



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

ORBIT TVET COLLEGE ANNUAL PERFORMANCE REPORT 2018



Department of Higher Education and Training, Pretoria 2018

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VISION

A global institution of excellence, surpassing community needs

MISSION

To provide high quality Education and Training that is affordable, relevant, learner-centred and that contributes to the total development of individuals through:

- Optimal utilisation of resources
- Creative and innovative modes of delivery
- Appropriately skilled staff and
- Community upliftment

KEY VALUES

ORIBT College believes in

Transformation

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

Accountability

Decision-making processes are transparent with proper financial management systems and procedures with the focus on efficiency and effectiveness, including being fair, ethical and trustworthy in all that we do

Respect

We respect the values of human dignity, equality, human rights and freedom, non-racism and non-sexism

Teamwork

Co-operating with one another, the community, business stakeholders and partners in education in an open and supportive way to achieve shared goals

1. INTRODUCTION

This Annual Performance Report for 2018 aims to present and showcase the performance and achievements of ORBIT TVET College during the 2018 academic year. The report serves to provide an honest overview of the extent to which strategic targets have been met in terms of academic, enrolment, management and administrative performance.

2. ABBREVIATIONS AND ACRONYMS

| | |
|-----------------------|--|
| AA & CC | Annual Awards & Certification Ceremony |
| AB | Academic Board |
| AGSA | Auditor General of South Africa |
| ASB | Accounting Standards Board |
| ARC | Audit and Risk Committee |
| ASO | Academic Support Officer |
| BDI | Business Development and Innovation |
| BMS | Business Management System |
| BS | Business Studies |
| CATHSSETA | Culture, Arts, Tourism, Hospitality and Sports Sector Education and TRAINING Authority |
| CET Act No.16 of 2016 | CET Act |
| CETA | Construction Education and Training Authority |
| CoSACSA | College Sports, Arts & Culture Championships |
| DHET | Department of Higher Education and Training |
| ECD | Early Childhood Development |
| ES | Engineering Studies |
| ETDP SETA | Education, Training and Development Practices Sector and Training Authority |
| ETU | Education and Training Unit |
| EW SETA | Energy and Water Sector Education and Training Authority |
| FASSET | Finance and Accounting Services Sector Education and Training Authority |
| FINCOM | Finance Committee |
| FTE | Full Time Equivalent |
| GRAP | Generally Recognised Accounting Practice |
| HEI | Higher Education Institution |

| | |
|--------------|---|
| HoD | Head of Department |
| ICASS | Integrated Continuous Assessment |
| ICDL | International Computer Driver's Licence |
| IPSAS | International Public Sector Accounting Services |
| ISAT | Integrated Summative Assessment Tasks |
| ISFAP | Ikusasa Student Financial Aid Programme |
| ISO9001:2008 | International Quality Standard of the International Organisation for Standardisation |
| LAN | Local Area Network |
| MANCO | Management Committee |
| MerSETA | Manufacturing, Engineering and Related Services Sector Education and Training Authority |
| MICT | Media, Information and Communication Technologies Sector Education and Training Authority |
| MIS | Management Information System |
| MQA | Mining Qualifications Authority |
| NAMB | National Artisan Moderation Body |
| NATED | National Department of Education Report 190/191 Programmes |
| NC | National Certificate |
| NC(V) | National Certificate (Vocational) |
| NEETs | Not in Employment, Education, nor in Training |
| NQF | National Qualifications Framework |
| NSC | National Senior Certificate |
| NSDS | National Skills Development Strategy |
| NSFAS | National Student Financial Aid Scheme |
| NTC | National Technical Certificate |
| NYDA | National Youth Development Agency |
| PAL | Peer Academic Leaders |
| PRC | Planning and Resource Committee |
| PRO | Public Relations Officer |
| QMS | Quality Management System |
| SABS | South African Bureau of Standards |
| SACPO | South African College Principals' Organisation |
| SAICA | South African Institute of Chartered Accountants |
| SARS | South African Revenue Services |
| SETA | Sector Education and Training Authority |

| | |
|------------|---|
| SNE | Students with Special Needs for Education |
| SoP | Schedule of Particulars |
| SRC | Student Representative Council |
| SSO | Student Support Officer |
| THETA | Tourism, Hospitality and Sport Education and Training Authority |
| TVET | Technical and Vocational Education and Training |
| SSS | Student Support Services |
| Umalusi | Quality Assurance Body for the General and Further Education and Training Sectors in South Africa |
| VAT | Value Added Tax |
| W & R SETA | Wholesale and Retail Sector Education and Training Authority |
| WAN | Wide Area Network |
| WBE | Workplace-based Education |
| WIL | Work Integrated Learning |

References in this Annual Report are to the FET Colleges Act No.16 of 2006 as amended by Act No.3 of 2012 and the Continuing Education and Training (CET) Colleges Act (No 16 of 2006)

PART A: GENERAL OVERVIEW

3. MESSAGE FROM THE COUNCIL CHAIRPERSON.

This is the last statement that I am writing as the chairperson and I am humbled by the support received over the years from all. God's grace and guidance saw me through it all and granted the continued strength and wisdom.

I have run the race and it is now time for me to hand over the baton. It was not an easy 5 years with its ups and downs, but I could not have finished the journey without my fellow Council members and our valuable employees. The quote by Henry Ford kept me going *"When everything seems to be against you, remember that the airplane takes off against the wind, not with it!"*


2018 has been a year of adjustment and change in the leadership of ORBIT TVET College. The former Principal Ms M Marais retired and we were joined by the new Principal, Mr DF Mokoena.

"To be a global institution of excellence surpassing community needs" is the vision of the College. It bears a special meaning and is integral to the community. The achievement of our strategic objectives and targets as indicated in our Strategic Target Dashboard was as a result of team effort, determination and desire. Achieving greatness takes years of consistent training, and you can only attain sufficient performance gains by maintaining focus over the long term. Anthony Robbins once said: *"It's not what we do once in a while that shapes our lives. It's what we do consistently."*

I have no doubt that I am leaving this institution in the capable hands of new Council and employees to take it to further heights. Life is a journey, let's find joy in our journeys, wherever they may lead, however winding, however many detours. Elizabeth Laing Thompson said: *"Enjoy the life you **HAVE** while you pray for the life you **WANT**"*. The most important thing is you have to get behind the steering wheel before your journey to success can commence. Embracing our place means that no matter what season we are in, we have to see ourselves as important members of God's divine relay.

I have to thank each and every council member for their contributions as well as our valued employees who are always holding the fort and ensuring the success of the college. End is not the END, in fact E.N.D is *"Effort Never Dies"* and if you get NO in an answer, then remember NO is *"Next Opportunity"*. Always be positive. It has been a pleasure to serve as the Chairperson of Council.

Persevere, Arise and Don't Lose Heart.



 C.S. MABE
 CHAIRPERSON
 COLLEGE COUNCIL



4. THE ACCOUNTING OFFICER'S FOREWORD

2018 has not been an easy year for the College. In one year the College realized the exit of two senior managers. The Principal, Ms Maryna Marais retired at the end of May with SAICA Acting Deputy Principal Finance (ADPF), Ms Lynette de Beer resigning three months later.

For the months of May and June, Deputy Principal Academic Affairs, Mr Tumisang Mosito was appointed as the Acting Principal while awaiting the finalization of the appointment of the Principal by the Department of Higher Education and Training

I assumed my role as the Principal of ORBIT College on 2 July 2018. Primarily my role at the time of taking office was to oversee the implementation of the audit action plan. The Deputy Principal Academic Affairs and Deputy Principal Corporate Services were responsible for the implementation of the annual performance plan (APP) for the third and fourth quarters.

The vacancy of the SAICA ADPF was filled on the 1st of December 2018 with the appointment of MR Moses Sebaetse two weeks before the College closed for December holidays.

The year under review saw the College finalising the implantation of Centers of Specialisation for Diesel and Electrical Trade at Mankwe Campus and Brits Campus respectively.

The programme qualification mix (PQM) offered by the College comprises both vocational and occupational programmes. These qualifications are aligned to industry needs as well as local economic needs. The College prides itself in the relationship it has with industry, SETAs, local communities, municipalities and government departments that enable us to place our students adequately so that they can obtain the necessary workplace experience in preparation for their entrance into the world of work.

The competitive advantage and differentiation that ORBIT College enjoys in the TVET College Sector is definitely the establishment of the Centre for Entrepreneurship. We extend our deep appreciation to the Department of Small Business Development and SEDA Technology programme for funding the Centre. Since its establishment in 2016, most College students and prospective community businessmen have benefitted remarkably from this Centre.

Our students' academic performance was very good, especially in the National Certificate Vocational (NC(V)) programmes. ORBIT College was ranked amongst the top ten best performing TVET Colleges across the country in 2018. However, we acknowledge that there is always room for improvement and have committed ourselves as Management and staff to keep working hard and focus on making the most of the teaching and learning experience of every student of the College.

2018 has marked the first six months of my career as Principal and Accounting Officer of ORBIT College – an institution that stands tall and proud in the TVET College Sector. It has been a privilege to get to know the different stakeholders, practices and modus operandi of the College. With the constant assistance and support of our College Council, Management, staff, SRC and students I managed to obtain a thorough understanding of what makes of ORBIT College the success that it is and for that I wish to express my sincere gratitude and commit myself once again to keep this wonderful ship proudly afloat as we are planning for the future!



A handwritten signature in black ink, appearing to be 'Mokoena DF', written over a horizontal line.

MOKOENA DF
PRINCIPAL/ACCOUNTING OFFICER

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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

1. All information and amounts disclosed throughout annual report are consistent.
2. The annual report has been prepared in accordance with the guidelines issued by the Department of Higher Education and Training.
3. The annual financial statements have been prepared in accordance with the relevant standards, frameworks and guidelines issued by National Treasury.
4. The accounting officer, i.e. the principal, is responsible for the preparation of the annual financial statements and for the judgements made in this document.
5. The accounting officer, i.e. the principal, is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
6. The Auditor-General and/or external auditors express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of ORBIT TVET College for the financial year ended 31 December 2018



MOKOENA DF

PRINCIPAL/ACCOUNTING OFFICER

6. LEGISLATION AND OTHER DIRECTIVES

6.1 LEGISLATIVE FRAMEWORK

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

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

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

6.2 LEGISLATIVE AND OTHER MANDATES

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

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

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

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

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

PART B: GOVERNANCE

7. REPORT OF COUNCIL CHAIRPERSON

The following report on Governance is extracted from the ORBIT TVET College Statute and serves to point out the constitution, duties, governance structure and terms of reference for Council Committees.

Subject to the Continuing Education and Training (CET) Colleges Act, No 16 of 2006 (as amended) and the College Statute the Council governs ORBIT TVET College.

To facilitate good governance and effective management, the boundaries between the two must be discussed and clearly defined. If the boundaries between governance and management are blurred, it may lead to tensions, conflicts of interest and ultimately to organisational non-performance.

While governance is the process of making, and monitoring compliance, of policies to regulate the delivery of services towards the achievement of organisational goals, management is the process of planning, organising, leading and controlling the resources of an organisation to achieve organisational goals as effectively and efficiently as possible.

Furthermore, the King I, II, III and IV Reports on Corporate Governance, which is applicable to all organisations, including TVET Colleges, emphasises the need for the Council of a College to be independent and to avoid conflicts of interest.

The following 2 quotations from the King III report provide credence to this statement:

- (i) *“A director is a steward of the company. The ethics of governance requires that in this stewardship role, each director be faithful to the four basic ethical values of good corporate governance (responsibility, accountability, fairness and transparency).”*

- (ii) *“The non-executive director plays an important role in providing judgment independent of management on issues facing the company. Not being involved in the management of the company defines the director as non-executive. Non-executive directors are independent of management on all issues including strategy, performance, sustainability, resources, transformation, diversity, employment equity, standards of conduct and evaluation of performance.*

The independence of the Council demands that non-executive or independent members:

- (i) do not have direct or indirect interest in the College.
- (ii) do not function in any executive capacity nor have not been employed by the College in any such capacity for the preceding three financial years.
- (iii) are not professional advisers to the College.
- (iv) are free from any business or other relationship that could be seen to interfere materially with the individual's capacity to act in an independent manner.

7.1 CONSTITUTION OF THE COLLEGE COUNCIL AND GOVERNANCE STRUCTURES

7.1.1 COLLEGE COUNCIL 2018 AND ITS DESIGNATED FUNCTIONS

Executive Committee (EXCO)

| SURNAME & INITIALS | DESIGNATED FUNCTION AND MEMBERSHIP |
|--------------------|---|
| Mabe CS | Ministerial Appointee Section 10(4) (b) member Chairperson of College Council |
| Nkagisang MG (Dr) | Donor Appointee Section 10(4) (b) member Deputy Chairperson of College Council Chairperson of Human Resource and Remuneration Sub-committee |
| Marais M (Ms) | Internal Member Section 10 (4) (b) member Principal of College (Retired May 2018) |
| Mokoena DF | Internal Member Section 10 (4) (b) member Principal of College (Appointed June 2018) |
| Madoda MP (Ms) | Ministerial Appointee Section 10 4) (b) member Secretary of College Council |
| Xipu SE (Dr) | Section 10 (6) Additional member appointee Chairperson of Planning and Resource Sub-committee |
| Mathye MG (Ms) | Section 10 (6) Additional member appointee Acting Chairperson of Audit and Risk Sub-committee on a contract basis until the vacancy is filled |
| Dubuzana TC | Ministerial Appointee Section 10(4) (b) member Chairperson of Finance Sub-committee |
| Matjiane MS | Internal invitee Deputy Principal Corporate Services of College |
| Mosito TJ | Internal invitee Deputy Principal Academic Programmes and Student Support Services of College |
| De Beer L | Internal invitee Acting Deputy Principal Finance of College (Resigned September 2018) |
| Sebaetse M | Internal invitee Acting Deputy Principal Finance of College (Appointed November 2018) |

Council Members

| SURNAME & INITIALS | DESIGNATED FUNCTION AND MEMBERSHIP |
|--------------------|---|
| Baloyi RD | Internal member Lecturing staff representative |
| Erasmus JJ | Section 10 (6) Additional member appointee |
| Marakalala R | Internal member |

| SURNAME & INITIALS | DESIGNATED FUNCTION AND MEMBERSHIP |
|--------------------|--|
| | Support staff representative |
| Mokotedi SJ | Ministerial Appointee Section 10(4) (b) member |
| Moloantoa K (Dr) | Section 10 (6) Additional member appointee |
| Saffy A (Ms) | Ministerial Appointee Section 10(4) (b) member |
| Rabothata P | SRC Secretary SRC representative |
| Ndebele D | SRC President SRC representative |

7.1.2 COUNCIL SUB-COMMITTEES

Audit and Risk Sub-committee Members

| SURNAME & INITIALS | DESIGNATED FUNCTION AND MEMBERSHIP |
|--------------------|--|
| Mathye MG (Ms) | Section 10 (6) Additional member appointee Acting Chairperson of Audit and Risk Sub-committee on a contract basis until the vacancy is filled |
| Marais M (Ms) | Internal Member Section 10 (4) (b) member Principal of College (Retired May 2018) |
| Mokoena DF | Internal Member Section 10 (4) (b) member Principal of College (Appointed June 2018) |
| De Beer L | Internal invitee Acting Deputy Principal Finance of College (Resigned September 2018) |
| Sebaetse M | Internal invitee Acting Deputy Principal Finance of College (Appointed November 2018) |
| Carrim I | External Appointee |
| Fourie W (Ms) | External Appointee |
| Klynsmith I | External Appointee (Resigned May 2018) |
| Kgalaki R | Additional Member Appointee |
| Tshabangwe M | Internal Audit and Assurance Manager |

Finance Sub-committee Members

| SURNAME & INITIALS | DESIGNATED FUNCTION AND MEMBERSHIP |
|-------------------------------|--|
| Dubuzana TC | Ministerial Appointee Section 10(4) (b) member Chairperson of Finance Sub-committee |
| Marais M (Ms) | Internal Member Section 10 (4) (b) member Principal of College (Retired May 2018) |
| Mokoena DF | Internal Member Section 10 (4) (b) member Principal of College (Appointed June 2018) |
| De Beer L | Internal invitee Acting Deputy Principal Finance of College (Resigned September 2018) |
| Sebaetse M | Internal invitee Acting Deputy Principal Finance of College (Appointed November 2018) |
| Xipu SE (Dr) | Section 10 (6) Additional member Appointee |
| Moloantoa K (Dr) | Section 10 (6) Additional member Appointee |
| Visser M (Ms) | Internal Invitee – Finance Manager |

Human Resource and Remuneration Sub-committee Members

| SURNAME & INITIALS | DESIGNATED FUNCTION AND MEMBERSHIP |
|-------------------------------|---|
| Nkagisang MG (Dr) | Donor Appointee Section 10(4) (b) member Deputy Chairperson of College Council Chairperson of Human Resource and Remuneration Sub-committee |
| Erasmus JJ | Section 10 (6) Additional member Appointee |
| Mokotedi SJ | Ministerial Appointee Section 10(4) (b) member |
| Matjiane MS | Internal invitee Deputy Principal Corporate Services of College |
| Mafojane G | Internal invitee Human Resource Manager |

Planning and Resource Sub-committee Members

| SURNAME & INITIALS | DESIGNATED FUNCTION AND MEMBERSHIP |
|-------------------------------|--|
| Xipu SE (Dr) | Section 10 (6) Additional member Chairperson of Planning and Resource Sub-committee |
| Moloantoa K (Dr) | Section 10 (6) Additional member Appointee |
| Saffy A (Ms) | Ministerial Appointee Section 10(4) (b) member |
| Marais M (Ms) | Internal Member Section 10 (4) (b) member Principal of College (Retired May 2018) |
| Mokoena DF | Internal Member Section 10 (4) (b) member Principal of College (Appointed June 2018) |
| De Beer L | Internal invitee Acting Deputy Principal Finance of College (Resigned September 2018) |
| Sebaetse M | Internal invitee Acting Deputy Principal Finance of College (Appointed November 2018) |
| Matjiane MS | Internal invitee Deputy Principal Corporate Services of College |
| Mosito TJ | Internal invitee Deputy Principal Academic Programmes and Student Support Services of College |
| Shoko O (Ms) | Internal invitee – Supply Chain Manager |

Council Members serving on the Academic Board

| SURNAME & INITIALS | DESIGNATED FUNCTION AND MEMBERSHIP |
|-------------------------------|--|
| Madoda MP (Ms) | Ministerial Appointee Section 10 4) (b) member Secretary of College Council |
| Moloantoa K (Dr) | Section 10 (6) Additional member Appointee |

7.1.3 APPOINTMENTS MADE IN 2018 IN TERMS OF SECTIONS 10 (4) AND 10(6) OF THE CET ACT

VACANCIES IN 2018

There following vacancies existed on the ORBIT TVET College Council in 2018:

| FIELD FO EXPERTISE | REASON FOR VACANCY |
|--|---|
| Audit And Finance, Risk Management, Information Technology | Mr MKG Ramorwesi had resigned in March 2016 |
| Law | Mr I Klynsmith resigned on 23 May 2018 |
| Section 10.4 (c) Academic Board Representative | Ms M Maja resigned in December 2017 |

APPOINTMENTS IN 2018

The following new appointments on ORBIT TVET College Council were effected in 2018:

| SURNAME & INITIALS OF COUNCIL MEMBER | DESIGNATED FUNCTION AND MEMBERSHIP | DATE OF APPOINTMENT |
|--------------------------------------|---|---------------------|
| Kgalaki R | External Appointee – Audit and Risk Committee (IT Specialist) | 17 October 2018 |

7.1.4 MEETINGS HELD BY COUNCIL IN 2018

| EXCO Meetings | |
|------------------|---|
| Date of Meeting | Purpose of Meeting |
| 16 March 2018 | Preparations for Council Meeting by interrogating all Sub-Committee reports |
| 22 June 2018 | Preparations for Council Meeting by interrogating all Sub-Committee reports |
| 7 September 2018 | Preparations for Council Meeting by interrogating all Sub-Committee reports |
| 16 November 2018 | Preparations for Council Meeting by interrogating all Sub-Committee reports |

| Council Meetings | |
|-------------------------|--|
| Date of Meeting | Purpose of Meeting |
| 23 March 2018 | To consider recommendations from EXCO and Council Sub-Committees |
| 29 June 2018 | To consider recommendations from EXCO and Council Sub-Committees |
| 12 October 2018 | To consider recommendations from EXCO and Council Sub-Committees |
| 23 November 2018 | To consider recommendations from EXCO and Council Sub-Committees |

| Audit and Risk Sub-Committee Meetings | |
|--|--|
| Date of Meeting | Purpose of Meeting |
| 27 February 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |
| 23 March 2018 | Approval of audit strategy and engagement letter for external audit by Auditor General |
| 22 May 2018 | Approval of Annual Financial Statements for 2017 for Auditor General |
| 31 May 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |
| 28 August 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |
| 6 November 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |

| Finance Sub-Committee Meetings | |
|---------------------------------------|--|
| Date of Meeting | Purpose of Meeting |
| 2 March 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |
| 4 June 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |
| 24 August 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |
| 2 November 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |

| Human Resource and Remuneration Sub-Committee Meetings | |
|---|--|
| Date of Meeting | Purpose of Meeting |
| No meetings took place in 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |
| | Preparations for EXCO and Council Meeting by interrogating unit report |
| | Preparations for EXCO and Council Meeting by interrogating unit report |
| | Preparations for EXCO and Council Meeting by interrogating unit report |

| Planning and Resource Sub-Committee Meetings | |
|---|--|
| Date of Meeting | Purpose of Meeting |
| 26 February 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |
| 11 May 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |
| 20 August 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |
| 12 November 2018 | Preparations for EXCO and Council Meeting by interrogating unit report |

7.1.5 PERFORMANCE OF COUNCIL TERMS OF ITS STATUTORY FUNCTIONS, EXPLAINED IN SECTION 10(1) – (3) OF THE CET ACT

7.1.5.1 Duties of the College Council

Without derogating from the generality of subsection (1), the Council -

- a. makes rules for the College;
- b. establishes the Council Committees and determines the composition and functions of each committee;
- c. establishes, in consultation with the Academic Board, joint Committees of the Council and the Academic Board to perform functions which are common to the Council and the Academic Board;
- d. subject to applicable policy and the approval of the Director-General, determines the student admission policy of the College, after consultation with the Academic Board;
- e. determines and provides student support services after consultation with the SRC;
- f. subject to the approval of the Director-General, determines the language policy of the College, after consultation with the Academic Board;
- g. determines tuition fees, accommodation fees and any other fees payable by students as well as accommodation fees payable by employees;
- h. approves the annual budget of the College; and
- i. may conclude a loan or overdraft agreement, with the approval of the Minister.

Without derogating from the generality of subsection (1), the Council –

- a. determines conditions of service, code of conduct and privileges and functions of its employees and may, in the manner set out in the code of conduct, suspend or dismiss employees of the College; and
- b. may order an employee of the College who has been suspended to refrain from being on any premises under the control of the College and to refrain from participating in any of the activities of the College, or issue such other conditions as it may consider necessary.

7.1.5.2 Composition of Council

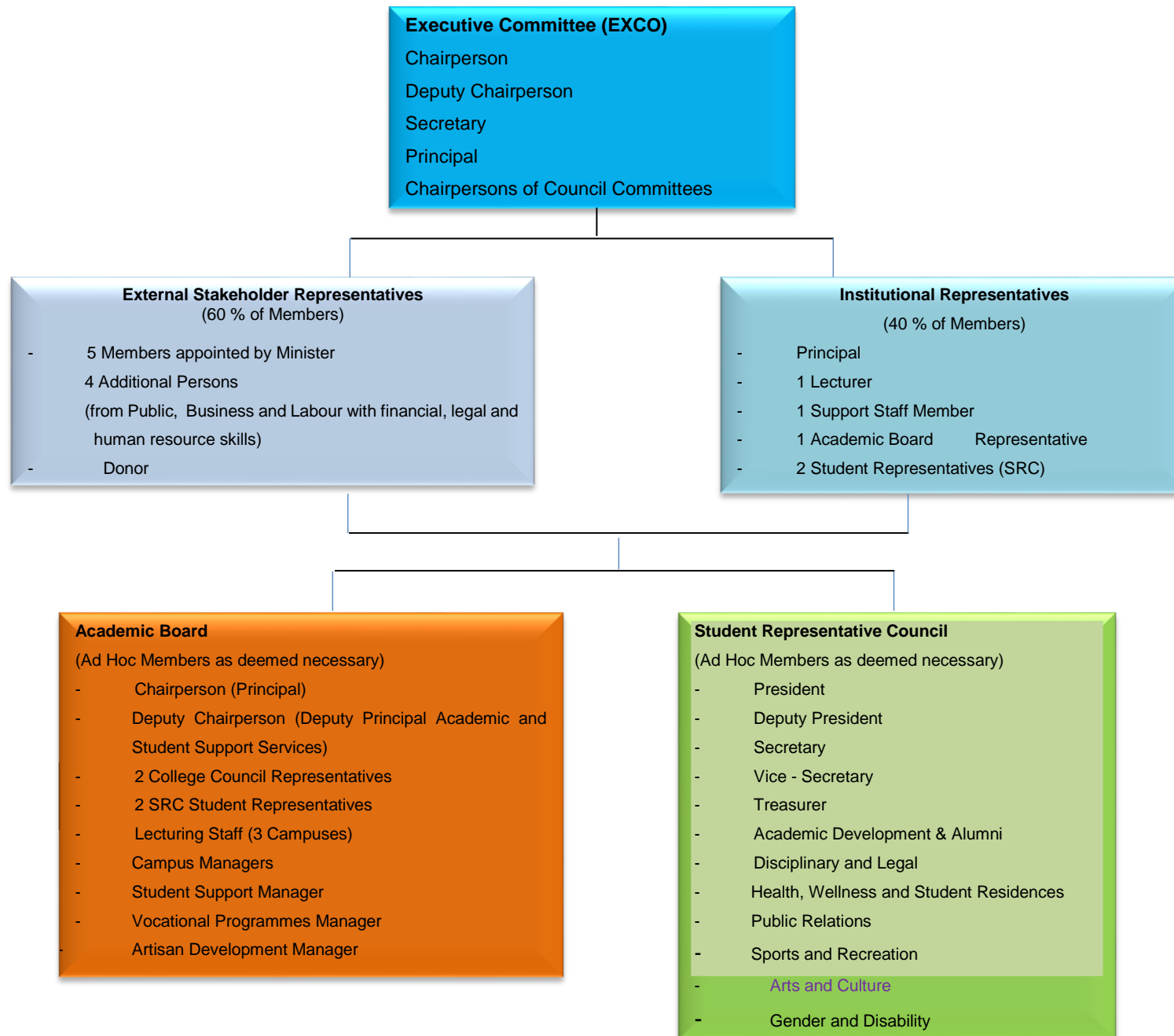
The Council, as contemplated in section 10(4) of the Act, consists of –

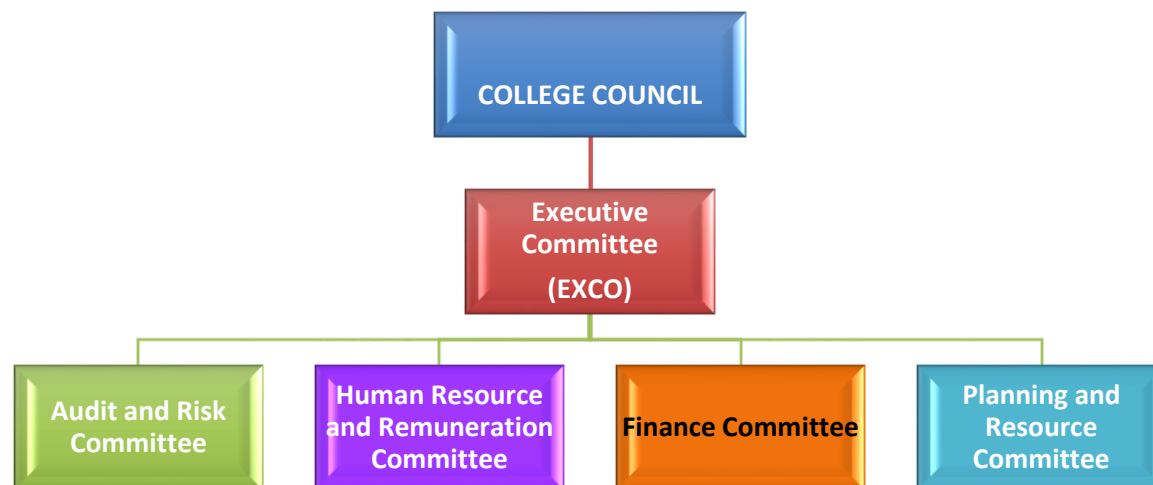
- a. the Principal;
- b. five external persons appointed by the Minister;
- c. one member of the Academic Board elected by the Academic Board;
- d. one lecturer elected by the lecturers at the College;
- e. two students of the College elected by the SRC;
- f. one member of the support staff elected by the support staff of the College;
- g. one external member representing donors; and
- h. at least four members contemplated in section 10(6) of the Act with a broad spectrum of competencies in the fields of education, business, finance, law, marketing, information technology and human resource management appointed by the Council in consultation with the Minister.

At least 60 per cent of the members of the Council must be external persons who are not employed by the Minister or Council, or are not students of the College.

The Council members contemplated in section 10(8) and (9) of the Act must have knowledge and experience relevant to the objects and governance of the College.

7.1.5.3 Council Governance Structure





- External stakeholder representatives constitute 60% of members and institutional representatives constitute 40% of members
- 11 members (Chairperson, Vice-chairperson, Secretary, Principal, Chairpersons of Council Committees, Deputy Principals)
- 6 Committee members (1 x external member of Council to chair, 3 external members with appropriate expertise in the field of Information Technology, Finance, Risk Management, Law and Auditing, appointed by Council and 2 internal staff members namely the Principal and Internal Audit and Assurance Manager)
- 5 Committee members (3 External members of Council (one of whom is the Chairperson) and 1 internal staff member namely the Deputy Principal Corporate Services and 1 invited member namely the HR Manager)
- 6 Committee members (3 External Members of Council (one of whom is the Chairperson) and 3 internal staff members namely the Principal, Deputy Principal Finances and 1 invited members namely the Finance Manager)
- 7 Committee members (3 External Members of Council (one of whom is the Chairperson) and 3 internal staff members namely the Principal, 2 Deputy Principals and 1 invited member namely the Supply Chain Manager)

7.1.5.5 TERMS OF REFERENCE GOVERNANCE AND COUNCIL COMMITTEES

a) Terms of Reference for Council Committees

Executive Committee

The Executive Committee meets:

- one week before scheduled Council meetings
- when the need arises when an urgent matter needs attention, and decision needs to be made
- when a mandate has been received from the Council to finalise a specific matter

Purpose of the Executive meeting before regular scheduled Council Meetings:

To receive and discuss reports and recommendations from Council Sub Committees and Management.

b) Audit and Risk Committee

An independent Audit and Risk Committee fulfils a vital role in corporate governance. The Audit and Risk Committee is a critical component in ensuring the integrity of integrated reporting and financial controls, the proper identification and management of financial risks and the integrity of the reporting practices.

Purpose of the committee:

To ensure compliance with the best financial and accounting practices and standards, and to oversee the management of risk in the organisation.

The Audit and Risk Committee should oversee the College's reporting and assurance functions and review aspects of risk and sustainability issues where it is mandated to do so by the Council.

c) Finance Committee

The Finance Committee should meet at least four times per year or more often as circumstances require, keep minutes of proceedings and report regularly to Council.

Purpose of the committee:

To consider matters of financial strategy and policy and to optimise the use of financial resources

d) Human Resource and Remuneration Committee

The HR and Remuneration Committee should meet regularly, not less than four times per year, and at such other times as may be requested by the Chairperson of the Committee. No executive officer should attend a portion of any meeting where such an executive's performance or compensation is discussed, unless specifically invited by the HR Committee.

Purpose of the Committee:

To approve Human Resource Management policies and monitor their implementation.

e) Planning and Resource Committee

The Planning and Resource Committee should meet regularly, not less than four times per year, and at such other time as may be requested by the chairperson of the committee. The committee may invite to its meeting any council member, officer of the College or such person as it deems appropriate to assist it in performing its responsibilities

Purpose of the committee:

To assist the Council in its duties relating to the planning, management and maintenance of infrastructure and capital expenditure for infrastructure expansion and diversification of programmes inclusive of ICT infrastructure and compliance with health, safety and environmental legislation and policies

7.2 REPORTS BY COMMITTEES OF COUNCIL

7.2.1 REPORT OF THE FINANCE SUB-COMMITTEE TO THE COUNCIL OF ORBIT COLLEGE FOR THE YEAR ENDED 31 DECEMBER 2018

7.2.1.1 TERMS OF REFERENCE

In terms of section 25 of the Continuing Education and Training Act 2006 the Finance Committee (FINCOM) was established as an independent Oversight Committee on financial affairs of ORBIT College. The Committee has adopted formal Terms of Reference, which are regularly updated and approved by Council. The Committee presents its report on quarterly basis and annually for the financial year ending 31 December.

7.2.1.2 FINANCE COMMITTEE MEMBERS AND ATTENDANCE

The Committee's Terms of Reference requires a minimum of 3 External members of Council (one member appointed as the Chairperson of the FINCOM), and consists of the members listed below. During the period under review, four meetings were held.

| Member | Role | Meetings held | Meetings attended |
|----------------------------|-------------|---------------|-------------------|
| Mr TC Dubazana | Chairperson | 4 | 4 |
| Mr K Moloantoa | Member | 4 | 3 |
| Dr SE Xipu | Member | 4 | 3 |
| Mr DF Mokoena ¹ | Member | 2 | 2 |
| Mr T Mosito ² | Member | 1 | 1 |
| Ms M Marais ³ | Member | 2 | 1 |
| Ms L De Beer ⁴ | Member | 3 | 3 |
| Ms M Visser | Invitee | 4 | 1 |

FOOTNOTES: 1 Mr DF Mokoena was appointed the new Principal of the College in June 2018 and during which he attended the Finance Committee Meetings after his appointment.

