



Province of the
EASTERN CAPE
EDUCATION

VOTE NO. 6

ANNUAL REPORT

2022/23





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PART A

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

ABBREVIATIONS/ACRONYMS	DESCRIPTION
AAC	Autism Alternative and Augmentative Communication
ADSML	Advanced Diploma in School Management and Leadership
AGSA	Auditor- General of South Africa
AET	Adult Education and Training
AIDS	Acquired Immuno-Deficiency Syndrome
ANA	Annual National Assessments
AO	Accounting Officer
ARP	Annual Recruitment Plan
ASIDI	Accelerated School Infrastructure Delivery Institute
ATP	Annual Teaching Plan
BBBEE	Broad Based Black Economic Empowerment
CAPS	Curriculum and Assessment Policy Statements
CASME	Centre for the advancement of Science and Mathematics Education
CMC	Circuit Management Centers
CFO	Chief Financial Officer
CSE	Comprehensive Sexuality Education
CSD	Central Database for Suppliers
DBE	Department of Basic Education
DDD	Data Driven Districts
DSD	Department of Social Development
DTDC	District Teacher Development Centres
DPSA	Department of Public Service and Administration
EDD	Electronic Document Distribution
ELNA	Early Learning National Assessment
ECD	Early Childhood Development
ECEAC	Eastern Cape Education Advisory Council
ECDoE	Eastern Cape Department of Education
ECGB	Eastern Cape Gambling Board
EDD	Electronic Document Delivery
EFMS	Education Facilities Management System
EIG	Education Infrastructure Grant
EMIS	Education Management Information System
ELRC	Education Labour Relations Council
EPWP	Expanded Public Works Programme
ESTP	Education System Transformation Plan
ETDP-SETA	Education Training Development Practices Sector Education and Training Authority
EU	European Union
FET	Further Education and Training
GEC	General Education Certificate
G9PLMPS	Grade 9 Progressed Learners Mathematics Performance Pilot Study
HEI	Higher Education Institutions
HIV	Human Immunodeficiency Virus
HoD	Head of Department
HR	Human Resources
HRD	Human Resources Development
IAs	Implementing Agent
IA	Internal Audit
ICU	Internal Control Unit
IPET	Initial Professional Education for Teachers

ABBREVIATIONS/ACRONYMS	DESCRIPTION
IPIP	Infrastructure Programme Implementation Plans
IQMS	Integrated Quality Management System
IRM	Infrastructure Reporting Module
ISPFTED	Integrated Strategic Planning Framework for Teacher Education and Development
ICT	Information Communication Technology
IRM	Infrastructure Report Model
LAIS	Learner Attainment Improvement Strategy
LED	Local Economic Development
LSPID	Learners with Severe to Profound Intellectual Disability
LTSM	Learning and Teaching Support Materials
MEC	Member of Executive Council
MPAT	Management Performance Assessment Tool
MST	Mathematics, Science and Technology
MSTCG	Maths, Science and Technology Conditional Grant
MTEF	Medium-Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCF	National Curriculum Framework
NECT	National Education Collaboration Trust
NEPA	National Education Policy Act
NDP	National Development Plan
NEPA	National Education Policy Act
NICPD	National Institute for Curriculum and Professional Development
NQF	National Qualifications Framework
NSC	National Senior Certificate
NSLA	National Strategy for Learner Attainment
NSNP	National School Nutrition Programme
NSSF	National School Safety Framework
NTA	National Teacher Awards
OSD	Occupation Specific Dispensation
OTP	Office of the Premier
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PCMT	Provincial Coordinating Management Team
PFMA	Public Finance Management Act, Act 1 of 1999
PID	Profound Intellectual Disability
PILRS	Progress in international Reading Literacy Study
PMDS	Performance Management and Development System
PPN	Post Provisioning Norms
PQLTSC	Provincial Quality Learning and Teaching Steering Committee
PLC	Provincial Learning Centers
PPN	Post Provisioning Norms
PSA	Public Service Act
PSU	Programme Support Unit
PSRIP	Primary School Reading Programme
PT	Provincial Treasury
PTDI	Provincial Teacher Development Institutes
QLTC	Quality Learning and Teaching Committee
SACE	South African Council for Educators
SAFE	Sanitation Appropriate for Education
SAICA	South African Institute of Chartered Accountants

