, noteworthy progress has been made, shifting from a disclaimer to a qualified opinion over the last two years. The basis for the qualified opinion in 2022 was primarily material misstatements affecting student debtors, which influenced both "Trade and Other Payables" and "Trade and Other Receivables" from exchange transactions. An audit action plan, which was based on findings from both the Auditor-General South Africa (AGSA) and internal audits, has been approved and is monitored by the Internal Audit unit.

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

The 2022 internal audit plan was risk-based and focused on the issues leading to a qualified audit opinion. Audits conducted include:

- Information and Communication Technology General Controls: Q4, 2022
- Student Support Services: Q4, 2022
- Human Resources Management: Q2, 2023
- Audit Improvement Plan: Q3, 2022
- Annual Financial Statements: Q1, 2023

Despite these audits, concerns about the effectiveness of the Internal Audit function persist, especially in its capability to identify material misstatements in the Annual Financial Statements (AFS). Plans are underway to enhance the risk-based internal audit plan.

Risk Management

A dedicated Risk Officer position, vital for the operationalisation of Enterprise Risk Management (ERM), has remained vacant for three years. Nevertheless, the Internal Audit unit has facilitated the updating of both the Strategic Risk Register and the Fraud Risk Register in 2022.

External Auditor's Report

Improvements have been made with regards to the Committee as no deficiencies were noted when assessing it in line with its approved charter and Efforts have begun to implement recommendations based on AGSA's findings.

Mr. T Serote
Audit and Risk Committee Chairperson

iii. Finance Committee.

FINANCE COMMITTEE RESPONSIBILITY

For the period under review, FINCO is happy to report that it has, as far as possible, complied with its responsibilities arising from its charter, including all relevant legislative requirements. FINCO has considered all matters of financial strategy, policy, and optimised the use of Tshwane North TVET College's financial resources.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

During the period under review FINCO has effectively and efficiently executed the following responsibilities:
a) Approved finance policies and monitor compliance.
b) Overseen the preparation of the annual budget and annual financial statements.
c) Considered and approved financial strategies and objectives as recommended by the (Acting) Deputy Principal Finance in support of adopted development and growth plans for the College. The permanent Deputy Principal: Finance is yet to be appointed by the department, which adds to vacancy rate and staff turnover challenges.
d) Monitored financial performance against budgets.
e) Overseen the administration, collection, and disbursement of the financial resources of the College.
f) Advised the Council with respect to making significant financial decisions.
g) Enhanced the governance and reporting pertaining to financial performance to ensure that expenditure against budget is accounted for accurately and to enable management to monitor strategy
h) Prioritised Infrastructure projects including financial performance and Capital Infrastructure & Efficiency Grant (CIEG) projects.
i)Considered and assessed all investment opportunities available to the College, in respect of all funds which it administers, and to determine the manner and extent to which funds are to be invested with a view to ensuring both security and optimisation of income.
j) Reviewed the actual and projected financial situation of the College as required
k) Monitored the performance of the Finance Component of the College.

CONCLUSION

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

APPRECIATION

FINCO would like to express its sincere appreciation to the Council Chairperson and all Members, Principal (Accounting Officer), Management, Officials, Auditor-General South Africa (AGSA) and the Tshwane North TVET College's Finance Unit for their support to the FINCO during the year under review.

Mr D Hlongwane
Finance Committee Chairperson

iv. Human Resources and Remuneration 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 of a split of external and internal Councillors and two Campus Managers delegated by their peers to advocate for the Human Resources needs of campuses.

During the year under review the committee had 4 meetings in accordance with its charter and workplan and such meetings recorded among other things, the following milestones:

a. Twenty-nine (29) Lecturers migrated from College paid to Persal to relieve the College and create more needy positions.
b. Matching and placing of Lecturers has been finalised.
c. Progress made in terms of the PPN model, and a significant number of staff has been placed and matched.
d. Securing DG's approval on the filling of critical posts necessary for the College's strategic direction.
e. Council's approval on College's revised structure which is student driven around Student Support Services.
f. Appointment of the DP. Corporate Services.
g. Alignment of College paid posts to augment and meet needs of the College, additional to the structure.
h. Management of grievances and misconduct cases within the stipulated timeframes.
i. Over 30 Lecturers graduated on Advanced Diploma in TVET Management.
j. Better management of leave processes which includes adopted consequences management template that Campus Managers' report against, monthly.
k. Total number of 517 from 518 permanently employed staff members undertaken the skills audit, which marks 99.8% success rate.

It is evitable that the successes above would be confronted by challenges like in any other business environment. The following challenges have been noted:

i. Delays in reviewing and aligning College HR policies to those of the Department given capacity within the HR space.
ii. The College's difficulties in levelling the playing field on the PPN structure in terms of salary level 7 and 5 and their influx.
iii. Matching and placing letters for PL5 and SL 9 to 13 owing to the DG's signature.
iv. Labour turnover on critical positions (DP. A, ASD SCM) which brought about some instabilities.
e. Inabilities to attract and fill critical senior management posts (DP: F)
vi. Management of leave processes

Since 2023 marks the last year of the College Implementation Committee (CIC) one is confident that with the support from Senior Management, the College would be able to finalise the PPN structure and place all affected employees. The commitment to finalise the review and alignment of HR policies to the DHET's also bring about comfort in advancing HR processes across the TVET space.

Adv. VN Mgwenya
Chair of the HRRC

High-Level Organisational Structure

OFFICE OF THE PRINCIPAL

PURPOSE

TO PROVIDE EFFECTIVE AND EFFICIENT TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING.

FUNCTIONS:

- Manage corporate services.
- Manage financial services.
- Manage academic services.
- Manage innovation and development services.
- Provide internal audit and quality assurance services.
- Provide risk, fraud, ethics and integrity management.

1 x Principal (TE Tsibogo)	Level 13 JE
1 x Personal Assistant (C Masombuka)	Level 7 JE
1 x Assistant Director – Office of Principal (Vacant)	Level 9 JE
1 x Senior Admin Officer - Governance (M Lamola)	Level 8 JE
1 x Senior Admin Officer – Planning, M &E (T Vilakazi)	Level 8JE

SECTION: INTERNAL AUDIT AND QUALITY ASSURANCE

PURPOSE:

TO PROVIDE INTERNAL AUDIT AND QUALITY ASSURANCE SERVICES.

FUNCTIONS:

- Conduct performance audits.
- Conduct governance and compliance audits.
- Conduct information technology and financial audits.
-Execution of internal audit planning, mitigation and reporting.
- Provide technical and secretariat support services to the Audit Committee.
-Provide quality assurance services.

1 x Assistant Director (D Steyn)	Level 9/10 JE
1 x Senior Internal Auditor (M Rameetse)	PL 2
1 x Quality Assurance Officer (S Bosilong)	PL 2

SECTION: RISK, FRAUD, AND INTEGRITY MANAGEMENT

PURPOSE:

TO PROVIDE RISK, FRAUD, AND INTEGRITY MANAGEMENT SERVICES.

FUNCTIONS:

- Provide risk management services.
- Provide fraud prevention services.
- Provide ethics and integrity management services.

1 x Assistant Director (Vacant)	Level 9/10 JE
1 x Senior Risk & Fraud Prevention Officer (Vacant)	Level 8 JE

DIVISION: CORPORATE SERVICES

M. Lebese

DIVISION: FINANCIAL SERVICES

(Vacant)

DIVISION: INNOVATION AND DEVELOPMENT SERVICES

(Vacant)

DIVISION: ACADEMIC SERVICES

SP. Sebetlene

CAMPUS MANAGERS

- EM Masemola – Pretoria
- MD Moru – Mamelodi
- TC Masithi – Rosslyn
- SW Nkabinde – Soshanguve South
- MJ Masalesa – Soshanguve North
- S Modise - Temba

v. Planning and Resource Committee.

The planning and Resources Committee is established by the College to undertake an oversight role in respect to overall College Planning and Infrastructure, Maintenance and Repairs projects. It was befitting to embed the capital efficiency infrastructure grant (CEIG) under the PRC as it seeks to advance the maintenance of College's infrastructure in terms ablutions and roofing. The PRC oversees the extent to which these projects are upheld, in terms of quality, spending patterns and scope of work. Additionally, this committee also looks at the College security, and cleaning services, and hygiene since they fall under Maintenance.

The 2022 calendar year recorded the following milestones:

a. Completion of ablution work in Rosslyn campus.
b. 50% expenditure rate on the CEIG.
c. Appointment of Principal agents as a body which guides with technical expertise for projects.
d. Appointment of new security company on a 3-year project.
e. Appointment of hygiene company in order to uphold the standard of hygiene and compliance to OHS matters.

The stipulated successes co-existed with several pitfalls as mentioned below:

i. Abandonment of projects by the service provider (s) which resulted in them being blacklisted in the National Treasury database.
ii. Delays in completion of work, coupled with extension of scope based on a variety of reasons.
iii. No integrated maintenance approach for the College.
iv. Delays in tender administration processes which affect projects.
v. Delays in projects that are aligned to intergovernmental relations (Local and National Government),

The PRC has made significant progress during the year under review despite noticeable supplier and procurement challenges. The new supplier has since been appointed for the (abandoned project) in Mamelodi and Soshanguve North which gives one some comfort that the project would be completed soonest. Various projects (air conditions, protective clothing in Temba) have passed through the SCM stage, and this would expedite the spending.

Mr I Boshomane
Planning and Resource Committee Chairperson

vi. Information, Communication, and Technology (ICT) Committee

The purpose of the committee is to oversee and provide oversight into the operations and strategic activities of the ICT Unit of Tshwane North TVET College.