2 Mr T Mosito was appointed the Acting Principal of the College in June 2018 during which he attended one Finance Committee meeting.

3 Ms M Marais was the former Principal of the College who retired in April 2018.

4 Ms L De Beer was the former Acting Deputy Principal Finances who resigned in September 2018.

7.2.1.3 FINANCE COMMITTEE RESPONSIBILITY

As at the 31 December 2018 the FINCOM reported that it has, as far as possible, complied with its responsibilities arising from its charter, including all relevant legislative requirements. The FINCOM has during the period under review considered all matters of financial strategy and policy, and optimised the use of ORBIT college's financial resources.

7.2.1.4 EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

During the period under review the FINCOM has effectively and efficiently executed the following responsibilities:

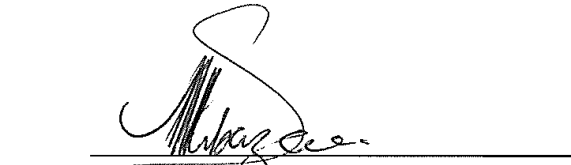
- a. Approved finance policies and monitor compliance.
- b. Overseen the preparation of the annual budget and financial statements.
- c. Considered and approved financial strategies and objectives as recommended by the Deputy Principal Finances in support of adopted development and growth plans for the College.
- d. Monitored financial performance against budgets.
- e. Overseen the administration, collection, and disbursement of the financial resources of the College.
- f. Advised the Council with respect to making significant financial decisions.
- g. Considered and assessed all investment opportunities available to the College, in respect of all funds which it administers, and to determine the manner and extent to which funds are to be invested with a view to ensuring both security and optimisation of income.
- h. Reviewed the actual and projected financial situation of the College as required, including among other matters, the respective level of debt, the sources of financing and the College's financial ratios.
- i. Reviewed the financial aspects of any acquisitions submitted to the Council; and as delegated to the Finance Sub-Committee by the Council, to review and approve any acquisitions covered by such delegation.
- j. Monitored the performance of the Finance Component of the College.

7.2.1.5 CONCLUSION

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

7.2.1.6 APPRECIATION

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



MR T.C. DUBAZANA
CHAIRPERSON: FINANCE COMMITTEE

7.2.2 REPORT OF THE HUMAN RESOURCE AND REMUNERATION SUB-COMMITTEE TO THE COUNCIL OF ORBIT COLLEGE FOR THE YEAR ENDED 31 DECEMBER 2018

7.2.2.1 TERMS OF REFERENCE

The Human Resource and Remuneration Committee (HRCOM) has been established as an independent Committee, in terms of section 25 of the Continuing Education and Training Act 2006. The Committee has adopted formal Terms of Reference, which are regularly updated and approved by Council. The Committee presents its report for the financial year ended 31 December 2018.

7.2.2.2 HUMAN RESOURCE AND REMUNERATION COMMITTEE MEMBERS AND ATTENDANCE

The Committee's Terms of Reference requires a minimum of 3 external members of Council (one of whom is the Chairperson), and consists of the members listed below:

| Member | Role |
|-----------------|-------------|
| Dr MG Nkagisang | Chairperson |
| Mr JJ Erasmus | Member |
| Mr SJ Mokotedi | Member |
| Mr S Matjiane | Member |
| Mr G Mafojane | Invitee |

7.2.2.3 HUMAN RESOURCE AND REMUNERATION COMMITTEE RESPONSIBILITY

The HRCOM reports that it has, as far as possible, complied with its responsibilities arising from its charter, including all relevant legislative requirements.

7.2.2.4 EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The HRCOM has effectively and efficiently executed the following responsibilities:

- a. Periodically reviewed and approved new human resource policies of the College.
- b. Monitored the College performance against its HR or workforce plan.
- c. Reviewed the total compensation practices of the College.
- d. Monitored the performance management and development systems and their impact on individual and organisational performance.
- e. Reviewed and approve the organisational structure and post establishment of the College.

- f. Monitored the College performance against defined strategic HR targets.
- g. Monitored systems and procedures for all Council-approved human resources and employment equity policies
- h. Monitored the management development programmes of the College.

Reviewed and reported to the full Council, with recommendations, the following:

- i. The ethical standards of the College to ensure that Management has identified the values that determine acceptable behaviour in the College and has put in place a process that ensures these values are reflected in actions that are taken within the College.
- ii. The periodic review of the College's Code of Ethics and Conduct.
- iii. Compliance under the College's Code of Ethics and Conduct.

7.2.2.5 CONCLUSION

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

7.2.2.6 APPRECIATION

The HRCOM expresses its sincere appreciation to the Council, Accounting Officer, Management, Officials, Auditor-General South Africa and the Human Resource Unit for their support to the HRCOM during the year under review.



M.G. NKAGISANG (Dr)
CHAIRPERSON
HUMAN RESOURCE AND REMUNERATION COMMITTEE

7.2.3 REPORT OF THE AUDIT AND RISK COMMITTEE TO THE COUNCIL OF ORBIT COLLEGE FOR THE YEAR ENDED 31 DECEMBER 2018

7.2.3.1 TERMS OF REFERENCE

The Audit and Risk Committee (ARC) has been established as an independent Committee, in terms of section 25 of the Continuing Education and Training Act 2006. The Committee has adopted formal Terms of Reference, which are regularly updated and approved by Council. The Committee presents its report for the financial year ended 31 December 2018.

7.2.3.2 AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

The Committee's Terms of Reference requires a minimum of four members, and consists of the members listed below. During the year under review, eight meetings were held which includes meetings with the Accounting Officer, Internal Audit and Senior Management. Various stakeholders such as the Auditor-General were invited to some of the meetings.

| Member | Role | Meetings held | Meetings attended |
|-------------------------------|----------------|---------------|-------------------|
| Ms M.G. Mathye | Chairperson | 6 | 4 |
| Mr. I. Carrim | Member | 6 | 2 |
| Ms W. Fourie | Member | 6 | 5 |
| Mr R. Kgalaki ¹ | Member | 1 | 1 |
| Mr. I. Klynsmith ² | Member | 3 | 2 |
| Ms. M Marais ³ | Member | 1 | 1 |
| Mr D Mokoena ⁴ | Member | 2 | 2 |
| Mr T Mosito ⁵ | Member | 2 | 1 |
| Ms. L De Beer ⁶ | Invitee | 5 | 5 |
| Ms B Matlhako ⁷ | Ad Hoc Invitee | 4 | 2 |
| Mr M Tsabangwe | Ad Hoc Invitee | 6 | 6 |

FOOTNOTES:

1 Mr R Kgalaki was appointed in October 2018

2 Mr I Klynsmith resigned in May 2018

3 Ms M Marais retired in May 2018

4 Mr D Mokoena was appointed in June 2018

5 Mr T Mosito was acting Principal for 2 months during 2018 during which only two meetings took place

6 Ms L De Beer resigned in September 2018

7 Ms B Matlhako was no longer invited to meetings as the Internal Audit and Assurance Manager was appointed

7.2.3.3 AUDIT AND RISK COMMITTEE RESPONSIBILITY

The ARC reports that it has, as far as possible, complied with its responsibilities arising from its charter, including all relevant legislative requirements.

7.2.3.4 EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The ARC has considered the work performed by Internal Audit on a quarterly basis and has reviewed the Internal Audit Annual Report on Internal Controls for the year ended 31 December 2018. In line with relevant legislation and good cooperate governance requirements, Internal Audit provides the ARC and Management with the assurance that the internal controls are appropriate and effective with emphasis on continuous improvement to strengthen the internal controls. The majority of audit findings reported to the Committee related to the control activities and monitoring components. In relation to the aspect of monitoring, the audits indicated a lack of management and supervisory reviews to ensure:

- compliance with legislation, regulations, policies and procedures;
- the design and implementation of adequate controls; and
- that implemented controls operate effectively.

Management intervention is required to effect improvement in these areas. Focus and prioritisation should be given to identified control areas that put at risk the College achieving its key objectives.

7.2.3.5 RISK MANAGEMENT

Risk management has been formalised within the College, in relation to the establishment of various structures, processes and systems to give effect to risk management. Further initiatives are required to further embed risk management in the College's processes. This includes further clarifying roles and responsibilities, improving training, developing performance measurements, monitoring compliance with the integrated risk management policy and framework, and consistent application of approach.

7.2.3.6 ACCOUNTING POLICIES

Accounting Policies that forms part of the Annual Financial Statements (AFS) were reviewed during each ARC meeting were the AFS were discussed. The ARC is content with appropriateness and compliance of the accounting policies with all relevant legislation.

7.2.3.7 REVIEW OF ANNUAL FINANCIAL STATEMENTS

The ARC noted the Annual Financial Statements for the year ended 31 December 2018 as presented by Management in May 2019.

The ARC noted the progress to date and advised Management to address outstanding balances and disclosures for final review by the ARC. The Committee further advised Management to ensure that the AFS are submitted to the Auditor-General before or on 28 May 2018.

7.2.3.8 COMBINED ASSURANCE

Regular engagements occurred between assurance providers to give effect to the Combined Assurance Framework. These engagements continue to be developed and enhanced to make combined assurance in the College more effective. The Committee regularly reviews developments in this area.

7.2.3.9 INTERNAL AUDIT

The ARC is satisfied that the internal Audit activity is operating effectively and that it has addressed the risks pertinent to the College in its Audit engagements.

The ARC approved internal Audit's strategic documents for 2018. The 2018 operational plan was implemented by internal Audit and monitored by the ARC on a quarterly basis.

7.2.3.10 PROHIBITED EXPENDITURE

The ARC is recommending that Management improve and develop a standardised mechanism in ensuring that unauthorised, irregular, fruitless and wasteful expenditure is avoided.

7.2.3.11 INFORMATION TECHNOLOGY (IT) GOVERNANCE


The ARC is recommending to Management to give more focus on the IT Governance framework for the College. This will enable the Committee and College to achieve their objectives in relation to IT governance.

7.2.3.12 CONCLUSION

The ARC concurs and accepts the conclusions of both Internal Audit and the Auditor-General. The Committee is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the Report of the Auditor General. The Committee fully supports the College in its vision, as embodied in the strategic documents, and in its journey of improved service delivery to the Learners of the College.

7.2.3.13 APPRECIATION

The ARC expresses its sincere appreciation to the Council, Accounting Officer, Management, Officials, Auditor-General South Africa and the Internal Audit for their support to the ARC during the year under review.



M.G. MATHYE (Ms)
CHAIRPERSON
AUDIT AND RISK COMMITTEE

7.2.4 REPORT OF THE PLANNING AND RESOURCE SUB-COMMITTEE TO THE COUNCIL OF ORBIT COLLEGE FOR THE YEAR ENDED 31 DECEMBER 2018

7.2.4.1 TERMS OF REFERENCE

The Planning and Resource Committee (PRC) has been established as an independent Committee, in terms of section 25 of the Continuing Education and Training Act 2006. The Committee has adopted formal Terms of Reference, which are regularly updated and approved by Council. The Committee presents its report for the financial year ended 31 December 2018.

7.2.4.2 PLANNING AND RESOURCE COMMITTEE MEMBERS AND ATTENDANCE

The Committee's Terms of Reference requires a minimum of 3 external members of Council (one of whom is the Chairperson), and consists of the members listed below. During the year under review, four meetings were held.

| Member | Role | Meetings held | Meetings attended |
|---------------------------|-------------|---------------|-------------------|
| Mr SE Xipu | Chairperson | 4 | 4 |
| Mr K Moloantoa | Member | 4 | 4 |
| Ms A. Saffy | Member | 4 | 3 |
| Ms M Marais ¹ | Member | 1 | 1 |
| Mr D Mokoena ² | Member | 2 | 2 |
| Ms L De Beer ³ | Member | 3 | 1 |
| Mr T Mosito | Member | 4 | 2 |
| Mr S Matjiane | Member | 4 | 1 |
| Ms O Shoko | Invitee | 4 | 4 |

FOOTNOTES:

1 Ms M Marais retired in May 2018

2 Mr D Mokoena was appointed in June 2018

3 Ms L De Beer resigned in September 2018

7.2.4.3 PLANNING AND RESOURCE COMMITTEE RESPONSIBILITY

The PRC reports that it has, as far as possible, complied with its responsibilities arising from its charter, including all relevant legislative requirements.

7.2.4.4 EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The PRC has effectively and efficiently executed the following responsibilities:

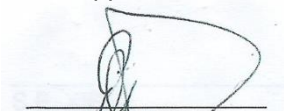
- a. Recommended to Council to approve the College infrastructure planning, management and maintenance and supply chain policies and monitor compliance and implementation.
- b. Monitored the management of the facilities register and its associated maintenance and construction activities.
- c. Reviewed the actual and projected capital needs of the College as required, including among other matters, the sources of financing and related implications noting the mandate of expansion for TVET Colleges.
- d. Recommended the College five-year capital expenditure programme.
- e. Overseen the execution of capital projects, including that:
 - each project meets the strategic and technical specifications and deliverables.
 - all project-related risks have been identified and mitigated.
 - critical decisions, project parameters and governance processes are followed and addressed prior to committing funds.
 - each project enhances the portfolio value of the College.
- f. Reviewed the performance of the College Supply Chain component of the College in terms of operational targets
- g. Overseen the compliance to Health, Safety and Environmental legislation
- h. Monitored the achievement of targets in respect of the Environmental Plan as contained in the annually approved College Operational Plan

7.2.4.5 CONCLUSION

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

7.2.4.6 APPRECIATION

The PRC expresses its sincere appreciation to the Council, Accounting Officer, Management, Officials, Auditor-General South Africa and the Supply Chain Unit for their support to the PRC during the year under review.



SE XIPU (Dr)

CHAIRPERSON: PLANNING AND RESOURCE COMMITTEE

7.3 ACADEMIC BOARD REPORT

REPORT OF THE ACADEMIC BOARD TO THE COUNCIL OF ORBIT COLLEGE FOR THE YEAR ENDED 31 DECEMBER 2018

7.3.1 TERMS OF REFERENCE

The Academic Board has been established as an independent Committee, in terms of section 25 of the Continuing Education and Training Act 2006. The Board has adopted formal Terms of Reference, which are regularly updated and approved by Council. The Board presents its report for the financial year ended 31 December 2018.

7.3.2 ACADEMIC BOARD MEMBERS AND ATTENDANCE

7.3.2.1 The Board's Terms of Reference require that the Board consist of the following 22 members:

- Principal
- Deputy Principal Academic Programmes and Student Support Services
- Vocational Programmes Manager
- Occupational Programmes Manager
- Student Support Manager
- Council Members (2 external Council members)
- SRC Members (2 members)
- Campus Managers (Brits, Mankwe and Rustenburg Campuses)
- Head of Department Artisan Development and Partnership (1 to represent all 3 Campuses)
- NC(V) Engineering Lecturer Representatives (X3 [1 per Campus])
- Report 191 Business and Utility Studies Lecturer Representatives (X3 [1 per Campus])
- Occupational Programmes Lecturer Representatives (X3 [1 per Campus])

7.3.2.2 The criteria to elect the 3 lecturer representatives are:

- a. Representatives can be elected from any Post Level (PL 1 to 3) – it therefore implies that there is no need for representatives for each level.
- b. Representatives must be permanently appointed.
- c. Representatives must have a proven success rate for programmes that they are teaching or have been teaching.
- d. Representatives must have a thorough understanding of the programme (NC(V)/Report 191/ Occupational Programmes) which they will be representing.
- e. Members of Academic Board do not represent any constituents; they are not stakeholders who are representing the mandates of the constituents they come from.
- f. Academic Board members must participate in the deliberations in the best interest of the College and deliberate on the College matters to the best of their knowledge in their functional area in order to improve governance of the College.

7.3.2.3 The Chairperson of the Academic Board is the Principal of the College.

7.3.2.4 The Deputy Chairperson of the Academic Board is the Deputy Principal Academic Programmes and Student Support Services of the College.

7.3.2.5 The Academic Board consists of the members listed below. During the year under review, four meetings were held.

| Member | Role | Meetings held | Meetings attended |
|----------------------------------|--|---------------|-------------------|
| Baloyi SM | NC(V) Engineering Studies Mankwe Campus | 4 | 3 |
| Kgaboesele B¹ | Acting Campus Manager Mankwe Campus | 2 | 2 |
| Letsoalo SM | NC(V) Engineering Studies Rustenburg Campus | 4 | 3 |
| Lupuwana LG | NC(V) Business and General Studies Brits Campus | 4 | 1 |
| Madoda PM (Ms) | College Council Representative | 4 | 1 |
| Marais M (Ms)² | Principal ORBIT College | 1 | 1 |
| Mashike O³ | Academic Development and Alumni Representative of the SRC of ORBIT TVET College | 3 | 2 |
| Mataboge M⁴ | Head of Department Artisan Development and Partnerships Mankwe Campus | 1 | 1 |
| Modiba R⁵ | Student Support Services Manager ORBIT TVET College | 2 | 2 |
| Mokoena DF⁶ | Principal ORBIT TVET College | 2 | 2 |
| Molapi W | Report 191 Business and Utility Studies Mankwe Campus | 4 | 4 |
| Molefe TG | Occupational Programmes Rustenburg Campus | 4 | 3 |
| Molele BS (Ms) | NC(V) Business and General Studies Rustenburg Campus | 4 | 3 |
| Moloantoa K | College Council Representative | 4 | 2 |
| Mosito TJ | Deputy Principal Academic Programmes and Student Support Services | 4 | 2 |
| Naicker K⁷ | Academic Programme Coordinator Rustenburg Camus | 3 | 2 |

| Member | Role | Meetings held | Meetings attended |
|----------------------------------|--|---------------|-------------------|
| Ndebele D⁸ | SRC President ORBIT TVET College | 3 | 3 |
| Ngwanapudi TR⁹ | Academic Development and Alumni representative of SRC Rustenburg Campus | 1 | 1 |
| Nkomo Z¹⁰ | Campus Manager Mankwe Campus | 2 | 1 |
| Phiri KA | Report 191 Engineering Studies Brits Campus | 4 | 4 |
| Pila LT | Occupational Programmes Brits Campus | 4 | 4 |
| Rabothata P¹¹ | Deputy SRC President | 1 | 1 |
| Tlhopile T (Ms) | Campus Manager Brits Campus | 4 | 3 |

7.3.3 ACADEMIC BOARD RESPONSIBILITY

The Academic Board reports that it has, as far as possible, complied with its responsibilities arising from its charter, including all relevant legislative requirements.

7.3.4 DUTIES AND RESPONSIBILITIES OF THE ACADEMIC BOARD

Subject to the Act, the Academic Board of the College is:

7.3.4.1 accountable to the Council for:

- a. all the teaching, learning, research and academic functions of the College;
- b. the academic functions of the College and the promotion of the participation of women and the disabled in its learning programmes;
- c. establishing internal academic monitoring and quality promotion mechanisms;
- d. ensuring that the requirements of accreditation to provide learning against standards and qualifications registered in the National Qualifications Framework are met;
- e. identifying training needs of lecturing staff; and
- f. performing such other functions as may be delegated or assigned to it by the Council;

FOOTNOTES:

- 1 Ms B Kgaboesele was appointed as the Acting Campus Manager of Mankwe Campus
- 2 Ms M Marais has retired in April 2018
- 3 Ms O Mashike was elected as a member of the SRC for the 2018 academic year after the first Academic Board meeting
- 4 Ms M Mataboge was on extended leave due to ill health

- 5 Ms R Modiba was appointed later in academic year and only started attending meetings after her appointment
- 6 Mr D Mokoena was appointed later in the academic year and only started attending meetings after his appointment
- 7 Ms K Naicker was representing the Rustenburg Campus Manager who has resigned earlier in the academic year
- 8 Mr D Ndebele was elected as a member of the SRC for the 2018 academic year after the first Academic Board meeting
- 9 Mr T Ngwanapudi attended the first meeting as the SRC Representative and had to step down when the new SRC Representative was elected
- 10 Mr Z Nkomo was transferred to DHET
- 11 Mr P Rabothata attended the first meeting as the SRC Representative and had to step down when the new SRC Representative was elected

7.3.4.2 must:

- a. advise the Council on a Code of Conduct and rules concerning students;
- b. determine, in accordance with any relevant deed or gift and after consultation with the Principal, the conditions applicable to any scholarships and other academic prizes;
- c. determine the persons to whom scholarships and academic prizes are awarded;
- d. determine the functions of its Committees as well as the procedure of meetings of these Committees; and
- e. take note of any action taken by a Committee in exercising its delegated powers or functions when such Committee reports its actions to the next meeting of the academic board; and

7.3.4.3 may:

- a. establish Committees to perform any of its functions, and may for this purpose deem a single person to be a committee;
- b. make standing orders on procedures and delegation of powers; and
- c. delegate its functions to a Committee.

7.3.4.4 Without derogating from the generality of subsection (1) the organisation and supervision of instruction and examinations, and of lectures and classes, vest in the Academic Board.

7.3.4.5 The Academic Board submits to the Council:

- a. such reports upon its work as may be required by the Council;
- b. recommendations on matters referred to it by the Council; and
- c. recommendations on any other matter affecting the College that the Academic Board considers useful.

7.3.5 CONCLUSION

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

7.3.6 APPRECIATION

The Academic Board expresses its sincere appreciation to the Council, Accounting Officer, Management, Student Representative Council, Officials, Auditor-General South Africa and the Academic Unit for their support to the Academic Board during the year under review.



DF MOKOENA
CHAIRPERSON: ACADEMIC BOARD

7.4 STUDENT REPRESENTATIVE COUNCIL REPORT

7.4.1 TERMS OF REFERENCE

The ORBIT TVET College Student Representative Council (SRC) Constitution is promulgated with reference to the FET Colleges Act 16 of 2006 and the FET Colleges Amendment Act 3 of 2012 and the Continuing Education and Training (CET) College Act 16 of 2006 in line with the Constitution of the Republic of South Africa.

Being the umbrella body of all student organisations, the SRC aims at unifying students of the College, in order to contribute to the advancement of the students' interest in the academic, extra-curricular, social, cultural and extra-mural spheres.

7.4.2 SRC ELECTIONS

The SRC consists of 12 elected members at College level. The Committee is elected by a democratic process through a secret ballot and the process is led by an Independent Electoral company. Campus SRC Chairpersons stand for the position of president. The chairperson with the highest number of votes becomes President and the 2nd highest with votes becomes the deputy president. The 3rd Chairperson with the lowest number of votes will fill the position of Disciplinary and Legal Officer. The rest of the Office Bearers of the SRC Executive Committee must be serving the same portfolios as at campus level. They will therefore be elected in the same manner as the 1st three Office Bearers, i.e. the Candidate with the highest votes becomes the Secretary, the 2nd highest the Vice-Secretary and the 3rd highest the Gender and Disability Officer. The rest of the portfolios will be elected according to the highest vote per portfolio.

Office Bearers for the SRC Executive Committee are as follows:

- i. President
- ii. Deputy President
- iii. Secretary
- iv. Vice-Secretary
- v. Treasury
- vi. Academic & ALUMNI
- vii. Outreach & projects

- viii. Health & Wellness
- ix. PRO
- x. Sport & Recreation
- xi. Arts & Culture
- xii. Gender & Disability

The election of the 24 SRC members for 2018 took place on 12 April across the three campuses via a democratic process that was overseen by the IEC. After the 24 members were elected, an SRC Training/Induction was hosted from 20 - 22 April 2018 where the 12 Executive Committee members were elected.

7.4.3 MEMBERS AND ATTENDANCE OF MEETINGS

SRC Executive Committee

| No. | Member | Portfolio | Campus |
|-----|----------------|---------------------------------|------------|
| 1 | Mr D Ndebele | President | Brits |
| 2 | Mr I Mataboge | Deputy President | Mankwe |
| 3 | Mr P Rabothata | Secretary | Mankwe |
| 4 | Mr T Molekwa | Deputy Secretary | Brits |
| 5 | Mr M Moahloli | Treasurer | Mankwe |
| 6 | Mr O Mashike | Academic Development Officer | Brits |
| 7 | Ms M Maje | Disciplinary and Legal Officer | Rustenburg |
| 8 | Mr K Nkitseng | Health and Wellness Officer | Mankwe |
| 9 | Mr O Mathulwe | Public Relations Officer | Rustenburg |
| 10 | Ms T Sekati | Sports and Recreational Officer | Brits |
| 11 | Ms J Molefe | Arts and Culture Officer | Rustenburg |
| 12 | Ms O Rapoo | Gender and Disability Officer | Rustenburg |

SRC Non – Executive members

| No. | Member | Portfolio | Campus |
|------------|----------------|-------------------------------|---------------|
| 1 | Mr L Nthangeni | Public Relations Officer | Brits |
| 2 | Ms K Makhubela | Arts and Culture Officer | Brits |
| 3 | Ms B Lebethe | Health and Wellness Officer | Brits |
| 4 | Mr C Phala | Treasurer | Brits |
| 5 | Mr O Legoete | Public Relations Officer | Mankwe |
| 6 | Mr K Moatshe | Academic and Alumni Officer | Mankwe |
| 7 | Ms L Qankase | Sports and Recreation Officer | Mankwe |
| 8 | Mr T Mokua | Arts and Culture Officer | Mankwe |
| 9 | Mr F Mosoane | Treasurer | Rustenburg |
| 10 | Ms S Sambo | Sports and Recreation Officer | Rustenburg |
| 11 | Ms M Gendal | Academic and Alumni Officer | Rustenburg |
| 12 | Mr T Mathebula | Health and Wellness Officer | Rustenburg |

7.4.4 REPRESENTATION ON OTHER BODIES

The **SRC President** (Mr D Ndebele) and the **SRC Secretary** (Mr P Rabothata) served on the **College Council**.

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

| Name | Portfolio | Committee |
|---------------|--------------------------------|--|
| Mr M Moahloli | Treasurer | Financial Aid Committee of the College |
| Ms M Maje | Disciplinary and Legal Officer | Disciplinary committee for students |
| Mr D Ndebele | President | Academic Board |
| Mr O Mashike | Academic Development Officer | |
| Mr K Nkitseng | Health and Wellness Officer | Health and Wellness Committees |

The SRC is established to:

- a. function as a channel of communication between the Student Body and the Staff Leadership Team;
- b. provide a channel of communication between the students of this College and Students of other Institutions;
- c. crystallize the needs and aspirations of students and to make known their problems and point-of-views;
- d. seek clarification on general academic issues and Student community issues, conducting the dialogue and consultation within the parameters of regulations embedded within the College;
- e. promote the spirit of harmony and unity among Students and Staff of each Campus and the College;
- f. establish a solid identity amongst the Students and to help ensure that they are treated with the respect and dignity they deserve.

7.4.5 SRC INDUCTION/TRAINING

During the year 2018 the SRC was exposed to, undertook and initiated a number of activities. All SRC-related activities and initiatives are driven from the SRC Offices at the respective campuses with the relevant elected officers presiding over related activities.

Guidance and mentorship are provided by Student Support Officers at the different campuses under the supervision of the Student Support Manager and Deputy Principal Academic Programmes and Student Support Services at Central Office.

All elected SRC members undergo training and induction in governance and leadership development immediately after their election. The training not only focuses on specific responsibilities and tasks assigned and managed by the SRC, but also bears a very strong focus on relevant legislation, regulations as well as the SRC Constitution. This enables the SRC to fulfil their role with the necessary confidence and accountability that it requires.

7.4.6 SRC BUDGET

The SRC is responsible for managing their own budget which is approved by Council. The execution of all SRC activities is subject to the availability of funds as allocated in the budget. The SRC budget was also used to cover administrative costs (stationery, phone calls, travelling costs). The treasurer handled all financial queries, processes and kept relevant records of income and expenditure.

7.4.7 ACTIVITY PLAN FOR SRC

SRC members at the different campuses are responsible for drawing up and implementing annual campus activity plans. Activities that are hosted by the different campus SRCs differ from campus to campus. However, a number of activities also involve the SRC as College Representative Body. Below is the annual College activity plan that was rolled out by the SRC during 2018:

7.4.8.1 SRC ACTIVITY PLAN (COLLEGE)

| ACTIVITY | DATE |
|---|--------------------|
| Election of SRC | 12 April 2018 |
| Election of Executive Committee | 22 April 2018 |
| SRC Induction/Training in Governance and Leadership Development | 20 – 22 April 2018 |

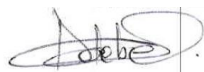
| ACTIVITY | DATE |
|---|-----------------------|
| SRC Executive Meeting | 17 May 2018 |
| College Academic day | 31 May 2018 |
| Roadshow to all sites | Did not happen |
| Inauguration of SRC (takes place at Annual College Graduation Ceremony) | Did not take place |
| Celebration of Mandela Day – Quiz Competition | 17 July 2018 |
| College Sports Day | 25 August 2018 |
| SRC Executive meeting | 8 August 2018 |
| Mid-year review session & team-building session | 31 August 2018 |
| Mr & Miss ORBIT TVET College | 19 October 2018 |
| SRC Conference and Lekgotla | 03 – 05 December 2018 |
| SRC Capacity building and Training | 06 – 11 December 2018 |

7.4.9 CONCLUSION

The Student Representative Council supports the College in its vision, as embodied in strategic documents, and in its journey of improved service delivery to the students of the College.

7.4.10 APPRECIATION

The SRC expresses its sincere appreciation to the Council, Accounting Officer, Management, Student Support Officials, Lecturers and Support Staff and all students of the College for their support to the SRC during the year under review.



NDEBELE D

SRC PRESIDENT 2018

PART C: PERFORMANCE INFORMATION

8 REPORT BY PRINCIPAL ON MANAGEMENT AND ADMINISTRATION

The ORBIT College Strategic Plan took into account the following priority areas to ensure more effective teaching and learning and improvement of student achievement and success. The strategic priority focus areas were:

1. Growth and expansion of access and articulation opportunities for the youth;
2. Improvement of quality and success in terms of the academic achievement and certification of students;
3. Partnerships and linkages with industry, sector education and training authorities (SETAs) and/or other professional bodies and/or institutions of Higher Education to adequately prepare student graduates to enter the labour market and/or further and higher learning opportunities;
4. Systemic capacity building and efficiency;
5. Institutional governance, management and leadership;
6. Monitoring and evaluation of college performance; and
7. Any other pertinent strategic focus for the college.

This report on management and administration serves to provide an overview of the extent in which College Management managed to address the strategic priority focus areas listed above. This is done by highlighting compliance with as well as improvement of all strategic management and administrative processes, procedures, systems and activities during 2017.

Significant progress was made in respect of reviewing and implementing changes to business operations, not only to ensure compliance with the requirements of government but also to support and enhance the delivery of our services. Improvements to connectivity, infrastructure, risk management and internal control, curriculum support, occupational health and safety, staff development and student support services were all planned and introduced with a considered approach to achieve maximum impact.

8.1 Programme Approval

As a College we have sound relations with the MQA, MerSETA, Services SETA, ETDP SETA, CATHSSETA TETA as well as the QCTO with the result that we have programme approvals for a variety of programmes from the above SETAs such as 6 approvals from the MQA for levels 2 - 4 Jewellery Manufacturing, Setting and Design, 2 approvals from the ETDP for levels 4-5 Early Childhood Development, 10 approvals from the MerSETA for levels 2- 4 in Automotive Repair and Maintenance, Welding and Engineering Fabrication and Fitting and Machining, 3 approvals from the EWSETA for Levels 2-4 in Electrical Engineering, 3 approvals from the CETA for levels 2-4 for Plumbing, Community House Building and Building and Civil, approval from the PSETA for FET Certificate in Public Administration and lastly 3 approvals from the Services SETA for levels 2-4 for Hairdressing. The EWSETA has an office at our Brits Campus. Through the Centre of Specialisation Programme, we have received accreditation for Diesel Mechanics and Electrical Works from the QCTO and that resulted in improved relations with Business and Industry. The EWSETA is currently assisting the College with programme approvals for the various electrical qualifications with a specific focus on the green economy. We are committed to building and consolidating these relationships in pursuit of our strategic objectives.

Within the framework of the 2019 Strategic Plan, the College reviewed its strategic objectives and annual priorities to reflect changes in the external environment. Strategic planning sessions with members of the Management Board and Council were held in September 2018. At these sessions the importance of implementing the White Paper and the imperatives of the National Development Plan and on delivery expectations in terms of the White Paper, MTSF, NDP and other directives was emphasized.

2018 HIGHLIGHTS

ARTISAN DEVELOPMENT PROGRAMMES CURRENTLY RUNNING AT THE COLLEGE

The College signed a MoU/SLA with the AECl group of companies and had nine students in training as artisans for Welding Works. The students have now completed their theory and workshop training and have been placed at THARISA Mining at Marikana for eighteen months

A Service Level Agreement is also in place with ISFAP (Ikusasa Student Financial Aid Programme) to train twenty prospective artisans in Electrical Work and Boilermaking. These students have already completed their theory and workshop training and are currently placed in Germiston at Kira Valve and in Durban (Verulam) at Steelvision and Khula Nathi Company.

The College is also a beneficiary of the Centre of Specialisation (CoS) Project funded by the Department of Higher Education and Training (DHET) and the National Skills Fund (NSF) to train sixty prospective artisans in Electrical Work and Diesel Mechanic. The project officially commence in 2019.

The signing of a Memorandum of Understanding with merSETA will see the training of twenty students in a spray painting artisan qualification. The training, which will commence in 2019, will ensure that the spray painting booth in Mankwe is effectively utilised.

An agreement was signed with the Department of Health to train sixty employees to obtain an artisan qualification in Carpentry, Electrical Work and Plumbing. Through the merSETA Artisan Development Programme, the College sent twelve welding students to NECSA Trade Test Centre for trade testing. The students went through gap training and trade test preparations and are currently waiting for dates to do their trade tests. We wish them well in their attempts to become qualified artisans

ORBIT COLLEGE MERSETA & ELECTRO DIESEL PARTNERSHIP PRODUCES ARTISANS

2018 will be remembered as a year in which the mandate of the College to train and produce artisans and help grow the economy was realised through a collaborative effort with merSETA and Industry. There is widespread agreement that South Africa produces too few artisans to meet the needs of a growing economy. But a three year training programme finally yielded positive results and feedback for ORBIT College!