ABBREVIATIONS/ACRONYMS	DESCRIPTION
SAIMI	South African International Maritime Institute
SAIP	South African Institute for Physics
SAQA	South African Qualifications Authority
SASA	South African Schools Act
SASAMS	South African School and Administration Management System
SAMF	South Africa Mathematics Foundation
SBA	School Based Assessment
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SDM	Service Delivery Model
SEACMEQ	Southern and Eastern Consortium for Measuring Quality
SE	Systemic Evaluation
SEED	Synergy For Education Employment Development
SID	Severe Intellectual Disability
SITA	State Information Technology Agency
SRH	Sexual and Reproductive Health
SMME	Small Medium and Micro Enterprises
SMT	School Management Team
SMS	Senior Management Services
SONA	State of The Nation Address
SOPA	State of The Province Address
SRF	Stimulus Relief Fund
SRGBV	School Related Gender-Based Violence
SRRP	School Rationalisation and Realignment Programme
SOI	Standardised Output Indicator
SONA	State of The Nation Address
TDLI	Teacher Development & Learning Institutions
TID	Technical Indicator Descriptions
TMU	Teaching Mathematics \with Understanding
TIMSS	Trends in International Mathematics and Science Study
TR	Treasury Regulations
UIF	Unemployment Insurance Fund
U-AMP	User-Asset Management Plan
USAO	Universal Service Access Obligation

3. FOREWORD BY THE MEC



The Eastern Cape Department of Education (ECDoE) is pleased to deliver its Annual Report for the fiscal year 2022/23. In this report, the Department is giving an honest reflection of the performance against goals set forth in the 2022–23 Annual Performance Plan. It takes into account both the successes and the ongoing difficulties that have impacted on the extent in which the Department has delivered on its mandate.

The Education Sector in general has a responsibility to practicalise and implement Sustainable Development Goal (SDG) number 4, which talks about ensuring inclusive and equitable quality education and promotion of lifelong learning opportunities for all. The performance for the year under review has been guided by the National Development Plan (NDP) and the Medium-Term Strategic Framework (MTSF) priorities as well as provincial imperatives contained in the 2020-2025 ECDoE Strategic Plan. The Department also aligned its operations with Outcomes identified for the 6th Administration.

The year under review commenced with a new Early Childhood Development (ECD) function that was shifted from the Department of Social Development (DSD). This meant that the Department had an additional responsibility which was beneficial as it assisted in ensuring that learners admitted in Grade R have been tracked from 0-4 years. Through the registration drives, the Department made sure that children get education at an early age from registered centres. The province had 5 323 ECD centres in operation, with 2 786 of these centres registered and funded by the Department. 514 centres were in the process of registration and 2 025 were not registered as ECD centres. By the close of the year under review, there were 4 051 schools offering Grade R. With execution of these outputs (registration of centres; compulsory Grade R), the Department would achieve MTSF Outcome 1 relating to a strong and solid foundation in Literacy and Numeracy. The Sector also embarked on Public Hearings that would see the adoption of the Basic Education Laws Amendment (BELA) Bill which would make provision for compulsory Grade R attendance. At the time of compiling the report, the Sector had not yet consolidated the reports from provinces.

The Department implemented the ECDoE Reading Strategy 2022-2030, and the official launch was held in October 2022. This was aimed at ensuring that all children should be able to read for meaning by the age ten. The ECDoE took an approach to manage the reading strategy from the schools upwards. This meant that every school must take ownership of its own reading policy and needs with support from the provincial Department and the districts in specific areas of the strategy. It further meant that the reading strategy will mainly be designed and managed “by the school for the school” using the framework provided by the National and Provincial Departments. This concept document aims to outline the provisions of the Learning Campaign and Reading Strategy for Grades 1-9 (2022-2030) necessary to assist all stakeholders to get on board with the activities for the next 8 years. The implementation of the National Reading Strategy will be intensified in the incoming years and the output indicators relating to it will find expression in the 2024/25 Annual Performance Plans. All these endeavours are done to ensure that learners at the age of 10 that are enrolled in publicly funded schools read for meaning.

The Department, through the Programme of Action (POA), an annualized programme of the 2020-2025 Provincial Medium Term Strategic Framework (P-MTSF), registered progress with specific reference to priority Number 3 (Education, Health, and Skills). Most importantly, the Department progressed well on the Key Integration Areas which required close collaboration with other Departments and Public entities for achievement of policy priorities.

During the year under review, we are pleased to report that there are 17 Agricultural schools, 5 schools offering Maritime subjects and 69 Technical Vocational schools. This is one of the contributions of the Department towards ensuring that youth leave the system better prepared for further studies and the world of work beyond grade 9. With the implementation of the Three Stream Model there is hope that the province will fully achieve this outcome.

According to SOPA, 2022, The Honourable Premier Mabuzyane indicated that the unemployment rate was seating at 47,4 %. In Quarter 2, ECSECC indicated that the unemployment was at 42,8%. The Department then contributed towards poverty alleviation and economic development in the province through the Provincial Youth Employment Initiative (PYEI) wherein 31 103 unemployed youth was appointed in Phase 3. There is a plan to further appoint 40 100 in 2023/24 Phase 4 of the PYEI.