The following matters were discussed in the committee:

a. The procurement of Smartboards in computer labs and classrooms, local area network cabling to maintenance and upgrade the network connectivity of the College and centralized Wi-Fi hotspot management software to improve Teaching and Learning.

b. The committee also dealt with numerous strategic documents. The following documents were developed and approved in 2022:
   - The ICT Strategy
   - User access management policy.

c. An IT risk register highlighted the lack of internal ICT capacity and non-adherence to industry standards, lack of standardized ICT infrastructure and inadequate connectivity for staff and students across sites.

d. Overall, there is need for improved connectivity and Wi-Fi access, and the importance of system security in ensuring a successful and efficient TVET system.

e. The Saben implementation of the fibre network The College is running all its seven sites on SABEN internet connectivity using their fibre infrastructure which has improved outgoing internet connectivity per site.

f. The College aims to create smart learning environments on all campuses, by upgrading the network infrastructure.

g. Cybersecurity measures have been implemented, and IT technicians to be trained on cybersecurity.

h. Video/audio is the top network traffic, and Microsoft Office 365 is the most utilized application in the College.

Moreover, the College experienced challenges including connectivity issues, delays in procurement, loadshedding which affected connectivity, and expired warranties on laptops and computers. Attempts have been made to align ICT policies in accordance with the findings raised by AG and such policies are set to be approved soon.

Ms P Kadi
ICT Committee Chairperson

vii. Stakeholder Engagement Committee

The College statute provides for the establishment of the Stakeholder Committee to oversee governance matters pertaining to the provision of Stakeholder Relations services to College internal and external stakeholders. The Committee comprises of a split of external members of the College Council and internal College staff members delegated to advocate for the stakeholder needs of the College.

During the year under review the committee had 4 Virtual Meetings in accordance with its Charter and such meetings recorded among other things, the following milestones:

a) Partnership and Linkages Performance Analysis:

1. **Student Placement (Work Integrated Learning and Work Based Exposure)**

   For the period under review, the College managed to place 828 students for the Work Integrated Learning as well as Work Based Experience for Nated and NCV Programmes compared to the 403 placed in the 2021. This indicates a significant improvement of over 49% in the placement of students for experiential and Training exposure to the working environment.

   The funding for the stipends paid for the placement of the students was sourced from the following Sector Education and Training Authorities:

   - Media, Information and Communication Technology (MICT) Seta
   - Insurance (INSETA) Seta
   - Public Service (PSETA) Seta
   - Food and Beverages Manufacturing (FOODBEV) Seta
   - Fibre Processing and Manufacturing (FP&M) Seta

   The South African College Principals Organisation (SACPO) also played a pivotal role in the placement of 104 students through the funding from Manufacturing, Engineering and Related Services(MERSETA), Bank Seta and Education, Training and Development Practices (ETDP) Seta, whereas the College, through its own funding placed 41 students within its structures for the Work Integrated Learning and Work Based Exposure.

2. **Exchange programmes:**

   Two (2) students left for Peoples Republic of China to study Mechatronics Engineering Technology in Education for a period of two (2) years.

3. **Signed Memorandum of Understanding and Commitments:**

   The College entered into agreements with the following organisations during the period under review:

   - German Business Chamber/GIZ: Mechatronics implementation project at the Rosslyn Campus which saw 4 staff members undertaking an international trip to Germany in March 2022. The 4 staff members included two management members and two lecturers.
   - The Chinese Culture: placement of two College students that completed N6 at Universities in China to study Education.
   - NAFBI: Lecturer Development
   - UNICA: Student Placement and Lecturer Development

Managers, Messrs C Masithi and S Sebetlene accompanied two Lecturers Ms JT Tshabalala and Mr Vilakazi to Germany

Nissan Partnership


The Acting Regional manager, Mr P Mashele addressing the event attendees.

Tshwane North TVET College hosted the equipment hand-over event as part of the Nissan SA's Socio Economic Development programme, a partnership between the Department of Higher Education and Training and Nissan South Africa. The purpose of the partnership is to facilitate sustainable access to the economic beneficiaries by implementing a Motor Technology Enhancement Programme (MTEP) which seeks to empower Colleges through the provision of support elements to enhance the motor technology curriculum to the TVET Colleges. The TVET College beneficiaries of the project are Tshwane North, Tshwane South, Vuselela, Central Johannesburg and Waterberg TVET Colleges

Stakeholder events for 2022:

The College hosted the following events as proposed in the calendar for the Stakeholder Committee:

- **Engagement with Ward Councillors**

Meeting with Ward Councillors from the City of Tshwane to forge and strengthen relations and collaboration on projects of mutual interest within the campus communities:

As part of strengthening community stakeholders, Tshwane North TVET College Council and Management resolved to form cordial relations with Ward Councillors within the vicinity of the College delivery sites.

Council and Management met with the Ward Councillors on 22 April 2022 at Pretoria Campus for an introductory meeting. Subsequent meetings were held wherein the delegated members of Council, management and Cllrs established a Working Committee. The Chairperson of the committee is Mr T Phidani, an external College Council member. The Terms of Reference (ToR) for the committee were developed to guide the work of the committee.


The principal, Ms TE Tsibogo during the welcome address at the 2022 Graduation Ceremony

- **The 2022 Graduation Ceremony**

  The College hosted a successful in-person Graduation Ceremony after the advent of Covid 19 in 2020. The event was divided into two sessions to accommodate the huge number of graduates on the day. For the first time in the history of Tshwane North, more than 500 applications were received, and Diplomas were conferred on the same day.

- **Artisan Award Certificate Ceremony 2022**

  Artisan Certificate Award Ceremony was held in October 2022 to honour all students who completed their Artisan with Red Seal Certificates.

- **School Principals' Breakfast Session**

  The College hosted the Breakfast Meeting at Pretoria Campus with all Tshwane District School Principals and District Directors to conscientize them of the College programmes. The event was aimed at strengthening collaboration with school principals for articulation purposes and possible sharing of resources.

b) National Benchmarking visits:

Management and Council visited Motheo TVET College in the Free State for benchmarking purposes as well as to share practice. Both management and Council came back inspired by the work that other Colleges do. The Safety in Society lecturers from Temba Campus also visited Colleges in Cape Town and KZN to share best practices. The visit prompted the College to invest in proper obstacle infrastructure.

International Visits in 2022.

i. The College hosted 2 International benchmarking visits in the 2022 Academic Year.

   The visits were coordinated through the Department of Higher Education by the US Embassy and GIZ

- **Visit by the US Embassy**

  Mr Karl Adam, who is the Public Diplomacy Desk Officer for South Africa - based in Washington, DC was in South Africa and visited Pretoria Campus (TNC) with representatives from the US Embassy on 8 November 2022. This was a follow-up on the Community College Administrative Programme (CCAP) started between SA and the USA in 2019. The delegation was welcome by the Principal, Ms Tsibogo and they were briefed on the TVET College environment in South Africa

- **Visit by the China Education Association for International Exchange**

The principal Ms TE Tsibogo with her management Team and a delegation from the CEAIE led by its President, Mr Liu Limin

Mr. LIU Limin, President, China Education Association for International Exchange (CEAIE) and 2022, Chairman of BRICS TVET Cooperation Alliance, with Secretary-General of CEAIE Mr. WANG Yongli led a delegation of CEAIE visit to South Africa- Tshwane North TVET College, met with the Principal Ms. Thembi Tsibogo and management. The purpose of the visit is to forge and strengthen partnerships with the China institutions to share best practices and exchange programmes for students and staff.

- **Visit by the GIZ - Senegalese Republic**

The Senegalese IT Department in collaboration with the GIZ based in Senegal and the GIZ based in South Africa wanted to benchmark on digitization with a view to develop a digital transformation plan for their Ministry of Vocational Training and Employment.

The Department of Higher Education was requested to recommend two TVET Colleges to participate in the benchmarking mission and host the Senegalese and the GIZ delegates on Tuesday, 06 September 2022. Tshwane North TVET College was nominated based on the programmes and the ability to provide rich information to the benchmarking mission.

The Principal, Ms TE Tsibogo and team with representatives from the DHET hosted a delegation from Senegal led by the GIZ Team

- **Visit by the Swiss Embassy**

Another international visit was facilitated through the National Business Initiative (NBI) with the Swiss Embassy to develop the Township-Based Enterprise Hub at Mamelodi Campus. The NBI has partnered with Tshwane North TVET College to implementing the Installation, Repair and Maintenance (IRM) Initiative, aimed at expanding opportunities for TVET students to embark on artisanal learning and employment pathways including entrepreneurial development.

The Embassy of Switzerland in South Africa, led by the Head of Economic Cooperation and Development (SECO) and the Advisory Group to the Swiss Parliament on Development Cooperation visited Mamelodi Campus, on 14 November 2022 for a site visit to view the space to develop the Enterprise Hub.

The principal, Ms Thembi Tsibogo welcomed the delegation of prospective funders led by the Ambassador of Switzerland in South Africa, Dr Nicolas Brühl.

Mandela Day 2022

TNC Nail Technology Students visited the Kitso Lesedi Shelter to pamper staff on Mandela Day

Mr ND Khoza
Stakeholder Engagement committee

7.3 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). Academic board held three meetings in 2022 Academic Year, on the 14 February 2022, 01 July 2022, and 02 December 2022.