A number of students with an NCV Level 4 qualification were recruited from the College database to receive formal workshop training at the College for a period of 6 months. They were then placed at ELECTRO Diesel, an electrical company in Rustenburg, and managed to complete their 18 months internship under the supervision of a qualified artisan.



Qualified Artisans from ORBIT TVET College (From left to right): Front row- Mr Anthony Matimbe and Mr Katlego Maphakela. Back row: Mr Ben Mogafe (left) and Ms Suzan Mofokeng (middle)

Having successfully completed their training and internship, the students were offered an opportunity for trade testing at Vuselela TVET College. All of them were declared competent and were awarded their artisan qualification. Of the six students, four were immediately employed by DCS Transformers.



Ms Suzan Mofokeng (left- first pic), Ms Kgakgamatso Ntlaelang (left second pic) and Ms Boitumelo Rantlhaku (right), all qualified as Electrical Work Artisans

“Being an artisan is hard labour but it is fulfilling in that it gives you better knowledge and understanding and offers an opportunity for creative thinking. DCS Transformers has been very good to us. We are enjoying the support and experience of highly qualified mentor, Mr CJ Moolman. My experience thus far has created so many opportunities that I will gladly share with other aspirant artisans in future. I would like to thank ORBIT TVET College for their patience and the opportunity”, says Ms Suzan Mofokeng, one of the artisans who qualified through the programme.

The College congratulates this group of students and appreciates the support that received from merSETA and Electro Diesel. This achievement will certainly serve as motivation for our future artisan-in-training students

LAUNCH OF CENTRE OF SPECIALISATION MANKWE CAMPUS PROMOTES ARTISAN DEVELOPMENT PARTNERSHIPS

Two respective Centres of Specialisation (CoS) in Diesel Trade and Electric Trade, were launched at ORBIT College, Mankwe Campus on 20 February 2018 in partnership with the Department of Higher Education and Training (DHET) and various business and industries focusing in Artisan Development. The Centre has provided selected students in the Diesel Trade industry an opportunity to take part in an apprenticeship, which will see them engage in theoretical work and gain practical training as well as authentic work experience at the guidance of an employer.

Key stakeholders from DHET, various SETAs, including the Quality Council Trade Organisation (QCTO), the Retail Motor Industry Organisation, Steel and Engineering Industries of South Africa (SEIFSA), Manufacturing, Engineering and Related Services Education & Training Authority (MerSETA) and potential industry partners were all in attendance. The President of Retail Motor Industry (RTI) Organisation, Ms J Esterhuizen outlined the important role that artisans play in promoting growth and development in the country

“The two industry sectors present here today, need artisans, as well as the mentioned Strategic Integrated Projects (SIPs). In the engineering space, artisans install, maintain and repair equipment, which is fundamental to the production process. In the communities, they can be self-employed, thereby servicing the basic maintenance needs of ordinary households. The infrastructure projects will therefore assist with work opportunities”, Ms Esterhuizen said. She also added that the CoS launched at ORBIT College is ideally placed and identified as a partner of choice in the development of these required artisans.

Mr P Chetty, Project Manager at the Steel and Engineering Industries of South Africa (SEIFSA) took attendees through the main objectives of the Centres of Specialisation Project, and also urged more industry partners to get involved with these Centres at TVET Colleges. Through this programme and the support of the participating industry representatives, stakeholders and SETAs the DHET is looking to empower TVET Colleges to develop a standard of skills delivery in order to become the “providers of choice” in Occupational Programmes for the Sector.

The Centres of Specialisation National Programme is aimed at producing:

- A skilled and capable workforce to support inclusive economic growth
- Increased availability of intermediate-level technical skills
- Increased delivery of qualified artisans in 13 priority skills
- Improved capacity of public TVET Colleges to provide training in skills that are in demand by industry



Various potential partners in the Diesel and Electric Trade honoured the invitation of the College to attend the launch and explore a possible working partnership with the Centres of Specialisation at Mankwe and Brits Campuses

The programme will ensure a closer working relationship with industry, training centres and the Post School and Training (PSET) Sector, while also benefiting students and staff in the following ways:

- The curriculum offered will consist of occupational qualifications designed by industry, for industry and registered with the Quality Council for Trades and Occupations (QCTO)
- The delivery of programmes will be a dual system apprenticeship that will see the apprentice being exposed to both the workplace for the practical component of the qualification, and the College for the theory component
- TVET College staff in these respective fields will be adequately exposed and be given access to the latest technology in the industry, as per the new curriculum
- The workshops at the identified CoS will be refurbished and adequately equipped to deliver on the practical skills development, as required by the curriculum

Former Principal of the College, Ms M Marais, thanked the DHET and the various partnering SETAs for identifying ORBIT College as an ideal TVET College to serve as a training centre. Ms Marais added that, with the support of employers, the programme would contribute immensely to the skills level of the country as a whole.

Another Centre of Specialisation, focusing on Electrical Trade has been established at Brits Campus. Students taking part in both the Diesel Trade apprenticeship at Mankwe Campus and Electric Trade apprenticeship at Brits Campus, are the first recruits from ORBIT College for the new QCTO qualification in 2019

8.2 Responsive curriculum delivery

The North West Province is one of the smaller provinces of South Africa and is totally landlocked and still maintains strong social and economic links with the Gauteng Province. The Province has a total population of roughly 3.6 million inhabitants of which only 1.4 million are economically active.

The following five main economic sectors in the North West Province are experiencing significant and almost crippling demand for appropriately qualified human resources:

- Agriculture
- Mining
- Manufacturing
- Tourism
- Infrastructure and construction.

In order to remain relevant and responsive to the needs of our community, ORBIT TVET College continued to offer a diverse range of vocational and occupational programmes in 2018. The Programmes Qualifications Mix (PQM) of the College included, amongst others, the following:

- Business Studies programmes such as Office Administration, Finance and Economics, HR Management, Management Assistant, Business Management and Financial Management
- Engineering related programmes such as Electrical and Mechanical Engineering, Engineering and Related Design (Fitting and Turning/Machining and Boiler-Making/Automotive), Civil Construction and ICT
- Art and Design Programmes in Jewellery Design and Manufacture
- Popular Music Performance
- Educare
- Accredited occupational programmes that empower individuals for self-employment and enhance employability
- All programmes offered at the respective campuses are registered on the National Qualifications Framework and are fully accredited and certified by the Department of Higher Education and Training, UMALUSI and the QCTO in the case of learnerships and skills programmes or an International Accreditation Body.
- All National Certificate (Vocational) Programmes are quality assured by UMALUSI (the ETQA for Education)
 - Report 191 (N1-N3) programmes are quality assured by UMALUSI and Report 191 (N4-N6) programmes are quality assured by QCTO

Staff is one of our most valuable assets. In order to meet set targets staff were assisted to compile personal development plans to determine training needs and support needed. In addition to this, various forms of training was organised to assist staff to improve their qualifications and skills in order to comply with the requirements of the TVET College landscape.

The experience, competencies and skills of staff are fully utilised and skills obtained by the WIL were fully employed to the benefit of the college.

2018 HIGHLIGHTS

DEPUTY PRINCIPAL ACADEMIC PROGRAMMES & SSS ATTENDS APPRENTICESHIP SPOTLIGHT CONFERENCE IN WALES, UK

Deputy Principal Academic Programmes and Student Support Services, Mr Tumisang Mosito, along with representatives from eight other countries, attended an Apprenticeship Seminar by the British Council from 5-8 March 2018 in Wales, United Kingdom.

The event was aimed at introducing delegates to the apprenticeship system in Wales, while exploring the concept of work-based learning and how apprenticeship can deliver better outcomes for learners and better the economy. Representatives from various institutions in the UK, South Africa, India, Indonesia, Nepal, Nigeria, Pakistan, Italy and Uzbekistan, shared best practices with a focus on the roles of employers, service and training providers, quality assurance bodies and the part played by government in rolling out of the apprenticeship programme.

Mr Kay Martin, Principal at Cardiff and Vale College, as the conference partner to the British Council gave a brief overview of the Welsh Skills System. He also outlined that that the College is one of the largest high quality apprenticeship providers in Wales that provides training programmes for the Welsh government. Delegates were also taken through the role of the British Council in the Technical and Vocational Education and Skills Sector.

Apprenticeships continue to assist our students to gain hands-on experience within the various industries and to learn new practical skills while earning a qualification and receiving a stipend.



Deputy Principal Academic Programmes & SSS, Mr T Mosito outside Cardiff & Vale College in Wales. during his visit in Wales

HOSPITALITY STUDENTS SHOW OFF THEIR CULINARY SKILLS AT 2018 CAASA CHEF IMBIZO

The Culinary Arts Association of South Africa (CAASA) hosted the annual Chef Imbizo from 3 – 4 August 2018 at ORBIT College, Mankwe Campus.

Organised by Technopro Trading Enterprise Company, in collaboration with CAASA, the two-day competition saw hospitality students from Mankwe Campus and the Culinary School of Hospitality show off their culinary skills. This was done through a number of activities which included conference & skills demonstration, as well as a tense but exciting competitive skills challenge. Students were exposed to the skills of celebrity Chef, Citrus Khumalo, who comes with a host of accolades- celebrity chef, owner of the CPSH, President of African Chefs United and the Culinary Arts Association of South Africa (CAASA). Chef Khumalo has prepared meals for former President Nelson Mandela, Brad Pitt and a host of other local and international celebrities. He is known for demanding perfection, and it is this standard that has made him one of the most sought after Chefs in South Africa.

Students did not disappoint! Lethogonolo Masila was awarded the best *'Student Skills Challenge'* for ORBIT College, while Mahlako Matlala won the same challenge for CPSH. The *'Table Setting'* award went to Thabiso Mokoena, while Kgosi Kekana scooped the *'BBQ Challenge'* award. The coveted *'Imbokodo Chef of the Year'* award was won by Mathapelo Molathwa, and lastly, Elias Seele walked away with the *'Free for all mystery basket'*



Hospitality students preparing their dishes for the competition

According to Chef Khumalo, this competition did not only instilled discipline, and confidence in young people in the past but also equipped them with the necessary skills to secure jobs easily. The Imbizo is held annually to create activities that, in turn, create opportunities for young people to learn about essential skills needed to secure jobs in the Hospitality and Culinary Industry. CAASA plans to have an even bigger and better Imbizo next year!

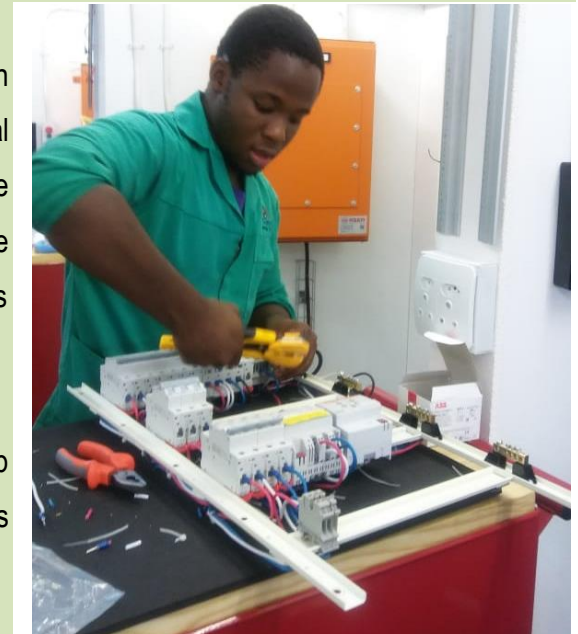
EIC STUDENT FLIES THE ORBIT FLAG HIGH AT NATIONAL SKILLS COMPETITION

Brits Campus Electrical Infrastructure & Construction (EIC) Level 4 student, Mr Mfundo Buthelezi represented the College at the National Skills Competition which took place from 23-25 February 2019 at the Durban International Conference Centre (ICC). Mr Buthelezi made the College very proud after obtaining the sixth position.

Mfundo's journey started on 17 September 2018, when he participated in the first round of the North West Provincial Competition held at Mankwe Campus, which saw students from ORBIT, Taletso and Vuselela TVET Colleges show off their skills in Electrical Installation. He was among the top six students who advanced to the next round of the Provincial Competition, which took place on 28 & 29 September 2018 at Vuselela TVET College Training Centre, Matlosana Campus. Mfundo proved that he was a force to be reckoned with, when he was chosen as the overall winner to represent North West Province at the Nationals Skills Competition next year.

Together with the other provincial winners from the nine provinces, he underwent further training under the guidance and tutorship of Electrical Installation expert, Mr N Du Plessis and Electrical Infrastructure Construction (EIC) Lecturer and qualified artisan, Ms M Matloa, in preparation for the nationals. The training took place at Mr du Plessis' training centre in Germiston, Johannesburg

The winners in the various categories of the National Competition, Mfundo will represent South Africa at the World Skills SA (WSSA) Competition expected to take place in Kazan, Russia from 22-27 August 2019.



Mr M Buthelezi showing off his skills during the first round of the Provincial Skills Competition hosted at Mankwe Campus on 17 September 2018

ORBIT COLLEGE & PLATINUM INCUBATOR ‘GEMS’ DAZZLE AT THE 2018 PLAT AFRICA COMPETITION

Four ORBIT College ‘jewels’ took part in the 19th annual PlatAfrica Competition, which was held at the Theatre on the Track in Kyalami, Midrand on 24 October 2018. *PlatAfrica* is a high-profile initiative that promotes innovation and nurtures new talent in Platinum Jewellery Design and Manufacturing. Themed, ‘Blessings of Love’, the 2018 competition looked to celebrate the important milestones in the lives of young women.

Siyabonga Mtshukuma, Olebogeng Mushiane, Koketso Lenyatsa, Mable Moruwakgomo from ORBIT College, as well as other professional, apprentice and student designers were tasked with submitting designs that would commemorate these milestones across three broad categories: *Nature’s Spirit, Modern Feminine and Cultural Confluence*. Their final jewellery pieces had to emphasise the rarity and strength of both platinum and the women who wear it through modern, timeless design.

It was the first time that the Rustenburg Campus Jewellery Design and Manufacture graduates, and now incubatees of The Platinum Incubator situated at Rustenburg Campus, entered this sought-after competition. Even though none of them won, Mr Mtshukuma said that having been selected to compete was an achievement on its own. “Being in the presence of some of SA’s renowned and rising jewellery designers and manufacturers, was an eye opener and a motivation to do much better next year,” Mr Mtshukuma said. He added that he was grateful to the Platinum Incubator Management Team, especially the Production Manager, Mr Tebogo Nkesi who continues to mentor and inspire them.

The Platinum Incubator did however produce two winners at the event! A Motheo TVET College student, Mr Mandlenkosi Moses won 3rd position in the ‘Professional Category’, while Tshwane University of Technology (TUT) student, Mr Matete Seliane of *Seliane Jewels* scooped the ‘2018 People’s Choice Award’.

TPI CEO, Ms Sibongile Shongwe said she was very proud of all the candidates for doing so well. “We are extremely proud of them for having gone as far as they did, considering that they were all first-time entrants. This was definitely a confidence booster, and I have no doubt that they will do even better next year. It is pleasing to see our young people at the fore front of the beneficiation chain of Platinum minerals”, Ms Shongwe said. “I am also very excited that the collaboration between the TPI and the College is finally bearing fruits. So far, we have prepared and developed more than 70 graduates (NQF Level 5-7), from all over South Africa, as well as 140 NQF Level 3 & 4 candidates from ORBIT TVET College Jewellery Manufacture & Design Programme,” she concluded.

The winners travelled to India as part of the collaboration between Anglo American Platinum and PGI India, to participate in PGI India’s design outsourcing process for the prestigious Evara brand.

The PlatAfrica Competition is a partnership between Anglo American Platinum, Platinum Guild International (PGI) India and Metal Concentrators



Siyabonga Mtshukuma, Olebogeng Mushiane, Koketso Lenyatsa, Mable Moruwakgomo took part in the 19th annual PlatAfrica Competition on 24 October 2018 in Kyalami, Midrand

FORMER DEPUTY MINISTER OF TELECOMMUNICATIONS & POSTAL SERVICES CELEBRATES 'INTERNATIONAL GIRLS IN ICT DAY' ORBIT COLLEGE

The Former Deputy Minister of Telecommunications & Postal Services, Hon. Stella Ndabeni Abrahams, celebrated the 'International Girls in ICT Day' with young girls and women in Grades 10-12 from neighbouring secondary schools in the Moses Kotane Local Municipality, at an event held at Mankwe Campus on 03 May 2018. The celebration was aimed at making girls and young women aware of the various opportunities that are available and offered by the Information and Communication Technologies (ICTs). Addressing approximately 150 young females, the then Deputy Minister emphasised the value of investing in techno-girls for entrepreneurial and economic inclusion agenda. She further committed to training at least twenty internet providers from the Moses Kotane area in domain name reselling.



Former Deputy Minister of Telecommunications and Postal Services, Hon. Stella Ndabeni-Abrahams encouraged approximately 150 girls and young women to consider taking up careers in the growing field of Information and Communication Technologies (ICTs)

Even though the ICT industry is transforming and becoming more welcoming to women, the lack of young women attracted to ICT studies is still reflected in ICT companies and government agencies around the world. The ICT Sector remains male dominated, especially at senior levels. Various females and stakeholders making a mark in the ICT Sector, were invited to share their personal journeys with the learners on how they got to where they are today in the sector.

ORBIT College Deputy Principal: Academic Programmes and Student Support Services, Mr Tumisang Mosito articulated the point that Colleges can only deliver on their empowerment mandate if supported in terms of infrastructure, equipment and machinery, including knowledge, while adding that this can only be acquired through partnerships. "As a public institution, we need partnerships in order for us to do justice to this mandate. We salute the Telecommunications and Postal Services Ministry for allowing us to be their partner of choice. As an institution, we see this approach as a commitment to improve the living and learning conditions in the historically disadvantaged situation", Mr Mosito said

The event was concluded with the former Deputy Minister handing over certificates to 25 young women who completed ICT training conducted by the Department in collaboration with INTEL SA in 2015.

International Girls in ICT Day is an annual initiative supported by the International Telecommunications Union (ITU) Member States to create a global environment that empowers and encourages girls and young women to consider studies and careers in the ICT Sector.

MORE THAN 1000 GRADUATES CONFERRED AT THE ANNUAL DIPLOMA & CERTIFICATION CEREMONY

Thursday, 24 May 2018 was another day of jubilation in the Higher Education Sector, as ORBIT TVET College conferred more than one thousand graduates with National Certificates and National N Diplomas, marking it as the biggest graduation ceremony the College has ever hosted.

Owing to the record breaking number of 1027 graduates, three sessions that ran concurrently, were hosted at the Rustenburg Civic Centre (City Hall) to accommodate the astounding number of graduates. Among the distinguished guests in attendance, were the Queen Mother of the Royal Bafokeng Nation, Mmemogolo Semane Molotlegi, who was also part of the Academic Procession, members of the College Council, stakeholders from ABSA, Standard Bank and Electro Diesel Group (sponsors of the event) and of course the friends and families of the VIPs of the day, the esteemed graduates.

No fewer than 741 Report 191 N6 Business & General Studies as well as Report 191 N6 Engineering Studies graduates and diplomandi were acknowledged during the first and second sessions, followed by the NC (V) Programmes Ceremony, which saw 285 candidates being awarded for completing their respective Level 4 qualifications.

Brits Campus Human Resources Management N6 student, Ms Sheila Moyo received the sought-after 'DUX Student Award' for Report 191 Business & General Studies, after she achieved an outstanding nine distinctions, coupled with 100% for 4 subjects- Labour Relations N6, Personnel Management N6 and Personnel Training N5 & N6. Mr Pabalelo Otsheleng, Rustenburg Campus N6 Mechanical Engineering graduate scooped the 'DUX Student Award' for Report 191 Engineering Studies. Mr Otsheleng obtained an unbelievable average of 92.83% and achieved no less than 12 distinctions over his period of study. In addition to this, he achieved 100% for 3 subjects –Mathematics N6, Mechanotechnics N5 and Power Machines N5. The renowned DUX Award for National Certificate (Vocational) studies was presented to Ms Boipelo Molefe from Mankwe Campus, for her consistent excellent academic performance in the Office Administration qualification. Ms Molefe obtained an average of 83.24% and bagged an incredible fifteen distinctions over her 3 year period of study. All DUX Awards were sponsored by Standard Bank.

The College also recognised seventeen Top Achievers who obtained an average of no less than 70%. They also received trophies and cash prizes, courtesy of our proud sponsor, Absa Bank.

The admirable quality of the College graduates was displayed through the motivational speakers of the event, Mr Collin Chavana, a Mankwe Campus Tourism N6 graduate, who also received his Diploma in Tourism on the day, and Mr Pabalelo Otsheleng, the recipient of the DUX Student Award for Report 191 Engineering Studies and Top Achiever Award. Both speakers did an outstanding job in inspiring and persuading their fellow graduates to work hard at achieving greatness throughout their lives, as they prepare to enter the world of work.

The College presented the first ever 'Best Female in Engineering Award', which was bestowed on Rustenburg Campus student, Ms Dineo Manala, for her excellent performance in Report 191 Electrical Engineering. Ms Manala obtained an average of 80.25% and pocketed nine distinctions. This special award, sponsored by a long standing industry partner of the College, Electro Diesel Group, is in accordance with Government's National Skills Development Strategy objectives, which calls for an increase in female artisans. In 2017, ORBIT TVET College produced approximately 900 graduates, indicating a significant increase in the number of graduates in 2018.



ORBIT College conferred a record-breaking 1027 graduates with National Certificates and National N Diplomas at its Annual Diploma & Certification Ceremony, on 24 May 2018 at the Rustenburg Civic Centre

8.4 Provision of Student Support Services

Our College mandate is clear. On the demand side, the College must deliver on the skills needed to drive our country's economic growth and social development at an increasing rate, because available, quality skills will enhance both investment and service delivery. On the supply side, the system must serve a growing number of both young people and adults; it must provide different entry points into, and pathways through the learning system; it must provide quality learning wherever learning takes place – be it at a college or in the workplace; and, importantly, it must provide easy pathways across the different learning sites. To support the above goal, we established fully functional Student Support Centres at each campus with Academic Support and Social Support Officials, Academic Support Labs, study areas, internet cafés, job portals, etc. Mankwe Campus is the only campus with student residences and substantive amounts are annually allocated for the maintenance, refurbishment, etc. of these residences so that students live in conducive conditions.

By investing in our students, we invest in the future of our country. To this end, the necessary academic support was provided to students with a specific focus on exit level soft skills that would enable them to successfully enter the world of work or create self-employment opportunities. The fully functional Student Support Centres at all campuses and sound partnerships with Business and Industry such as the mining industry, automotive industry, business sectors and the construction industry assisted in developing and improving student pass and certification rates.

The Student Support Services provided to students in 2018 also focused on holistically addressing students' different socio-economic backgrounds. The approval and implementation of a holistic Student Support Plan for the College assisted management to respond to the geographical challenges of each delivery site, and to deal with the different economic and sociological profiles of students.

An aggressive College marketing strategy was also implemented with the aim of:

- Increasing access.
- Informing the community of the services rendered by the college.
- Establishing links with local, provincial, national and international entities to the benefit of our learners.

2018 HIGHLIGHTS

ORBITANTS THRIVE AT 2018 NATIONAL TVET DEBATE COMPETITION

The 2018 National TVET Colleges Debate Competition was held over two days, from 30 – 31 August 2018 at Bon Hotel, Bloemfontein, with forty seven (47) Public TVET Colleges participating. ORBIT College was represented by Mr Tshiamo Motlhabane (Rustenburg Campus) and Ms Sweeneth Sambo (Rustenburg Campus), who were accompanied by their Lecturer Coach, Ms R Mojaki from Rustenburg Campus and Student Support Social Coordinator, Ms T Shilowa, who was also the National Debate Moderator for the competition.

All teams put in a lot of effort in preparing for the exciting but tough competition! The grouping of teams proved to be a challenge for the organisers, as there were ten members per team initially. This arrangement was not practical for a debate competition. A decision was then taken to split the teams into groups of two, resulting in twenty teams being formed to compete against each other. Even with the difficult topics presented to them, the students gave their best and did not disappoint!

Day one saw all twenty teams compete in the elimination round (round 1) for a spot in the top four. Teams North West (ORBIT, Vuselela and Taletso students), Free State, Kwazulu Natal and Gauteng, proved to be the better teams, as they advanced to the semifinals and final round held on day two. Celebrity actor, Ms Khanya Mkangisa, made a surprise appearance during day 2, much to the excitement of students!

Unfortunately for Team North West, their journey came to an end, as they were knocked out by Team Free State in the semi-finals. However, one of the team's members, Mr Tshiamo Motlhabane scooped the 'Judges' Choice Award' for his excellent debating skills. Congratulations to him on being the first recipient of such a prestigious award.



Pictured here are the 'best debaters' from the various Colleges for each debate session. Mr Tshiamo Motlhabane, (back row, second from left) from ORBIT College, won best debater during the elimination rounds

2018 COLLEGE ACADEMIC DAY

The 2018 College Academic Day was held on 31 May 2018 at Rustenburg Campus, Music Auditorium. All three campuses were represented in the following categories:

- Debate
- Mandela Quiz
- Public Speaking
- Prepared Reading
- Mathematics and Mathematical Literacy

This year's event saw the introduction of a new category, the Mandela Quiz. The teams representing the Campuses battled it out to find out who is more knowledgeable when coming to the life and times of the late Nelson Mandela as the world celebrates the his centennial birthday.

The overall campus winners in the different categories were:

- Mathematics and Mathematics Literacy- Mankwe Campus
- Public speaking- Brits campus
- Prepared Reading- Rustenburg Campus
- Mandela Quiz- Rustenburg Campus (Team Bozz Zonke)

Furthermore, eleven students who took part in the Debate Competition were chosen to debate in July 2018 for the final two spots to represent the College at the National Debate Competition that was held in August 2018.

Team Boss Zonke from Rustenburg Campus represented the College at the Regional Mandela Quiz Competition which took place on 17 July 2018 at the Rustenburg Campus Auditorium.



Participants of the College Mandela Quiz Competition in action at the Rustenburg Campus Music Auditorium

MPUMALANGA & NORTH WEST TVET COLLEGES BATTLE IT OUT FOR THE 'REGIONAL MANDELA CENTENARY QUIZ COMPETITION' TITLE

In the spirit of celebrating the historic milestone that is the late Nelson Mandela's centennial birthday, six teams from TVET Colleges in the Mpumalanga and North West region, competed against each other at the first ever Regional Mandela Quiz Competition, which took place at ORBIT TVET College, Rustenburg Campus on 17 July 2018.

Eighteen participants (three students per team) from Ehlanzeni, Gert Sibande, Nkangala, ORBIT, Taletso, and Vuselela TVET Colleges went head-to-head during four exhilarating rounds of the inaugural Regional Mandela Centenary Quiz. All questions were based on the life and times of the iconic Madiba.

Former acting Regional Manager, Mr Nick Balkrishen welcomed guests, and highlighted that the purpose of the event was to celebrate and promote the unending legacy of Mandela. The audience was treated to a special surprise, as celebrity and actor in the popular TV soapie, *Scandal*. Mr Kagiso Modupe graced the occasion with his presence and played the role of the 'Quiz Master' and co-host, alongside Ms Tshego Rapoo from ORBIT College.

After round 1 (True and False Round) and Round 2 (Multiple Choice Round) teams Ehlanzeni and Taletso were the first to be eliminated. The level of difficulty increased as the remaining four teams advanced to the next rounds. In round 3, participants were given 67 seconds each to answer as many questions as possible, posed to them by the Quiz Master. At the end of the "67 seconds" round Team Gert Sibande was eliminated. By this stage the tension amongst the remaining participants and the audience was palpable.

It was up to Teams ORBIT, Nkangala and Vuselela to prove which team was the most knowledgeable on Tata Madiba's life, as they battled it out in the finale round - the 'Buzzer' round'. After a nail-biting round of tough questions, Team Nkangala won the coveted '2018 Regional Mandela Quiz' trophy. Team ORBIT clinched position 2, while Team Vuselela was the 2nd runner up.

The three winning teams were awarded medals and walked away with exciting prizes. The Chairpersons of the College Councils handed out certificates to all participants. Team managers were also recognised for their efforts in ensuring that the students were well prepared for the competition.



Former acting Regional Manager: North West & Mpumalanga, Mr Nick Balkrishen congratulating the winning team from Nkangala TVET College



The former acting Regional Manager, Mr Nick Balkrishen (far left) congratulating Team ORBIT (from Rustenburg Campus), who clinched position two during the inaugural Regional Mandela Quiz Competition.

Front row (from left to right): Mr N Blakrishen, Ms B Mangole (Team Coach), Mr M Phanda (EIC L4), Ms M Mahila (Team Coach), Mr K Modupe (Celebrity Quiz Master).

Back row: Mr K Mabunda (Boilermaking N4) and Mr T Monnamorwa (Electrical N3)

Students from the participating colleges and Acapella group, *Sent Vocals*, kept the audience entertained with their renditions of poetry and songs about the 'Father of the Nation'. The captain of Team Nkangala, indicated to SABC news that his extensive research of Nelson Mandela, in preparation for the quiz, was "life-changing" as he learnt the intricate details of the numerous sacrifices that Nelson Mandela and many other 'freedom fighter' had to make to attain the democracy that we now enjoy.

Among the distinguished guests in attendance, were Chairpersons of College Councils, Principals, Deputy Principals, officials from the Regional Offices, Regional Mandela Quiz Working Committee members, ORBIT College Nelson Mandela Centenary Committee members, Student Support Officials and selected students from participating Colleges.

The event was covered and aired on the SABC 2 news channel.

INTERNATIONAL EXCHANGE PROGRAMME

Mankwe Campus was extremely excited to be working together with EWSETA & MERSETA and the Chinese Culture and International Education Exchange Centre in having afforded our students a once-in-a-lifetime opportunity to participate in an international exchange programme. Twenty six Mankwe Campus students were selected to represent ORBIT TVET College and the North West Province in China.

Twelve students were exposed to the following curriculum: Solar – Manufacturing panels, establishing solar power stations, Maintenance of solar power and switch gear manufacturing, while fourteen will be exposed to manufacturing of escalators. Eleven students departed on 16 April 2018 and the remaining fifteen jetted off to China at the end of June 2018.

Meanwhile, six of the eight students who departed to China in March 2017 on 12 month internship, successfully completed their training and returned home in February 2018. They came back armed with knowledge and skills in the manufacturing of batteries, and were awarded certificates of competency by the Beijing Union University in China.



Front row (from left to right): Ms M Motsoeneng (Chinese Culture and International Education Exchange Centre), Ms PK Tlhogwe, Ms KC Moeng, Ms BV Moatshe, Ms BP Tselapedi, Ms OB Mthombeni, Ms ME Mmokwa, Ms TP Muthuki & Mr J Lu (Chinese Culture and International Education Exchange Centre)
Back row: Mr RS Rapoo, Mr OB Montshing, Mr L Mogomotsane & Mr CP Tihakanye

OPEN DAYS GIVE HIGH SCHOOL LEARNERS & OUT-OF-SCHOOL YOUTH A GLIMPSE OF THEIR FUTURE

ORBIT College was abuzz with prospective students from over 40 schools in the Bojanala District Municipality, who came out in numbers to attend the Annual Open Days hosted at Brits, Mankwe and Rustenburg Campuses respectively during the month of August 2018.

The wide range of study programmes offered at the College were cited as key attractions for approximately one thousand four hundred and seventy two (1472) grade 9-12 High School learners and Out-Of-School youth Open Day activities were kick-started at Rustenburg Campus on 2 August 2018. This was followed by more than nine hundred (900) learners making their way to Brits Campus on 16 August 2018, to explore the vast range of study options that the Campus showcased on the day. Mankwe Campus Open Day followed on 23 August 2018, where approximately seven hundred learners visited the Campus.

Activities included interactive campus tours of facilities such as workshops, simulation rooms and student support centres, which presented an ideal platform for learners to speak to staff and senior students face-to-face about the different academic programmes and what they involve. More than eighty Principals and LO educators who accompanied the learners, were treated to insightful liaison functions, where the Management Committee members at each campus shared information with the educators, with the aim of assisting the learners to make informed decisions when seeking post-school opportunities.

The success of Open Days was mainly due to the College marketing and recruitment team undertaking extensive school visits and career exhibitions throughout the year.