ECDoE also prioritised the need to have our youth better prepared to contribute to society in the socio-economic realm as they leave the school system. Across the 12 Education Districts, 1200 Handyman were trained in Plumbing, Bricklaying, Carpentry, Plastering and Painting. The Department, together with the Provincial Coordinating Management Team (PCMT) approved an intake of 809 for continuing Interns who had not exceeded the 24 months

cycle to comply with the Internship Policy. The Department then recruited 761 Interns for 2022/23 financial year and 135 under ETDP-SETA. The Department also recruited 1061 under Social Sector and Integrated Conditional Grants as part of poverty alleviation strategies. Also, the Post Provisioning Norm 2022 was reduced by 421 posts, which affected the number of placed Bursary Holders for 2022/2023 financial years.

With the world changing very fast in the field on Information Communication and Technology (ICT) and the Fourth Industrial Revolution (4IR) taking centre stage, the Department has seen the importance of catching up with the speed at which the advancements in these two areas are moving. The ECDoE recognised that the integration of ICT was key to improving learner outcomes. LAN and Wi-Fi were rolled out to 120 schools by the broadband connectivity project. By the end of the financial year, schools were connected and could be contacted electronically. Coding and Robotics was piloted in 216 primary schools as part of the curriculum in the province. To build capacity of teachers on these new subjects, 713 teachers were trained. The Department had in future, planned to pilot a Grade R-9 Coding and Robotics Curriculum Framework to address a broad range of requisite competencies. This was aimed at creating digitally literate learners equipped with the skills, knowledge, values, and attitudes to be suitable for the 4th Industrial Revolution and beyond.

The Department continued to ensure inclusion of all learners in the system irrespective of their disability. Placement of learners according to their spectrums were placed. In 2022/23 there were 24 Public Special Schools that served as Resource Centres, and they provided specialised support to Public Ordinary schools within their proximity. 26 Specialists in the form of Therapists and Psychologists were appointed through the Learners with Severe and Profound Intellectual Disabilities (LSPID) Conditional Grant in Autism schools to mitigate the shortage of specialists benefiting 300 learners. There was a Mobile Health Bus which offered specialists' medical staff that provided all the screening services for Grades R, 1 and 4, for Public Ordinary and Special Schools. More so, a pilot experiment on the curriculum provisioning for students assigned to College Street Special School was carried out by the department. With this method, students with high levels of analytical dispersion would receive curriculum exposure appropriate for their skills or requirements. Individualized Support was provided for students on the autism spectrum and with a range of intellectual capacities. The Bonke Ngabethu Project was created as a result of the Department's commitment to inclusion, which stated that no learner will ever be excluded due to a disability of any type. In 2022/23 Financial Year more than 22 teachers received training on how to deal with hearing-impaired students. Tools of trade for psychologists were acquired to help with the psycho-educational assessment of students with learning difficulties and to hasten the placement of these students in special schools.

As the province we continued to champion the transformation programme to ensure that all languages used in the province enjoyed the same status. We successfully implemented the Introduction of African Languages (IAL) and Mother Tongue Based Bilingual Education (MTBBE) as fundamental transformational policy imperatives. However, we recognise that it is still a road-less travelled and will continue having some challenges if no thorough advocacy is conducted. It is our focus to execute this programme smoothly so that lessons could be learnt from us by other provinces. The Department through its Language in Education and Policy Unit is working together with Department of Basic Education (DBE) and National Education Collaboration Trust (NECT) in the development of a national implementation strategy for MTBBE earmarked to be rolled out in all provinces in 2025. During the period under review, PanSALB assisted the Department in a number on interventions including the production of LTSM in African languages. Six (6) subjects, viz, Mathematics, Life Sciences, History, Physical Sciences, Agricultural Sciences and Accounting were versioned /translated. The Grade 12 Bi/Multilingual Trial Examinations Question Papers for 2022 were versioned and written in isiXhosa and Sesotho.

The Eastern Cape Department of Education established partnerships and collaborations with higher education institutions to train teachers on bi/multilingual pedagogy courses. In recognition of our transformation agenda, we were awarded in the PanSALB National Multilingual Awards for 2022-2023 as the best Department in the country to implement Multilingualism. The reality is that the ECDoE is leading the country and assisting DBE to establish the very first Language Unit for the department of education. The Department served in the DBE task team to draft a strategic plan to roll-out Mother Tongue education in 8 provinces.

The ECDoE in collaboration with the Department of Transport provided Scholar Transport to learners travelling long distances to schools and also learners in vulnerable and unsafe areas. In the 2022/23 financial year, 125 000 learners were ferried. We realised there were more deserving learners who did not benefit due to budgetary constraints. This has been one of the interventions by the Department to create a safe school environment conducive for learning.