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 2022 approved targets.
The College achieved among others the following

- The College has improved in its national ranking. For Business & General Studies, the College is ranked number 11, Engineering Studies number 9 and NC(V) number 12 from number 22, 18 and 22 respectively.
- DHET approved grant funding for Tshwane North College to implement NSF TVET Capacity building and Occupational programmes Phase III 2020 – 2024. The Department has also approved an allocation to benefit 407 beneficiaries over a 3-year period.
- DHET approved Tshwane North College Disability Special Skills Development funding to benefit 60 beneficiaries over a period of one year. Skills programmes to be funded are - Garment Making and Assistant Baking
- The College through the Workplace-Based Experience (WBE) programme placed 365 students thereby exceeding the 250 target This is aimed at integrating theory and practice where students are further exposed to the world of work.
- 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 National N Diploma. The College has exceeded the WIL target of 200 by placing 743 students.
- In the quest to reduce carbon emission and achieve Skill Development in OIHD. Tshwane North TVET College together with MERSETA a strategic partner commenced training on Solar Photo Voltaic Technology project. The Project is aimed at building new generation of TVET lecturers that will be equipped with specific expertise to facilitate Teaching and Learning from digital platforms and simulated practical workshops.
- TNC students (two in Plumbing and two in Clothing Production) participated at the National World Skills Competition held in Durban in June 2022
- The College through partnership with Huawei registered 58 lecturers for Huawei Skills Programme. The initiative was implemented successfully and resulted with one IT Technician from Temba Campus certified as Huawei Instructor.
- The College has conducted 5-day training to 15 Limpopo CET lecturers on Seamstress and Work Readiness Programme
- The College received donations of engine and gearbox with latest technology form Nisan SA. This aimed at closing technology gap that currently exists between industry and TVET sector.
- In 2022 NBI donated training equipment to Mamelodi Campus for training of Installation, Maintenance and Repair Skills programme. This training programme is registered in QCTO as Handyman aimed at equipping qualified handyman of the 21st century with different skills.
- All 17 Academic / Curriculum delivery policies were reviewed in 2022.
- Further to note is that N1-N3 programmes will be phased out in the years to come and as such it is important that the College prepares accordingly. The College has already started with curtailing enrolment numbers in these programmes from 2024.
- College Council approved the phasing-in of new programmes in 2024/25 after a feasibility study report was presented. Progress registered thus far is as follows:

DELIVERY SITE	NEW PROGRAMMES
Rosslyn	NC(V) Mechatronics – implementation in 2024
Temba	NC(V) Primary Agriculture – implementation in 2024
Mamelodi	NC(V) Robotics in ICT – implementation in 2025

Tshwane North TVET College together with the Academic board has taken a conscious decision in ensuring that College PQM is responsive to the local community needs and that of the industry. The second objective is to become a centre of specialization.

Ms TE Tsibogo
Chairperson: Academic Board

7.4 STUDENT REPRESENTATIVE COUNCIL REPORT

Tshwane North TVET College recognizes and values the Student Representative Council as the umbrella representative body of students. The College holds SRC election in line with the approved SRC Elections Policy.

The College appointed electoral House of Africa to run the SRC Elections for the Academic Year 2022. The College opted for electronic elections to allow all students to vote remotely. The SRC Elections took place on 31 March 2022 as per the management plan.

Campuses availed the computer laboratories with connectivity to provide access to the digital elections link for students without smart phones. Thus, the first ever electronic elections were successful without glitches across delivery sites.

The second SRC Induction was held at Birchwood Hotel in Kempton Park. The main purpose of the second induction was to orientate the new leadership on internal College processes across all divisions including advocacy to College policies with direct bearing to student interests and welfare.

SRC Initiative: Mandela Day

The SRC hosted a Mandela Day initiative. Through its outreach programmes identified an orphanage in Hamanskraal, Tshwarahanang where a range of activities took place from cleaning, painting the walls, planting vegetables and donating groceries and school stationery.

Academic Awards Ceremony

On 14 October 2022, The SRC President Mthembu Khanyisile, with the support of the Student Support Services Unit hosted an Academic Awards Ceremony at Mamelodi Campus. The awards ceremony was held to honor all the high performing students across campuses. An External Council Member and member of the Academic Board, Dr Isaac Bhoshomane was the guest speaker at the event to motivate the high achievers.

Arts and Culture Competitions and Ball Games

Free Style group constituted of students from Mamelodi, Soshanguve North campus and Pretoria Campus represented the College at the Provincial Arts and Culture and won gold medals. They went on to represent the province at National Arts and Culture Championships at East London and won silver medals, obtaining position two (2). Students from the Arts and Design group from Pretoria Campus also obtained position one at the provincial level and obtained gold medals at the national arts and culture.

The College participated in the COSACSA Inter College's League and Mzansi Challenge against Gauteng Colleges. The students participated in soccer and basketball for males, Netball, Table Tennis and Chess.

PART C: PERFORMANCE INFORMATION

8. REPORT BY PRINCIPAL ON MANAGEMENT AND ADMINISTRATION

The College achieved most of its targets as planned in the 2022 academic year. The National Development Plan (NDP) has set an enrolment target of 2, 5 million TVET students and a certification rate of 75% in TVET Colleges by 2030. The College enrolled a total headcount of 15 027 students compared to the targeted 19 477. The low enrolments in Occupational and Skills Programmes is attributed to delays in the release of funds by the National Skills Authority (NSF) in 2022, resulting in the deferment of implementation to the ensuing year, 2023.

Tshwane North TVET College celebrates the outstanding academic results and expresses appreciation and gratitude to lecturers and students for the hard work that resulted in improved subject pass rates. The academic results showed an improvement in 2022 compared to the 2021 examination cycles. The pass rate for the 2022 Examinations for students who sat for the exams in NC(V) and Business, General Studies and Engineering Studies is recorded as: 97%, 74% and 64% respectively. With an average pass rate in all programmes of 79%.

The overall College performance against the set targets is depicted in the tables below:

The implementation of the Post Provisioning Norms (PPN) is at year two of the three-year period that ends in the 2023/24 financial year. During 2022, the College through the College Implementation Committee (CIC) finalised the matching and placement of all lectures, confirmation letters and responses were received. Twenty-nine (29) lecturers were migrated from College paid payroll to PERSAL by the end of 2022. Some of the identified critical posts were advertised towards the end of 2022. It is envisaged that appointments will be made in the first semester of 2023. Council and the CIC supported the revised structure for the DG's approval in 2023.

In 2022, the College was allocated R12 million of the requested funding for the 2022/23 Capital Infrastructure Efficiency Grant (CIEG). Of the allocated R12m, only R9,8m was transferred due to low spending in the overall Medium Term Expenditure Framework allocation (2019 – 2021). The College was allocated an additional R30 million as part of the CIEG for the repairs and renovation of the 300 beds hostels at Soshanguve South Campus. However, delays in overall procurement of goods and services were experienced due to uncertainties emanating from the Advisory Note issued by the Director-General (DG) of the National Treasury dated 03 March 2022 restricting organs of state not to procure for goods and services above R30 000.

The College had to pay back excess funds to the value of R15m following the National Student Financial Aid Scheme (NSFAS) close out reports for 2017 to 2020.

In summation, for the 2022 academic year the College performed as follows:

- The College received a Qualified Audit Opinion with two findings related to student debtors.
- Reduced its number of negative audit findings in comparison to the 2021 findings.
- Achieved 99% compliance with governance standards,
- Exceeded the planned targets in student placement for Work Based Exposure and Work Integrated Learning,
- Improved its certification rate for NC(V) by achieving 40% compared to 35% in 2021.
- Improved its national ranking in academic results – from number 19 to 11.

However, the College also under performed in the following strategic focus areas:

- Under enrolled in the Pre-Vocational Leaning Programme (PLP), National Certificate Vocational (NC(V)) and the Skills and Occupational Learning Programmes.

College PERFORMANCE AND ORGANISATIONAL ENVIRONMENT

The management of the College considers having clear strategic direction objectives, and sufficient resources, as imperative for the College environment to achieve optimal performance. Governance and management structures are key to the achievement of the strategic goals and operational targets.

9. PERFORMANCE REPORTING

9.1 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 on a quarterly basis.

Reporting is continuous at all Council meetings and the quality of discussions is of high standard. The current Council provides strategic direction where management reports on the College performance. The areas of focus in 2022 were around 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 plan for legacy infrastructure projects for execution in 2023/24

9.2 STRATEGIC OBJECTIVE 2:

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

Enrolment Performance (headcounts)

The College enrolled 14 917 headcounts, lower than the 2022 actual registered number, which is a drop of 15%. The drop is attributed to the reduction Report 191, the College has taken conscious decision to reduce nonresponsive Report 191 numbers. These will be replaced by occupational programmes. The College still registered low enrolment in PLP and Occupational programmes. Funding of over 35 million for occupational programmes was approved in December 2021. The College will train 407 beneficiaries over a three-year period. Two programmes (Seamstress and Bakery and Confectionery) have been identified to benefit students living with disability.

45 learners have been registered for Furniture Making and the programme is underway until April 2025. Three apprenticeship programmes (Electrical, Panel beating and Hairdresser) with approximately 45 learners have commenced with the programme until 2025.

Throughput Rate

The College projected 5% throughput rate for L4 NCV but achieved 11%. The College has overachieved its planned target for 2022 by 6%. This shows a steady increase of the throughput rate.

Retention Rate

PLP Retention rate projected for 2022 was 85%, however the College achieved 91%. The College exceeded its annual targets by 6%. Although there was an improvement of 6% in 2022, the College still recorded low enrolments in the PLP than projected. With increase in the NCV enrolment the College anticipate growth in PLP enrolment in 2023 and beyond.

ANNUAL PERFORMANCE ACHIEVEMENTS

TABLE: College HEADCOUNT TRENDS - 2020 to 2022

PROGRAMME	2020 ACTUAL	2020 ACTUAL	2020 ACTUAL	2020 ACTUAL
NC(V)	3 682	3 636	2 767	3 343
Report 191	12 206	16 909	12 041	11 350
Occupational and Skills Learning Programmes	19	132	415	37
Pre-Vocational Learning Programme	86	29	109	94
Total	**15 993**	**20 706**	**15 027**	**14 824**

The table above shows actual enrolments.