Students got an opportunity to visit the Engineering workshops. Here, they are pictured at the Boilermaking/Fabrication workshop at Rustenburg Campus

8.3 Stakeholder Framework

ORBIT TVET College understands its stakeholder base and seeks to work with everyone who has interest in creating a vibrant College system. The following stakeholders were key to the delivery of the College's Vision and Mission in terms of partnerships in 2018.

| PARTNERSHIPS | |
|--|---|
| ORBIT TVET College has signed Memorandums of Understanding (MoUs) with the following Business, Industry, Government, SETAs and Community partners: | |
| PARTNER | PURPOSE OF PARTNERSHIP |
| <u>Business and Industry</u> | |
| Tharisa Mining | Artisan Development Training |
| Ford SA | Placement and Training of Students/Workshop Support |
| Four Tops Engineering | Placement and Training of Students |
| SEDA Platinum Incubator | Incubator Business Support |
| Magalies Water | Internships |
| Impala Platinum Mines | Training of Lecturers/Placement of Students |
| Laundrie Engineering and Mining | Placement and Training of Students |
| Sun City | Placement of Students |
| Maseve Mining Investment | Training of Students |
| Samsung | Placement and Training of Students |
| ABSA Bank | Placement and Training of Students |
| AECI | Artisan Development Training/Funding for Training |
| Glencore Mining | Artisan Development Training |
| Electro Diesel | Artisan Development Training |
| Platinum Group Metal | Artisan Development Training |

| | |
|---|--|
| <u>Universities/Universities of Technology/FET Colleges</u> University of South Africa (UNISA) Tswane University of Technology | Music Examinations/Increased access of TVET College students to HE Skills Development |
| <u>Government Departments</u> Department of Rural Development Department of Economic Development Department of Small Business Development Department of Education NW Department of Health NW NSF | ECD Training SMME Development/Centre for Entrepreneurship Centre for Entrepreneurship and Rapid Incubator ECD Training Artisan Development Training Training: Learnerships and Rural Development Programmes |
| <u>Local Communities, NGOs and municipalities</u> Rustenburg Local Municipality Bojanala Platinum District Municipality Kgetleng Local Municipality Office of the Sherriff of the Magistrate Court Job Shimankane Hospital Brits Hospital | Use of Facilities and Student Placement/Training of employees/Artisan Development Placement of Students Placement of Students Placement of Students Placement of Students Placement of Students |
| <u>Sector Education and Training Authorities (SETAs)</u> Transport SETA (TETA) Finance and Accounting SETA (FASSET) Services SETA Bank SETA ETDPA SETA | Internship Programme and Training on Driver's Licence Brand Ambassadorship Internship Programme Internship Programme Internship Programme |

| | |
|---------|----------------------------------|
| MQA | Jewellery Design and Manufacture |
| Merseta | Learnerships |
| SAGDA | Internship Programme |
| INSETA | Graduate Development |
| CETA | Internship/Graduate Development |
| LG SETA | Training/Graduate Development |

2018 HIGHLIGHTS

BUSINESS BRUNCH AN ASTOUNDING SUCCESS

ORBIT TVET College hosted a successful Business Networking Session on Friday, 26 October with decision-makers from various companies in attendance. The focus of the event was to forge sustainable and mutually beneficial partnerships between ORBIT College and local Business and Industry in an effort to enhance artisan development opportunities, work-based exposure (WBE) for students and work-integrated learning (WIL) opportunities for lecturers.

Acting Regional Manager for TVET & CET Colleges in North West and Mpumalanga, Mr Nick Balkrishen, presented the audience with a clear background of where the TVET College Sector, and ORBIT College in particular, currently was in terms of certification rates, pass rates and growth. Mr Balkrishen highlighted the importance of having solid partnerships with business and industry to sustain Colleges, improve certification rates while benefitting local businesses through the provision of internships. Representatives who attended the session were urged to use the College as a Centre to seek employees.

A highlight of the programme was the testimony of The Platinum Incubator CEO, Ms Sibongile Shongwe. Ms Shongwe shared some of the success stories that emerged as a result of a longstanding partnership between ORBIT College and The Platinum Incubator. One of the shining stars whom Ms Shongwe referred to was former Jewellery student, Mr Siyabonga Mtshukuma, who was selected to take part in a 24 month Goldsmith Art and Jewellery Design International Scholarship in Italy in 2015. Upon his return, Mr Mtshukuma continued with his studies and passed his trade test to qualify as a goldsmith.

Programme director, Ms Tshego Rapoo did a superb job by introducing the newly appointed Principal of ORBIT College, Mr Dika Mokoena. In his presentation, Mr Mokoena unpacked the current partnership status of ORBIT College, while inviting and urging those present to take hands with the College to ensure that work placement opportunities for students become a reality.

The partners and stakeholders were taken on a tour of Rustenburg Campus to view the Platinum Incubator, Jewellery Design and Manufacture workshop as well as the Engineering Boilermaking and Fitting and Turning workshops at the Rustenburg Campus. Upon conclusion of the tour, all delegates were invited to enjoy a scrumptious brunch while networking and liaison between College management and business & industry partners started in all earnest.

Everyone who attended were in agreement that the session was an astounding success and that it opened up doors for new partnerships to be established, while strengthening existing partnerships.



Various partners and stakeholders from Business & Industry honoured the invitation and attended the Business Brunch organised by the College

8.4 Human Resource Management

The approved staff establishment for ORBIT COLLEGE allowed for total number **480** posts to be filled in 2018.

By December 2018 there were still **71** posts vacant across the four sites:

| VACANT POSTS AS AT DECEMBER 2018 | | | | | |
|---|--------------|---------------|-------------------|-----------------------|--|
| Category | BRITS | MANKWE | RUSTENBURG | CENTRAL OFFICE | ORBIT VACANT POSTS 2018 |
| Lecturing Staff | 4 | 12 | 19 | | 35 |
| Office based | | 2 | 1 | 1 | 4 |
| Support Staff | 3 | 14 | 5 | 10 | 32 |
| TOTAL | 7 | 28 | 25 | 11 | 71 |

Critical posts that were still vacant at December 2018 included a number of Management positions at Central Office:

| CRITICAL POST | SITE |
|---|-------------------|
| Rustenburg Campus Manager | Rustenburg Campus |
| Vocational Programmes Manager | Central Office |
| Artisan Development Manager | |
| Management Accounts Manager | |
| Extra – Curricular Co ordinator | |
| Facility Manager | Mankwe |
| Student Support Officer Academic | Rustenburg |
| Head of Administration | |
| HOD and Senior Engineering | |

The non-appointment of managers in the above-mentioned positions placed a lot of strain on Senior Management and the Units involved as monitoring and proper implementation of activities within the affected units had to be delegated – either upwards or downwards, adding to existing workloads.

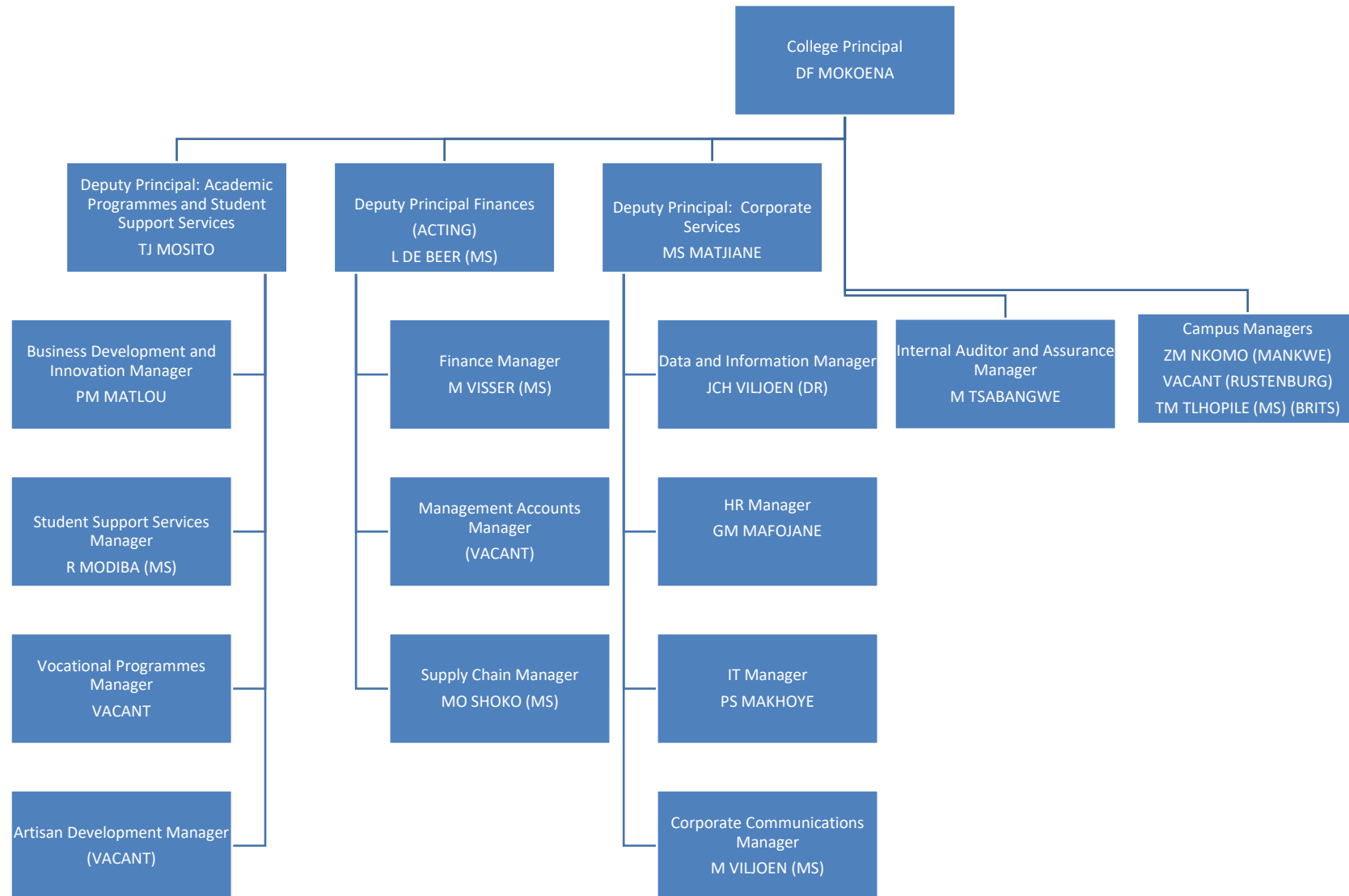
Critical posts in which people were acting at December 2018:

| Critical Post with acting person | Acting | Site |
|----------------------------------|--|----------------|
| Deputy Principal Finance | Ms L de Beer has been acting in this position since 2016 and left in September 2018. Mr M Sebaetse was appointed on 01 November 2018 to date. Both colleagues are deployed by SAICA . | Central Office |

| NUMBER OF LECTURING AND SUPPORT STAFF FOR 2018 | | | | | |
|--|------------|------------|------------|----------------|------------------|
| Category | BRITS | MANKWE | RUSTENBURG | CENTRAL OFFICE | ORBIT STAFF 2018 |
| Management Staff | | | | 4 | 4 |
| Lecturing Staff | 69 | 71 | 84 | | 224 |
| Office based | 3 | 3 | 3 | 1 | 10 |
| Support Staff | 33 | 49 | 33 | 56 | 171 |
| TOTAL | 105 | 123 | 120 | 61 | 409 |

**Staff appointed at Centre for Entrepreneurship were not included on staff establishment reported to the Council, but they were included on the report to DHET*

High-level organisational organogram



8.5 Finances and funding

Since its establishment, the College has been operating in a constrained environment due to funding constraints.

The Acting Deputy Principal Finance and Finance Manager managed the finances of the College soundly by adhering to the general accounting principles, consolidating all budgets of campuses/units and by recording and keeping proper records of income and expenditure. Alternative funding secured through projects by the Business Development and Innovation Unit and value-added relations with potential investors, paying clients, donors, sponsors or partners in the private and public sectors were also managed well.

8.6 Conducting examinations and assessment

The Deputy Principal Academics, Campus Managers and Academic Programmes Manager were responsible for managing and administering campus examinations and assessments in compliance with the applicable legislation and regulations. By making sure that proper systems, strategies and structures were in place, the Academic Unit promoted the education and training of students effectively and efficiently and in accordance with applicable policies.

8.7 Governance, management and leadership

Proper governance, management and leadership at College and campus level are preconditions for optimal institutional functionality. The development of common standards of governance, management and leadership provided the College with a common framework of monitoring and evaluating the level of governance in the college.

The College Council of ORBIT College is responsible for the overall governance of the Institution with the focus on the optimal utilisation of College resources through an effective and appropriate organisational structure, policies and systems. Full compliance to Governance Policies was effected by Council and Council Sub-committee meetings that took place regularly and as per required schedule.

The Academic Board was fully functional and met governance policy requirements to oversee the development and implementation of the Teaching and Learning Plan by meeting quarterly as per policy requirements.

The Management Board met regularly with the aim to establish and maintain an organisational culture and climate that resulted in effective teaching and learning as evident in the academic performance of students.

2018 HIGHLIGHT

DEPUTY PRESIDENT, CONVENES 21ST HRDC MEETING AT ORBIT COLLEGE, RUSTENBURG CAMPUS

The Deputy President, Honourable David Mabuza convened the 21st Human Resource Development Council (HRDC) meeting held at ORBIT College, Rustenburg Campus B on 21 September 2018.

Mr Mabuza, who is the Chairperson of the HRDC of South Africa launched in 2010, was accompanied by North West Premier, Prof. Job Mokgoro, Former Minister of Higher Education and Training, Ms Naledi Pandor, Minister of Basic Education and Training, Ms Angie Motshekga, Former Minister of Communications, Ms Nomvula Mokonyane, Former Minister of Small Business Development, Ms Lindiwe Zulu, Deputy Minister of Higher Education and Training, Mr Buti Manamela, Former Deputy Minister of Labour, iNkosi Phathekile Holomisa, the Premier of the Eastern Cape Province, Mr Phumulo Masualle and other senior government officials including the Principal of ORBIT TVET College, Mr Dika Mokoena.

As part of the visit to the College, the delegates were taken on a tour of the Platinum Incubator (TPI), The Jewellery Manufacturing workshop and the Centre for Entrepreneurship, where local SMMEs exhibited their products. The tour was aimed at showcasing innovation, partnerships, entrepreneurship and the transfer of skills to students.

Amongst other important issues discussed in the HRDC meeting, was an update on Student Funding in Institutions of Higher Learning and plans to support academically capable poor and working class students to access higher education.

Going forward, the Deputy President said he will visit other provinces from time to time, to assess their functionality and to promote amongst provinces, the cross-sharing of best practice models for human resource development.

A day leading to the HRDC meeting, NW Premier, Prof Mokgoro officially launched the North West Human Resource Development Council (HRDC) at Rustenburg Civic Centre. The new provincial HRD Council consist of members from organised labour, government, business, civil society and academics, who will serve for a period of five years. ORBIT College Principal, Mr Mokoena was amongst those elected.



The Deputy President, Honourable David Mabuza, pictured here with several Ministers, Deputy Ministers, MECs, The Principal of ORBIT TVET College, Mr Dika Mokoena and SRC Executive Members, during his visit to the College

The Premier emphasised that South Africans must start focusing on building a skilled and professional public service. “The National Development Plan is very clear that we need to make sure that we make public service and local government a career of choice. South Africans must focus on building a skilled and professional public service from top to bottom”, Prof Mokgoro said.



A Jewellery Manufacturing student at ORBIT College taking the Deputy President and his entourage through the process of making jewellery

8.8 Risk Management

Risk identification and evaluation sessions were conducted with all ORBIT College Management in 2018. The process involved the confirmation of objectives, identification of events, the setting of the risk scoring matrix and identification and evaluation of new risks, the identification and evaluation of existing controls and identification of future actions and timeframes to mitigate the identified risks. The process was informed by the DHET Risk Management Policy.

Senior Management prioritised 11 risks for quarterly reporting to DHET. These risks included:

- Ineffective management of projects
- Negative financial impact due to under and over-enrollment
- Ineffective inventory management
- Absence of college maintenance plan
- Poor management of staff and student attendance
- Lack of database for assessors and moderators for occupational programmes
- Ineffective administration of NSFAS bursaries
- Data Management
- Leave administration
- IT Governance
- Ineffective supply chain management process which impacts on other units

The delegated risk officer, with the assistance of the internal audit and assurance unit, is expected to monitor the implementation of existing controls, future actions and to report quarterly in order to update the College risk register.

8.9 Occupational Health and Safety

In 2018 a legal compliance audit was conducted in all sites to measure the level of compliance in the college against the requirements of the Occupational Health & Safety Act 85 of 1993 and its regulations as well as the local Municipality by-laws. The Department of Higher Education and Training had requested that the college should use the services of an external service provider who should be able to issue out a compliance certificate after the completion of the audit.

The compliance level was rated as follows:

Central Office – 56.03%

Brits Campus – 56.20%

Mankwe Campus – 56.28%

Rustenburg Campus – 56.61%

This, therefore, means that the college is not compliant to the OHS Act and its regulations since the required level of compliance are at 75%.

The audit identified gaps that the college was not aware of, as well as gaps identified in the Hazard Identification & Risk Assessment (HIRA) reports. The college then resolved to make new committee appointments to ensure that the identified gaps are given attention and they are eventually closed to ensure compliance. The appointment of committees will take place in 2019.

8.10 Conclusion

As the Accounting Officer/Principal of ORBIT TVET College I committed myself and the resources of the college to achieving the targets outlined in the College Strategic and Operational Plans. This Annual Report is a reflection of the extent to which the College managed to achieve these targets. In most instances, targets were met or exceeded. However, there were also targets that were not met; some of which were due to reasons beyond our control.

Although we are justifiably proud of the initiatives and achievements accomplished over the past year, it is ultimately our ability to adapt and change our services to meet each client's unique need within the landscape for the TVET College Sector, which will determine our success in the future.

In the instances where the College can still improve, and I am of the opinion that the Management and Council of ORBIT College will remain committed to keep improving, growing and sustaining the College, steering it to even greater heights, going forward.

The fundamental principle and vision of ORBIT TVET College is that it is a global institution of excellence, surpassing community needs. This is a principle that commits everyone involved with the College to tirelessly strive to make sure that our students enjoy the same quality learning environment, opportunities and stimulation, regardless of the campus where they are enrolled.

We will continue to embrace our core values of Transformation, Accountability, Respect and Teamwork. For us, meeting and exceeding the expectations of the communities we serve is not a process but rather an ethos.



MOKOENA DF
ACCOUNTING OFFICER/PRINCIPAL

9 COLLEGE PERFORMANCE AND ORGANISATIONAL ENVIRONMENT

ORBIT College mainly serves the Madibeng, Moses Kotane and Rustenburg communities. By being actively involved in communities, and by making sure that the College is included in relevant structures and plans, ORBIT College becomes a significant role player in growing the economy of the North West Province.

As part of our strategy to reach out to these communities the College engages with local municipalities and enter into MoUs with them. In addition, partnerships are forged with local business and industry, business forums and engagement with tribal authorities, such as the Royal Bafokeng and Bakgatla Ba Kgafela tribal authorities takes place on a continuous basis.

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

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

Artisan Development Programmes

2018 will be remembered as the year in which the College mandate to train and produce artisans and help grow the economy was realized through a collaborative effort with merSETA and industry partner, ELECTRO Diesel.

The College is also the beneficiary of the Centre of Specialisation (CoS) Project funded by DHET and NSF to train sixty prospective artisans in Electrical and Diesel Mechanic Trades. The Centres are located at Brits and Mankwe Campuses respectively. Although the Centres were launched in February 2018, the projects will officially commence in 2019.

In addition to this project, the College also signed MoUs/SLAs with

- the AECI group of companies for training of artisans in Welding Works
- ISFAP to train prospective artisans in Electrical Work and Boilermaking
- The Department of Health to train employees to obtain an artisan qualification in Carpentry, Electrical Work and Plumbing

Through the merSETA Artisan Development Programme the College has sent students to the NECSA Trade Test Centre to undergo trade testing in Welding.

In addition to offering training that is responsive to the needs of Business and Industry, the College also has a responsibility to support students by means of a comprehensive exit strategy. Such a strategy includes vastly expanded access to workplace-based experiential learning and strong links between colleges, employers and employers' organisations

Students face many obstacles when entering the job market. In some fields supply outstrips demand, which has the effect of graduates ending up in jobs fields they did not train for. In other cases, graduates lack the minimum of three to four years of work experience in their field of study, which is often a requirement for jobs advertised. Without support from their colleges, students generally struggle to break into the job market and frequently end up in employment that is unrelated to their training. This is directly reflected in the low number of National N Diplomas that are issued annually. In 2018, ORBIT TVET College also managed to produce a higher number of compliant graduates who qualified for their National N Diploma.

The Performance Report provided in the next section details the active and real contribution that ORBIT TVET College has made across various spheres, including accessibility, academic performance, producing compliant graduates and achieving strategic annual targets and objectives as set out in the College Strategic Plan.

10 PERFORMANCE REPORTING

The graphical information displayed in this section of the Annual Report aims at providing a visual presentation of the performance of ORBIT TVET College during 2018 in terms of:

- **Enrolment targets**

A growth analysis has been done, based on comparative headcounts covering 2016 – 2018. This graph provides an indication of the growth rate per campus over a period of three years.

A breakdown of the total FTEs for Vocational/Ministerial funded programmes is also provided per campus. Occupational learning programmes are only calculated in terms of enrolment numbers and are not based on FTEs. All FTEs indicated in this section exclude exemptions, cancellations and exam-only enrolments.

- **Academic Compliance**

The graphs presented in this section focuses on certification rates, pass rates and retention rates for NCV and Report 191 (Semester and Trimester) programmes respectively. Certification rates were calculated based on the number of students who enrolled for a full qualification. Pass rates were calculated based on subject enrolments.

- **Graduation Compliance**

A comparative analysis of graduation statistics was done for the period 2016-2017 for exit level qualifications only, i.e. NCV Level 4 and National N Diploma. The compliance of NCV Level 4 graduates with the admission requirements of Higher Education Institutions such as Universities and Universities of Technology is also presented as this provides an indication of articulation of NCV graduates into Higher Education as one of the exit level options.

10.1 STUDENT ENROLMENTS

10.1.1 Growth Analysis (Comparative Headcount: 2016-2018)

| CAMPUS / YEAR | 2016 | 2017 | 2018 | % Growth / Campus |
|--------------------------------|--------------|--------------|--------------|-------------------|
| BRITS | 3246 | 3348 | 3239.21 | -3% |
| MANKWE | 3223 | 4741 | 3952.96 | -20% |
| RUSTENBURG | 4369 | 4931 | 4908.75 | 0% |
| ORBIT College Totals | 10838 | 13020 | 12101 | |
| % College Growth / Year | -3% | 17% | -8% | |

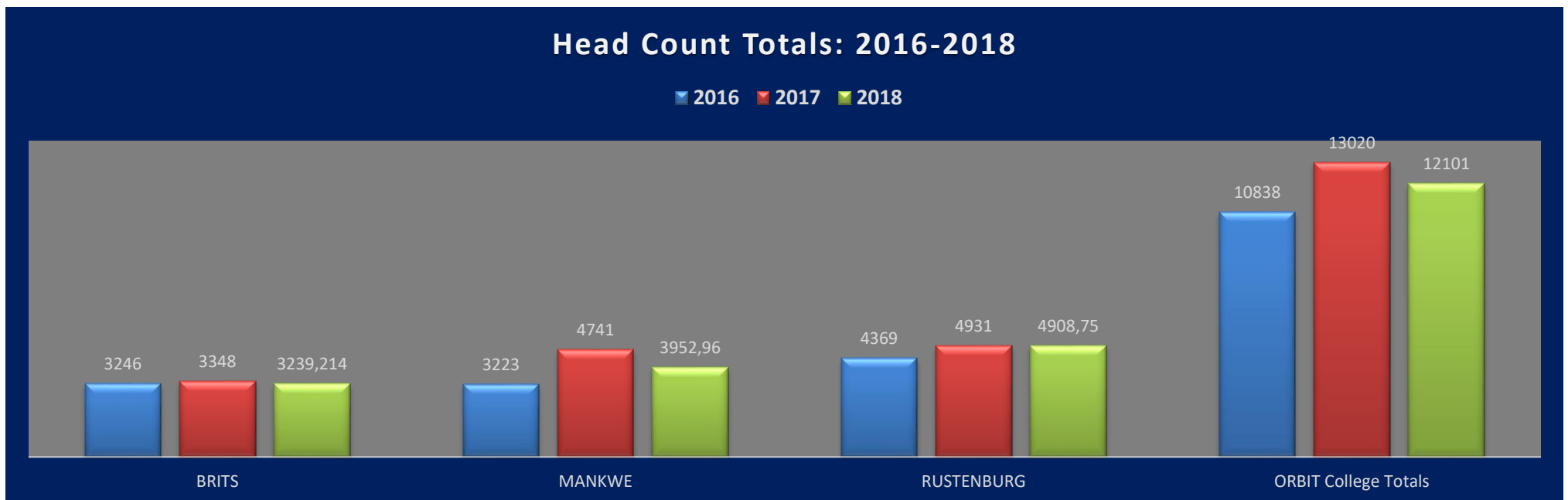


Figure 10.1.1

10.1.2 FULL TIME EQUIVALENTS (FTEs) FOR VOCATIONAL / MINISTERIAL FUNDED PROGRAMMES 2015-2018

FTEs VOCATIONAL / MINISTERIAL FUNDED PROGRAMMES

| FTEs NC(V) Programmes - 2016-2018 | | | |
|-----------------------------------|----------------|----------------|----------------|
| Campus | FTEs 2016 | FTEs 2017 | FTEs 2018 |
| Brits | 874.20 | 805.38 | 912.47 |
| Mankwe | 1136.36 | 1088.64 | 1187.61 |
| Rustenburg | 1297.55 | 1107.25 | 1045.79 |
| College NC(V) Totals | 3308.11 | 3001.26 | 3145.87 |
| NC(V) % Growth / Year | -5% | -9% | 5% |

| Total FTEs per Campus - 2016-2018 | | | | |
|-----------------------------------|-----------|-----------|-----------|---------------------|
| Campus | FTEs 2016 | FTEs 2017 | FTEs 2018 | % Growth per Campus |
| Brits | 2047.59 | 1889.10 | 1905.85 | 1% |
| Mankwe | 2237.24 | 2174.12 | 2206.02 | 1% |
| Rustenburg | 2845.63 | 2636.93 | 2679.94 | 2% |

| FTEs Report 191 Programmes - 2016-2018 | | | | |
|--|---------------------|----------------|----------------|----------------|
| Campus | Programme | FTEs 2016 | FTEs 2017 | FTEs 2018 |
| Brits | Engineering Studies | 554.77 | 527.10 | 413.09 |
| | Business Studies | 618.63 | 556.63 | 553.95 |
| | Sub-Total | 1173.39 | 1083.72 | 967.04 |
| Mankwe | Engineering Studies | 559.25 | 525.36 | 539.00 |
| | Business Studies | 541.63 | 560.13 | 586.70 |
| | Sub-Total | 1100.88 | 1085.49 | 1125.70 |
| Rustenburg | Engineering Studies | 974.58 | 867.18 | 688.98 |
| | Business Studies | 573.50 | 662.50 | 816.03 |
| | Sub-Total | 1548.08 | 1529.68 | 1505.01 |
| College Report 191 Totals | | 3822.34 | 3698.89 | 3597.75 |
| Report 191 % Growth / Year | | -6% | -3% | -3% |

| Totals Programme FTEs - 2016 - 2018 | | | |
|-------------------------------------|-----------|-----------|-----------|
| Programme | FTEs 2016 | FTEs 2017 | FTEs 2018 |
| NC(V) FTEs | 3308.11 | 3001.26 | 3145.87 |
| Report 191 FTEs | 3822.34 | 3698.89 | 3597.75 |
| College Total FTEs | 7130.45 | 6700.15 | 6743.62 |
| % Growth per Year | -6% | -6% | 1% |

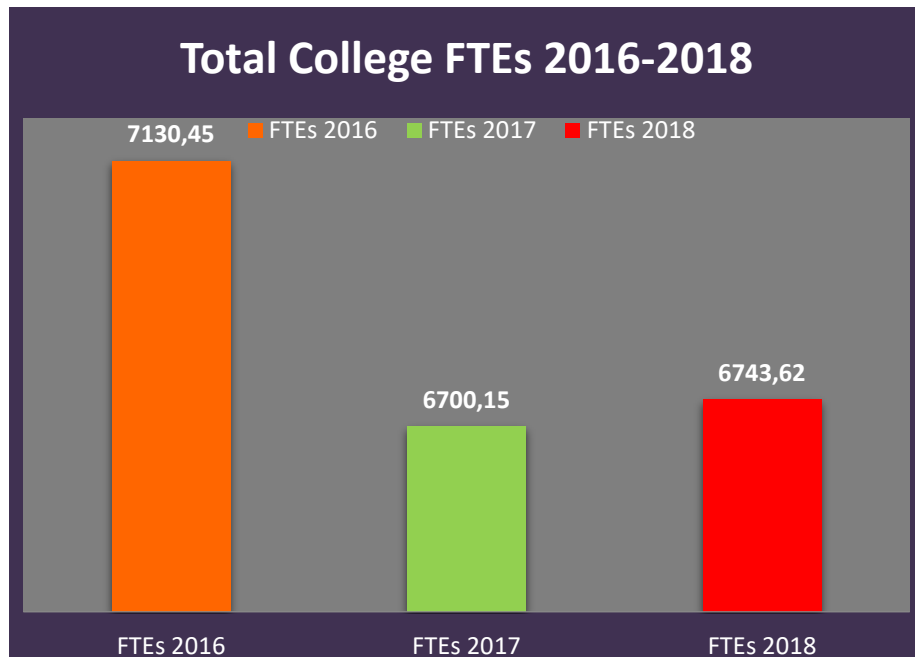


Figure 10.1.2.1

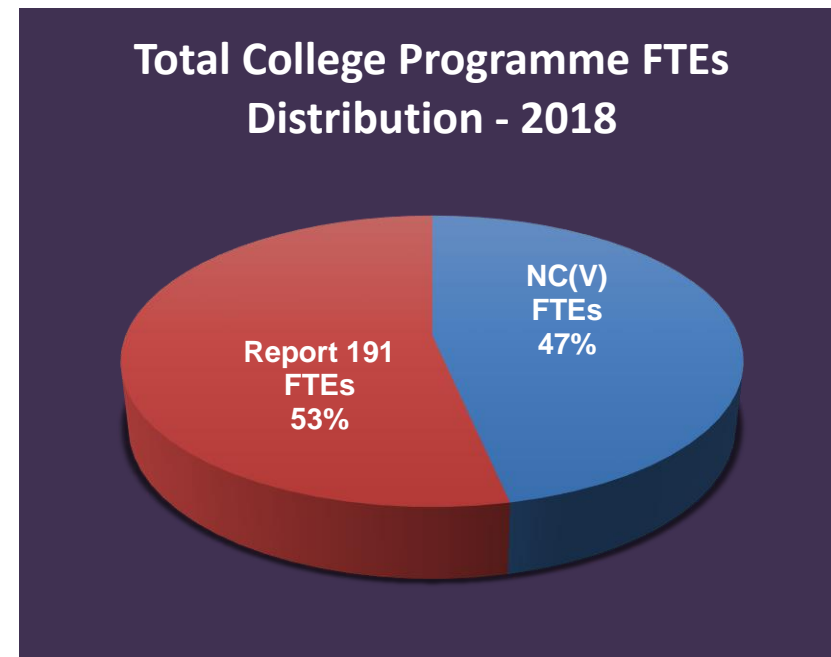


Figure 10.1.2.2

10.2 STUDENT ACADEMIC PERFORMANCE

10.2.1 NCV: CERTIFICATION RATE: 2015 – 2018 (Based on number written vs number passed)

NCV: CERTIFICATION RATE: 2015 - 2018

| | 2015 | | | | | 2016 | | | | | 2017 | | | | | 2018 | | | | |
|----------------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|
| | CERTIFICATION RATE | | | | | CERTIFICATION RATE | | | | | CERTIFICATION RATE | | | | | CERTIFICATION RATE | | | | |
| | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention |
| Level 2 | 1265 | 778 | 445 | 57.20 | 61.50 | 1566 | 563 | 437 | 77.62 | 35.95 | 1404 | 687 | 611 | 88.94 | 48.93 | 1147 | 668 | 549 | 82.19 | 58.24 |
| Level 3 | 583 | 524 | 396 | 75.57 | 89.88 | 441 | 384 | 322 | 83.85 | 87.07 | 422 | 364 | 331 | 90.93 | 86.26 | 565 | 491 | 374 | 76.17 | 86.90 |
| Level 4 | 497 | 482 | 367 | 76.14 | 96.98 | 426 | 404 | 289 | 71.53 | 94.84 | 325 | 314 | 229 | 72.93 | 96.62 | 317 | 277 | 199 | 71.84 | 87.38 |

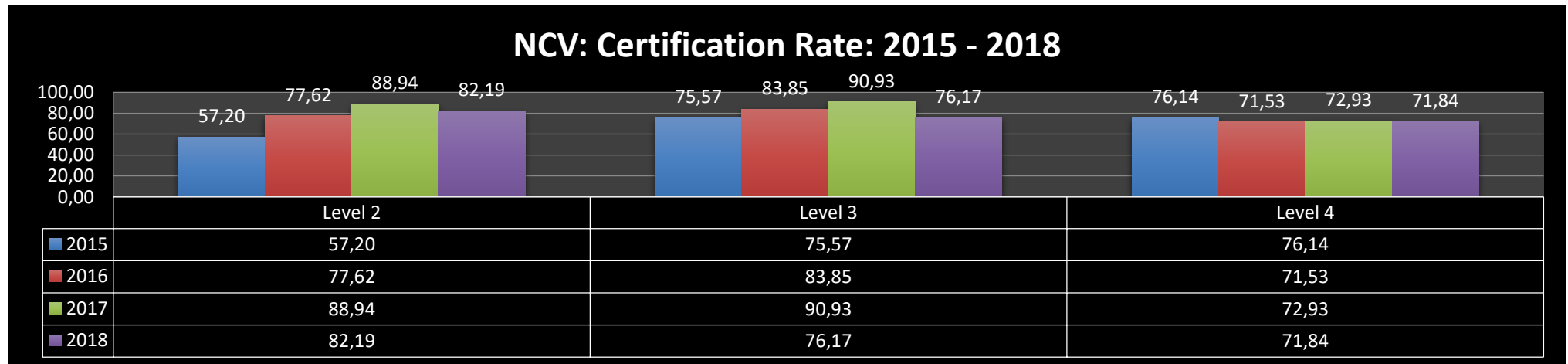


Figure 10.2.1

10.2.2 NCV: PASS RATE: 2014 - 2018 (based on subject enrolments)

NCV: PASS RATE: 2015 - 2018 (based on subject enrolments)

| | 2015 | | | | | 2016 | | | | | 2017 | | | | | 2018 | | | | |
|----------------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|
| | SUBJECT ENROLMENTS | | | | | SUBJECT ENROLMENTS | | | | | SUBJECT ENROLMENTS | | | | | SUBJECT ENROLMENTS | | | | |
| | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention |
| Level 2 | 10906 | 7188 | 5059 | 70.38 | 65.91 | 12443 | 6465 | 5408 | 83.65 | 51.96 | 11363 | 7451 | 6720 | 90.19 | 65.57 | 9178 | 6459 | 5668 | 87.75 | 70.37 |
| Level 3 | 7562 | 6227 | 5060 | 81.26 | 82.35 | 5688 | 4566 | 3843 | 84.17 | 80.27 | 5167 | 4165 | 3875 | 93.04 | 80.61 | 5910 | 5082 | 4527 | 89.08 | 85.99 |
| Level 4 | 5857 | 5251 | 4606 | 87.72 | 89.65 | 5043 | 4419 | 3642 | 82.42 | 87.63 | 3893 | 3419 | 2804 | 82.01 | 87.82 | 3632 | 3136 | 2640 | 84.18 | 86.34 |