To promote access to quality education, the Department, through the National School Nutrition Programme (NSNP), provided nutritious meals to all learners in Quintiles 1-3 schools. This programme was implemented using a

decentralised model. The breakfast programme was also initiated to assist schools through the Provincial Poverty strategy which sought to identify the most vulnerable wards.

The Department has made positive progress in the implementation and completion of a number infrastructure projects across the province. It is noteworthy that a hostel at Thembisa Special School in O.R Tambo Inland has been completed and handed over. The Department's investment in this facility reinforces its vision of providing an inclusive, high-quality basic education system. Furthermore, basic services have been provided to schools, with 23 schools receiving water supply, 13 receiving electricity, and 12 receiving sanitation, while the Sanitation Appropriate for Education (SAFE) has delivered 182 in the province in 2022/23.

Operations of the Department were not immune from challenges. We were still suffering from the consequences of Covid-19 but as a learning institution, we have optimised all that was learnt from that period, for example, the utilisation of online learning. We have seen our E- learning unit growing and coming up with new inventions to assist with learning and teaching.

Challenges of loadshedding, natural disasters and fiscal constraints had an impact which demanded some deviations from what was initially planned. We appreciate the Partnerships that were entered into by the Department which caused us to thrive despite the experienced challenges. The support solicited from all the Stakeholders guaranteed progress on the interventions made to improve quality teaching and learning. The hard work that has been displayed by the Managers both at district and Head Office, School Management Teams and teachers ensured that the set targets for 2022/23 were achieved.



Mr. F.D. Gade
Member of the Executive Council (MEC)
Department of Education
Date: 31 August 2023

4. REPORT OF THE ACCOUNTING OFFICER



Overview of the operations of the Department

The core function of the Eastern Cape Department of Education is to provide effective and quality curriculum delivery and increasing the quality of education provision to the poorest communities. In line with its mandate, the Department seeks to provide learners with adequate resources and facilities for maximum cognitive, physical, and emotional intelligence irrespective of where they were born.

The mandate extends to issues of access to education by building schools, providing Learner and Teaching Support Material (LTSM), Scholar Transport where possible and nutritious meals for learners.

The 2022–23 Annual Report is proudly presented by the Province of the Eastern Cape with the intention of highlighting the Department's progress toward achieving the Strategic Outcomes outlined in the 2020–25 Strategic Plan, as well as the accomplishments of the planned outputs and priorities outlined in the 2022–23 Annual Performance Plan.

The Class of 2022 made us proud by achieving 77.3% pass, a 4,2% improvement from 73% pass of the Class of 2021. This improvement was not an accident of history, it was a product of the hard work by everyone charged with the responsibility of achieving learning outcomes. The caviar on top was the calibre of passes registered in all districts. The Bachelor pass rate increased by 2.5% from 34.3% in 2021 to 36.8% in 2022 in the province. Given the high enrolments in the class of 2022, the total number of learners that passed the National Senior Certificate was 7 0812, making it 4 042 more learners passing in 2022 compared to 2021. Alfred Nzo West was the top performing district with 82.7% pass rate, an improvement of 9% from 73,7% and is ranked 29th nationally. This resulted in our Province achieving 6th position nationally in producing quality results, as measured by the Bachelor pass rate. The presentation of the performance scorecard of the Grade 12 class of 2022 was the evidence of the commitments made by the Department in sustaining an upward trajectory as indicated in the Departmental Education Transformation Plan (ESTP) applied through the Learner Attainment Strategy (LAIS). As part of this strategy, the curriculum interventions were done in three phases of "push and hold" activities, namely, First Push: Identify and remedy (during Term 1), Second Push: Cover all basics (during term 2) and Last Push: Consolidate and practice (during term 3 and term 4). The intervention programmes for the academic year included extra tuition classes (in the form of morning and afternoon classes, weekend classes and vacation classes), streaming of virtual lessons, provision of additional Learner Support Material, additional assessment activities (ranged from topic tests, mock exams and pre-June and pre-Trial examinations). Learner Support and Teaching Material was uploaded on the department's websites together with previous years' question papers. Districts and schools were helped to access these with considerable ease through the ECDoE websites at www.eccurriculum.co.za and www.ecexams.co.za.