2022 Academic Results

The table below provides an analysis of the NC(V) Levels 2 – 4 2022 examination results in terms of subject pass, retention rates, as well as certification rates:

LEVEL	NO. ENROLLED	NO. WRITTEN	NO. PASSED	% PASS	% CERT. PASS	% RETENTION
Level 2	8 290	5 338	4 748	89%	38%	64%
Level 3	4 492	3 022	3 322	62%	41%	67%
Level 4	3 445	1 900	2 548	48%	43%	55%
Total	**16 227**	**10 260**	**10 618**	**97%**	**40%**	**63%**

The Table below provides an analysis of the Report 191 Business and General Studies N4 - N6 2022 Examination results in terms of subject pass, retention rates, as well as the certification rates per level:

2022: SEMESTER 1							2022: SEMESTER 2					
LEVEL	NO. ENROL	NO. WRITTEN	NO. PASSED	% PASS	% CERT. PASS	% RETENTION	NO. ENROL	NO. WRITTEN	NO. PASSED	% PASS	% CERT. PASS	% RETENTION
N4	5 829	4 505	3 926	87%	38%	77%	5 443	4 418	3 859	87%	43%	81%
N5	3 488	3 091	2 645	86%	61%	89%	3 910	3 521	2 986	85%	49%	90%
N6	3 120	2 799	2 265	81%	65%	90%	3 135	2 872	2 332	81%	65%	92%
Total	**12 437**	**10 395**	**8 836**	**85%**	**53%**	**84%**	**12 488**	**10 811**	**91 77**	**85%**	**51%**	**87%**

The Table below provides an analysis of the Report 191 Business and General Studies N4 - N6 2022 Examination results in terms of subject pass, retention rates, as well as the certification rates per level:

2022: TRIMESTER 1							2022: TRIMESTER 2					
LEVEL	NO. ENROL	NO. WRITTEN	NO. PASSED	% PASS	% CERT. PASS	% RETENTION	NO. ENROL	NO. WRITTEN	NO. PASSED	% PASS	% CERT. PASS	% RETENTION
N1	3 150	2 723	2 134	78%	42%	86%	2 577	2 045	1 624	79%	35%	79%
N2	1 607	1 535	897	58%	53%	96%	2 546	2 463	1 439	58%	33%	97%
N3	1 469	1 422	799	56%	60%	97%	1 450	1 377	774	56%	59%	95%
N4	725	687	471	69%	51%	95%	659	626	415	66%	57%	95%
N5	577	549	340	62%	52%	95%	695	664	327	49%	50%	96%
N6	556	517	273	53%	46%	93%	473	447	274	61%	48%	95%
Total	**8 084**	**7 433**	**4 914**	**66%**	**48%**	**92%**	**8 400**	**7 622**	**4 853**	**64%**	**43%**	**91%**

2022 Overall College performance across programmes

PROGRAMME & LEVEL	NO. ENROLLED	NO. WRITTEN	NO. PASSED	% PASS	% CERT. PASS	% RETENTION
NC(V) L2 – L4	16 227	10 260	10 618	97%	40%	63%
Report 191 Business & Gen. studies N4 – N6	12 120	10 423	7 920	74%	52%	87%
Report 191 Engineering studies N1 – N6	16 484	15 055	9 767	64%	49%	91%
Totals	**44 831**	**35 738**	**28 305**	**79%**	**41%**	**80%**

The table below indicates the College's performance in terms of rankings during the 2021 final examinations and in the 2022 end of the year examinations:

PROGRAMME & LEVEL	NATIONAL (50 TVETC)		REGIONAL (12 TVETC)		PROVINCIAL (8 TVETC)	
	2021	2022	2021	2022	2021	2022
NC(V)	22	16	8	4	5	3
Report 191 Bus & Gen. Studies	22	11	7	8	4	4
Report 191 Engineering Studies	18	9	2	4	1	2
Totals	**44 831**	**35 738**	**28 305**	**79%**	**41%**	**80%**

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 2021/22 PLANNED TARGET	COLLEGE 2021/22 ACHIEVEMENT	EXPLANATORY REMARKS
Appropriate teaching and learning support plan developed and implemented	1	1	The Teaching and Learning plan could not be effectively implemented due to Covid-19. The Academic Calendar and Assessment Plans had to be adjusted according to lockdowns levels.
Appropriate student support plan developed and implemented	1	1`	Covid-19 negatively impacted on the implementation of the SSS plan particularly on student placement and extra-curricular activities.
TVET students enrolled in foundation or bridging programmes (n)	120	109	PLP target numbers are not achieved NCV. Report 191 students are reluctant to register for PLP.
Students completing artisan- related programmes (n)	0	0	The College did not project numbers for artisan programmes in 2022.
Retention rate (%) students placed in PLP	85%	91%	The College managed to retain 91% of student's in PLP. Thus, exceeded the target.
Progression rate (%) of PLP students	60%	61%	The target was slightly exceeded with 1%. Intervention strategies are required to improve the rate of progression.

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

PERFORMANCE INDICATORS	COLLEGE 2021/22 PLANNED TARGET	COLLEGE 2021/22 ACHIEVEMENT	EXPLANATORY REMARKS
Number of students completing College programmes NCV L4	920	545	The College did not reach the target of 920 with a shortfall of 375 students. Thus, achieving 59,2% since most of the NCV students didn't pass all seven subjects
Number of students completing College programmes N6 Semester	2600	2237	86% of the target was achieved. Many students performed poorly in subjects like Information Processing, and this has affected the target.
Number of students completing College programmes N6 Trimester	1100	379	The reason for the shortfall is due to cancellation of Trimester three in 2022 because of the impact of Covid 19 in the last two years. If the target is divided by 3, it gives a total of 733 for the two Trimesters, thus the estimated completion is at 51,7% due to students not passing all subjects

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 2021/22 PLANNED TARGET	COLLEGE 2021/22 ACHIEVEMENT	EXPLANATORY REMARKS
TVET students placed in workplaces / industry for specified periods for work exposure, experiential learning, and certification purposes (n)	WBE = 250 WIL = 200	WBE = 365 WIL = 743	The College has exceeded its targets in placing students in WBE and WIL
Number of partnerships for exchange and placement of students and lecturers	2	3	Three MoUs were signed for placement of both students and lecturers. Thus, the target was exceeded by 1 extra partnership.
% of lecturers placed in industry.	2%	5%	The target was exceeded for lecturer placement in industry.
Number of students engaged in entrepreneurship programmes and projects	250	460	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 2021/22 PLANNED TARGET	COLLEGE 2021/22 ACHIEVEMENT	EXPLANATORY REMARKS
Compliance to governance standards (%)	100%	98%	The Council is fully constituted. Council and committees' meetings are held as per their respective governance charter. The College has improved on the audit findings and received an improved qualified opinion by reducing several audit findings from the 2021 audits. The remaining finding relates to debtors due to prior year issues.
Compliance with national policy of College examination centres conducting exams and assessments (%)	100%	99%	The College achieved 99% due to the unavailability of the OHS certificate. The College is in a process of outsourcing Service Provider to assist with the OHS Certificate.

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 2021/22 PLANNED TARGET	COLLEGE 2021/22 ACHIEVEMENT	EXPLANATORY 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	2021/22 PLANNED NATIONAL TARGET	TVET COLLEGE 2021/22 PLANNED TARGET	TVET COLLEGE 2021/22 ACHIEVEMENT	EXPLANATORY REMARKS
Certification rate NC(V)	50%	40%	40%	The College met internal certification rate. Students are not passing all 7 subjects in different levels. Turnaround strategy is in place to address this low achievement
Certification rate N6 (%) Eng. studies	50%	40%	49%	The College projected lower than national because of the previous low achievement. However, through intervention the College overachieved
Certification rate N6 (%) Bus. & Gen. studies	50%	40%	52%	The College achieved below College and national target. Turnaround strategy is in place to address this low achievement.
Throughput rate (%) of NCV L4 cohort	5%	5%	11%	The College exceeded its target for the NCV Leve 4 cohort

a. 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 for both students and lecturers.

b. Student registration and enrolment planning

The College concluded student application, selection, and admission for the 2022 academic year on the 31st of October 2021.followed by shifting, selections and admission of applicants.

The College administered online application and registration processes. No challenges were experienced with the process of application in 2021/22.

Admitted applicants as well as those that were on the waiting lists were informed of the College decision. Admitted applicants were afforded an opportunity to register online from the in January 2022.

c. Management of Examinations and Assessment

The Curriculum Unit submitted the State of Readiness Checklists and Timetables to DHET for NC (V) and Report 191 on 06 and 18 October 2022 respectively.

The DHET and UMALUSI sampled five (5) subjects each across the College and the Curriculum Unit supported campuses on dates indicated as per the below table.

The Lecturers' Portfolio of Assessment, Students' Portfolio of Evidence, (6 per sampled subjects) and ISAT for UMALUSI were submitted on 26 October 2022 at TSC, Centurion Campus and DHET on 03 November 2022 at Tshwane South TVET College, Pretoria West Campus. The College is yet to receive the reports.

Campus Examination Compliance in percentage

CAMPUS	COLLEGE MONITORING DATES	COMPLIANCE OF RATE	DHET MONITORING DATES	COMPLIANCE RATE	REGIONAL MONITORING DATES	COMPLIANCE RATE
Mamelodi	22 Nov 2022	98%				
Pretoria	08 Nov 2022	98%	03 Nov 2022	99%	04 Nov 2022	97%
Rosslyn	15 Nov 2022	97%				
Soshanguve North	23 Nov 2022	98%	23 Nov 2022	96%	14 Nov 2022	99%
Soshanguve South	10 Nov 2022	98%			10 Nov 2022	96%
Temba	09 Nov 2022	97%				

College Examination Compliance Tab

PART D:

FINANCIAL INFORMATION

10. FINANCIAL REPORTING

Audited Annual Financial Statements

Report of the Auditor-General to the Minister of Higher Education, Science and Technology and the Council on Tshwane North Technical Vocational Education and Training College

Report of the Auditor-General to Council of Tshwane North TVET College

Qualified opinion

Report on the audit of the financial statements

1. I have audited the financial statements of the Tshwane North TVET College set out on pages 63 to 112 which comprise the statement of financial position as at 31 December 2022, statement of financial performance, statement of changes in net assets and cash flow statements 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 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Continuing Education and Training Act no.16 of 2006 as amended (CET Act).

Basis for qualified

Trade and other receivables from exchange transactions – Student debtors

3. The College did not correctly account for trade and other receivables from exchange transaction in compliance with GRAP 104, *Financial Instruments*, due to the age analysis not being correctly updated with transactions as they occurred. Consequently, trade and other receivables from exchange transactions as disclosed in note 4 to financial statements was overstated by R 151 688 750.88 (2021: R82 423 853)
4. In addition, the College did not correctly restate the trade and other receivables balance for the prior year in accordance with GRAP 3, *Accounting policies, changes in accounting estimates and errors*. The restated balance of trade and other receivables from exchange transactions was overstated by R82 423 853.