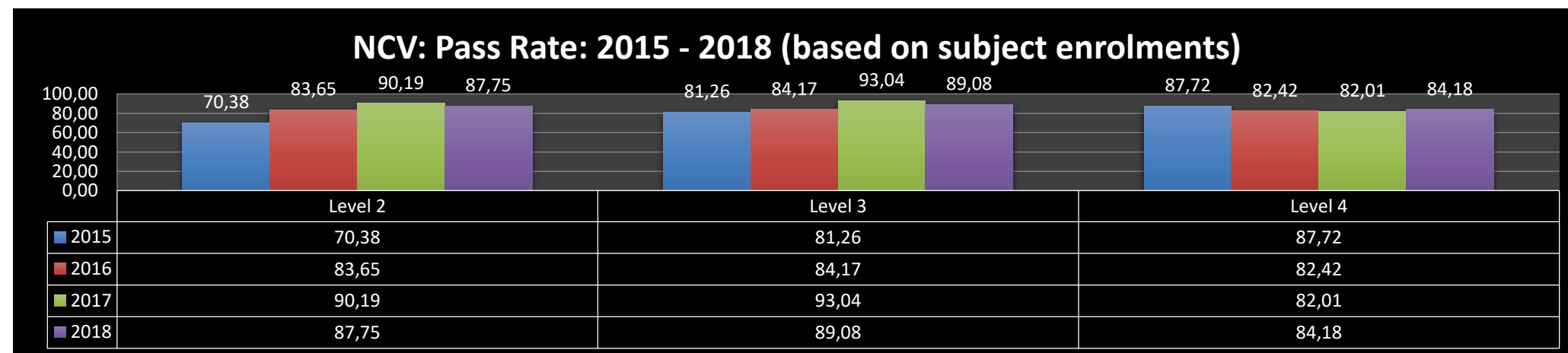


Figure 10.2.2

10.2.3 NCV: RETENTION RATE: 2015 - 2018 (based on subject enrolments)

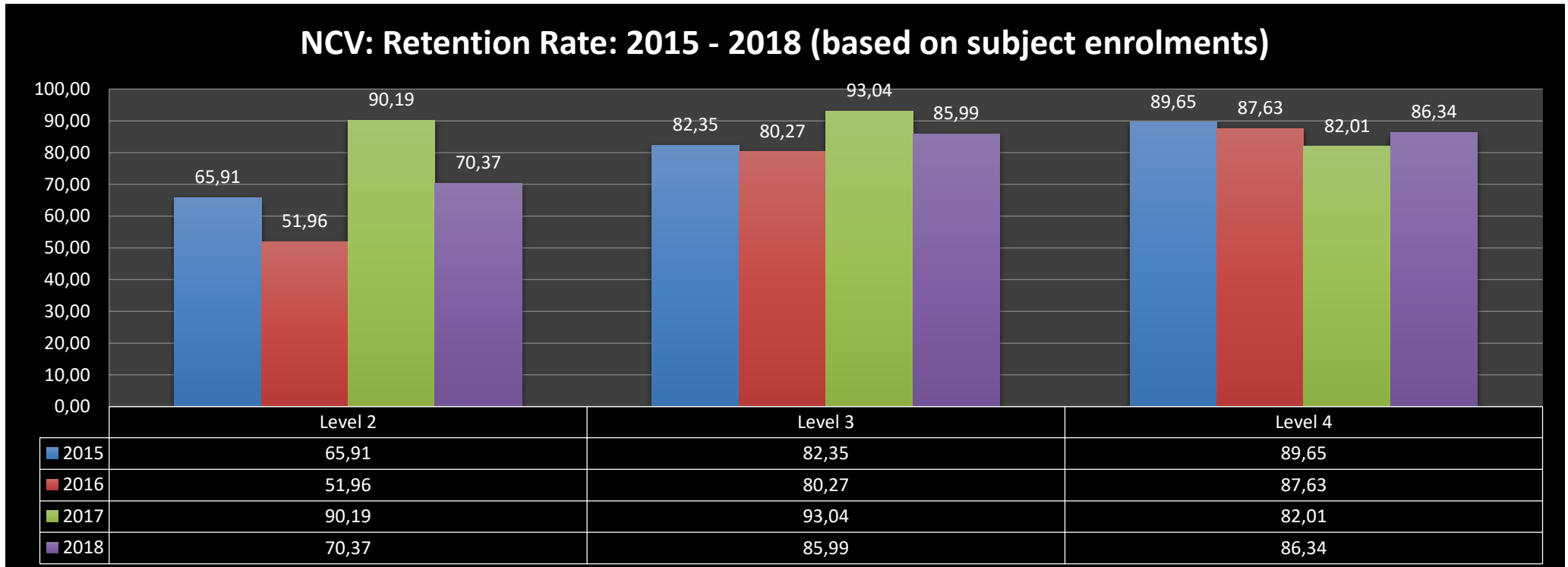


Figure 10.2.3

10.2.4 REPORT 191: BUSINESS & GENERAL STUDIES CERTIFICATION RATE: 2018 (Based on number written vs number passed)

REPORT 191: BUSINESS STUDIES CERTIFICATION RATE: 2018

| | SEMESTER 1: 2018 | | | | | SEMESTER 2: 2018 | | | | |
|-----------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|
| | CERTIFICATION RATE | | | | | CERTIFICATION RATE | | | | |
| | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention |
| N4 | 522 | 418 | 298 | 71.29 | 80.08 | 438 | 304 | 233 | 76.64 | 69.41 |
| N5 | 399 | 306 | 215 | 70.26 | 76.69 | 355 | 300 | 244 | 81.33 | 84.51 |
| N6 | 237 | 209 | 144 | 68.90 | 88.19 | 217 | 198 | 132 | 66.67 | 91.24 |

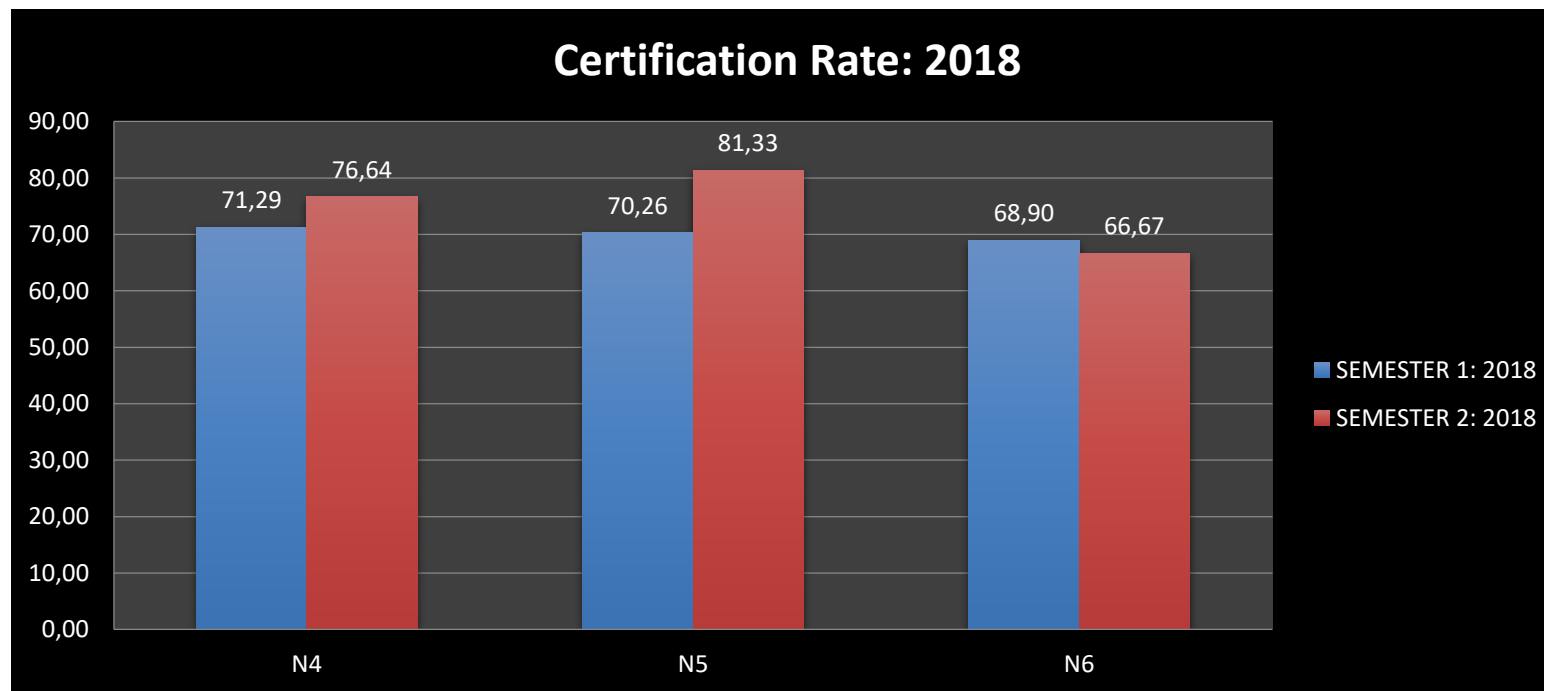


Figure 10.2.4

10.2.5 REPORT 191: BUSINESS & GENERAL STUDIES PASS RATE: 2018

REPORT 191: BUSINESS STUDIES PASS RATE: 2018

| | SEMESTER 1: 2018 | | | | | SEMESTER 2: 2018 | | | | |
|-----------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|
| | SUBJECT ENROLMENTS | | | | | SUBJECT ENROLMENTS | | | | |
| | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention |
| N4 | 2467 | 2048 | 1742 | 85.06 | 83.02 | 2930 | 2426 | 2088 | 86.07 | 82.80 |
| N5 | 2721 | 2223 | 1726 | 77.64 | 81.70 | 4398 | 2854 | 2342 | 82.06 | 64.89 |
| N6 | 1927 | 1736 | 1396 | 80.41 | 90.09 | 2603 | 2342 | 1782 | 76.09 | 89.97 |

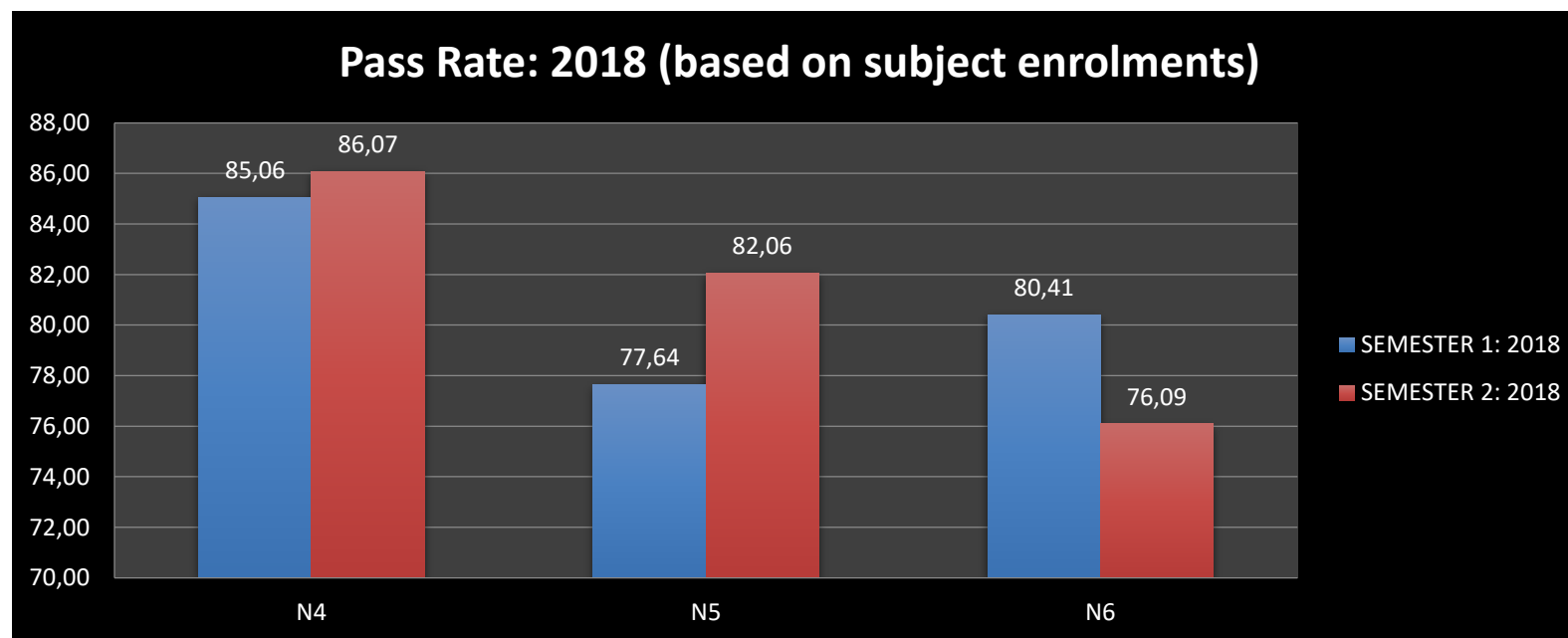


Figure 10.2.5

10.2.6 REPORT 191: BUSINESS & GENERAL STUDIES RETENTION RATE: 2018

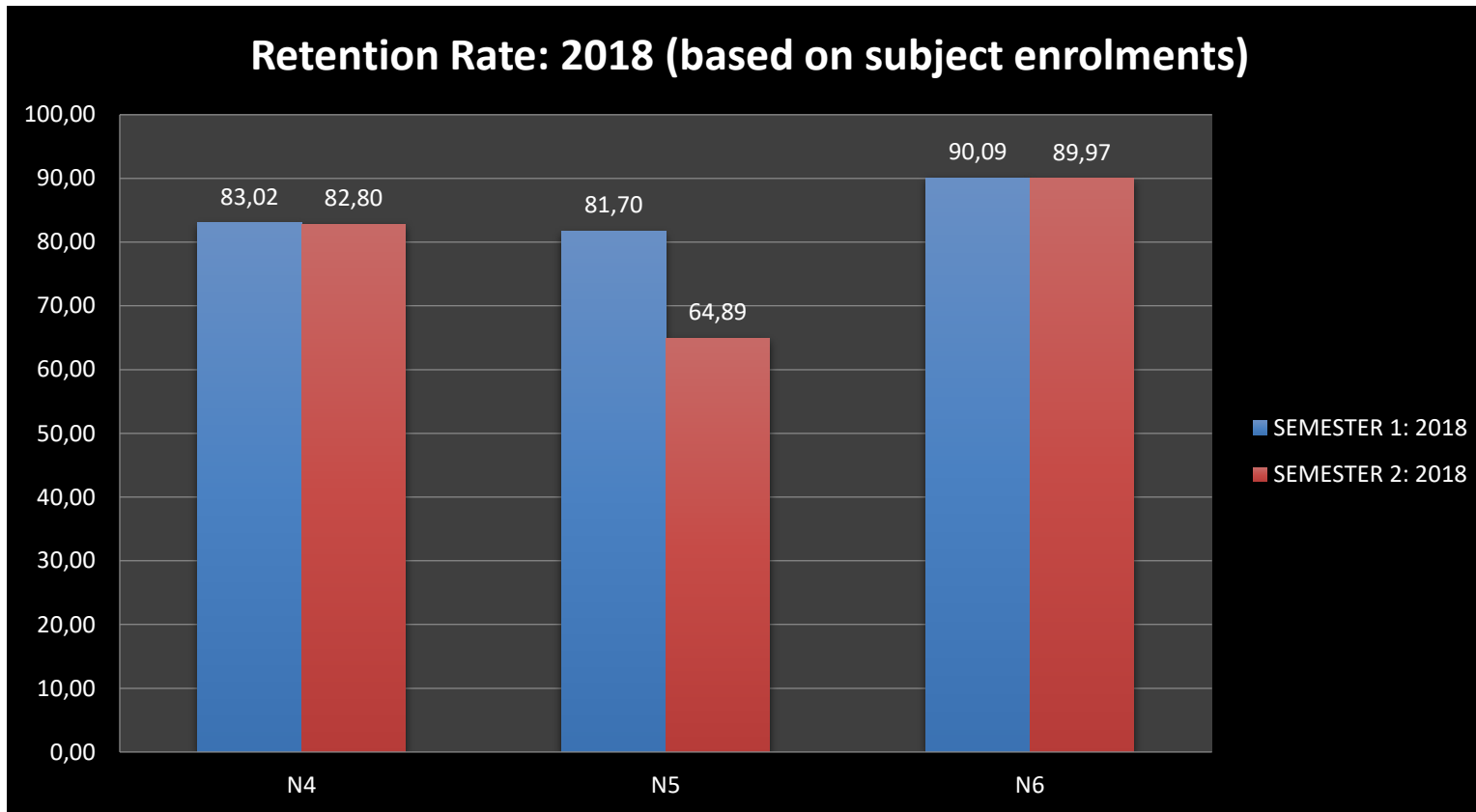


Figure 10.2.6

10.2.7 REPORT 191: ENGINEERING STUDIES CERTIFICATION RATE: 2018 (Based on the number written vs number passed)

REPORT 191: ENGINEERING STUDIES CERTIFICATION RATE: 2018

| | TRIMESTER 1: 2018 | | | | | TRIMESTER 2: 2018 | | | | | TRIMESTER 3: 2018 | | | | |
|-----------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|
| | CERTIFICATION RATE | | | | | CERTIFICATION RATE | | | | | CERTIFICATION RATE | | | | |
| | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention |
| N1 | 296 | 234 | 213 | 91.03 | 79.05 | 287 | 229 | 204 | 89.08 | 79.79 | 184 | 133 | 117 | 87.97 | 72.28 |
| N2 | 240 | 169 | 84 | 49.70 | 70.42 | 317 | 248 | 123 | 49.60 | 78.23 | 257 | 158 | 62 | 39.24 | 61.48 |
| N3 | 99 | 65 | 38 | 58.46 | 65.66 | 147 | 105 | 56 | 53.33 | 71.43 | 172 | 117 | 72 | 61.54 | 68.02 |
| N4 | 131 | 96 | 43 | 44.79 | 73.28 | 111 | 76 | 34 | 44.74 | 68.47 | 97 | 71 | 25 | 35.21 | 73.20 |
| N5 | 94 | 74 | 19 | 25.68 | 78.72 | 81 | 68 | 37 | 54.41 | 83.95 | 64 | 42 | 5 | 11.90 | 65.63 |
| N6 | 53 | 27 | 3 | 11.11 | 50.94 | 44 | 25 | 5 | 20.00 | 56.82 | 70 | 52 | 13 | 25.00 | 74.29 |

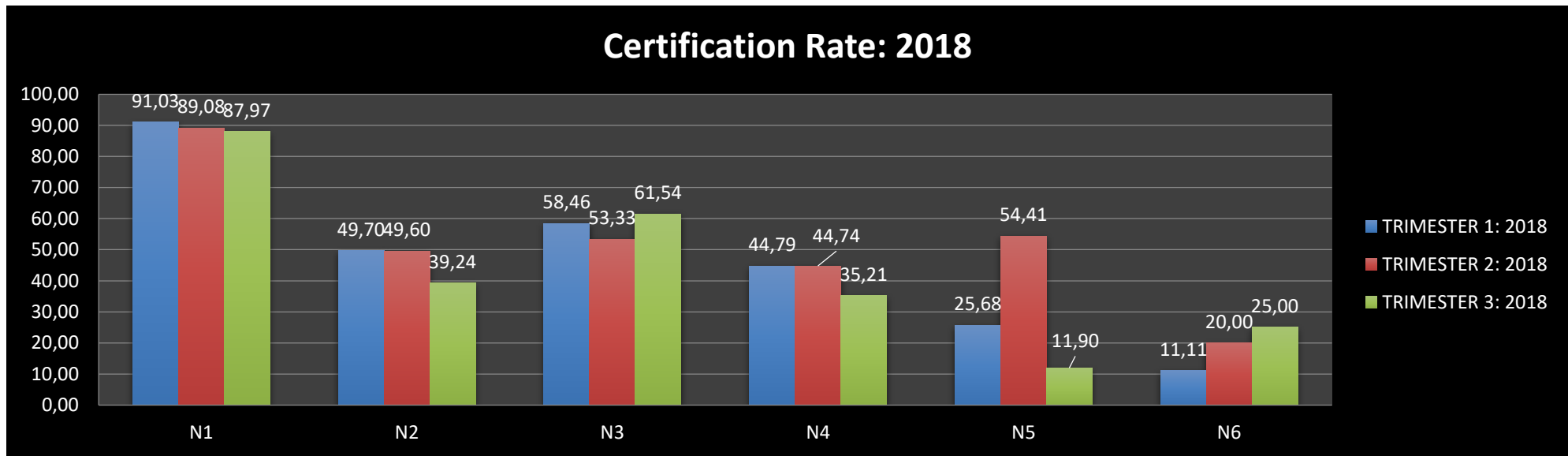


Figure 10.2.7

10.2.8 REPORT 191: ENGINEERING STUDIES PASS RATE: 2018

REPORT 191: ENGINEERING STUDIES PASS RATE: 2018

| | TRIMESTER 1: 2018 | | | | | TRIMESTER 2: 2018 | | | | | TRIMESTER 3: 2018 | | | | |
|-----------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|--------------------|---------|--------|--------|-----------|
| | SUBJECT ENROLMENTS | | | | | SUBJECT ENROLMENTS | | | | | SUBJECT ENROLMENTS | | | | |
| | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention | Enrolled | Written | Passed | % Pass | Retention |
| N1 | 1362 | 1177 | 1091 | 92.69 | 86.42 | 1312 | 1120 | 1051 | 93.84 | 85.37 | 870 | 690 | 625 | 90.58 | 79.31 |
| N2 | 2011 | 1620 | 1023 | 63.15 | 80.56 | 2062 | 1720 | 1080 | 62.79 | 83.41 | 1801 | 1426 | 837 | 58.70 | 79.18 |
| N3 | 1309 | 1000 | 708 | 70.80 | 76.39 | 1390 | 1098 | 695 | 63.30 | 78.99 | 1432 | 1120 | 720 | 64.29 | 78.21 |
| N4 | 1148 | 890 | 513 | 57.64 | 77.53 | 1158 | 894 | 521 | 58.28 | 77.20 | 1024 | 822 | 431 | 52.43 | 80.27 |
| N5 | 883 | 723 | 380 | 52.56 | 81.88 | 790 | 663 | 430 | 64.86 | 83.92 | 652 | 501 | 230 | 45.91 | 76.84 |
| N6 | 618 | 423 | 184 | 43.50 | 68.45 | 560 | 448 | 223 | 49.78 | 80.00 | 713 | 556 | 267 | 48.02 | 77.98 |

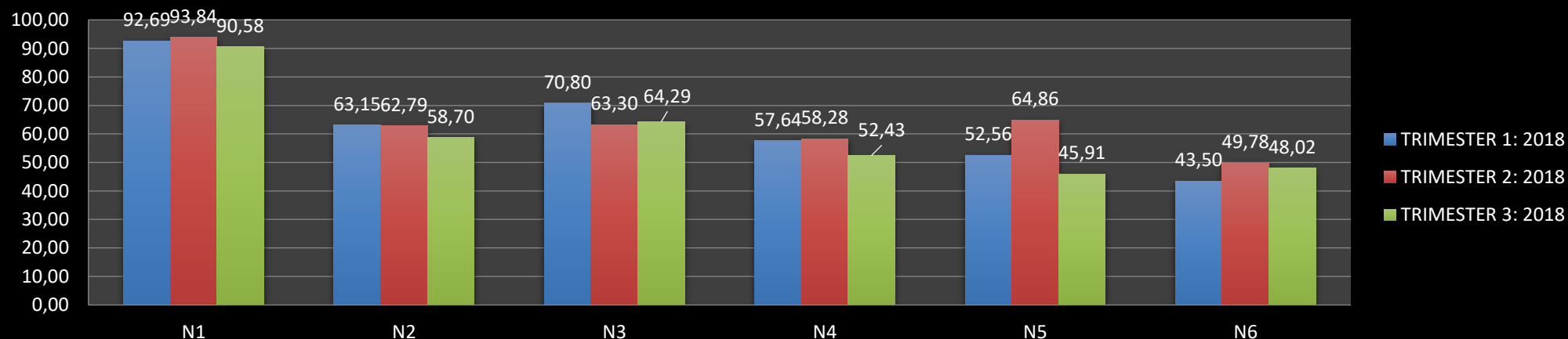
Pass Rate: 2018 (based on subject enrolments)

Figure 10.2.8

10.2.9 REPORT 191: ENGINEERING STUDIES RETENTION RATE: 2018

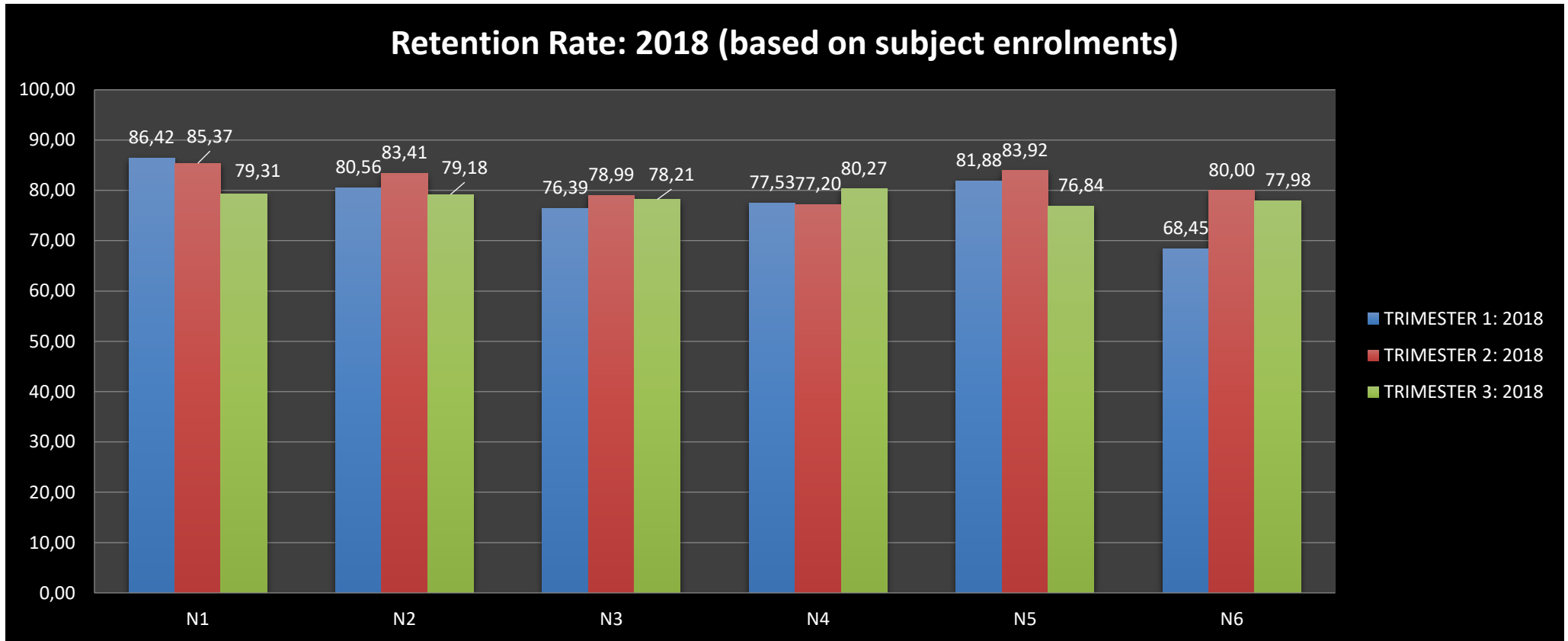


Figure 10.2.9

10.3. COMPLIANT GRADUATES

10.3.1. NC(V) COMPLIANT GRADUATES 2017 - 2018

| NC(V) LEVEL 4 GRADUATES (PASSING ALL 21 SUBJECTS) 2017 - 2018 | | 2017 - 2018 STUDENT COMPLIANCE TO HE INSTITUTIONAL ADMISSION REQUIREMENTS | | | | | | |
|--|-------------------|---|--|-------------------------------|---|--------------|---|---------------------------|
| PROGRAMME | 2017 Graduates | 2018 Graduates | 2017 Higher Certificate | 2018 Higher Certificate | 2017 Diploma | 2018 Diploma | 2017 Bachelor's Degree | 2018 Bachelor's Degree |
| | | | Requires an NC(V) Level 4 certificate to have been issued, passing all 21 subjects | | Requires an NC(V) Level 4 certificate having been issued with 50% in three fundamental subjects and 60% in three compulsory vocational subjects | | Requires an NC(V) Level 4 certificate having been issued with 60% in three fundamental subjects and 70% in four vocational subjects | |
| Office Administration | 100 | 82 | 79 | 59 | 18 | 21 | 3 | 2 |
| Finance, Economics and Accounting Management | 30 | 18 | 22 | 14 | 8 | 4 | 0 | 0 |
| Tourism | 7 | 9 | 6 | 8 | 1 | 1 | 0 | 0 |
| Hospitality | 15 | 36 | 11 | 29 | 4 | 6 | 0 | 1 |
| | 17 | 19 | 17 | 18 | 0 | 1 | 0 | 0 |
| Transport & Logistics | 26 | 28 | 22 | 17 | 4 | 9 | 0 | 2 |
| ICT & Computer Science | 10 | 3 | 9 | 3 | 1 | 0 | 0 | 0 |
| Electrical Infrastructure Construction | 39 | 35 | 39 | 30 | 0 | 4 | 0 | 1 |
| Engineering & Related Design | 36 | 24 | 36 | 23 | 0 | 1 | 0 | 0 |
| Civil Engineering Construction | 6 | 4 | 6 | 4 | 0 | 0 | 0 | 0 |
| TOTAL COMPLIANT GRADUATES | 286 | 258 | 247 | 205 | 36 | 47 | 3 | 6 |
| | | | | | TOTAL: | | | 258 |