For the 2022/23 fiscal year, the Department was able to secure several partnerships with entities such as Cell C, MTN, Snapplify and Click Foundation, Old Mutual, STATSSA, SETA, and Nudle Group. These partnerships assisted the department in resourcing schools with ICT devices for teaching and learning, and access to educational software. The online interventions explained above prove that the Department had seriously implemented Pillar 3 (4th Industrial Revolution) of the ESTP. The ECDoE continues to co-ordinate, monitor, and support the development of the plan to roll-out broadband ICT infrastructure; ensure that teacher resource centres have ICT programmes for the professional development of teachers, exposing them to the use of technology in the classroom. Furthermore, the Department was allocated 1917 sites to benefit phase 1 of Broadband implementation plan, this was implemented by OPT and SITA. The ECDoE rolled-out servers and WIFI to 120 schools already connected. The installation of both Leave Management and Electronic Submission by OTP was completed. The e-Pay slip project was also completed and more than 90% of the ECDoE personnel received their payslips through Electronic Document Delivery (EDD). This was the greatest achievement for the Department as it meant that all employees access their payslips timeously through their emails and cellphones.

The Department implemented Phases 1-3 of the Presidential Youth Employment Initiative (PYEI). This assisted the entire province in the reduction of unemployed of youths (ages 18-35) thus, alleviating poverty. Unemployed graduates were placed at workstations for the internship programme. Bursaries to study Bed qualification were offered to unemployed youths. The 4th phase of the PYEI was scheduled to be implemented in the 2023/24 financial year with a target of 40 100. The budget allocation for 2023/24 increased by 2.2% from R1.548 billion to R1.583 billion due to continued implementation of the Presidential Youth Employment Initiative. The Department managed to finalise its criteria for the allocation of Education Assistants and General School Assistants in all public and special schools. Meetings with all Circuit Managers and school principals were convened to orientate them on the PYEI Phase 4 grant framework. Applications for opportunities were opened on the 26th of September 2022. In supporting youths with

difficulties in accessing internet, The Department opened its District and Circuit Offices to assist the youths. Advocacy to stakeholders was done through different platforms to ensure that everyone has been reached so that the province achieves its target.

In the province of Eastern Cape, formal ECD centres are generally scarce and the enormous, the demand for ECD facilities has not been addressed comprehensively. Thus, informal centres that operate in areas not suitable for ECD out number formal ECD centres. According to the Thrive by Five April 2022 Index Report, the Eastern Cape is home to 839 000 children under the age of 5, and 77% of the counted children live below the poverty line. 27.4% of the children in the province do not achieve the expected score for Social Relation with peers and adults. ECD can therefore be conceptualized as a social obligation to ensure that every child has an equal opportunity to reach his or her full potential. Due to the unavailability and poor quality of ECD services for children from low-income families, ECD services offered by the Eastern Cape Department of Education are notable for their ability to bridge the poverty gap. In recognition of ECD as a public good, the combined evidence supports the argument that the government should invest in subsidies targeted at the poorest children in order to achieve the highest social return on investment. To ensure that all children receive an equal start in life, the entire country has to transform its ECD service delivery. The Strategic focus for the next financial year is to increase the new registration by 30%, and support from intersectoral partners to expedite the processes.

The Department made strides in ensuring that there was improved access to schools by learners with diverse needs. There has been a strong commitment to advocate for the rights of learners who experience barriers in learning and ensure that no learner has been left out. The available Therapists conducted assessments and ensured that learners are properly placed in line to their spectrums. The Bonke Ngabethu project was identified as a High Impact Project to ensure inclusivity. The focus was not only on Special schools but also the mainstream schools accessed services through the 24 Special schools that were identified as Resource centres. The main challenge that continued to confront the Department in the period under review was the retention Specialists. The strategic focus for the next financial year is to appoint more specialists to assist in schools where there is a dire need. The Department implemented a pilot project on the curriculum provisioning for learners placed at College Street Special School. This approach meant that learners with high scattered intellectual abilities (analysis) will be provided with the curriculum exposure relevant to their abilities or needs. Learners with different intellectual abilities and on the Autism, Spectrum were catered for through an Individualised Support.

On the infrastructure front, the Sanitation Appropriate for Education together with government's Accelerated School Infrastructure Delivery Initiative (ASIDI), has built 55 000 appropriate toilets with resources from the public and private sector. These are projects that are funded and managed by DBE. In the province, out of 1 451 SAFE projects implemented since inception of the programme including the successful completion of school fencing projects, 849 projects have been completed 194 projects are under planning stage, 319 projects are under construction, 206 are out on tender and 202 still under construction.