Trade and other payables from exchange transactions – Receivables with credit balances

5. The College did not correctly account for trade and other payables from exchange transaction in compliance with GRAP 104, *Financial Instruments*, due to age analysis not being correctly updated with transactions as they occurred. Consequently, the trade and other payables from exchange transactions as disclosed in note 10 to financial statements was overstated by R 11 008 551.36 (2021: R82 423 853).
6. In addition, the College did not correctly restate the trade and other payables balance for the prior year in accordance with GRAP 3, *Accounting policies, changes in accounting estimates and errors*. The restated balance of trade and other payables from exchange transactions was overstated by R82 423 853.

Context for opinion

7. 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.
8. 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.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

10. I draw attention to the matter below. My opinion is not modified in respect of this matter:
11. As disclosed in note 29 to the financial statements, the corresponding figures for 31 December 2021 were restated as a result of an error in the financial statements of the College at, and for the year ended 31 December 2022.

Responsibilities of the Council for the financial statements

12. 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. 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

14. 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.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on compliance with legislation

16. 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.
17. 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.
18. 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.
19. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual Financial Statement and Annual Report

20. The financial statements submitted for auditing were not prepared in accordance with generally recognised accounting practice, as required by section 25(1) (b) and 25(3) of the CET Act.
21. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, which resulted in the financial statements receiving a qualified opinion.
22. The financial statements were not submitted for audit within the prescribed period after the end of the financial year, as required by section 25(3) of CET Act.

Other information in the Annual Report

23. The Council is responsible for the other information included in the Annual Report. The other information referred to does not include the financial statements and the auditor's report.
24. 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.
25. 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.
26. 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, if it is corrected, this will not be necessary.

Internal control deficiencies

27. 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.
28. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on compliance with legislation included in this report.
29. Management did not implement adequate measures to ensure that regular, accurate and complete maintenance of reports. This deficiency led to the identification of misstatements in the financial statement items, indicating a weakness in the control process related to data accuracy and completeness.
30. The College had developed an audit action plan to address internal control deficiencies, however, the plan was not adequate monitored to ensure that corrective measures were effectively implemented. As a result, there were recurring findings with similar root causes as those previously reported.
31. Management did not retrieve all the requested supporting information within the stipulated timeframes on the prior period error resulting in inefficiencies being experienced during the audit.

Auditor-General

Pretoria

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

31 July 2023

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Council's Responsibilities and Approval

The Council is required by the CET Act No.16 of 2006, as amended, to maintain adequate accounting records and are 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.

The 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 2023 and, in the light of this review and the current financial position, it is satisfied that the College has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on page 4-53, which have been prepared on the going concern basis, were approved by the Council members on 31 July 2023 and were signed on its behalf by:

Professor T Phendla - Chairperson of Council

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

FIGURES IN RAND	NOTE(S)	2022	2021 RESTATED*
Assets			
Current Assets			
Inventories	3	5,701,032	7,327,857
Trade and other receivables from exchange transactions	4	238,001,634	213,899,984
Receivables from non-exchange transactions	5	43,505,591	49,767,759
Interest Receivable	6	1,354,485	400,159
Cash and cash equivalents	7	261,141,331	276,321,399
		549,704,073	**547,717,158**
Non-Current Assets			
Property, plant and equipment	8	214,724,890	201,894,014
Total Assets		**764,428,963**	**749,611,172**
Liabilities			
Conditional grants	9	6,872,000	6,872,000
Trade and other payables from exchange transactions	10	161,603,283	184,043,790
Project liabilities	11	8,039,235	4,059,080
Financial aid received in advance	13	31,951,866	46,626,875
		208,466,384	**241,601,745**
Total Liabilities		**208,466,384**	**241,601,745**
Net Assets		**555,962,579**	**508,009,427**
Accumulated surplus		555,962,579	508,009,427
Total Net Assets		**555,962,579**	**508,009,427**

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

FIGURES IN RAND	NOTE(S)	2022	2021 RESTATED*
Revenue			
Revenue from exchange transactions			
Tuition and related fees	14	67,848,168	66,047,081
Rental of facilities and equipment	15	110,276	110,276
Sundry income	16	6,592,532	2,492,109
Interest received	17	9,558,344	3,065,924
Total revenue from exchange transactions		**84,109,320**	**71,708,651**
Revenue from non-exchange transactions			
Services in kind			
Services in kind	18	35,551,962	33,257,214
Transfer revenue			
Government grants & subsidies	19	375,188,667	342,671,092
Public contributions and donations	20	13,570,692	
Total revenue from non-exchange transactions		**424,311,321**	**375,928,306**
Total revenue		**508,420,641**	**447,636,957**
Expenditure			
Employee related costs and DHET management fee	21	(248,470,350)	(240,268,797)
Repairs and maintenance	22	(31,068,266)	(6,062,485)
Depreciation	8	(17,131,645)	(24,403,384)
Impairment loss-Property, plant and equipment	8	(133,111)	(525,766)
Projects-Stipends	23	(721,752)	(1,155,276)
Debt Impairment		(303,928)	(3,093,603)
Notional expense	18	(35,551,962)	(33,257,214)
Books and learning material	24	(12,938,436)	(9,103,264)
Loss on disposal of property, plant and equipment		(657,406)	-
Inventories losses/write-downs		(998,657)	(931,058)
Sundry expenses	25	(112,491,977)	(90,178,139)
Total expenditure		**(460,467,490)**	**(408,978,986)**
Surplus for the year		**47,953,151**	**38,657,971**

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

FIGURES IN RAND	ACCUMULATED SURPLUS	TOTAL NET ASSETS
Opening balance as previously reported	447,608,868	447,608,868
Adjustments Prior period errors	21,742,588	21,742,588
Balance at 01 January 2021 as restated*	**469,351,456**	**469,351,456**
Changes in net assets Surplus for the year	38,657,971	38,657,971
Total changes	**38,657,971**	**38,657,971**
Opening balance as previously reported	506,806,133	506,806,133
Adjustments Prior period errors	1,203,295	1,203,295
Restated Balance at 01 January 2022 as restated*	**508,009,428**	**508,009,428**
Changes in net assets Surplus for the year	47,953,151	47,953,151
Total changes	**47,953,151**	**47,953,151**
Balance at 31 December 2022	**555,962,579**	**555,962,579**

*See Note 29

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

FIGURES IN RAND	NOTE(S)	2022	2021 RESTATED*
Cash flows from operating activities			
Receipts			
Tuition and related fees		42,820,998	98,217,252
Government Grants and subsidies		163,889,430	129,332,970
Rental of facilities and equipment		106,276	103,537
Interest received		8,203,859	2,900,323
Sundry income		6,996,691	1,263,633
Donations		1,589,273	
		223,606,527	**231,817,715**
Payments			
Employee costs		(30,908,945)	(27,723,888)
Suppliers		(162,449,602)	(82,040,594)
Projects-Stipends		-	(1,155,275)
		(193,358,547)	**(110,919,757)**
Net cash flows from operating activities	**27**	**30,247,980**	**120,897,958**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(30,753,038)	(25,783,434)
Interest income		-	(165,600)
Net cash flows from investing activities		**(30,753,038)**	**(25,949,034)**
Cash flows from financing activities			
Financial aid received in advance		(14,675,010)	(45,018,022)
Net (increase)/decrease in cash and cash equivalents		**(15,180,068)**	**49,930,902**
Cash and cash equivalents at the beginning of the year		276,321,399	226,390,497
Cash and cash equivalents at the end of the year	**7**	**261,141,331**	**276,321,399**

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.

1.4 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, Soshanguve North and Soshanguve 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).

1.5 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:
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.

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Land	Not depreciated	Indefinite
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

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.

1.6 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
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

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 any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets are impaired where there is objective evidence that, because 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 except for trade receivable where the carrying amount is reduced using 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.

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 statement 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 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.

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).

IMPAIRMENT OF NON-CASH-GENERATING ASSETS

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 based on 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 a 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:

- Employees and management staff appointed on Persal
- 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.

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.

RECOGNITION

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

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

MEASUREMENT

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

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

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 guaranteed 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 has 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 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.

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 REPAYMENTS

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

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 January 2023 or later periods:

GUIDELINE: GUIDELINE ON ACCOUNTING FOR LANDFILL SITES

The objective of this guideline: The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset, and the related rehabilitation provision.

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring, other considerations, and Annexures with Terminology & References to pronouncements used in the Guideline.

The effective date of the guideline is for years beginning on or after 01 April 2099.

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

GRAP25 (AS REVISED 2021): 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 based on 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, sissued 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 latest version of the current GRAP 25.

The effective date of these revisions has 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 ON THE APPLICATION OF MATERIALITY TO FINANCIAL STATEMENTS

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.

Entities are encouraged to use the guideline.

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

GRAP 104 (AMENDED): 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 amendment is not yet set by the Minister of Finance.

The entity expects to adopt the amendment for the first time when the Minister sets the effective date for the amendment. 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 2022/2023 01 April 2023.

It is unlikely that the interpretation 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 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 2024/2025 annual financial statements. It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

3. INVENTORIES

Textbooks	19,711,780	20,875,352
	19,711,780	20,875,352
Allowance for obsolete inventory	(14,010,748)	(13,547,495)
	5,701,032	**7,327,857**

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	235,107,250	215,512,393
Staff debtors	320,825	218,011
Sundry debtors	324,853	35,745
DHET Marking fee debtors	5,646,229	1,227,436
	241,399,157	**216,993,585**

Less: Allowance for doubtful debts

Student debtors	(3,397,531)	(3,093,603)
	(3,397,531)	**(3,093,603)**

Receivables less allowance for doubtful debts

Student debtors	231,709,727	212,418,790
Staff debtors	320,825	218,011
Sundry debtors	324,853	35,745
DHET debtors	5,646,229	1,227,436
	238,001,634	**213,899,982**

Student Debtors Ageing

31 to 60 days	11,499	-
61 to 90 days	548,460	-
91 to 120 days	205,507	-
Over 120 days	234,341,784	215,512,393
	235,107,250	**215,512,393**

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

Opening balance	3,153,558	-
Allowance for doubtful debts	303,928	3,093,603
Closing balance	**3,457,486**	**3,093,603**

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. On 31 December 2022, R231 698 220 (2021: 212 418 790) were past due but not impaired.