NC(V) LEVEL 4 COMPLIANT GRADUATES 2017 - 2018

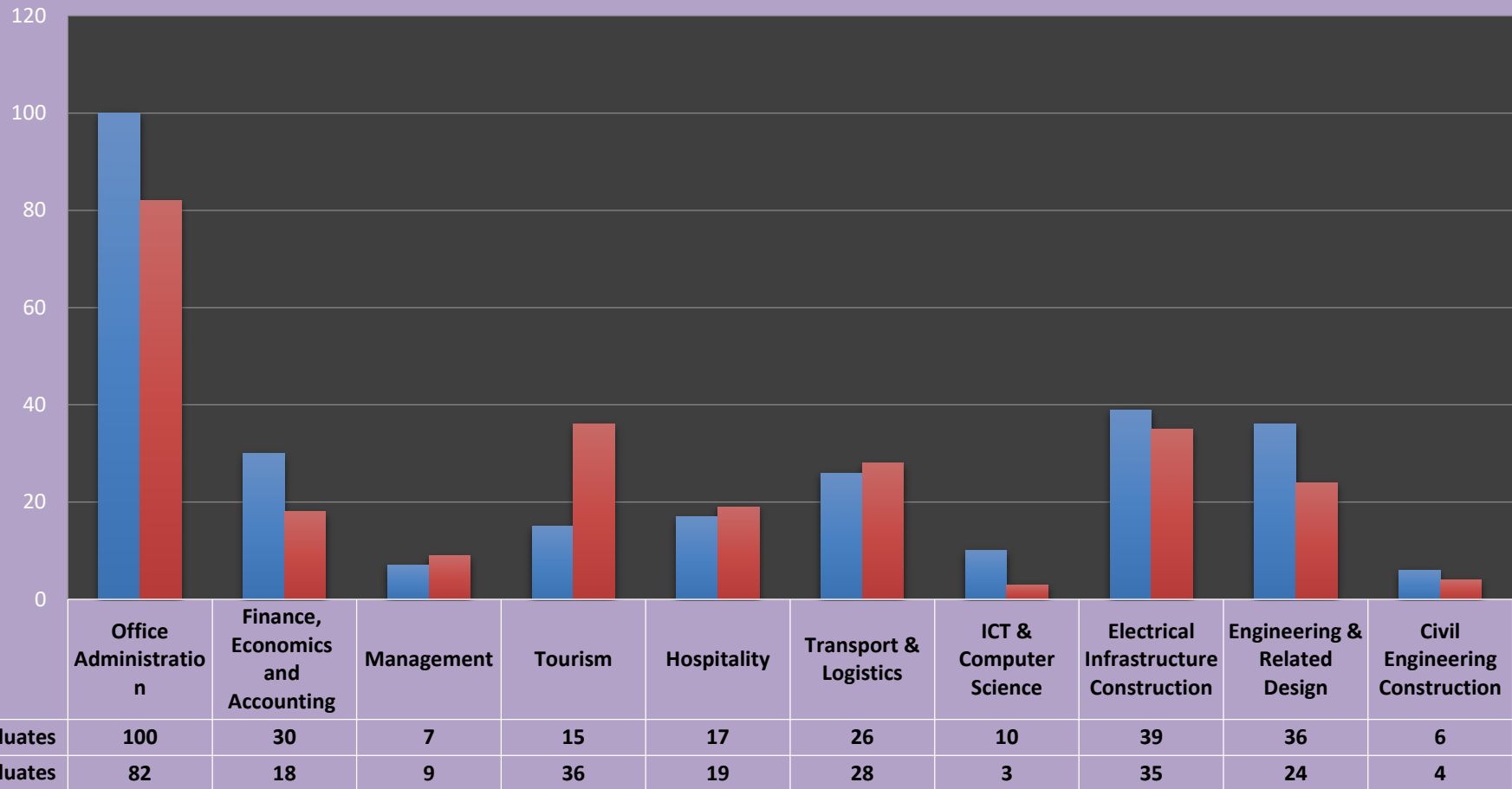


Figure 10.3.1.2

ARTICULATION OF NC(V) GRADUATES 2017 - 2018

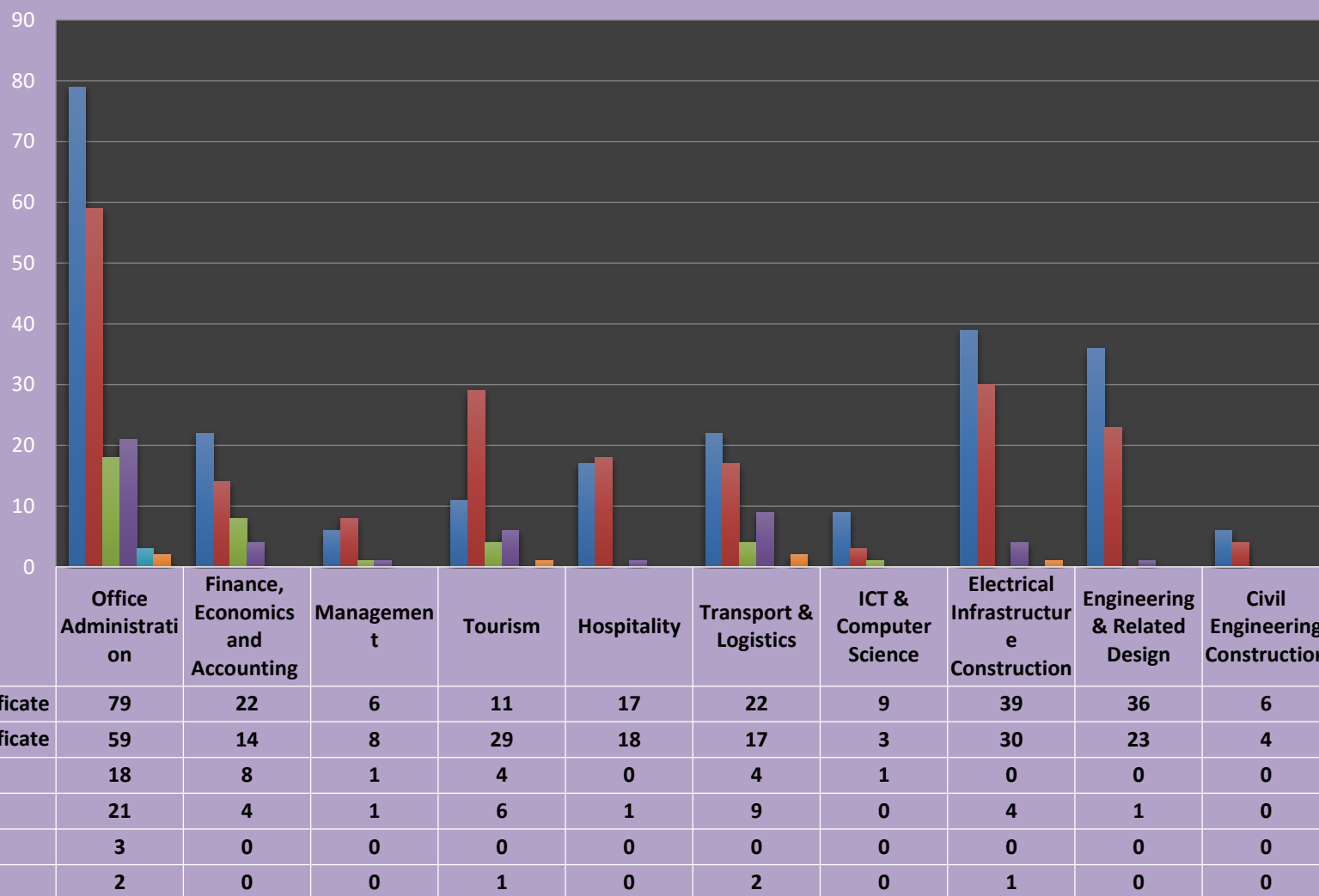


Figure 10.3.1.3

10.3.2 REPORT 191 NATIONAL N-DIPLOMA COMPLIANT GRADUATES 2017 – 2018

| REPORT 191 (NATED) NATIONAL N DIPLOMA GRADUATES 2017 - 2018 | | |
|---|----------------|----------------|
| PROGRAMME | 2017 Graduates | 2018 Graduates |
| Business Management | 15 | 11 |
| Educare | 6 | 24 |
| Engineering Studies | 10 | 13 |
| Financial Management | 23 | 38 |
| Hospitality & Catering Services | 0 | 4 |
| Human Resource Management | 54 | 35 |
| Management Assistant | 28 | 22 |
| Tourism | 1 | 0 |
| TOTAL COMPLIANT GRADUATES | 137 | 147 |

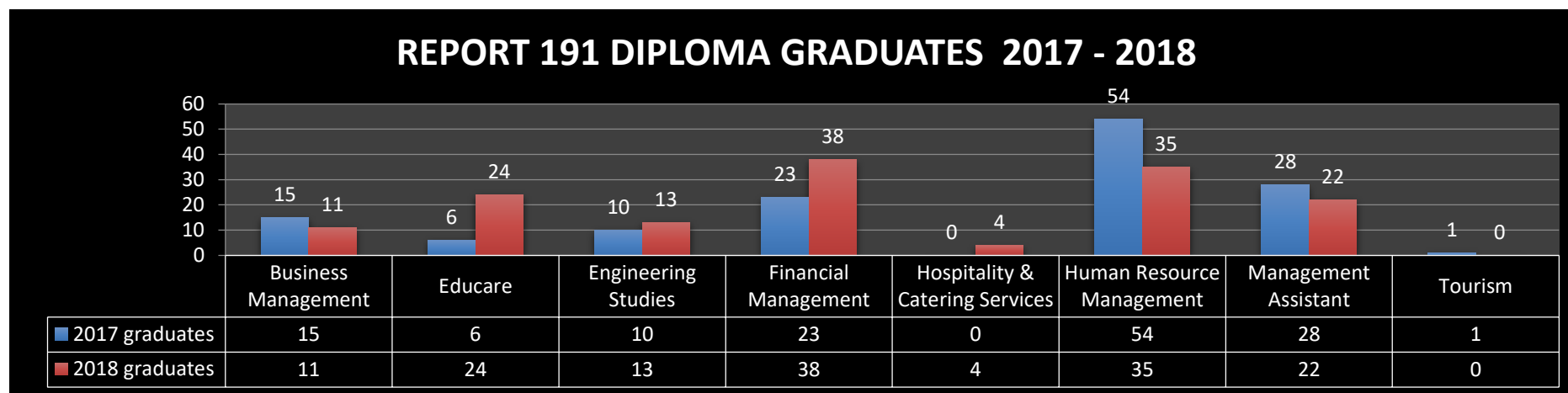


Figure 10.3.2.1

10.4 ANNUAL PERFORMANCE ACHIEVEMENTS

| STRATEGIC OBJECTIVE | PERFORMANCE INDICATORS | 2018 PLANNED TARGET | 2018 ACTUAL ACHIEVEMENT | DEVIATION FROM PLANNED TARGET | REASON FOR DEVIATION |
|---|--|---------------------|-------------------------|---|---|
| Provide quality technical and vocational education and training services and increase academic achievement and success of students annually | Appropriate teaching and learning support plan developed and implemented | 1 | 1 | 0 | The Teaching and Learning Plan was approved by DHET and was implemented |
| | Appropriate student support plan developed and implemented | 1 | 1 | 0 | The Student Support Plan was approved by DHET and was implemented |
| | Throughput Rate | 54% | 68.62% | +14.62% | Proper implementation of the approved Teaching and Learning Plan resulted in increased throughput rates |
| | Certification Rates: | | | | |
| | Level 4 | 70% | 71.84% | +1.84% | Targets that were set were more realistic compared to previous years |
| | N3 | 50% | 57.84% | +7.84% | |
| | N6 | 50% | 58.12% | +8.12% | |
| Retention Rate | 75% | 74.34% | -0.66% | Proper implementation of the approved Teaching and Learning Plan resulted in almost achieving the set target for retention rate | |
| Student Attendance Rate | 82% | 81.17% | -0.37% | Introduction of BMS timetable and attendance subsystem improved access and accuracy | |

| STRATEGIC OBJECTIVE | PERFORMANCE INDICATORS | 2018 PLANNED TARGET | 2018 ACTUAL ACHIEVEMENT | DEVIATION FROM PLANNED TARGET | REASON FOR DEVIATION |
|---|---|---------------------|-------------------------|-------------------------------|--|
| | | | | | in terms of reporting on student attendance |
| | Students completing artisan-related programmes (qualified artisans – ministerial and occupational programmes) | 15 | 7 | -8 | Waiting for merSETA to approve students to undergo their trade tests |
| Have adequate infrastructure and systems in place to increase access and provide effective services to students annually | Verified (unduplicated) headcount enrolment | 12077 | 12101 | +24 | The subject count (headcount) as indicated in the College Operational Plan is used to calculate unduplicated headcount enrolments. Based on these calculations the College managed to come extremely close to reaching its target |
| | State funded | 12077 | 10216 | -1861 | The last tranches of DHET funding for 2018 were still outstanding by December 2018 due to the financial year ending in March 2019 |
| | College funded | 542 | 1095 | +553 | |
| | Other sources | 260 | 790 | +530 | Funding was received from NSF, EW SETA and MQA for |

| STRATEGIC OBJECTIVE | PERFORMANCE INDICATORS | 2018 PLANNED TARGET | 2018 ACTUAL ACHIEVEMENT | DEVIATION FROM PLANNED TARGET | REASON FOR DEVIATION |
|---|--|---------------------|-------------------------|-------------------------------|--|
| | | | | | the number of students indicated |
| | Compliance to policies and regulations applicable to the College | 100% | 100% | 0 | |
| | Students accommodated in public TVET college owned or administered accommodation | 560 | 530 | -30 | The Campus replaced ISFAP student allocated spaces in the hostels with host employer students |
| | Qualifying students obtaining financial assistance | 5000 | 5826 | +826 | More students complied with NSFAS regulations |
| | Approved maintenance plan for facilities and infrastructure | 1 | 1 | 0 | |
| | Fully functional Business Management System implemented and maintained | 1 | 1 | 0 | Business Management System is fully functional at all sites |
| | Connectivity up-time | 95% | 98.25% | +3.25% | WAN and LAN uptime was maintained. All College employees have access to e-mail facilities |
| Develop partnerships and maintain good stakeholder relations to increase the number of | Number of established and functional partnerships with Business, Industry and Government Departments (including signed MoAs, MoUs and contracts) | 55 | 15 | -35 | Relationship progression with public entities and state departments is very slow in comparison with SETA and |

| STRATEGIC OBJECTIVE | PERFORMANCE INDICATORS | 2018 PLANNED TARGET | 2018 ACTUAL ACHIEVEMENT | DEVIATION FROM PLANNED TARGET | REASON FOR DEVIATION |
|---|--|---------------------|-------------------------|-------------------------------|--|
| students who are adequately prepared to enter the labour market or further and higher learning opportunities annually | | | | | Business & Industry relationship progression |
| | TVET lecturers placed in workplaces for specified periods for Work-Integrated Learning | 25 | 15 | -10 | Lecturing staff are continuously involved in internal exams, marking, assessment and moderation activities. This limits their availability to participate in skills development programmes |
| | TVET students placed in workplaces/industry for specified periods for work exposure, experiential learning and/or certification purposes | 675 | 846 | +171 | Student statistics for work placement is more accurate due to improved BMS reporting subsystems that are being implemented |
| To ensure continuous business excellence in terms of good corporate governance and effectual management of all college resources as well as information and data reporting annually | Compliance to governance standards | 100% | 100% | 0 | There was 100% compliance with Council and Council Sub-committee governance requirements. All meetings for the Academic Board, Council and Council Sub-committees have taken place since quorums were present for all meetings |
| | Obtaining unqualified audits | 1 | 0 | -1 | The College obtained a qualified audit opinion on the following areas: |

| STRATEGIC OBJECTIVE | PERFORMANCE INDICATORS | 2018 PLANNED TARGET | 2018 ACTUAL ACHIEVEMENT | DEVIATION FROM PLANNED TARGET | REASON FOR DEVIATION |
|---------------------|------------------------|---------------------------|----------------------------|-------------------------------------|--|
| | | | | | <p>Trade & Other Receivables exchange transactions, Payables from exchange transactions, Projects, Cash Flow Statement, Commitments, Statement of Changes in Net Assets and Inventory. The main issues being on the incorrect application of GRAP requirements for impairment of debtors, NSFAS undisbursed funds not confirmed by NSFAS and liabilities that prescribed. The lack of internal controls around inventory. The AGSA unable to confirm some balances on the projects, commitments, cash flow statements and statements of changes in net assets.</p> <p>The above items besides projects, cash flow statement, statement of changes in net assets and commitments did not have significant findings.</p> <p>Property, Plant and Equipment had significant findings last year and the College improved on it as it was unqualified.</p> |

| STRATEGIC OBJECTIVE | PERFORMANCE INDICATORS | 2018 PLANNED TARGET | 2018 ACTUAL ACHIEVEMENT | DEVIATION FROM PLANNED TARGET | REASON FOR DEVIATION |
|---|---|---------------------------|----------------------------|-------------------------------------|---|
| | | | | | The Management of the College note the need for improvements and are already having plans to mitigate this going forth. |
| | College examination centres conducting national examinations and assessments in compliance with national policy | 100% | 100% | 0 | All examination centres have applied 100% to the National Policy applicable to exams |
| | Compliance in submitting TVETMIS data | 100% | 100% | 0 | All TVETMIS reports were submitted to DHET within the required timeframes and as per schedule |
| To monitor and evaluate all college processes in terms of the <i>TVET College Monitoring and Evaluation (M&E) Framework</i> and report quarterly on college performance in this regard | Quarterly M&E reports submitted | 100% | 100% | 0 | All M & E reports were submitted to DHET within the required timeframes and as per schedule |

10.5 COLLEGE ACHIEVEMENT IN TERMS OF TVET SYSTEM TARGETS

SUB-OUTCOME 2 & 4 TARGETS

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

Sub-outcome 4: Increase access to occupationally-directed programmes in needed areas and thereby expand the availability of intermediate level skills with a special focus on artisan skills.

| No | OUTCOME INDICATOR | 2019/20 NATIONAL TARGET | 2018 PLANNED TARGET | 2018 ACTUAL ACHIEVEMENT | DEVIATION FROM TARGET | REASON FOR DEVIATION |
|----|--------------------------|-------------------------|---------------------|-------------------------|-----------------------|--|
| 1. | Headcount enrolments (n) | 710 535 | 12077 | 12101 | +24 | The subject count (headcount) as indicated in the College Operational Plan is used to calculate unduplicated headcount enrolments. Based on these calculations the College managed to come extremely close to reaching its target |
| | State funded | 524 096 | 12077 | 10216 | -1861 | The last tranches of DHET funding for 2018 were still outstanding by December 2018 due to the financial year ending in March 2019 |
| | College funded | 140 652 | 542 | 1095 | +553 | |

| No | OUTCOME INDICATOR | 2019/20 NATIONAL TARGET | 2018 PLANNED TARGET | 2018 ACTUAL ACHIEVEMENT | DEVIATION FROM TARGET | REASON FOR DEVIATION |
|----|--|---|---------------------|-------------------------|-----------------------|---|
| | Other sources | 45 787 | 260 | 790 | +530 | Funding was received from NSF, EW SETA and MQA for the number of students indicated |
| 2. | Certification rates in TVET qualifications (%) | | | | | |
| | NCV Level 4 | 40% | 70% | 71.84% | +1.84% | Targets that were set were more realistic compared to previous years |
| | N3 | 65% | 50% | 57,84% | +7.84% | |
| | N6 | 50% | 50% | 58.12% | +8.12% | |
| 3. | Compliance with national policy of college examination centre/s conducting national examinations and assessments (%) | 100% | 100% | 100% | 0 | All examinations centres have applied 100% to the National Policy applicable to exams |
| 4. | Throughput rate (%) | Report on student cohort 2016-2018 | 54% | 68.62% | +14.62% | Proper implementation of the approved Teaching and Learning Plan resulted in increased throughput rates |
| 5. | Qualifying TVET students obtaining financial assistance (n) | 200 000 | 5000 | 5826 | +826 | More students complied with NSFAS regulations |

| No | OUTCOME INDICATOR | 2019/20 NATIONAL TARGET | 2018 PLANNED TARGET | 2018 ACTUAL ACHIEVEMENT | DEVIATION FROM TARGET | REASON FOR DEVIATION |
|-----|--|-------------------------|---------------------|-------------------------|-----------------------|--|
| 6. | Implementation of best practice policies and guidelines issued by the Department (5) | 100% | 100% | 100% | 0 | |
| 7. | Students enrolled in artisan-related or occupational programmes (n) | None set | 15 | 7 | -8 | Waiting for merSETA to approve students to undergo their trade tests |
| 8. | TVET students placed in workplaces/industry for workplace based learning (n) | None set | 675 | 846 | +171 | Student statistics for work placement is more accurate due to improved BMS reporting subsystems that are being implemented |
| 9. | TVET lecturers placed in workplaces for specified periods (n) | None set | 25 | 15 | -10 | Lecturing staff are continuously involved in internal exams, marking, assessment and moderation activities. This limits their availability to participate in skills development programmes |
| 10. | Students accommodated in public TVET College owned or administered accommodation (n) | None set | 560 | 530 | -30 | The Campus replaced ISFAP student allocated spaces in the hostels with host employer students |

10.6 STRATEGY TO DEAL WITH UNDERPERFORMANCE

Pass rates for the respective Vocational/Ministerial funded Programmes have been graphically presented in Section 10.2. Although pass rates reflect a positive picture, it does not indemnify College Management from putting measures in place to maintain good performance.

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

The following interventions/measures and strategies were put in place in 2018 to improve academic performance and to deal with underperformance:

- The monitoring and support provided to lecturing staff was improved
- Follow-ups were done on post-moderation reports and in-depth reviews of tasks were conducted
- Results were meticulously analysed after each task and related intervention strategies to improve performance were developed and implemented
- Students who underperformed were interviewed
- Campus interaction was improved with the aim of encouraging best practices in dealing with underperformance
- Group study with the involvement of PALs was encouraged
- Peer tutoring for challenging modules was encourages
- Students who did not do well were encouraged to sit for a second assessment in as far as possible

The consistent implementation and monitoring of the above-mentioned strategies and interventions went a long way to finally reflect the positive academic picture as presented in Section 10.2.

PART D: FINANCIAL INFORMATION



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to the Minister of Higher Education and the Council on ORBIT TVET college

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the ORBIT TVET College set out on pages 128 to 186, which comprise statement of financial position as at 31 December 2018, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the ORBIT TVET College as at 31 December 2018, and financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Continuing Education and Training Act of South Africa, 2006 (Act no. 16 of 2006) (CETA).

Basis for qualified opinion

Trade and other receivables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence that trade and other receivables from exchange transactions were correctly impaired in terms of GRAP 104, *Financial instruments*. These receivables were not individually or based on risk profiles assessed for possible impairment. I was unable to confirm the impairment of these trade and other receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments relating to trade and other receivables from exchange transactions of R49 098 604 (2017: R54 407 741) as disclosed in the statement of financial position and in note 6 to the financial statements or the debt impairment of R65 110 223 (2017: R34 409 164 as disclosed in note 22 to the financial statements) were necessary.

Inventories

4. I was unable to obtain sufficient appropriate audit evidence for inventories due the status of the accounting records. I was unable to confirm these inventories by alternative means. Consequently, I was unable to determine whether any adjustment relating to inventories of R9 743 115 as disclosed in the statement of financial position and in note 3 to the financial statements was necessary.

Projects

5. The college did not correctly account for profit or losses on completion of projects in terms of the accounting policy which requires that the profit or loss be recognised when all deliverables relating to such projects are met due to errors identified in the closing off of projects and due to misstatements identified in projects. As a result the loss on completed projects of (R1 331 770) as disclosed in the statement of financial performance was understated by a gain of R3 350 589, projects income disclosed in the statement of financial performance was overstated by R569 856, projects disclosed as current liabilities in the statement of financial

position was overstated by R3 317 531 and projects disclosed as non-current liabilities in the statement of financial position was understated by R536 796.

Payables from exchange transactions

6. I was unable to obtain sufficient appropriate audit evidence for the NSFAS liability, the PED creditor and other payables: receivables with credit balances included in payables from exchange transactions. This was due to a lack of proper supporting records and material differences between the accounting records and the financial statements. I was unable to confirm these payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustment relating to payables from exchange transactions of R70 184 113 (2017: R68 220 509) as disclosed in the statement of financial position and in note 10 to the financial statements was necessary.

Cash flow statement

7. I was unable to obtain sufficient appropriate audit evidence for other cash items of R6 492 424 as disclosed in the cash flow statement and other non-cash items of R6 214 090 as disclosed in note 26 to the financial statements as information requested from management was not made available. In addition, I was unable to obtain explanations for misstatements of R44 661 117 in cash receipts, R52 119 494 in cash payments and R45 581 722 in investing activities identified in the cash flow statement. I was unable to audit these amounts by alternative means. Further, contrary to the requirements of GRAP 2, *Cash flow statements*, the college incorrectly calculated cash generated from operations due to the inventory write-off of R9 217 314 was not accounted for and the movement on the projects of R20 747 238 is understated by R36 460 530. Consequently, I was unable to determine whether any further adjustment relating to cash generated from operating activities of R154 891 584 disclosed in the cash flow statement and note 26 to the financial statements was necessary.

Accumulated surplus

8. I was unable to obtain sufficient appropriate audit evidence for prior year adjustments of R12 467 614 made to the balance of the accumulated surplus at 1 January 2017 in the statement of changes in net assets as information requested from management was not made available for audit. I was unable to audit these adjustments by alternative means. Consequently, I was unable to determine whether any adjustments relating to the restated accumulated surplus of R295 280 417 at 1 January 2017 in the statement of changes in net assets was necessary.

Commitments

9. I was unable to obtain sufficient appropriate audit evidence for commitments of R17 249 133 as information requested from management was not made available for audit. I was unable to confirm these commitments by alternative means. Consequently, I was unable to determine whether any adjustment to commitments of R17 249 133 as disclosed in note 34 to the financial statements was necessary.

Context for the opinion

10. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
11. I am independent of the college in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the 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.
12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Restatement of corresponding figures

14. As disclosed in note 30 to the financial statements, the corresponding figures for 31 December 2017 were restated as a result of an error in the financial statements of the college at, and for the year ended, 31 December 2018.

Responsibilities of the council for the financial statements

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

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

17. 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.
18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Performance information reporting

19. The college is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the PFMA and such reporting is also not required in terms of the CETA.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the SA Standards of GRAP and supported by complete accounting records, as required by section 25(1)(b) and section 25(3) of the CETA. Material misstatements of disclosure notes identified

by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and the supporting records could not be provided subsequently, resulted in the financial statements receiving a qualified opinion.

23. Financial statements were not submitted for auditing within three months after the end of the financial year, as required by section 25(3) of the CETA.

Other information

24. The council is responsible for the other information. The other information comprises the information included in the annual report which includes the chairperson of council's report, the audit committee's report. The other information does not include the financial statements and the auditor's report.
25. My opinion on the financial statements and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. Based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that I have nothing to report in this regard.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, and the findings on compliance with legislation included in this report.
- The leadership did not exercise adequate oversight over financial reporting, compliance monitoring and related internal controls because material misstatements were identified in the financial statements submitted for audit.
 - Management's internal controls and processes over the preparation and presentation of financial statements did not ensure that the financial statements were free from material misstatements. Policies and procedures have not always adequately guided financial and performance activities. Non-compliance with laws and regulations could have been prevented had compliance been properly reviewed and monitored and control measures implemented.
 - Internal audit did not perform an effective audit on the college's information technology systems, risk management and internal controls having an adverse impact on the financial statements.

Auditor-General

Rustenburg

26 July 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the council that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

General Information

| | | |
|--|--|--|
| Nature of business and principal activities | The College is a Public Technical and Vocational Education and Training College, constituted in terms of the Continuing Education and Training Act No. 16 of 2006, as amended and operates within the Republic of South Africa | |
| Councillors | CS Mabe [Chairperson] | Independent (Ministerial Appointee) |
| | MG Nkagisang | [Deputy Chairperson] - Donor |
| | MG Mathye | Independent (Council nominated and awaiting Ministerial concurrence) |
| | RD Baloyi | Lecturer representative |
| | M Marais | Principal (Resigned 30 April 2018) |
| | D Ndebele | SRC |
| | P Rabothata | SRC |
| | R Marakalala | Support Staff Representative |
| | JJ Erasmus | Independent |
| | K Moloantoa | Independent |
| | SE Xipu | Independent |
| | MP Madoda | Independent (Ministerial Appointee) |
| | SJ Mokotedi | Independent (Ministerial Appointee) |
| | TC Dubazana | Independent (Ministerial Appointee) |
| | A Saffy | Independent (Ministerial Appointee) |
| | DF Mokoena | Principal (Appointment July 2018) |
| Registered office | C/o Bosch & Fatima Bhayat Street Rustenburg 0299 | |
| Postal address | Private Bag X82086 Rustenburg 0300 | |
| Controlling entity | Minister of Higher Education and Training and Department of Higher Education and Training | |
| Bankers | ABSA Bank | |
| Auditors | Auditor General of South Africa | |

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Responsibilities and Approval of Council

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

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

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

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

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

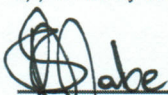
The Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance, except for the matters reported in the audit report, that the financial records may be relied on for the preparation of the financial statements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

The Council has reviewed the College's cash flow forecast for the year to 31 December 2019 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 College is dependent on the DHET for continued funding of operations in line with the annual DHET programme funding allocation. The financial statements are prepared on the basis that the entity is a going concern and that the DHET has neither the intention nor the need to liquidate or curtail materially the scale of the College's operations.

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

The annual financial statements set out on pages 4 to 64, which have been prepared on the going concern basis, were approved by the Council on 17 July 2019 and were signed on its behalf by:



CS Mabe [Chairperson]

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Report from Council

The Council of ORBIT Technical and Vocational Education and Training (TVET) College must perform all functions, which are necessary to govern the public TVET College. The Principal of ORBIT TVET College is responsible for the management and administration of the institution. This is duly stated in Section 13 of the Continuing Education and Training Act No. 16 of 2006 (CET Act). The Council submit their report for the year ended 31 December 2018.

1. College

ORBIT TVET College was established under the Continuing Education Act and Training Act 16 of 2006. The College comprises the following campuses: Brits, Mankwe & Rustenburg

2. Review of activities

Main business and operations

The College is a Public Technical and Vocational Educational and Training Collage, constituted in terms of the Continuing Educational and Training Act no. 16 of 2006 and operates within the Republic of South Africa and operates principally in South Africa.

- Net surplus of the college was R 96 053 408 (2017: Restated: R 49 243 668).
- Accumulated surplus / (deficit) at 31 December 2018 amounted to R 440 329 824 (2017: Restated: R 344 524 085).
- Cash balances at 31 December 2018 amounted to R 234 095 385 (2017: R 118 798 650).
- Revenue for the year amounted to R 376 220 775 (2017: R271 336 640).

3. 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.

4. Subsequent events

The members of council are not aware of any matter or circumstance arising since the end of the financial year.

5. Councillors' interest in contracts

The Governance and Management Secretary of the College maintains a register of financial and personal interest of the Council Members. The register is available for inspection at:

ORBIT TVET College Central Office, Office Number 32

6. Values

Transformation

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

Accountability

Decision-making processes are transparent with proper financial management systems and procedures with the focus on efficiency and effectiveness, including being fair, ethical and trustworthy in all that we do.

Respect

We respect the values of human dignity, equality, human rights and freedom, non-racism and nonsexism.

Teamwork

Co-operating with one another and with the community, business stakeholders and partners in education in an open and supportive way to achieve shared goals.

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Report from Council

7. Taxation and Value-added Tax

The College is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act. The College is not a VAT registered institution.

According to Section 12(h)(1) of the VAT Act No 89 of 1991, " Educational services" are exempt from the levying of the value -added tax as imposed by Section 7(i)(9) of the Act

8. Vision

A global institution of excellence, surpassing community needs.

9. Mission

To provide high quality Education and Training that is affordable, relevant, learner-centred and contributes to the total development of individuals through:

- Optimal utilisation of resources,
- Creative and innovative modes of delivery,
- Appropriately skilled staff and
- Community upliftment

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Statement of Financial Position as at 31 December 2018

| Figures in Rand | Note(s) | 2018 | 2017 Restated* |
|--|---------|--------------------|--------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 2 | 234 095 385 | 118 798 650 |
| Inventories | 3 | 9 743 115 | 16 002 000 |
| Other financial assets | 4 | 100 507 672 | 58 500 000 |
| Projects | 5 | 1 772 573 | 469 017 |
| Trade and Other Receivables from exchange transactions | 6 | 49 098 604 | 54 407 741 |
| Trade and other receivables from non-exchange transactions | 32 | 40 017 593 | 58 410 249 |
| | | 435 234 942 | 306 587 657 |
| Non-Current Assets | | | |
| Property, plant and equipment | 7 | 137 525 350 | 140 664 800 |
| Intangible assets | 8 | 447 159 | 236 370 |
| Projects | 5 | - | 516 651 |
| | | 137 972 509 | 141 417 821 |
| Total Assets | | 573 207 451 | 448 005 478 |
| Liabilities | | | |
| Current Liabilities | | | |
| Finance lease obligation | 9 | 430 146 | 510 832 |
| Payables from exchange transactions | 10 | 70 184 113 | 68 220 509 |
| Projects | 5 | 30 952 258 | 13 935 410 |
| Provisions | 11 | 1 306 498 | 5 284 909 |
| Unspent conditional grants and receipts | 12 | 25 734 522 | 5 703 000 |
| | | 128 607 537 | 93 654 660 |
| Non-Current Liabilities | | | |
| Projects | 5 | 4 059 697 | 9 449 699 |
| Finance lease obligation | 9 | 210 393 | 377 034 |
| | | 4 270 090 | 9 826 733 |
| Total Liabilities | | 132 877 627 | 103 481 393 |
| Net Assets | | 440 329 824 | 344 524 085 |
| Accumulated surplus | | 440 329 824 | 344 524 085 |

* See Note 30

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Statement of Financial Performance

| Figures in Rand | Note(s) | 2018 | 2017 Restated* |
|---|---------|----------------------|----------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Tuition and Related fees | 14 | 60 801 056 | 57 595 252 |
| Rentals | 15 | 424 893 | 387 283 |
| Project Income | 38 | 29 452 584 | 4 895 619 |
| Other income | 16 | 41 109 | 905 000 |
| Interest received - investment | 17 | 12 955 634 | 8 868 353 |
| Business Unit Income | | 19 857 | 48 780 |
| Total revenue from exchange transactions | | 103 695 133 | 72 700 287 |
| Revenue from non-exchange transactions | | | |
| Transfer revenue | | | |
| Government grants & subsidies | 18 | 272 025 966 | 194 467 046 |
| Project Income | 38 | - | 3 330 786 |
| Public contributions and donations | 19 | 490 846 | 66 668 |
| Administration fees received | | - | 753 800 |
| Insurance claim received | | 8 830 | 18 053 |
| Total revenue from non-exchange transactions | | 272 525 642 | 198 636 353 |
| Total revenue | 13 | 376 220 775 | 271 336 640 |
| Expenditure | | | |
| Employee related costs | 20 | (151 479 891) | (146 579 235) |
| Remuneration of councillors | 20 | (263 581) | (274 630) |
| Depreciation and amortisation | | (13 183 096) | (12 279 718) |
| Impairment loss/ Reversal of impairments | | (2 569 767) | - |
| Finance costs | 21 | (72 414) | (111 375) |
| Lease rentals on operating lease | 29 | (579 728) | (201 894) |
| Debt Impairment | 22 | (20 747 238) | 9 655 283 |
| Repairs and Maintenance | | (4 448 890) | (5 852 184) |
| Contracted services | 23 | (118 387) | (232 777) |
| General Expenses | 24 | (76 237 439) | (68 069 861) |
| Total expenditure | | (269 700 431) | (223 946 391) |
| Operating surplus | | 106 520 344 | 47 390 249 |
| Gain/(loss) on disposal of assets and liabilities | | 82 174 | (7 049) |
| (Loss)/Gain on completed projects | | (1 331 770) | 135 077 |
| Inventories losses/write-downs | | (9 217 340) | 1 725 391 |
| | | (10 466 936) | 1 853 419 |
| Surplus for the year | | 96 053 408 | 49 243 668 |

* See Note 30

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus | Total net assets |
|--|------------------------|---------------------|
| Opening balance as previously reported | 282 812 803 | 282 812 803 |
| Prior year adjustments | 12 467 614 | 12 467 614 |
| Restated* Balance at 01 January 2017 | 295 280 417 | 295 280 417 |
| Changes in net assets | | |
| Surplus for the year | 49 243 668 | 49 243 668 |
| Total changes | 49 243 668 | 49 243 668 |
| Opening balance as previously reported | 344 524 085 | 344 524 085 |
| Adjustments | | |
| Prior year adjustments | (247 669) | (247 669) |
| Restated* Balance at 01 January 2018 as restated* | 344 276 416 | 344 276 416 |
| Changes in net assets | | |
| Surplus for the year | 96 053 408 | 96 053 408 |
| Total changes | 96 053 408 | 96 053 408 |
| Balance at 31 December 2018 | 440 329 824 | 440 329 824 |
| Note(s) | | |

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Cash Flow Statement

| Figures in Rand | Note(s) | 2018 | 2017 Restated* |
|---|---------|----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Tuition Fees | | 34 978 413 | 24 473 941 |
| Transfers, public contributions, sponsorships and donations | | 490 846 | 66 668 |
| Grants | | 274 159 200 | 184 675 000 |
| Interest income | | 12 955 634 | 8 868 353 |
| Other receipts | | (616 550) | 12 687 132 |
| | | <u>321 967 543</u> | <u>230 771 094</u> |
| Payments | | | |
| Employee costs | | (151 574 985) | (146 898 507) |
| Suppliers | | (15 500 974) | (52 378 990) |
| | | <u>(167 075 959)</u> | <u>(199 277 497)</u> |
| Net cash flows from operating activities | 26 | <u>154 891 584</u> | <u>31 493 597</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 7 | (13 260 358) | (16 467 400) |
| Proceeds from sale of property, plant and equipment | 7 | 268 857 | 10 220 |
| Purchase of other intangible assets | 8 | (276 530) | (129 000) |
| Projects | | 10 839 941 | 5 170 733 |
| Purchase of financial assets | | (42 007 672) | - |
| Completed projects | | (1 331 770) | 135 077 |
| Other cash items (Small items) | | 6 492 424 | 162 252 |
| | | <u>(39 275 108)</u> | <u>(11 118 118)</u> |
| Net cash flows from investing activities | | <u>(39 275 108)</u> | <u>(11 118 118)</u> |
| Cash flows from financing activities | | | |
| Finance lease payments | | (319 741) | 352 735 |
| | | <u>(319 741)</u> | <u>352 735</u> |
| Net increase/(decrease) in cash and cash equivalents | | <u>115 296 735</u> | <u>20 728 214</u> |
| Cash and cash equivalents at the beginning of the year | | 118 798 650 | 98 070 436 |
| Cash and cash equivalents at the end of the year | 2 | <u>234 095 385</u> | <u>118 798 650</u> |

* See Note 30

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Continuing Education and Training Act No 16 of 2006.