During the year under review, the Department had been very responsive to social ills with a direct impact on the welfare and the performance of learners. It is an open secret that the Department does not operate in an island and therefore, can never be immune from the societal challenges. There was further realisation that these cannot be handled without collaboration with other Departments and Stakeholders. The Department partnered with Let Us Find Them Organization, Department of Community Safety and South African Police Services (SAPS) and held 7 Schools Contest as an Antidrug and Alcohol Abuse Campaign in Cala community complex, Chris Hani West. About 100 learners from the 7 schools, namely, Cala Community Primary, S.L.M Silingela Primary, Cala Senior Secondary School, Bathandwa Ndongdo Senior Secondary School, Cala Village Senior Secondary School, Mazibuko Senior Secondary School and D.M. Skhosana High School were selected because they had been identified as hotspot for drug and alcohol users. The Department also collaborated with the Department of Correctional Services, South African Police Services and the Fire Department, a Boot Camp Programme on Gender Based Violence Abuse in Schools at the Bonxa Primary School, Tabankulu, Alfred Nzo West Education District was held. The purpose of the programme was to Empower and Educate School Management, Educators and Learners about Gender Based Violence Abuse in Schools.

Overview of the Financial Results of the Department

Departmental Receipts

Departmental receipts	2021/2022			2022/2023		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sales of goods and services other than capital assets	68,113	63,826	4,287	70,258	61,690	8,568
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	122	110	12	134	3	131
Interest, dividends and rent on land	368	37	331	402	56	346
Sale of capital assets	-	-	-	-	6,167	(6,167)
Financial transactions in assets and liabilities	22,416	26,769	(4,353)	24,503	42,334	(17,831)
Total	91,019	90,742	277	95,297	110,250	(14,953)

The Department recorded a revenue collection of R110,250 million against the estimated revenue collection of R95,297 million, recording an over collection of R14,953 million or 15.7 percent. The over collection is on financial transactions in assets and liabilities and Sale of capital assets due to staff debt recoveries from leave gratuities and revenue generated from the sale of motor vehicles through an auction

Programme Expenditure

The Department had a final appropriation of R39,696 billion in the 2022/23 financial year. The Department spent R39,557,297 billion which represents 99 per cent of the final appropriation. The Department has recorded an under expenditure of R138,709 million at year end.

Programme Name	2021/2022			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	2,676,391	2,676,391	0	2,878,227	2,846,435	31,792
2. Public Ordinary School Education	29,866,018	30,050,713	(184,695)	31,232,738	31 198 530	34,208
3. Independent School Subsidies	101,628	99,226	2,402	157,897	154,897	3,000
4. Public Special School Education	955,947	944,475	11,472	1,030,805	974,837	55,968
5. Early Childhood Development	587,605	516,605	71,000	965,867	837,168	128,699
6. Infrastructure Development	1,506,632	1,214,942	291,690	1,954,851	1,854,215	100,636
7. Examination & Education Related Services	1,445,510	1,445,510	0	1,475,621	1,421,933	53,688
Total	37,139,730	36,947,862	191,869	39,696,006	39,288,014	407,992
Unauthorised without funding	-0	0	0	0	269,283	(269,283)
Total	37,139,730	36,947,862	191,869	39,696,006	39,557 297	138,709

Programme 1

The Programme underspent on Goods and Services and that was attributed to austerity measures implemented on various items to avoid overspending.

Programme 2

The underspending was on Compensation of Employees owing to recruitment processes that were not yet finalised as at the end of the financial year; the outstanding appointments were on the PERSAL Suspense file either awaiting approval or authorization. Goods and Services underspent due to implementation of austerity measures which were introduced to curb the overall overspending of the Department, thus avoiding unauthorized expenditure.

Programme 3

The underspending was due to the withholding of funds to selected qualifying independent schools, late submission of quarterly reports (AFS) and underperforming school.

Programme 4

The under expenditure on Compensation of Employees was as a result of slow appointment and payment of support staff and Therapists vacant posts. The funds were earmarked for the payment of historical overtime for special school staff. As a result, there was a high vacancy rate caused by resignations and retirements. Goods and services underspent due to the implementation of cost containment measures which were introduced to curb the overall overspending of the Department, thus avoiding unauthorized expenditure

Programme 5

The underspending was because of practitioners that left the system due to retirement and others were appointed in the mainstream schools as Post Level 1 educators after acquiring the professional qualifications of ECD. Goods and Services underspending emanated from the slow processes in the procurement of items like bursaries, Learner Teacher Support Material (LTSM), stationery & printing and training.

Programme 6

The overspending on Compensation of Employees was due to under budgeting. This was prevented from occurring in the next financial year as sufficient budget was allocated for COE with regards to warm bodies and vacant positions that were filled in 2022/23. The overall under expenditure was due to invoices that could not be processed on time that relates to maintenance work for different implementing agents. Buildings have spent more during February and March due to invoices that were paid relating to capital projects mainly for upgrades and additions for different Implementing Agents. The bulk of the expenditure was for fencing which related to one of projects from infrastructure recovery plan that was earmarked to expedite expenditure. The overall under expenditure was due to invoices that could not be processed on time.