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

4 months past due	231,698,220	212,418,790

RECEIVABLES FROM EXCHANGE TRANSACTIONS IMPAIRED
The amount of the allowance was (3,397,531) as of 31 December 2022 (2021: 3,093,603).
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:

- Students who owe the College R50 000 and above;
- Students who were not registered for the academic year in which the impairment is being computed;
- Students who are not funded by NSFAS for the academic year in which the impairment is being computed.

The ageing of these amounts is as follows:

4 months past due	231,698,220	212,418,790

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	2,156,262	653,379
Statutory receivables	32,430,093	40,195,144
	43,505,591	**49,767,759**

Statutory receivables included in receivables from non-exchange transactions above are as follows:

DHET – Direct transfers receivable	32,430,275	29,711,224
DHET – Unspent compensation of employees' grant	-	10,483,920
	32,430,275	40,195,144
Total receivables from non-exchange transactions	**43,505,591**	**49,767,759**

Figures in Rand	2022	2021

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 four tranches of which the final one is receivable in January of the following year. Both statutory receivables were received in the first quarter of 2023.

None of the statutory receivables was past due at reporting date and both were collected in the first quarter of 2023.

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.

Interest receivable	1,354,485	400,159

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	4,741	3,658
Bank balances	261,136,590	276,317,741
	261,141,331	**276,321,399**

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:

Credit Rating

BB-	261,136,590	276,317,741

The entity had the following bank acccounts

ACCOUNT NUMBER / DESCRIPTION	BANK STATEMENT BALANCES			CASH BOOK BALANCES		
	31 DECEMBER 2022	31 DECEMBER 2021	31 DECEMBER 2020	31 DECEMBER 2022	31 DECEMBER 2021	31 DECEMBER 2020
Absa bank - Pretoria campus - 1418410074	190,020	1,315,463	3,649,762	190,020	1,315,463	3,649,762
Absa Bank - Soshanguve South campus - 4049207164	-	-	957,985	-	-	957,985
Absa Bank - Mamelodi campus - 4061083079	-	-	1,244,325	-	-	1,244,325
Absa bank - Rosslyn campus - 4064980056	-	-	2,864,977	-	-	2,864,977
Absa - Temba campus - 4067186952	-	-	1,983,438	-	-	1,983,438
Absa bank - Soshanguve North Campus - 4065917121	-	-	1,091,125	-	-	1,091,125
Absa bank - National Skills Fund - 4079880065	2,947,407	158,129	159,089	2,947,407	158,129	159,089
Absa bank- Capital Infrastructure - 405297985	38,431,457	51,647,704	64,094,648	38,431,457	51,647,704	64,094,648
Absa bank - Training centres - 4063212989	916,562	291,053	532,020	916,562	291,053	532,020
Absa bank - Main - 454922418	555,746	50,626,724	28,415,607	555,746	50,626,724	28,415,607
Absa bank -Hostel/NSFAS - 4061385344	17,574,118	32,388,193	32,400,019	17,574,118	32,388,193	32,400,019
Absa Bank - Community College projects - 4974866191	2,265,892	1,315,580	1,316,540	2,265,892	1,315,580	1,316,540
Absa Bank - Call - 4095404467	167,317,196	138,574,895	87,674,572	167,317,196	138,574,895	87,674,572
Absa bank - Main - 454922418	555,746	50,626,724	28,415,607	555,746	50,626,724	28,415,607
CIEG hostel-4103820290	30,938,192	-	-	30,938,192	-	-
Total	**261,136,590**	**276,317,741**	**226,384,107**	**261,136,590**	**276,317,741**	**226,384,107**

8. Property, plant, and equipment

	2022			2021		
COST/VALUATION		ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST/ VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Land	21,086,590	-	21,086,590	21,086,590	-	21,086,590
Buildings	342,854,820	(188,460,453)	154,394,367	332,976,129	(182,138,980)	150,837,149
Furniture and office equipment	18,676,690	(9,011,434)	9,665,256	13,994,076	(7,522,626)	6,471,450
Motor vehicles	8,906,897	(4,496,434)	4,410,463	7,457,013	(4,042,903)	3,414,110
Machinery and equipment	35,094,687	(25,391,977)	9,702,710	32,207,760	(23,513,004)	8,694,756
IT equipment	48,624,837	(33,159,333)	15,465,504	39,947,606	(28,557,647)	11,389,959
Total	**475,244,521**	**(260,519,631)**	**214,724,890**	**447,669,174**	**(245,775,160)**	**201,894,014**

Reconciliation of property, plant and equipment - 2022

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
Total	**201,894,014**	**30,753,037**	**(657,407)**	**(17,131,643)**	**(133,111)**	**214,724,890**

8. Reconciliation of property, plant and equipment - 2021

	OPENING BALANCE	ADDITIONS	DEPRECIATION	IMPAIRMENT LOSS	TOTAL
Land	21,086,590	-	-	-	21,086,590
Buildings	134,567,317	22,677,816	(6,407,984)	-	150,837,149
Furniture and office equipment	6,569,983	709,369	(807,889)	(13)	6,471,450
Motor vehicles	3,800,193	-	(386,083)	-	3,414,110
Machinery and equipment	11,745,050	2,095,798	(4,636,251)	(509,841)	8,694,756
IT equipment	23,270,645	300,403	(12,165,177)	(15,912)	11,389,959
Total	**201,039,778**	**25,783,386**	**(24,403,384)**	**(525,766)**	**201,894,014**

Change in estimates

In terms of GRAP 17, the useful lives of all assets were reviewed by management at year-end. The remaining useful life expectation of some of the asset items differed from previous estimates. This resulted in a revision of some of the previous estimates which were accounted for as a change in accounting estimate. The effect of this revision is a decrease in depreciation charges for the current period of 2022. The effect of the change is the same for future periods.

DESCRIPTION	IMPACT ON DEPRECIATION USING OLD USEFUL LIVES	IMPACT DEPRECIATION USING REVISED USEFUL LIVES	CHANGE
Computer Equipment	-	21,086,590	21,086,590
Furniture and Office equipment	-	150,837,149	154,394,367
Machinery & Equipment	(13)	6,471,450	9,665,256
Motor Vehicles	-	3,414,110	4,410,463
Buildings	(509,841)	8,694,756	9,702,710
Total	**(23,607,223)**	**(15,334,582)**	**(8,272,641)**

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
Closing balance	**17,076,131**	**17,076,131**

Reconciliation of Work-in-Progress 2021

	INCLUDED WITHIN BUILDINGS	TOTAL
Additions/capital expenditure	7,197,440	7,197,440

Expenditure incurred to repair and maintain property, plant and equipment

EXPENDITURE INCURRED TO REPAIR AND MAINTAIN PROPERTY, PLANT AND EQUIPMENT INCLUDED IN STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
Land and buildings	29,925,063	5,446,895
Furniture and office equipment	99,240	145,308
Motor vehicles	180,874	239,124
Machinery and equipment	854,720	216,353
Computer equipment	8,369	14,805
Closing balance	**31,068,266**	**6,062,485**

9. Conditional grants

Current

Missing middle grant not allocated	6,872,000	6,872,000

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.

10. Trade and other payables from exchange transactions

Trade payables	2,170,385	2,045,936
Sundry payables	440,380	442,850
Receivables from exchange with credit balances	154,221,601	155,377,645
Payroll creditors	677,956	940,711
Leave pay accrual	431,898	115,985
Accrued expenses	3,661,063	25,120,663
Closing balance	**161,603,283**	**184,043,790**

Reconciliation of financial liabilities at amortised cost

Total trade and other payables from exchange transactions	677,956	940,711
Less: payroll creditors	431,898	115,985
Less: leave pay accrual	3,661,063	25,120,663
	160,493,727	**180,667,717**

11. Project liabilities

Project liabilities comprises of:

UNSPENT FUNDS FROM PROJECT FUNDERS		
SETAs and other funders	8,039,235	4,059,080

Project liabilities relates 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.

12. Provisions

Reconciliation of provisions - 2021

	OPENING BALANCE	REVERSED DURING THE YEAR	TOTAL
Employee benefit provisions (legal matters)	58,602	(58,602)	

Provisions were recognised in the prior year as a result of matters that were under arbitration at the time and have since been settled.

13. Financial aid received in advance

NSFAS Control Account	31,659,098	46,626,875
Student Bursaries	292,768	-
Total	**31,951,866**	**46,626,875**

14. Tuition and related fees

Refund administration fee	3,300	9,800
Class fees: Report 191	31,597,435	30,688,893
Class fees: Skills	34,345	374,226
Pre-Vocational programme	2,796,460	2,746,260
Fees: examination and registration	415,562	711,160
Class fees: National Certificate Vocational (NCV)	33,001,066	31,516,742
	67,848,168	**66,047,081**

15. Rental of facilities and equipment

Facilities and equipment

Rental of facilities	110,276	103,537

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	6,173,235	2,317,306
Project income	419,297	174,803
Total	**6,592,532**	**2,492,109**

17. Interest received

Bank	9,558,344	3,065,924

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 2022	ESTIMATED ANNUAL RENTAL 2021
Central office	5,015,581	4,691,844
Temba Campus	5,433,513	5,082,800
Soshanguve South Campus	9,417,414	8,809,555
Soshanguve North Campus	7,504,981	7,020,561
Mamelodi Campus	8,180,473	7,652,454
	35,551,962	**33,257,214**

19. Government grants and subsidies

SITE/LOCATION	ESTIMATED ANNUAL RENTAL 2022	ESTIMATED ANNUAL RENTAL 2021
Operating grants		
Programme funding: Grants paid in cash	117,485,000	129,329,920
Programme funding: Grants paid via Persal	217,561,405	212,338,122
Skills development grant-DHET	2,388,149	1,003,050
	337,434,554	**342,671,092**
Capital grants		
Government grant (CIEG)	37,754,113	-
	375,188,667	**342,671,092**