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

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

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

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

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

JUDGEMENTS

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

Programme funding

Programme funding is allocated to the College by the DHET in terms of the CET Act and the National Norms and Standards for funding of TVET Colleges and is determined by the estimated Full-Time Equivalent Students (FTEs) of the College. The allocation is done based on the projected FTEs for the year and if the College fails to register the projected FTEs, a portion of the programme funding can be clawed back in the following year.

The programme funding is allocated by DHET during their financial year which is from April to March, but for the College the funds pertain to the College Academic and financial year which is from January to December. Once the College has registered the projected number of FTEs and the suspensive condition of programme funding grant has been met, the grant is recognised in full.

The programme funding is paid out to the College partly in cash tranches and partly through the PERSAL system of the DHET, directly to the employees of the College. The method and timing of payment of the grant does, however, not influence the recognition of revenue.

Employee related costs and DHET management fee

In terms of the CET Act, the College is the employer of the non-funded, non-management personnel. All personnel appointed in funded posts and management personnel, defined in the CET Act as the Principal and Deputy Principals, have migrated to DHET and are DHET employees.

Management personnel are remunerated from DHET funds and not from college funds, and this constitutes services in kind which are recognised at the cash value of the services to the State. The income is recognised as "Services in Kind" as part of revenue from non-exchange transactions, and the expense is recognised as "DHET management fee".

ESTIMATES

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

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

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Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Trade receivables / Held to maturity investments and/or loans and receivables

The entity assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

Impairment testing

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 cash flows (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.

Provisions

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

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Useful lives of assets, depreciation and amortisation

The entity's Management determines the estimated useful lives and related depreciation charges for these assets. These estimates are based on industry norms and then adjusted to be entity specific. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and vice versa.

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on Management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the condition and use of the asset informs the useful life and residual value Management considers the impact of technology and minimum service requirements of the assets.

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Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Allowance for doubtful debts

Valuation Methodology

According to GRAP 104, Financial Instruments, paragraph 61, "If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or using an allowance account. The amount of the loss shall be recognised in surplus or deficit.

According to GRAP 104, Financial Instruments, paragraph 62, An entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant (see paragraph .58). If an entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The process which was followed on Trade and Other Receivables is the following;

- Identification of debtors classes
- Calculation of a provision for doubtful debt

Identification of debtors' classes;

The following classes of Receivables were identified;

- 1) Student Debtors
- 2) Employee debtors
- 3) Other debtors - Projects
- 4) Other debtors - Other
- 5) Prepaid expenses
- 6) Accrued Income
- 7) NSFAS Student debtor

Calculation of a provision for doubtful debts;

The following approach was followed to determine the amount of the provision for doubtful debts

Assumptions:

A period of 3 years is allowed for a debt to be prescribed as per the Prescription Act. As a result, a debt that is more than 3 years old shall be provided for in the provision at 100% if and only if the debt was not demanded during the 3 years. As a result, the College cannot legally enforce payment of a debt once the debt has become prescribed, but the period of prescription is interrupted if payment of the debt is demanded by a registered letter of demand, for which proof of receipt has been obtained.

As Project debtors stems from signed Service Level Agreements no provision was provided for. Also, conditions exist that when they are met, the Project Debtor will have to settle their account. These is enforced be contracts and agreements

Prepaid expenditure and accrued income will not be prone to a provision for doubtful debts as these amounts are reversed in the following financial year..

Student debtors;

All students that are in debt balances were populated as at 31 Dec 2018. This was done after taking into account all students in credit balances and a reclassification to payables was effected.

All students with credits were also populated and removed from the calculation as their debt amounts would have been reduced in the 2019 financial year using the balances of their credits. These were considered as active students

The application of the Prescription Act was then taken into account, as there was a hand over of students to lawyers in 2015.

As a result all collections from debt collectors where students have shown subsequent payment were then not provided for.

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Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

The remaining students were then filtered and followed up against their student statements for assessing their payment trends.

An assumption depicted in the following table was then adopted as explained below

| Payment/credits received 2018 per statement as a percentage of Gross. | Provision |
|---|-----------|
| 0% - 9,99% | 70% |
| 10% - 29,99% | 50% |
| 30% - 49,99% | 30% |
| 50% - 69,99% | 10% |

If payment received in the 2018 financial year from the student is between 0% to 9.99% a provision of 70% was allowed

Employee debtors;

As there is no approved debt management policy which governs employee debts, each staff statement was analysed to determine the payment trends and a provision was calculated from there. For Staff who are no longer in the employ of the College - 100% as probability of recovery in nil

| Payment/credits received 2018 per statement as a percentage of Gross | Provision |
|--|-----------|
| 0% - 9,99% | 70% |
| 10% - 29,99% | 50% |
| 30% - 49,99% | 30% |
| 50% - 69,99% | 10% |

If payment received in the 2018 financial year from the employee is between 0% to 9.99% a provision of 70% was allowed.

Other Receivables - Other;

The Age analysis was used to determine the impairment of Other debtors. Other Debtors were assessed individually by virtue of their payment trends and ageing thereof. Payment trend and ratio was created to determine the possibility of Other Debtors to settle their accounts individually. The debtor statements were used to determine the payment trends of each debtor.

| Payment/credits received 2018 per statement as a percentage of Gross | Provision |
|--|-----------|
| 0% - 9,99% | 70% |
| 10% - 29,99% | 50% |
| 30% - 49,99% | 30% |
| 50% - 69,99% | 10% |

If payment received in the 2018 financial year from the other debtor is between 0% to 9.99% a provision of 70% was allowed

1.2 Presentation currency

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

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

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Accounting Policies

1.4 Property, plant and equipment

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

Recognition and measurement

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 entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

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

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

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

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

| Item | Depreciation method | Average useful life |
|-------------------------------------|---------------------|---------------------|
| Land | Straight line | Indefinite life |
| Buildings | Straight line | 50 years |
| Furniture and fixtures | Straight line | 3 - 12 years |
| Motor vehicles | Straight line | 3 - 5 years |
| IT equipment | Straight line | 2 - 5 years |
| Other property, plant and equipment | Straight line | 5 - 10 years |
| Training equipment | Straight line | 5 - 10 years |
| Small items (Minor Assets) | Straight line | 1 year |

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

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Accounting Policies

1.4 Property, plant and equipment (continued)

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

Derecognition

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

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 7).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 7).

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

Recognition and measurement

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

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

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

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

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

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

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

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

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

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Accounting Policies

1.5 Intangible assets (continued)

| Item | Depreciation method | Average useful life |
|--------------------------------------|---------------------|---------------------|
| Patents, trademarks and other rights | Straight line | 4 - 5 years |

Derecognition

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.6 Financial instruments

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

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

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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

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

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

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

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

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

- deliver cash or another financial asset to another entity; or

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Accounting Policies

1.6 Financial instruments (continued)

- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

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

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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Accounting Policies

1.6 Financial instruments (continued)

Classification

The entity 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 |
|------------------------|--|
| Other financial assets | Financial asset measured at fair value |

Initial recognition

The entity 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 entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

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

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

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Accounting Policies

1.6 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

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

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

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

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

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Accounting Policies

1.6 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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

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

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

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

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

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

Financial liabilities

The 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.

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

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1.6 Financial instruments (continued)

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

Presentation

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

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

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

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

1.7 Leases

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

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

Finance leases - lessee

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

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

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

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

Operating leases - lessor

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

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

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

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1.7 Leases (continued)

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 assets:

- in the form of materials or supplies to be consumed in the production process;
- in the form of materials or supplies to be consumed or distributed in the rendering of services;
- held for sale or distribution in the ordinary course of operations; or
- in the process of production for sale or distribution.

Recognition

Inventories are recognised as an asset if:

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

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

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

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

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

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

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

The cost of inventories 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.

Recognition as an expense

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

1.9 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by profit-oriented entity.

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).

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1.9 Impairment of cash-generating assets (continued)

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

Identification

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

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

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

Value in use

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

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

Basis for estimates of future cash flows

In measuring value in use the entity:

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

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1.9 Impairment of cash-generating assets (continued)

Composition of estimates of future cash flows

Estimates of future cash flows include:

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

Estimates of future cash flows exclude:

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

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

Discount rate

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

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1.9 Impairment of cash-generating assets (continued)

Cash-generating units

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

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

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

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

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

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

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

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

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

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

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1.9 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

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

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

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

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

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

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

Redesignation

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

1.10 Impairment of non-cash-generating assets

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

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

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

Identification

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

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

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

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

Value in use

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

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

Depreciated replacement cost approach

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

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

Restoration cost approach

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

Service units approach

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

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

Reversal of an impairment loss

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

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

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

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

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

Redesignation

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

1.11 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.12 Employee benefits

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

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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1.12 Employee benefits (continued)

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.

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

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

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

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

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior period.

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

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

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

DHET Management fee

In terms of the CET Act, the College is the employer of the non-funded, non-management personnel. All personnel appointed in funded posts and management personnel, defined in the CET Act as the Principal and Deputy Principals, have migrated to DHET and are DHET employees.

Management personnel are remunerated from DHET and not from College funds, and this constitutes services in kind which are recognised at the cash value of the services to the State. The income is recognised as "Services in kind" as part of revenue from non-exchange transactions, and the expense is recognised as "DHET management fee".

1.13 Provisions and contingencies

Provisions are recognised when:

- the entity 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.

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1.13 Provisions and contingencies (continued)

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

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

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

A constructive obligation to restructure arises only when an entity:

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised.

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

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

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1.13 Provisions and contingencies (continued)

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other Standards, and
- fines or other penalties that are imposed for breaches of the legislation.

Government refers to government, government agencies and similar bodies whether local, national or international.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The College does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the College being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that the entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy, as identified by the legislation, occurs over a period of time).

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The College recognises an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

1.14 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

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1.15 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

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

Rendering of services

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

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

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

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

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

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

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

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

Tuition fees are recognised over the period on instruction.

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1.16 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity 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.

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 entity 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 entity.

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

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

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

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

Gifts and donations, including Services in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Management personnel are remunerated from DHET and not from college funds, and this constitutes services in kind which are recognised at the cash value of the services to the State. The income is recognised as "Services in kind" as part of revenue from non-exchange transactions, and the expense is recognised as "DHET management fee".

1.17 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

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

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1.18 Comparative figures

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

1.19 Segment Reporting

The college does not do segment reporting of its management or financial accounts. As such the college believes GRAP 18 Segment reporting is not applicable to the college for these financial statements.

1.20 Related parties

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

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

Significant influence may be exercised in several ways, usually by representation on the governing body but also, for example, by participation in the policy-making process, material transactions between entities within an economic entity, interchange of managerial personnel or dependence on technical information.

Significant influence may be gained by an ownership interest, statute or agreement or otherwise. With regard to an ownership interest, significant influence is presumed in accordance with legislation, in instances where they are required to perform such functions.

Management are those persons responsible for planning, directing and controlling the activities of the college, including those charged with the governance of the college in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the college.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.21 Events after reporting date

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

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

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

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

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1.22 Projects

By nature thereof, projects are funding obtained from external parties to perform certain services and incur related expenditure to meet deliverables as set out in the Memorandum of Understanding between the College and such external parties.

Revenue received and expenses incurred in respect of specific projects are allocated to project-related income and expenditure accounts. The profit or loss on such projects are closed-off to the project balance in the statement of financial position at the end of each period as an asset or liability, depending on the nature thereof, to be accumulated in the future periods until such date that all deliverables relating to such project is met.

Upon completion of the project with relation to all deliverables met in accordance with the Memorandum of Understanding, the cumulative profit or loss on such project is circulated through the statement of financial performance as profit or loss on projects for the year under review.

Project balances as at year-end are further categorised as current or non-current assets or liabilities based on the expected completion date of the project as set out in the Memorandum of Understanding. If however the expected completion date of the project has already passed, but not all deliverables have been met as of yet, it will be classified as a current asset or liability.

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|---------------------------------------|--------------------|--------------------|
| 2. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Cash on hand | 20 000 | 20 300 |
| Bank balances | 182 686 380 | 30 316 109 |
| Call deposits | 51 389 005 | 88 462 241 |
| | 234 095 385 | 118 798 650 |

The entity had the following bank accounts

| Account number / description | Bank statement balances | | | Cash book balances | | |
|---|-------------------------|--------------------|-------------------|--------------------|--------------------|-------------------|
| | 31 December 2018 | 31 December 2017 | 31 December 2016 | 31 December 2018 | 31 December 2017 | 31 December 2016 |
| ABSA Bank: Brits Acc Nr - 64083867 | 575 375 | 962 145 | 1 224 453 | 575 375 | 962 145 | 1 224 453 |
| ABSA bank: Rustenburg Acc Nr - 4056719229 | 161 601 514 | 27 868 975 | 57 690 696 | 161 601 514 | 27 868 975 | 57 690 696 |
| ABSA bank: Rustenburg Acc Nr - 4070607280 | 1 684 433 | 275 372 | 128 521 | 1 684 433 | 275 372 | 128 521 |
| ABSA bank: Rustenburg Acc Nr - 4065336975 | 171 759 | 613 044 | 2 743 510 | 171 759 | 613 044 | 2 743 510 |
| ABSA bank: Rustenburg Acc Nr - 1220831201 | 857 265 | 447 861 | 1 651 645 | 857 265 | 447 861 | 1 651 645 |
| ABSA bank: Johannesburg Acc Nr - 4079665578 | 45 478 | 148 842 | 1 374 | 45 478 | 148 842 | 1 374 |
| ABSA bank: Rustenburg Acc Nr - 9184899180 | 51 389 005 | 88 462 241 | 34 608 249 | 51 389 005 | 88 462 241 | 34 608 249 |
| ABSA bank: Rustenburg Acc Nr - 4088842020 | 143 | 118 | 1 954 | 143 | 118 | 1 954 |
| ABSA bank: Rustenburg Acc Nr - 4088841286 | 2 019 | (248) | (266) | 2 019 | (248) | (266) |
| ABSA bank: Rustenburg Acc Nr - 4094961149 | 17 746 697 | - | - | 17 746 697 | - | - |
| ABSA bank: Rustenburg Acc Nr - 4094961092 | 1 697 | - | - | 1 697 | - | - |
| Total | 234 075 385 | 118 778 350 | 98 050 136 | 234 075 385 | 118 778 350 | 98 050 136 |

3. Inventories

| | | |
|-------------|-----------|------------|
| Inventories | 9 743 115 | 16 002 000 |
|-------------|-----------|------------|

3.1 Inventory includes:

| | | |
|--------------------------|------------------|-------------------|
| Text books | 6 659 418 | 12 744 515 |
| Stationery and paper | 2 152 510 | 1 844 237 |
| Other learning materials | 931 187 | 1 413 248 |
| | 9 743 115 | 16 002 000 |

| | | |
|---|---------|-----------|
| Carrying value of inventories items disclosed at current replacement cost | 968 418 | 2 916 095 |
|---|---------|-----------|

| | | |
|--|------------|------------|
| Inventories recognised as an expense/ (profit) during the year | 21 383 663 | 11 086 320 |
|--|------------|------------|

Consumable inventory consist of textbooks, other learning materials, stationery and paper.

Inventory pledged as security

No inventory was pledged as security by the College

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|--|---------------------|---------------------|
| 4. Other financial assets | | |
| Designated at fair value | | |
| Investec Fixed Deposit - (1100/440317/451) Interest rate:(2017: 7.91%) Term of deposit: (2017: 180 days) Effective date: (2017: 27 September 2017) Maturity date: (2017:26 March 2018) | - | 8 500 000 |
| Investec Fixed Deposit - (110/440317/452) Interest rate: (2017: 8.26%) Term of deposit:(2017: 180 days) Effective date: (2017:17 November 2017) Maturity date: (2017: 16 May 2018) | - | 20 000 000 |
| Investec Fixed Deposit - (1100/440317/450) Interest rate: (2017: 8.13%) Term of deposit:(2017: 153 days) Effective date: (2017:1 December 2017) Maturity date: (2017: 02 May 2018) | - | 10 000 000 |
| Nedbank Fixed Deposit - (110/440317/48) Interest rate: 8.48 % Term of deposit: 180 days Effective date: 07 December 2018 Maturity date: 07 June 2019 | 20 802 192 | - |
| Nedbank Fixed Deposit - (03/7881085347/000030) Interest rate: 8.48 %(2017: 8.01%) Term of deposit: 180 days (2017: 184 days) Effective date:30 November 2018 (2017: 31 July 2017) Maturity date: 30 May 2019 2019 (2017:31 January 2018) | 20 802 192 | 20 000 000 |
| Nedbank Fixed Deposit - (110/440317/49) Interest rate: 8.21% Term of deposit: 180 days Effective date: 23 July 2018 Maturity date: 23 January 2019 | 40 000 000 | - |
| Nedbank Fixed Deposit - (110/440317/46) Interest rate: 8.48 % Term of deposit: 180 days Effective date: 30 November 2018) Maturity date: 30 May 2019 | 10 403 288 | - |
| Nedbank Fixed Deposit - (110/440317/45) Interest rate: 8.25 % Term of deposit: 180 days Effective date: 09 October 2018) Maturity date: 09 April 2019 | 8 500 000 | - |
| | 100 507 672 | 58 500 000 |
| Current assets | | |
| Designated at fair value | 100 507 672 | 58 500 000 |
| 5. Projects | | |
| Non-current assets | - | 516 651 |
| Current assets | 1 772 573 | 469 017 |
| Non-current liabilities | (4 059 697) | (9 449 699) |
| Current liabilities | (30 952 258) | (13 935 410) |
| | (33 239 382) | (22 399 441) |

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|---|---------------------|---------------------|
| 5. Projects (continued) | | |
| Projects | | |
| Projects from exchange transactions | | |
| Transactions relating to exchange transaction (Assets) | 1 772 573 | 898 668 |
| Transactions relating to exchange transaction (Liabilities) | (35 011 955) | (20 339 284) |
| Projects from non-exchange transactions | | |
| Transactions relating to non-exchange transaction (Assets) | - | 87 000 |
| Transactions relating to non-exchange transaction (Assets) | - | (3 045 825) |
| | (33 239 382) | (22 399 441) |
| Project balances consist of the following projects: | | |
| AAT Bank SETA | (1 223 063) | (1 223 063) |
| AECI Apprenticeship | (227 054) | (334 937) |
| BECI Apprenticeship | (880 800) | (880 800) |
| BankSeta 1045 | - | (170 880) |
| DEDECT | (13 383 155) | (1 982 520) |
| ECD - 130 | (138 069) | (138 069) |
| ECD - 294 | (2 685 551) | (2 685 551) |
| ECD - E153 | (862 395) | (862 395) |
| ECD - E97 | (1 982 520) | (1 850 948) |
| ECD - 14 - (NarySec) | (449 996) | (315 446) |
| Entrepreneurship | (1 744 818) | (588 441) |
| Ford SA | (6 259 225) | (5 223 590) |
| INSETA Interns | - | (238 500) |
| INSETA Training | - | (161 522) |
| ISFAP | (588 694) | 429 651 |
| LGSETA Interns | - | (22 900) |
| merSeta Apprenticeship | 719 573 | 469 017 |
| NSF - Phase 2 | (1 993 956) | (2 836 516) |
| RPL Commdev | (868 309) | (947 949) |
| Rapid Incubator | (1 151 552) | (1 688 327) |
| Rustern Local Municipality | (572 798) | (1 232 755) |
| Services SETA Interns | 1 053 000 | 87 000 |
| | (33 239 382) | (22 399 441) |

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|--|---------------------|----------------------|
| 6. Trade and Other Receivables from exchange transactions | | |
| Gross balances | | |
| Student debtors | 108 731 233 | 154 469 455 |
| Employee debtors | 587 849 | 481 877 |
| Prepaid expenses | 21 768 | 5 426 925 |
| Other receivables - Projects | 10 045 338 | 10 005 980 |
| Other receivables - Other debtors | 1 426 021 | 1 383 279 |
| Accrued income | 2 443 129 | 1 441 576 |
| NSFAS - Debtor | 272 633 | - |
| NSFAS - Student debtor | 4 375 716 | 4 375 716 |
| | 127 903 687 | 177 584 808 |
| Less: Allowance for Impairment | | |
| Student debtors | (73 084 317) | (112 283 301) |
| Employee debtors | (341 314) | (295 406) |
| Other receivables - Projects | - | (5 494 746) |
| Other receivables - Other debtors | (1 012 736) | (727 899) |
| NSFAS - Student debtor | (4 375 716) | (4 375 716) |
| | (78 814 083) | (123 177 068) |
| Net balances - Trade and Other Receivables | | |
| Student debtors | 35 646 916 | 42 186 154 |
| Employee debtors | 246 535 | 186 471 |
| Prepaid expenses | 21 768 | 5 426 926 |
| Other receivables - Projects | 10 054 338 | 4 511 234 |
| Other receivables - Other debtors | 413 285 | 655 380 |
| Accrued income | 2 443 129 | 1 441 576 |
| NSFAS - Debtor | 272 633 | - |
| NSFAS - Student debtor | - | - |
| | 49 098 604 | 54 407 741 |

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|--|---------------------|----------------------|
| 6. Trade and Other Receivables from exchange transactions (continued) | | |
| Student Debtors: Ageing | | |
| Current (0 - 30 days) | - | - |
| 31 - 60 days | 2 585 891 | 543 300 |
| 61 - 90 days | 1 908 651 | 1 793 365 |
| > 90 days | 31 152 374 | 75 330 605 |
| | 35 646 916 | 77 667 270 |
| Employee debtors: Ageing | | |
| Current (0 - 30 days) | 86 157 | 11 089 |
| 31 - 60 days | (11 838) | 19 817 |
| 61 - 90 days | (420) | 7 861 |
| > 90 days | 172 637 | 147 704 |
| | 246 536 | 186 471 |
| Prepaid expenses: Ageing | | |
| Current (0 - 30 days) | 21 768 | 3 573 695 |
| > 180 days | - | 1 853 230 |
| | 21 768 | 5 426 925 |
| Other receivables - Projects: Ageing | | |
| Current (0 - 30 days) | (5 912 900) | 2 262 304 |
| 31 - 60 days | - | 123 210 |
| 61 - 90 days | 184 530 | - |
| > 90 days | 15 782 708 | - |
| | 10 054 338 | 2 385 514 |
| Other receivables - Other debtors: Ageing | | |
| Current (0 - 30 days) | 4 500 | (4 545) |
| 31 - 60 days | 693 | 190 |
| 61 - 90 days | 24 240 | 215 085 |
| > 90 days | 383 852 | 444 650 |
| | 413 285 | 655 380 |
| Accrued income: Ageing | | |
| Current - 180 days | 2 443 129 | 1 441 576 |
| NSFAS - Debtor | | |
| Current - 180 days | 272 633 | - |
| Reconciliation of allowance for impairment | | |
| Balance at beginning of the period | (123 177 068) | (163 062 251) |
| Contributions to allowance | 44 362 985 | 39 885 183 |
| | (78 814 083) | (123 177 068) |

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | | | 2017 | | |
|--------------------------------------|-----------------------------|--|-----------------------|-----------------------------|--|-----------------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land | 22 674 153 | (612 028) | 22 062 125 | 19 136 803 | (612 028) | 18 524 775 |
| Buildings | 104 562 644 | (19 342 646) | 85 219 998 | 99 446 316 | (15 791 400) | 83 654 916 |
| Furniture and fixtures | 7 679 217 | (5 200 681) | 2 478 536 | 7 020 238 | (4 122 966) | 2 897 272 |
| Motor vehicles | 6 842 202 | (3 711 691) | 3 130 511 | 6 284 010 | (3 065 623) | 3 218 387 |
| IT equipment | 22 090 987 | (13 426 841) | 8 664 146 | 20 404 927 | (9 865 193) | 10 539 734 |
| Work in Progress - IT Equipment | 3 040 760 | - | 3 040 760 | 3 566 762 | - | 3 566 762 |
| Other equipment | 20 864 894 | (15 275 010) | 5 589 884 | 19 919 069 | (11 885 451) | 8 033 618 |
| Training equipment (Small items) | 7 751 383 | (7 746 511) | 4 872 | 7 655 064 | (7 644 652) | 10 412 |
| Training Equipment | 16 668 207 | (10 203 030) | 6 465 177 | 16 274 757 | (7 800 523) | 8 474 234 |
| Furniture and Fixtures (small items) | 17 513 341 | (17 486 060) | 27 281 | 16 984 399 | (16 955 811) | 28 588 |
| Other Equipment (Small items) | 4 664 786 | (4 661 977) | 2 809 | 4 603 824 | (4 599 862) | 3 962 |
| IT Equipment (Small items) | 8 446 029 | (8 441 776) | 4 253 | 8 199 341 | (8 194 841) | 4 500 |
| Buildings under construction | - | - | - | 872 642 | - | 872 642 |
| Finance lease assets | 1 628 923 | (793 925) | 834 998 | 1 628 923 | (793 925) | 834 998 |
| Total | 244 427 526 | (106 902 176) | 137 525 350 | 231 997 075 | (91 332 275) | 140 664 800 |

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2018

| | Opening balance | Additions | Disposals | Transfers | Depreciation | Impairment loss | Total |
|--------------------------------------|--------------------|-------------------|------------------|------------------|---------------------|--------------------|--------------------|
| Land | 18 524 775 | 3 537 350 | - | - | - | - | 22 062 125 |
| Buildings | 83 654 916 | 4 243 686 | - | 872 642 | (3 551 246) | - | 85 219 998 |
| Furniture and fixtures | 2 897 272 | 658 980 | - | - | (863 604) | (214 112) | 2 478 536 |
| Motor vehicles | 3 218 387 | 846 636 | (169 906) | - | (557 786) | (206 820) | 3 130 511 |
| IT equipment | 10 539 734 | 1 685 055 | (16 777) | - | (3 037 845) | (506 021) | 8 664 146 |
| Work in Progress - IT Equipment | 3 566 762 | - | - | (526 002) | - | - | 3 040 760 |
| Other equipment | 8 033 618 | 945 824 | - | - | (2 613 229) | (776 329) | 5 589 884 |
| Training equipment (Small items) | 10 412 | 100 967 | - | - | (100 848) | (5 659) | 4 872 |
| Training Equipment | 8 474 234 | 393 451 | - | - | (1 545 136) | (857 372) | 6 465 177 |
| Furniture and Fittings - Small items | 28 588 | 528 942 | - | - | (528 381) | (1 868) | 27 281 |
| Other Equipment (small items) | 3 962 | 72 779 | - | - | (72 735) | (1 197) | 2 809 |
| IT equipment (small items) | 4 500 | 246 688 | - | - | (246 544) | (391) | 4 253 |
| Buildings under construction | 872 642 | - | - | (872 642) | - | - | - |
| Finance lease assets | 834 998 | - | - | - | - | - | 834 998 |
| | 140 664 800 | 13 260 358 | (186 683) | (526 002) | (13 117 354) | (2 569 769) | 137 525 350 |

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment (continued)**Reconciliation of property, plant and equipment - 2017**

| | Opening balance | Additions | Disposals | Transfers | Depreciation | Total |
|--------------------------------------|----------------------------|-------------------|------------------|--------------------|---------------------|--------------------|
| Land | 18 524 775 | - | - | - | - | 18 524 775 |
| Buildings | 77 742 761 | 7 787 474 | - | - | (1 875 319) | 83 654 916 |
| Furniture and fixtures | 3 484 188 | 214 302 | - | - | (801 218) | 2 897 272 |
| Motor vehicles | 3 489 070 | 309 391 | - | - | (580 074) | 3 218 387 |
| IT equipment | 12 044 324 | 1 346 183 | (11 068) | - | (2 839 705) | 10 539 734 |
| Work in Progress - IT Equipment | 4 524 039 | 344 836 | - | (1 302 113) | - | 3 566 762 |
| Other equipment | 9 644 707 | 893 051 | (6 201) | - | (2 497 939) | 8 033 618 |
| Training equipment (Small items) | 7 386 | 728 416 | - | - | (725 390) | 10 412 |
| Training Equipment | 8 557 759 | 1 352 111 | - | - | (1 435 636) | 8 474 234 |
| Furniture and Fittings - Small items | 26 907 | 709 691 | - | - | (708 010) | 28 588 |
| Other Equipment (small items) | 3 854 | 96 811 | - | - | (96 703) | 3 962 |
| IT equipment (small items) | 4 391 | 154 783 | - | - | (154 674) | 4 500 |
| Buildings under construction | 5 088 697 | 1 582 423 | - | (5 798 478) | - | 872 642 |
| Finance lease assets | 397 740 | 947 928 | - | - | (510 670) | 834 998 |
| | 143 540 598 | 16 467 400 | (17 269) | (7 100 591) | (12 225 338) | 140 664 800 |

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

| | | |
|-----------------|------|------|
| Figures in Rand | 2018 | 2017 |
|-----------------|------|------|

7. Property, plant and equipment (continued)

Capital commitments

Capital commitments are disclosed in a separate note to the Annual Financial Statements, refer to Note 34

8. Intangible assets

| | 2018 | | | 2017 | | |
|-------------|---------------------|--|----------------|---------------------|--|----------------|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Copy rights | 700 886 | (253 727) | 447 159 | 424 356 | (187 986) | 236 370 |

Reconciliation of intangible assets - 2018

| | Opening balance | Additions | Amortisation | Total |
|-------------|--------------------|-----------|--------------|---------|
| Copy rights | 236 370 | 276 530 | (65 741) | 447 159 |

Reconciliation of intangible assets - 2017

| | Opening balance | Additions | Amortisation | Total |
|-------------|--------------------|-----------|--------------|---------|
| Copy rights | 165 614 | 129 000 | (58 244) | 236 370 |

Pledged as security

No intangible assets were pledged as security for any financial liability

ORBIT TVET COLLEGE

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|--|-----------------------|-----------------------|
| 9. Finance lease obligation | | |
| Minimum lease payments due | | |
| - within one year | 476 903 | 578 494 |
| - in second to fifth year inclusive | 229 122 | 400 530 |
| | <u>706 025</u> | <u>979 024</u> |
| less: future finance charges | (65 486) | (91 158) |
| Present value of minimum lease payments | <u>640 539</u> | <u>887 866</u> |
| Present value of minimum lease payments due | | |
| - within one year | 430 146 | 510 832 |
| - in second to fifth year inclusive | 210 393 | 377 034 |
| | <u>640 539</u> | <u>887 866</u> |
| Non-current liabilities | 210 393 | 377 034 |
| Current liabilities | 430 146 | 510 832 |
| | <u>640 539</u> | <u>887 866</u> |

It is entity policy to lease certain property and equipment (printing machines) under finance leases.

The average lease term was 3-5 years and the average effective borrowing rate was linked to the prime lending rate 10.50% (2017: 10.25%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 7.

10. Payables from exchange transactions

| | | |
|--|--------------------------|--------------------------|
| Accrued bonus | - | 84 534 |
| Accrued expense | 4 646 338 | 3 729 756 |
| Accrued leave pay | 129 610 | 42 761 |
| CET Procurement | 4 559 705 | 15 735 664 |
| NSFAS - Historic student payables | 19 019 692 | 15 728 227 |
| NSFAS - Liability | 28 380 392 | 11 897 050 |
| NSFAS - Student liability | 3 017 443 | 7 325 279 |
| Other payables: Receivables with credit balances | 2 780 649 | 7 000 243 |
| PED Creditor | 5 592 134 | 5 592 134 |
| Payroll accruals | 2 058 150 | 1 084 861 |
| | <u>70 184 113</u> | <u>68 220 509</u> |

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11. Provisions

Reconciliation of provisions - 2018

| | Opening Balance | Additions | Utilised during the year | Reversed during the year | Total |
|---------------------------------------|------------------|----------------|--------------------------|--------------------------|------------------|
| Provision - GEPP | 1 133 454 | - | - | (1 133 454) | - |
| Provision - Old Mutual provident Fund | 4 151 455 | 907 974 | (3 752 931) | - | 1 306 498 |
| | 5 284 909 | 907 974 | (3 752 931) | (1 133 454) | 1 306 498 |

Reconciliation of provisions - 2017

| | Opening Balance | Additions | Reversed during the year | Total |
|---------------------------------------|------------------|----------------|--------------------------|------------------|
| Provision - GEPP | 1 178 098 | 229 906 | (274 550) | 1 133 454 |
| Provision - Old Mutual Provident Fund | 4 151 455 | - | - | 4 151 455 |
| | 5 329 553 | 229 906 | (274 550) | 5 284 909 |

Government Employee Pension fund - (2017: R1 133 453)
%used: 13.5%

ORBIT TVET College contributed 13.5% on pensionable earnings towards GEPP for state employees and made a provision for employer contributions on previous payroll payments made directly from Council payroll that was calculated as part of pensionable earnings for the state employee. These payroll payments were supposed to have been paid by PERSAL. For these top-up, back pay and pay progression payments. In Feb 2018, HR Circular 2 of 2018 was issued followed by letters to all affected staff informing them of a decision by the Director-General to make full payment of all liabilities related to employee and employer shortfalls within the Government Employee Pension Fund (GEPP). Top Ups were subsequently stopped and absorbed on to the PERSAL system in April 2018. This resulted in the payment of updated notches with effect from 1 April 2018. The provision was reversed in the current year as no present or possible obligation exists at year end towards the GEPP payments.

[Old Mutual Provident Fund R4 151 455 (2017: R1 306 498)
% used: 4%

ORBIT TVET College contributed 10% to Old Mutual Provident Fund for employees previously appointed by Council. All these employees migrated to DHET during a Function Shift Transfer during 2015 and this was Fund was therefore dissolved. Subsequently, employees submitted the matter to Dispute resolution relating to the shortfall in Employer contributions and requested an additional refund to Employees the value of 4% of pensionable earnings. ORBIT TVET College contributed in accordance to GEPP 13% on behalf of state employees and in comparison determined a shortfall of 3% contributed to Old Mutual Provident Fund. ORBIT TVET College then estimates a probable settlement at 4% or pensionable earnings calculated based on actual contributions paid.

12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

| | | |
|--|-------------------|------------------|
| DHET Funding - Missing middle students | 1 463 480 | 5 703 000 |
| COS Conditional Grant | 6 526 042 | - |
| Capital Infrastructure Funding | 17 745 000 | - |
| | 25 734 522 | 5 703 000 |

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Annual Financial Statements for the year ended 31 December 2018

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| Figures in Rand | 2018 | 2017 |
|--|-------------------|------------------|
| 12. Unspent conditional grants and receipts (continued) | | |
| Movement during the year | | |
| Balance at the beginning of the year | 5 703 000 | - |
| Additions during the year | 24 271 042 | 190 378 000 |
| Income recognition during the year | (4 239 520) | (184 675 000) |
| | 25 734 522 | 5 703 000 |

See note for reconciliation of grants. These amounts are invested in a ring-fenced investment until utilised.

13. Revenue

| | | |
|------------------------------------|--------------------|--------------------|
| Tuition and related fees | 60 801 056 | 57 595 252 |
| Rental of facilities and equipment | 424 893 | 387 283 |
| Project income (Exchange) | 29 452 584 | 4 895 619 |
| Business Unit Income | 19 857 | 48 780 |
| Other income | 41 109 | 905 000 |
| Interest received - investment | 12 955 634 | 8 868 353 |
| Government grants & subsidies | 272 025 966 | 194 467 046 |
| Project Income (Non Exchange) | - | 3 330 786 |
| Public contributions and donations | 490 846 | 66 668 |
| Administration fees received | - | 753 800 |
| Insurance Claim received | 8 830 | 18 053 |
| | 376 220 775 | 271 336 640 |

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

| | | |
|------------------------------------|--------------------|-------------------|
| Tuition fees and related services | 60 801 056 | 57 595 252 |
| Rental of facilities and equipment | 424 893 | 387 283 |
| Project Income | 29 452 584 | 4 895 619 |
| Business Unit Income | 19 857 | 48 780 |
| Other income | 41 109 | 905 000 |
| Interest received - investment | 12 955 634 | 8 868 353 |
| | 103 695 133 | 72 700 287 |

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

Taxation revenue

Transfer revenue

| | | |
|------------------------------------|--------------------|--------------------|
| Government grants & subsidies | 272 025 966 | 194 467 046 |
| Project Income | - | 3 330 786 |
| Public contributions and donations | 490 846 | 66 668 |
| Administration fees received | - | 753 800 |
| Insurance claim received | 8 830 | 18 053 |
| | 272 525 642 | 198 636 353 |

14. Tuition Fees and related fees

| | | |
|---|-------------------|-------------------|
| Examination fees | 902 880 | 1 188 950 |
| Residential fees | 4 599 600 | 3 869 300 |
| Tuition fees - NSFAS Bursaries (NCV) | 18 770 043 | 18 694 450 |
| Tuition fees - NSFAS Bursaries (Report 191) | 892 500 | 8 484 168 |
| Tuition fees - Skills occupational | 657 620 | 381 600 |
| Tuition fees - Students (NCV) | - | 12 064 441 |
| Tuition fees - Students (Report 191) | 34 978 413 | 12 912 343 |
| | 60 801 056 | 57 595 252 |

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|---|-------------------|------------------|
| 15. Rental of facilities and equipment | | |
| Premises | | |
| Hire of venue | 193 429 | 76 455 |
| Housing - Rental income | 231 464 | 310 828 |
| | 424 893 | 387 283 |
| 16. Other Income | | |
| Skills development training fees received | 41 109 | 905 000 |
| 17. Investment revenue | | |
| Interest revenue | | |
| Bank | 5 207 674 | 3 977 849 |
| Other financial assets - Investments | 7 747 960 | 4 890 504 |
| | 12 955 634 | 8 868 353 |

The amount included in Investment revenue arising from non-exchange transactions amounted to R 12 955 634 (2017: R8 868 353)

ORBIT TVET COLLEGE

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|--|--------------------|--------------------|
| 18. Government grants and subsidies | | |
| Operating grants | | |
| DHET Programme funding: Grants paid via PERSAL | 157 764 766 | 160 320 046 |
| DHET Programme funding: Grants paid in cash | 114 261 200 | 34 147 000 |
| | 272 025 966 | 194 467 046 |
| Conditional and Unconditional | | |
| Included in above are the following grants and subsidies received: | | |
| DHET Programme funding: Missing middle students | | |
| Balance unspent at beginning of year | 5 703 000 | - |
| Current-year receipts | - | 5 703 000 |
| Conditions met - transferred to revenue | (4 239 520) | - |
| | 1 463 480 | 5 703 000 |
| Conditions still to be met - remain liabilities (see note 12). | | |
| Provide explanations of conditions still to be met and other relevant information. | | |
| DHET Programme funding: Grants paid via PERSAL | | |
| Current-year receipts | 159 898 000 | 150 528 000 |
| Conditions met - transferred to revenue | (159 898 000) | (150 528 000) |
| | - | - |
| DHET Programme funding: Grants paid via cash | | |
| Current-year receipts | 114 261 200 | 34 147 000 |
| Conditions met - transferred to revenue | (114 261 200) | (34 147 000) |
| | - | - |
| Capital Infrastructure Funding | | |
| Current-year receipts | 17 745 000 | - |
| Conditions still to be met - remain liabilities (see note 12). | | |
| 19. Public contributions and donations | | |
| Public contributions and donations - CCTV and Access control system | 412 289 | - |
| Public contributions and donations - Other | 20 994 | 66 668 |
| Public contributions and donations - SEDA Air-conditioned | 57 563 | - |
| | 490 846 | 66 668 |

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| Figures in Rand | 2018 | 2017 |
|---|--------------------|--------------------|
| 20. Employee Related Costs | | |
| Employee related costs | | |
| Salaries and Wages | 5 061 174 | 5 113 481 |
| Employee related costs - Contributions for UIF, pensions and medical aids | 26 461 | 24 570 |
| Travel, motor car, accommodation, subsistence and other allowances | 433 229 | 325 644 |
| Overtime payments | 19 935 | 18 585 |
| Performance and other bonuses | 49 546 | 129 250 |
| Other - Bonus & leave movement | - | (4 140) |
| Other - pay progression | - | 488 499 |
| Other - GEPF provision | - | 229 905 |
| Other employee related costs | 8 988 212 | 4 610 846 |
| DHET Management fee cost | | |
| Salaries and Wages | 100 175 103 | 100 614 807 |
| Employee related costs - Contributions for UIF, pensions and medical aids | 20 441 543 | 18 753 518 |
| Travel, motor car, accommodation, subsistence and other allowances | 5 138 732 | 2 443 790 |
| Housing benefits and allowances | 1 246 684 | 4 899 715 |
| Overtime payments | - | - |
| Performance and other bonuses | 9 943 062 | 8 424 082 |
| Other - Bonus & leave movement | - | 409 654 |
| Other employee related costs | 219 791 | 97 029 |
| Total employee related costs and DHET management fee | 151 743 472 | 146 579 235 |
| Expenses paid via Persal from college programme funding: | | |
| Lecturers engaged in Report 191 and NCV courses | 52 783 573 | 48 218 508 |
| Support staff engaged in Report 191 and NCV courses | 86 349 803 | 84 867 439 |
| Other - bonus & leave movement | - | 409 654 |
| Management remuneration | 1 868 932 | 2 146 990 |
| | 141 002 308 | 135 642 591 |
| Expenses paid via college payroll: | | |
| Lecturers and support staff engaged in Report 191 and NCV courses | 4 335 929 | 2 329 878 |
| Support staff engaged in Report 191 and NCV courses | 2 675 123 | 1 724 158 |
| Management remuneration: | 1 627 956 | 1 047 025 |
| Lecturers not engaged in Report 191 and NCV courses | 3 155 634 | 2 835 357 |
| Support staff not engaged in Report 191 and NCV courses | 2 572 484 | 2 285 959 |
| Other - Bonus & leave movement | - | (4 140) |
| Other - pay progression | - | 488 499 |
| Other - GEPF Provision | - | 229 905 |
| | 14 367 126 | 10 936 641 |
| Total employee cost and DHET management fee: | | |
| Total funded | | |
| Lecturers and support staff engaged in Report 191 and NCV courses | 57 119 502 | 50 548 386 |
| Support staff engaged in Report 191 and NCV courses | 89 024 926 | 86 591 597 |
| Management remuneration | 1 868 932 | 2 185 317 |
| Other - Bonus and leave movement | - | 409 654 |
| | 148 013 360 | 139 734 954 |
| Total non-funded | | |
| Management remuneration | 1 627 956 | 1 008 700 |
| Lecturers not engaged in Report 191 and NCV courses | 3 155 634 | 2 835 357 |
| Support staff not engaged in Report 191 and NCV courses | 2 572 484 | 2 285 959 |
| Other - Bonus and leave movement | - | (4 140) |
| Other - pay progression | - | 488 499 |
| Other - GEPF provision | - | 229 905 |
| | 7 356 074 | 6 844 280 |

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Annual Financial Statements for the year ended 31 December 2018

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| 20. Employee Related Costs (continued) | | |
| <p>In terms of the CET Act, non-funded employees are employees of the College and are accountable to the governance structures of the College. All employees appointed in funded posts have migrated to DHET on 1 April 2015 and are DHET employees as part of a transfer of function shift. Management are defined by the CET Act as the principal and deputy principals and they are employed by DHET and have dual accountancy towards the council and DHET respectively.</p> <p>Council fees disclosed in the prior period as employee and related costs has now been separately disclosed as council remuneration for a better understanding for users of the annual financial statements.</p> | | |
| 21. Finance costs | | |
| Finance leases | 72 414 | 111 375 |
| 22. Debt impairment | | |
| Contributions to debt impairment provision | (44 362 985) | (44 064 447) |
| Bad debts written off | 65 110 223 | 34 409 164 |
| | 20 747 238 | (9 655 283) |
| 23. Contracted Services | | |
| Legal fees | 118 387 | 232 777 |

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| Figures in Rand | 2018 | 2017 |
|-----------------------------------|-------------------|-------------------|
| 24. General expenses | | |
| Advertising | 1 071 780 | 960 049 |
| Audit committee fees | 65 086 | 65 087 |
| Auditors remuneration | 2 137 846 | 2 241 991 |
| Bank charges | 173 046 | 172 495 |
| Business integrator fees | - | 72 340 |
| Cleaning | 2 000 669 | 1 904 068 |
| Computer expenses | 2 672 368 | 1 451 689 |
| Conferences and seminars | 408 469 | 193 675 |
| Consulting and professional fees | 1 165 375 | 3 219 170 |
| Consumables | 131 030 | 123 783 |
| Council functions | 8 372 | 5 865 |
| Diploma ceremony expenses | 683 537 | 547 700 |
| Examination Expenses | 103 297 | 139 885 |
| Fines and penalties | 1 690 | - |
| Fuel and oil | 1 004 851 | 860 615 |
| Function and catering expenses | 2 084 948 | 778 878 |
| Gifts | 17 367 | 47 344 |
| Honoraria | - | 4 158 |
| Insurance | 2 223 577 | 2 123 648 |
| Licence fees - IT and Software | 1 362 105 | 1 795 732 |
| Marketing | 1 004 305 | 1 193 035 |
| Membership fees | 134 102 | 169 765 |
| Municipal expenses | 4 572 148 | 5 585 688 |
| Placement fees | 119 428 | 120 450 |
| Postage and courier | 13 404 | 33 317 |
| Printing and stationery | 3 639 573 | 3 214 111 |
| Protective clothing | 735 080 | 723 000 |
| Security | 5 665 841 | 4 473 217 |
| Staff welfare | 793 023 | 394 925 |
| Stipends | 12 758 700 | 4 914 920 |
| Student support services | 7 781 138 | 7 770 501 |
| Subscriptions and membership fees | 43 995 | 24 243 |
| Telephone and fax | 3 321 452 | 3 127 821 |
| Text books and Learning materials | 16 944 785 | 18 143 553 |
| Training | 335 681 | 501 237 |
| Travel and Accommodation | 932 020 | 885 824 |
| Uniforms | 127 351 | 86 082 |
| | 76 237 439 | 68 069 861 |
| 25. Auditors' remuneration | | |
| Fees | 2 137 846 | 2 241 991 |

ORBIT TVET COLLEGE

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| 26. Cash generated from operations | | |
| Surplus | 96 053 408 | 49 243 668 |
| Adjustments for: | | |
| Depreciation and amortisation | 13 183 096 | 12 279 718 |
| Gain (loss) on sale of assets and liabilities | 1 249 596 | (128 028) |
| Finance costs - Finance leases | 72 414 | 111 375 |
| Impairment deficit | 2 569 767 | - |
| Debt impairment | 20 747 238 | (9 655 283) |
| Movements in provisions | (3 978 411) | (44 644) |
| Movement in projects | - | 5 305 811 |
| Other non-cash items | (6 214 090) | (1 752 392) |
| Changes in working capital: | | |
| Inventories | 6 258 885 | (2 970 709) |
| Trade and Other Receivables from exchange transactions | 5 309 137 | (36 052 309) |
| Project debtors | (20 747 238) | (5 228 512) |
| Other receivables from non-exchange transactions | 18 392 656 | - |
| Payables from exchange transactions | 1 963 604 | 14 681 902 |
| Unspent conditional grants and receipts | 20 031 522 | 5 703 000 |
| | 154 891 584 | 31 493 597 |

ORBIT TVET COLLEGE

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| 27. Related parties | | |
| Relationships | | |
| Controlling entity | <p>Minister of Higher Education and Training and Department of Higher Education and Training Minister of Higher Education and Training: The Minister of Higher Education and Training ("the minister") is the executive authority of all public entities reporting to him/her. In terms the Continuing Education and Training Act no 16 of 2006 (the Act, the Minister has control over ORBIT TVET College. Department of Higher Education and Training: The Minister is also a related party of the Department of Higher Education and Training ("DHET"). Therefore DHET is also a related party of ORBIT TVET College. DHET transfers the Grant and Subsidy allocation to ORBIT TVET College and controls the employees placed at ORBIT TVET College due to their employment contracts with DHET. DHET therefore pays for the management fees.</p> | |
| Councillors | <p>CS Mabe [Chairperson] - Independent (Ministerial appointee) MG Nkagisang - (Deputy Chairperson) - Donor MG Mathye - Independent (Council nominated and awaiting Ministerial concurrence) TC Dubuzana - Independent (Ministerial appointee) SJ Mokotedi - Independent (Ministerial appointee) K Moloantoa - Independent A Saffy - Independent (Ministerial Appointee) JJ Erasmus - Independent SE Xipu - Independent MP Madoda - Independent (Ministerial Appointee) M Marais - Accounting Officer DF Mokoena - Principal M Maja - Academic Board Representative RD Baloyi - Lecturer Representative R Marakalala - Support Staff Representative P Rabothata - SRC President D Ndebele - SRC</p> | |
| Audit Committee | <p>I Carrim - Group Financial Controller at Glencore (Appointed August 2016) WS Fourie - Audit and Risk Sub-Committee Member (DVS Chartered Accountants) Chartered Accountant R. Kgalaki - Independent (Ministerial Appointee) - appointed 17 October 2018 Klynsmith - Attorney Van Velden-Duffy Inc (Resigned 23 May 2018) APC Mangoma - Chairperson (Resigned in 2017) MG Mathye - Audit and Risk Sub-Committee Member (Romotshere Moila Local Municipality : Chief Audit Executive)</p> | |

ORBIT TVET COLLEGE

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|-----------------|------|------|

27. Related parties (continued)

Members of key management

DF Mokoena - Accounting Officer/Principal
(Appointment July 2018)
M Marais - Accounting Officer/Principal
(Resigned 30 April 2018)
SM Matjiane - Deputy Principal: Corporate Services
TJ Mosito - Deputy Principal: Academic
LC De Beer - Acting Deputy Principal: Finance
(Resigned 2018)

The following TVET Colleges have engaged in transactions with ORBIT TVET

College for the business as stated. All these transactions were at arms length.

TVET College
Capricon
Central Johannesburg
Coastal
Ehlanzeni
Ingwe
King Sabatha
Taletso
Thekwini
Tswane North
Umgungundlovu
Vhembe
Vusulela
Waterberg
ETDP SETA

Business
Conference fees
Conference fees
Conference fees
Conference fees
Conference fees
Conference fees
Shared fees for student activities
Conference fees
Conference fees
Conference fees
Conference fees
Shared fees for student activities
Conference fees
Conference fees

Related party transactions

Government grants and subsidies received

Department of Higher Education and Training

(280 020 739) (194 467 046)

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27. Related parties (continued)

Remuneration of key management, councillors and audit committee members

Key management remuneration

2018

| Name | Basic salary | Bonuses and awards | Company contributions (UIF, Medical aid & Pension) | Travel, motor car, accommodation, subsistence and other allowances | Total |
|---------------------|------------------|--------------------|--|--|------------------|
| M Marais - Resigned | 272 625 | 382 | 116 839 | 32 269 | 422 115 |
| SM Matjiane | 618 916 | 52 406 | 143 869 | 39 775 | 854 966 |
| TJ Mosito | 630 440 | 121 738 | 217 654 | 32 660 | 1 002 492 |
| DF Mokoena | 351 773 | - | 51 815 | 85 060 | 488 648 |
| LC De Beer | - | - | - | 7 188 | 7 188 |
| | 1 873 754 | 174 526 | 530 177 | 196 952 | 2 775 409 |

2017

| Name | Basic salary | Bonuses and awards | Company contributions (UIF, Medical aid & Pension) | Travel, motor car, accommodation, subsistence and other allowances | Leave accrual | Bonus accrual | Total |
|-------------|------------------|--------------------|--|--|----------------|----------------|------------------|
| M Marais | 858 974 | 67 631 | 35 375 | 395 811 | 84 416 | 65 281 | 1 507 488 |
| SM Matjiane | 553 021 | 58 164 | 71 973 | 80 427 | 50 814 | 27 934 | 842 333 |
| TJ Mosito | 590 443 | 68 286 | 76 838 | 194 193 | 29 416 | 34 240 | 993 416 |
| LC De Beer | - | - | - | 21 757 | - | - | 21 757 |
| | 2 002 438 | 194 081 | 184 186 | 692 188 | 164 646 | 127 455 | 3 364 994 |

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27. Related parties (continued)

External audit committee members remuneration

2018

| Name | Meetings attended for period | Meeting fees | Travel and Subsistence | Total |
|---------------------------------------|------------------------------|---------------|------------------------|---------------|
| I Klynsmith | Two (2) | 4 706 | - | 4 706 |
| I Carrim | Four (4) | 11 765 | - | 11 765 |
| WS Fourie - Appointed July 2017 | Five (5) | 11 765 | - | 11 765 |
| MG Mathye - Appointed July 2017 | Seventeen (17) | 23 715 | 14 215 | 37 930 |
| R Kgalaki - appointed 17 October 2018 | One (1) | 2 353 | 1 106 | 3 459 |
| | | 54 304 | 15 321 | 69 625 |

2017

| Name | Meetings attended for period | Meeting fees | Travel and Subsistence | Total |
|--------------------------------------|------------------------------|---------------|------------------------|---------------|
| I Klynsmith | Five (5) | 17 204 | - | 17 204 |
| APC Mangoma - Resigned 31 March 2017 | Four (4) | 12 928 | 1 385 | 14 313 |
| I Carrim | Five (5) | 16 943 | - | 16 943 |
| WS Fourie - Appointed July 2017 | Two (2) | 6 986 | - | 6 986 |
| MG Mathye - Appointed July 2017 | Five (5) | - | 9 640 | 9 640 |
| | | 54 061 | 11 025 | 65 086 |

External councillors remuneration

2018

| Name | Meetings attended for the period | Meeting fees | Travel and subsistence | Total |
|---------|----------------------------------|--------------|------------------------|--------|
| CS Mabe | Twelve (12) | 53 108 | - | 53 108 |

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27. Related parties (continued)

| | | | | |
|----------------|--------------------|----------------|---------------|----------------|
| OM Nkagisang | Nine(9) | 6 986 | 1 282 | 8 268 |
| JJ Erasmus | One (1) | 3 493 | - | 3 493 |
| MP Madoda | Three (3) | 2 353 | - | 2 353 |
| SJ Mokotedi | One (1) | 3 493 | - | 3 493 |
| K Moloantoa | Twenty two (22) | 30 370 | 1 829 | 32 199 |
| SE Xipu | Fifteen (15) | 25 296 | 2 347 | 27 643 |
| TC Dubuzana | Twenty (20) | 50 923 | 52 759 | 103 682 |
| Mr I Carrim | Four (4) | 21 177 | - | 21 177 |
| Mr I Klynsmith | Two (2) | 4 706 | - | 4 706 |
| Mr R Kgalaki | Three (3) | 2 353 | 1 106 | 3 459 |
| | | 204 258 | 59 323 | 263 581 |

2017

| Name | Meetings attended for the period | Meeting fees | Travel and subsistence | Total |
|-----------------------------------|--|----------------|---------------------------|----------------|
| CS Mabe | Ten (10) | - | 1 113 | 1 113 |
| OM Nkagisang | Eight (8) | 28 455 | 10 655 | 39 110 |
| JJ Erasmus | Four (4) | 11 254 | - | 11 254 |
| MP Madoda | Five (5) | 23 407 | 3 435 | 26 842 |
| SJ Mokotedi | Five (5) | 14 747 | - | 14 747 |
| K Moloantoa | Nineteen (19) | 59 154 | 14 390 | 73 544 |
| SE Xipu | Twenty-two (22) | 85 150 | 2 780 | 87 930 |
| TC Dubuzana - Appointed July 2017 | Four (4) | - | 20 090 | 20 090 |
| | | 222 167 | 52 463 | 274 630 |

28. Risk management

Financial risk management

ORBIT TVET COLLEGE

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28. Risk management (continued)

Liquidity risk

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

Maximum credit risk exposure

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 counter-party.

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

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

| Financial instrument | 2018 | 2017 |
|--|--------------|-------------|
| Cash and cash equivalents | 234 075 385 | 118 798 650 |
| Trade and other receivables from exchange transactions | (28 675 164) | 21 430 975 |
| Trade and other receivables from non-exchange transactions | 43 646 179 | 48 618 203 |
| Other financial assets | 100 507 672 | 58 500 000 |
| Projects - Asset | 1 772 573 | 985 668 |

No collateral is held in regards to any financial asset of Orbit TVET College.

The College has no significant concentrations of credit risk. For banks and financial institutions, only independently rated parties are accepted and the College have policies in place to ensure that credit exposure to any one institution is limited. It also has policies in place to ensure that rendering of education service are made to students with an appropriate credit history. Receivables comprise of outstanding student loans and a number of customers dispersed across different industries and geographical areas. The College is exposed to credit risk arising from student receivables related to outstanding fees and loans. This risk is mitigated by requiring students to pay an initial installment in respect of tuition and accommodation fees at registration, the regular monitoring of outstanding fees, the institution of debt collection action in cases of long outstanding amounts. In addition, students with outstanding balances from previous years of study are only permitted to renew their registration after either the settling of the outstanding amount or the conclusion of a formal arrangement. The College assists a limited number of financially needy students with loans. Although this represents a credit risk, the risk is mitigated in view thereof that the loans are secured by means of requesting two sureties per agreement. Credit valuations are performed on the financial condition of customers other than students.

Market risk

Interest rate risk

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

At year end, financial instruments exposed to interest rate risk were Call deposits, Notice deposits, Finance leases and Bank overdraft..

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|-----------------|------|------|

28. Risk management (continued)**Price risk**

The College is not exposed to price risk since no listed securities are held by the college and the college has no financial assets available for sale.

29. Lease rentals on operating lease**Equipment**

| | | |
|---------------------|---------|---------|
| Contractual amounts | 579 728 | 201 894 |
|---------------------|---------|---------|

30. Prior period errors

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

Statement of Financial Position

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|--|-------------------------------|----------------------------|--------------------|
| 30. Prior period errors (continued) | | | |
| 2017 | As previously reported | Correction of error | Restated |
| Non-current assets | | | |
| Property plant and equipment: Furniture and Fixtures | 7 324 292 | (304 054) | 7 020 238 |
| Property plant and equipment: Furniture and Fixtures (Small items) | 14 298 118 | 2 686 281 | 16 984 399 |
| Property plant and equipment: IT Equipment (Small items) | 8 775 259 | (575 918) | 8 199 341 |
| Property plant and equipment: IT Equipment | 20 234 953 | 169 974 | 20 404 927 |
| Property plant and equipment: Other Equipment | 19 444 547 | 474 522 | 19 919 069 |
| Property plant and equipment: Other Equipment (Small Items) | 4 141 778 | 462 046 | 4 603 824 |
| Property plant and equipment: Training Equipment | 15 144 364 | 1 130 393 | 16 274 757 |
| Property plant and equipment: Training Equipment (Small items) | 4 652 348 | 3 002 716 | 7 655 064 |
| Property plant and equipment: Motor Vehicles | 6 435 805 | (151 795) | 6 284 010 |
| Accumulated Depreciation: Buildings | (10 003 506) | (5 787 894) | (15 791 400) |
| Accumulated Depreciation: Furniture and Fixtures | (6 295 179) | 2 172 213 | (4 122 966) |
| Accumulated Depreciation: IT Equipment | (15 153 138) | 5 287 945 | (9 865 193) |
| Accumulated Depreciation: Other Equipment | (16 590 875) | 4 705 424 | (11 885 451) |
| Accumulated Depreciation: Motor vehicles | (3 759 081) | 693 458 | (3 065 623) |
| Accumulated Depreciation: Furniture and Fixtures (Small items) | (13 820 252) | (3 135 559) | (16 955 811) |
| Accumulated Depreciation: IT Equipment (Small items) | (8 651 070) | 456 229 | (8 194 841) |
| Accumulated Depreciation: Other Equipment (Small items) | (4 073 955) | (525 907) | (4 599 862) |
| Accumulated Depreciation: Training equipment (Small items) | (4 450 530) | (3 194 122) | (7 644 652) |
| Accumulated Depreciation: Training equipment | (11 250 791) | 3 450 268 | (7 800 523) |
| Current assets | | | |
| Other receivables: Project debtors | 7 880 260 | 2 125 720 | 10 005 980 |
| Trade and Other Receivables from Exchange transactions : Student debtors | 163 503 593 | (9 034 138) | 154 469 455 |
| Allowances for impairment: Student debtors | (152 168 484) | 39 885 183 | (112 283 301) |
| Trade and Other Receivables from Non-Exchange transaction: DHET Debtor | 48 618 203 | 9 792 046 | 58 410 249 |
| Non-Current liabilities | | | |
| Finance Lease obligation | (373 542) | (3 492) | (377 034) |
| Current liabilities | | | |
| Finance Lease obligation | (511 332) | 500 | (510 832) |
| Projects | (13 937 250) | 1 840 | (13 935 410) |
| Payables from exchange transactions: Other payables | (13 103 381) | 9 034 138 | (4 069 243) |
| | 46 311 154 | 62 818 017 | 109 129 171 |
| Statement of Financial Performance | | | |
| | As previously reported | Correction of error | Restated |
| Finance costs | (112 557) | 1 182 | (111 375) |
| Government Grants and Subsidies: DHET Programme funding: Grant paid via PERSAL | 150 528 000 | 9 792 046 | 160 320 046 |
| Debt Impairment | (30 229 902) | 20 574 619 | (9 655 283) |
| | 120 185 541 | 30 367 847 | 150 553 388 |
| 31. Financial instruments disclosure | | | |
| Categories of financial instruments | | | |
| 2018 | | | |
| Financial assets | | | |
| | At amortised cost | Total | |
| Cash and cash equivalents | 234 075 385 | 234 075 385 | |
| Other financial assets | 100 507 672 | 100 507 672 | |
| Projects (Assets) | 1 772 573 | 1 772 573 | |
| Trade and other receivables from exchange transactions | (28 675 164) | (28 675 164) | |

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| 31. Financial instruments disclosure (continued) | | |
| Trade and Other receivables from non-exchange transactions | 43 646 179 | 43 646 179 |
| | 351 326 645 | 351 326 645 |
| Financial liabilities | | |
| | At amortised cost | Total |
| Projects (Liability) | (35 013 791) | (35 013 791) |
| Trade and other payables from exchange transactions | (97 607 370) | (97 607 370) |
| | (132 621 161) | (132 621 161) |
| 2017 | | |
| Financial assets | | |
| | At amortised cost | Total |
| Cash and cash equivalents | 118 798 650 | 118 798 650 |
| Other financial assets | 58 500 000 | 58 500 000 |
| Projects (Asset) | 985 668 | 985 668 |
| Trade and Other receivables from non-exchange transactions | 48 618 203 | 48 618 203 |
| Trade and other receivables from exchange transactions | 21 430 975 | 21 430 975 |
| | 248 333 496 | 248 333 496 |
| Financial liabilities | | |
| | At amortised cost | Total |
| Projects (Liability) | (17 694 065) | (17 694 065) |
| Trade and other payables from exchange transactions | (59 641 740) | (59 641 740) |
| | (77 335 805) | (77 335 805) |
| 32. Trade and other receivables from non-exchange transactions | | |
| DHET - Debtor | 40 017 593 | 58 410 249 |
| 33. Tax Exempt | | |

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

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| 34. Commitments | | |
| 2017 | | |
| | Approved and contracted for | |
| Authorised Operational expenditure | | |
| Restated amount | | 4 602 212 |
| Authorised Capital expenditure | | |
| As previously reported | | 10 566 666 |
| Total Commitments | | 15 168 878 |
| 2018 | | |
| | Approved and contracted for | |
| Authorised Operating expenditure | | |
| Operating expenditure | | 16 563 612 |
| Authorised Operating expenditure | | |
| Capital expenditure | | 685 522 |
| Total Commitments | | 17 249 133 |

35. Going concern

We draw attention to the fact that at 31 December 2018, the entity had an accumulated surplus of R 440 329 824 and that the entity's total Assets exceed its liabilities by R 134 182 164.

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 entity still has the power to levy student fees and it will continue to receive funding from government as evident from the grant received from DHET

36. Events after the reporting date

No material non-adjusting events occurred after the reporting date

37. Services In-Kind

Both the DHET SAICA HR and CFO Support Projects are funded by the National Skills Fund and managed by SAICA for DHET. SAICA appoints and manages the Project teams in accordance with the Project Business Plans. In the HR Support Project, support is provided directly to DHET by the placement of Project team members at DHET to fulfil certain functions.

HR Business Partners (HRBPs) are also allocated to Colleges, with each HRBP supporting more than one College. In the CFO Support Project, there is a Project management team which assists DHET to coordinate the financial management in the sector. For the CFO Support Project, SAICA has also seconded a team member to DHET and DHET has placed the

Project Team member as Acting DPF in each College that is directly supported by the Project. In some cases there are additional Project team members allocated to a College, in addition to the ADPF. SAICA supports DHET with these Projects on a cost recovery basis, as part of SAICA's Nation Building initiative.

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| 38. Project Income | | |
| Project Income: Exchange | | |
| Project income (Gross) | 30 784 354 | 10 627 996 |
| Current year profit and loss adjustment - Exchange | (1 331 770) | (5 732 377) |
| | 29 452 584 | 4 895 619 |
| Project Income: Non-Exchange | | |
| Project income (Gross) | - | 2 904 220 |
| Current year profit and loss adjustment - Exchange | - | 426 566 |
| | - | 3 330 786 |

Project income has been adjusted with current year profit and loss on projects as accumulated in project balances until such date that all deliverables relating to such project is met.