20. Public contributions and donations

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

SITE/LOCATION	ESTIMATED ANNUAL RENTAL 2022	ESTIMATED ANNUAL RENTAL 2021
Employee Related Costs- Salaries and wages	27,642,285	25,391,561
Travel allowances	20,104	63,936
Medical aid - company contributions	19,500	-
Workers compensation assistance	1,506,984	1,662,491
Staff development: Bursaries	1,401,231	630,180
Leave pay accruals	315,913	(204,062)
Long-service awards	928	-
Merit awards	2,000	-
OID - Support Staff	-	386,569
	30,908,945	**27,930,675**
Remuneration of the Principal - TE Tsibogo		
Annual Remuneration	836,478	797,340
Performance Bonuses	66,445	66,445
Contributions to UIF, Medical and Pension Funds	108,742	103,656
Sundry	201,808	171,733
	1,213,473	**1,139,174**
Remuneration of Deputy Principal -Academic: S Sebetlene		
Annual Remuneration	645,635	622,067
Performance Bonuses	53,791	52,224
Contributions to UIF, Medical and Pension Funds	75,517	80,869
Sundry	159,419	149,260
	934,362	***904,420***
Remuneration of Deputy Principal Corporate: M Motloba		
Annual Remuneration	-	613,389
Performance Bonuses	-	53,007
Contributions to UIF, Medical and Pension Funds	-	82,074
Sundry	-	180,331
	-	**928,801**

Remuneration of Deputy Principal Finance: Mr M. Mapulanka (with effect from 1 September 2021)

Annual Remuneration	846,379	289,669
Sundry	74,269	15,255
	920,648	**304,924**

Remuneration of Deputy Principal Finance: LE Nhlapo (from 1 January 2021 to 31 August 2021)

Annual Remuneration	-	403,029
Contributions to UIF, Medical and Pension Funds	-	52,394
Sundry	-	161,807
	-	***617,230***

Remuneration of Deputy Principal Corporate: M Lebese (Appointed on the 1 November 2022)

Annual Remuneration	115,077	-
Contributions to UIF, Medical and Pension Funds	14,960	-
Sundry	15,180	-
	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	217,561,405	212,338,122
Total employee cost		
Total employee cost and DHET management fee	248,470,053	240,268,797

22. Repairs and maintenance

Property, plant and equipment	31,068,266	6,062,485

23. Projects-Stipends

College students placements	721,752	1,155,276

It is a requirement that the students at the College acquire 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. 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	12,938,436	9,103,264

Included under books and learning materials are issues out of inventory amounting to R11 658 838 (2021: R11 828 940).

25. Sundry expenses

Accounting fees	461,313	271,865
Advertising	269,390	94,231
Audit fees	4,161,556	3,247,784
Bank charges	316,148	317,201
Business information systems licenses	1,300,664	1,086,952
Catering expenses	2,775,859	597,924
Cleaning materials	714,302	2,582,502
Cleaning services	12,294,773	11,624,727
Conferences and seminars	931,804	1,092,590
Consulting and professional fees	8,402,300	2,331,275
Consumable material	7,682,362	6,129,493
Diesel costs	23,016	5,099
Diploma ceremony	497,123	31,175
Fire equipment	-	137,882
Insurance	5,751,836	5,247,885
Job placement costs	868,273	1,065,273
Medical expenses	2,465,010	1,876,812
Membership fees and subscriptions	151,768	151,840
Sundry expenses	314,116	616,840
Packaging	1,488,586	1,244,086
Parking expenses	66,075	48,000
Pest control	6,908	121,220
Printing and stationery	2,644,830	1,656,841
Programme excursions	94,611	3,865
Promotions and sponsorships	5,202,801	5,060,884
Provision for obsolete stock	463,253	(26,892)
Rates and taxes	5,784,413	5,060,664
Rental of photocopying and printing machines	2,730,115	1,791,526
Security	15,144,314	15,663,343
Services rendered for projects	-	149,175
Sport and cultural expenses	403,930	-
Student transportation	-	1,040
Subscription fees	5,738,566	3,821,521
Telephone and fax	5,762,933	4,780,510
Training and staff development	1,538,755	1,824,741
Travel - local	3,879,290	587,699
Water and electricity	12,160,984	9,880,566
	112,491,977	**90,178,139**

26. RELATED PARTIES

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

Related party balances

TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS	2022	2021
DHET: National Skills fund	8,919,236	8,919,236
DHET: Unspent management fees and other subsidies	43,327,946	40,195,144
NARYSEC	314,400	314,400
CATHSETA	298,119	336,819
INSETA PROJECT	147,196	-
FOOD BEV PROJECT	921,871	-
MICT PROJECT	146,299	-
SERVICES SETA PROJECT	148,810	-
WRSETA	179,568	-
Project liabilities		
WR SETA	-	(770,817)
ETDP SETA	(488,662)	(491,162)
P SETA	(206,835)	(215,963)
FP&M SETA	(167,969)	(403,879)
MERSETA	(229,576)	(525,881)
INSETA	-	(738,929)
DHET: National Skills fund	(2,941,068)	-
CHIETA	(330,000)	-
NSF Disability	(1,960,954)	-
MICT Project	-	(122,007)
UJ PROJECT	(1,253,728)	-
Unspent Conditional grants		
Unspent Conditional grants (DHET)	(6,872,000)	(6,872,000)
Related party transactions		
Grants: DHET		
Programme funding: Grants paid via Persal (Management fee)	217,561,405	212,338,122
Programme funding: Grants paid cash (Operational grants)	117,484,762	129,329,920
Skills development grant: DHET	2,388,149	1,003,050

Remuneration of management

Council members

2022

Name	Honorarium	Total
Professor Thidziambi Phendla- Chairperson **	223,584	223,584
Advocate Vusi Mgwenya- Deputy Chairperson **	130,258	130,258
Mr Isaac Boshomane **	134,100	134,100
Ms CM Matabane *	82,950	82,950
Mr TR Serote *	148,788	148,788
Mr D Hlongwane *	171,887	171,887
Mr SJ Ngubane *	104,361	104,361
Ms P Kadi **	142,568	142,568
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**

2021

Name	Honorarium	Travel Allowance	Total
Professor Thidziambi Phendla- Chairperson **	256,270	5,670	261,940
Advocate Vusi Mgwenya- Deputy Chairperson **	180,976	1,605	182,581
Mr Isaac Boshomane **	137,380	1,337	138,717
Ms CM Matabane *	129,783	7,857	137,640
Mr TR Serote *	248,982	-	248,982
Mr D Hlongwane*	197,778	4,827	202,605
Mr SJ Ngubane*	95,010	-	95,010
Ms P Kadi **	105,838	2,555	108,393
ND Khoza *	140,830	600	141,430
D Setlhake *	30,447	-	30,447
	1,523,294	**24,451**	**1,547,745**

** - 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 of 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.

Executive management

2022

	BASIC SALARY	BONUSES	PENSION FUNDS CONTRIBUTIONS	SUNDRY BENEFITS RECEIVED	TOTAL
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 - Acting Deputy Principal Corporate	626,467	-	81,439	90,928	798,834
Mapulanka M - DP Finance *	846,379	-	-	74,269	920,648
M Lebese - D P Corporate	115,077	-	14,960	15,180	145,217
	3,070,036	**120,236**	**280,658**	**541,604**	**4,012,534**

2021

	BASIC SALARY	BONUSES	PENSION FUNDS CONTRIBUTIONS	SUNDRY BENEFITS RECEIVED	TOTAL
TE Tsibogo - Principal	797,340	66,445	103,656	171,727-	1,139,168
Sebetlene S - DP Academic	622,067	52,224	80,869	148,479	903,639
M Motloba - Deputy Principal Corporate	613,389	53,007	82,079	198,331	946,806
Mapulanka M - DP Finance *	289,669	-	-	15,255	304,924
LE Nhlapo - DP Finance	403,029	-	52,394	161,806	617,229
	2,725,494	**171,676**	**318,998**	**695,598**	**3,911,766**

27. Cash flows from operating activities

TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS	2022	2021
Surplus	47,953,151	38,657,971
Adjustments for:		
Depreciation	17,131,645	24,403,384
Loss on sale of assets	657,406	-
Impairment deficit	133,111	525,766
Allowance for doubtful debts	303,928	3,093,603
Changes in working capital:		
Decrease in Inventories	1,626,825	(8,165,772)
Increase in trade and other receivables from exchange transactions	(25,027,170)	31,481,318
Increase in allowance for doubtful debts	(303,928)	(3,093,603)
Decrease in other receivables from non-exchange transactions	6,262,168	8,285,383
Decrease in provisions	-	(58,607)
Increase in other receivables from exchange	(954,326)	165,600
Decrease in payables from exchange transactions	(21,514,985)	23,663,188
Increase in project liabilities	3,980,155	1,939,727
	30,247,980	**120,897,958**

28. Commitments

Capital expenditure

Already contracted for but not recognised		
• Figures in Rand	14,054,926	29,458,446

Total capital commitments		
Already contracted for but not provided for	14,054,926	29,458,446

Operational expenditure

Already contracted for but not recognised		
• Goods and Services	98,139,222	50,847,857

Total capital commitments		
Already contracted for but not provided for	98,139,222	50,847,857

Financing of commitments

Breakdown for financing of the commitments		
Capital infrastructure efficiency grant	2,013,171	36,182,918
College internal resources	110,180,977	44,123,385
	112,194,148	**80,306,303**

Operating leases - as lessee (expense)

Minimum lease payments due		
• within one year	1,754,234	2,254,843
• in second to fifth year inclusive	727,528	2,004,539
• later than five years	-	748,826
	2,481,762	**5,008,208**

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 2021

	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RE-CLASSIFICATION	RESTATED
Trade and other receivables from exchange transactions	{a}	141,853,054	(65,812,120)	137,859,050	213,899,984
Receivables from non- exchange transactions	{b}	49,114,380	-	653,379	49,767,759
Property, plant and equipment	{c}	208,660,472	(6,766,458)	-	201,894,014
Inventory	{d}	6,718,244	609,613	-	7,327,857
Financial aid received in advance	{e}	(138,642,978)	92,016,103	-	(46,626,875)
Trade and other payables from exchange transactions	{f}	(28,129,179)	(18,055,561)	(137,859,050)	(184,043,790)
Project liabilities	{g}	(2,617,419)	(788,282)	(653,379)	(4,059,080)
Accumulated surplus		(506,806,132)	(1,203,295)	-	(508,009,427)
		(269,849,558)	**-**	**-**	**(269,849,558)**

Statement of financial performance

2021

	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RE-CLASSIFICATION	RESTATED
Tuition and related fees		66,047,081	-	-	66,047,081
Rental of facilities and equipment		103,537	-	-	103,537
Services in kind	{h}	34,283,941	(1,026,727)	-	33,257,214
Interest received- bank balances		3,065,924	-	-	3,065,924
Other income		2,492,109	-	-	2,492,109
Government grants and subsidies		342,671,092	-	-	342,671,092
Employee related costs and DHET management fee	{i}	(240,062,010)	(206,787)	-	(240,268,797)
Debt Impairment	{j	3 62,828	(3,456,431)	-	
Books and learning material	{k}	(9,310,872)	-	207,608	(9,103,264)
Depreciation	{l}	(13,241,757)	(11,161,627)	-	(24,403,384)
Impairment loss-Property, plant and equipment	{m}	(14,109)	(511,657)	-	(525,766)
Repairs and maintenance		(6,062,485)	-	-	(6,062,485)
Sundry expenses	{n}	(85,698,793)	(4,271,738)	(207,608)	(90,178,139)
Notional rental expense	{h}	(34,283,941)	1,026,727	-	(33,257,214)
Project Stipends		(1,155,276)	-	-	(1,155,276)
Inventories losses/write-downs	{d}	-	(931,058)	-	(931,058)
		59,197,269	**(20,539,298)**	**-**	**38,657,971**

Disclosure

	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATED
Commitments: Capital expenditure	{o}	30,295,269	(65,812,120)	29,458,446
Commitments: Operational	{o}	55,902,154	(5,054,297)	50,847,857
		86,197,423	**(5,891,120)**	**80,306,303**

Operating leases - as lessee (expense)

	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATED
• within one year		2,019,057	235,786	2,254,843
• in second to fifth year inclusive		30,295,269	(65,812,120)	29,458,446
• later than five years		55,902,154	(5,054,297)	50,847,857
	{p}	**3,915,133**	**1,093,075**	**5,008,208**

Financing

	NOTE	AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	RESTATED
Financing of commitments: Capital infrastructure efficiency grant	{o}	37,109,741	(926,823)	36,182,918
Financing of commitments: Commitments: Operational	{o}	47,177,682	(3,054,297)	44,123,385
		84,287,423	**(3,981,120)**	**80,306,303**

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 adjustments.

STATEMENT OF FINANCIAL POSITION:

a. **Trade and receivables from exchange transactions**

   Corrections were a result of:

   - Errors 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.
   - Student accounts with credit balances were erroneously reported as trade receivables and these balances were reclassified to trade payables for presentation and disclosure purposes.

b. **Receivables from non-exchange transactions**

   Skills development funds received in 2021 were incorrectly classified under receivables from non-exchange transactions. These were reclassified to project liabilities.

c. **Property, plant, and equipment**

   Prior year depreciation amounts were calculated based on incorrect remaining useful lives. The assessment of useful lives that were done on the related items of property, plant and equipment in the prior years was incorrect. These were recalculated using the correct useful lives and adjustments were done.

d. **Inventory and Inventories losses/write-down**

   Inventory balances reflected on the financial statements were incorrect as they could not be supported by count lists and valuation. An exercise was carried out to count all inventory on hand as of 31 December 2022. Rollbacks were then performed to determine the correct opening balances of inventory taking into account purchases, issues and the weighted average cost.

e. **Financial aid received in advance.**

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

f. **Trade and other payables from exchange transactions**

   Student accounts with credit balances were erroneously reported as trade receivables and these balances were reclassified to trade payables for presentation and disclosure purposes.

g. **Project liabilities**

   The correction of error was done to HWSETA Project, Department of Rural Development and Land Reform (DRDLR), Food Bev project, NHBRC project and the CHIETA project. These projects had been completed and were erroneously disclosed as liabilities in the past and a write-off of the balance was done in 2021 which was incorrect. These credit balances have been reinstated and corrections were done based on the confirmations received and the service level agreements terms.

h. **Services in kind and notional rent**

   Notional rent was determined by professional valuators. There was a difference between the valuation reports and total amount recognised. This was identified and corrected based on the signed valuation reports.

i. **Employee related costs and DHET management fee.**

   The error was due to:

   - COIDA invoice relating to 2021 that was received and paid in 2022. The invoice was incorrectly recorded as expenditure in the 2022 financial year.
   - Lecturing salaries for 2021 that were incorrectly recorded as 2022 expenditure.

j. **Impairment of debtors**

   Student debtors 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.

k. **Books and learning material**

   There are expenses that were reclassified from books and learning materials to sundry and program expenses.

l. **Depreciation and amortisation**

Prior year depreciation amounts were calculated based on incorrect remaining useful lives. The assessment of useful lives that were done on the related items of property, plant and equipment in the prior years was incorrect. These were recalculated using the correct useful lives and adjustments were done.

m. **Impairment of property, plant and equipment**

There are items of property, plant and equipment that were not assessed correctly for impairment in the prior year. The impairment assessment was reformed to reflect the correct position.

n. **Sundry expenses**

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

o. **Commitments**

Incorrect start dates for some contracts were used in determining commitments resulting into incorrect amounts. Incorrect contract amounts were also used to calculate commitments. These were restated to reflect the correct commitment balances. Some payments were not included in the prior year to reflect correct commitments. Operating lease commitments were duplicated on service contracts. Expired contracts were also removed from commitments.

p. **Operating lease commitments**

Incorrect start dates contracts were used in determining commitments resulting into incorrect amounts.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Disclosure for categories of financial instruments were omitted in the prior year financial statements. The disclosure has been made on note 30.

The interest rate sensitivity analysis was omitted in the prior year financial statements. The disclosure has been made on note 31.

INVENTORY RECONCILIATION

Inventory reconciliation was omitted in the prior year financial statements. The reconciliation has been made on note 3.

30. FINANCIAL INSTRUMENTS DISCLOSURE CATEGORIES OF FINANCIAL INSTRUMENTS DISCLOSURE

Financial assets

	AT AMORTISED COST	TOTAL
Receivables from exchange transactions	238,001,634	238,001,634
Cash and cash equivalents	261,141,331	261,141,331
Accrued interest	1,354,485	1,354,485
	500,497,450	**500,497,450**

Financial liabilities

	AT AMORTISED COST	TOTAL
Financial aid received in advance	31,954,026	31,954,026
Trade and other payables from exchange transactions	160,493,727	160,493,727
Project liabilities	8,039,235	8,039,235
	200,486,988	**200,486,988**

2021

Financial assets

	AT AMORTISED COST	TOTAL
Receivables from exchange transactions	213,899,984	213,899,984
Cash and cash equivalents	276,321,399	276,321,399
Accrued interest	400,159	400,159
	490,621,542	**490,621,542**

Financial liabilities

	AT AMORTISED COST	TOTAL
Financial aid received in advance	46,626,875	46,626,875
Trade and other payables from exchange transactions	180,667,717	180,667,717
Project liabilities	4,059,080	4,059,080
	231,353,672	**231,353,672**

Financial instruments in Statement of financial performance

Disclosure

	AT AMORTISED COST	TOTAL
Debt impairment	243,973	243,973

2021

	AT AMORTISED COST	TOTAL
Debt impairment	3,153,558	3,153,558

The categories of financial instruments were omitted in the prior year. This has been corrected in the 2022 financial statements.

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.

Liquidity risk

At 31 December 2022	Less than 1 year	Between 1 and	Between 2 and	Over 5 years
	8,039,235			-
Payables from exchange transactions	160,493,727	-	-	-
At 31 December 2021		**Between 1 and**	**Between 2 and**	**Over 5 years**
Project liabilities	4,059,080	-	-	-
Payables from exchange transactions	180,667,717	-	-	-

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	2022	2021
Trade and other receivables from exchange transactions	238,001,634	213,899,984
Cash and cash equivalents	261,141,331	276,321,399
Accrued interest	1,354,485	400,159

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.

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:

Bank balances	261,136,590	276,317,741

Interest rate risk sensitivity analysis

2022		
Interest rate increase of 25 basis points	-	652,841
Interest rate decrease of 25 basis points	-	(652,841)
	-	-

2021		
Interest rate increase of 25 basis points	-	690,794
Interest rate decrease of 25 basis points	-	(690,794)
	-	-

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 2023 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 six (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

Eviction of unlawful occupiers
The College is in a dispute with unlawful occupiers of the parking area, belonging to the Tshwane North TVET College. The parking area is situated in the city centre of Pretoria, Tshwane. The parking area is not occupied on any permanent or temporary basis. The parking area is being utilised on an intermittent basis by persons who have illegally occupied the building adjacent thereto. This building does not belong to the College. The unlawful users frequent the parking area to use the mobile toilets and water tanks, which have been unlawfully placed in the parking area.

The College intends to lay a charge of trespassing at the South African Police Services to attend to the removal of the gate and the reconstruction of the wall and the removal of the mobile toilets and mobile tanks, as they are entitled to do as owners of the land. The costs implications cannot be determined at this stage.

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).

VISION

To be an innovative centre of excellence in skills development.

MISSION

To equip students with skills, knowledge and attributes relevant to lead the modern economy.

VALUE	BEHAVIOUR
Accountability	All employees are fully accountable for their areas of responsibility.
Integrity	Our employees and students to behave in an honest and ethical way under all circumstances.
Communication	We conduct our self in a transparent and honest way to our Stakeholders. We are open in all our engagements.
Transparency	We operate in a way that creates openness amongst internal and external stakeholders.
Agile Leadership	We are an inclusive and democratic institution that display innovation and openness/ We are an organized institution which is adaptive to change working in collaboration with other stakeholders to inspire and influence people.

TSHWANE NORTH TVET COLLEGE
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& Pretorius Street

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