Programme 7

The over expenditure was on Compensation of Employees due to the fluctuating learner numbers that increased in 2022/23 academic year. This directly affected the number of markers and examination assistants appointed as well as the payment of overtime for officials processing exam related payments during exam marking period. Goods and services underspent due to cost containment measures implemented to avoid overspending.

Virements

The Department effected changes at year end from savings realized to augment excess expenditure. The savings were realized from the Programmes that were underspending at year end due to austerity measures implemented by the Department to avoid unauthorized expenditure.

Programme 1 – R74.100 million

Programme 2 – R67.101 million

These funds were earmarked to defray excess expenditure under Compensation of Employees and Goods and Services as follows:

Programme 4 – R19.151 million

Programme 5 – R49.050 million

Programme 7 – R73 million

Roll Overs

The Department applied for Rollover of Conditional Grants funds that were not spent due to the following:

- Late delivery of goods and services resulting in late submission of invoices by Service Providers.
- Delays in payment if invoices received.

The application for rollover of 2022/23 unspent funds was made for the following Conditional Grants, amounting to R140.710 million:

- R1.197 million - Maths Science and Technology
- R4.739 million - Learners with Severe to Profound Intellectual Disabilities
- R34.155 million – Early Childhood Development
- R100.619 million - Education Infrastructure Grant

Approved Rollovers from 2021/22 to 2022/23 by Treasury for the following Conditional Grants, amounting to R342.135 million:

- R19.946 million - Maths Science and Technology
- R4.467 million - Learners with Severe to Profound Intellectual Disabilities
- R291.689 million - Education Infrastructure Grant
- R2.369 million - HIV& AIDS
- R23.664 million – Early Childhood Development

Irregular, Fruitless and Wasteful Expenditure as at 31 March 2023

Irregular Expenditure

The Department has improved compared to the last financial years in curbing irregular expenditure through implementation of preventative measures attributed to the strengthening of the internal control environment by capacitating sustained procedural integration, consistent systems and standards perpetuated by consistent records and contracts management controls across Head Office and Districts Offices. However, there is still a huge balance of irregular expenditure in the Departmental books relating to prior years which we are in the process of seeking condonations from Provincial Treasury. Lack of sufficient supporting documentation and slow implementation of consequence management delays the process of finalising approvals from Provincial Treasury to condone.

Fruitless and Wasteful Expenditure

The majority of the fruitless and wasteful expenditure was caused by the payment of salaries to employees no longer working for the Department, services not utilised by the Department as well as interest paid on late payments.

Strategic Focus over the Short to Medium Term period

The NDP's vision for 2030 is that South Africans should have access to training and education of the highest quality, characterised by significantly improved learning outcomes. Education then becomes an important instrument in equalising individuals' life chances, ensuring economic mobility and success and advancing our key goals of economic growth, employment creation, poverty eradication and the reduction of inequality.

Recognising the above, the Eastern Cape Department of Education (ECDOE) developed and adopted the 2016-2018 Education System Transformation Plan (ESTP), as an approach to assist the Department to accelerate the creation of an enabling environment within which the Department would be better able to achieve its vision "to provide learners with opportunities to become productive and responsible citizens through quality basic education". This plan was revised in 2019 for implementation from 2019-2023. This is now the Third phase of the implementation of ESTP.

This ESTP dealt with backlogs, while building the capacity of the Provincial Department to perform at a required level in order to prevent the creation of new backlogs and ensure sustainability.

The Education System Transformation Plan aimed to achieve the following:

- Increased number of functional schools
- Rationalised and realigned small and unviable schools
- Fully Capacitated and Functional Districts and Head Office
- Social partners mobilised and rallied around the change agenda
- Increased supply of appropriately trained educators
- Adherence to national funding norms
- Unqualified audit

Public Private Partnerships

The Department has formed non-financially binding partnership initiatives with several organizations through signing of Memorandum of Understanding (MoUs) to support our schools and other programs of the Department. The Partnerships concluded in the 2022–2023 Fiscal Year are shown in the table below:

Name of Partner	Nature of the Partnership
Vodacom	Vodacom has undertaken crop farming transformation journey to enrich its customer experience through innovation and improvement in operational excellence. This specifically involves under privilege schools in Eastern Cape. Vodacom will be engaging with local commercially farmers and emerging farmers, Department of education and Department of agriculture. The idea of involving farmers is to get them to adopt school(s), thereafter mentor learners and give support with all the necessary requirements. Bring knowledge of how IoT based smart farming can help in growing and monitoring the crop field. Aim is to crop vegetables that will be ready for harvesting in November 2019. Current target will start with 100 schools in quantile 1 & 2.
The Austrian Federal Ministry of Education Science and Research	Sprouting Entrepreneurs Project IVET-ANE ("Sprouting Entrepreneurs") is an Entrepreneurship Education programme for primary schools and secondary schools. The Entrepreneurship Learning Garden serves as a medium of instruction and provides a realistic learning space for value creation.
Siyakhana Non-Profit Organisation	Siyakhana Growth and Development Project A multi-pronged intervention food system approach on poverty reduction, improvement of food and nutrition security, upskilling and innovation income generation for schools. To demonstrate models for sustainable and integrated schools' learning systems which is a high priority of ECDOE, while simultaneously improving the quality of education received and igniting a passion for agriculture in young minds and hearts.
Transnet	To empower Maritime Studies Learners. Building cohort of appropriately skilled and knowledgeable young people
South African International Maritime Institute (SAIMI)	Support for maritime high schools / focus schools. Teacher Development; Math's, Science, and Technology (MST) Integrated Strategy
Nelson Mandela Institute	The ECDoE and the Nelson Mandela Institute (NMI) have collaborated in a project which focuses on supporting one of the two (2) curriculum-based transformation programs of the Department i.e. Mother Tongue Based Bilingual Education(MTBBE). This collaboration is also aimed at increasing opportunities for

Name of Partner	Nature of the Partnership
	in-service training around bi/multilingual pedagogies, assessment and materials development for both foundation and intermediate phase educators.
Old Mutual	Through Synergy for Education Employment Development (SEED) trust is training SMTs in schools. This is a pilot programme for 2023 Academic year. This capacitation programme aims to develop the values, skills, and knowledge needed to manage schools effectively and ensuring that SMTs contribute to the improvement and implementation of quality learning and teaching in schools which ultimately resulting to improved teaching and learning outcomes.
Snapplify eLibrary	eLearning Platform
Clicks Foundation	Partnerships to implement literacy and numeracy programmes at schools. The programmes offer a collective of online English literacy programmes - Fast Phonics, Reading Eggs and Reading Eggspress for grades 1 to 7 and an online numeracy programme, Reflective Learning, for grades 6 to 7.
Eastern Cape Gambling Board	In collaboration with ECDOE and the ECGB in order to implement various SMET projects in disadvantaged schools.

Discontinued Key Activities / Activities to be Discontinued

There were no discontinued activities in the 2022/23 financial year.

New or Proposed Key Activities

There were no new activities in the 2022/23 financial year

Supply Chain Management

There were no unsolicited bid proposals concluded for the year under review.

Majority of findings were as a result of Infrastructure procurement through Implementing Agents, and this needs to be addressed to prevent a repeat of these findings.

Additional findings were identified by Auditor General on an increased amount on Irregular expenditure under investigation The condonation of prior years' irregular expenditure, including de-recognition of transactions, which were flagged as 'under-investigation' is progressing well year on year.

In addressing the findings raised by Auditor General and preventing recurrence of such findings, the SCM developed an Audit Improvement Plan (AIP).

Gifts and Donations received in kind from non-related parties

DONOR	NATURE OF GIFT, DONATION OR SPONSORSHIP (Made in kind)
Release of NSC Results Class of 2022	
Oxford University Press	66x gold branded medals
MTN	15x laptops, 15x laptop bags & 15x school bags with goodies
Maths & Science Infinity MSI	50x Tablets
SAICA	2x R10 000 cash voucher, 2x SAICA Branded laptops, 2x laptops, 2x bursary to study towards CA qualifications
BTKM	Venue hire & catering for 350 guests
Kasipu Consulting	Venue, catering and accommodation for 50 officials and 100x power banks
Industrial Development Corporation (IDC)	3x R15 000 cash voucher
Std Bank	9x R5000 cash vouchers & 24x R220 cash vouchers
Back to school campaign	
Mr. Hoboyi	Ablution facilities (Leppan PS, ORTI)
Samara Foundation -	6x Classrooms
ECGB with Gambling Operators	Maths, Science and Technology Mobile Kit
Nuddle (Pty) Ltd	Painting and subtle modernization of the classroom: Lighting; Supply of 10 workstation desks; 10x chairs; 7x AIO computers for coding; 3x AR/VR AIO computers; 3x VR Head Mounted Displays & 1x Overhead Projector

DONOR	NATURE OF GIFT, DONATION OR SPONSORSHIP (Made in kind)
	Smart classroom donated

Exemptions and Deviations received from the National Treasury

No deviations for goods and services were requested and recorded for the 2022/23 financial year

Events after the reporting date

There was no event completed after the reporting date applicable for 2022/23 financial year

Other

None

Acknowledgement/s or appreciation

I want to express my gratitude to the Office of the Premier, Provincial Treasury, Department of Basic Education, AGSA, and Audit Committee for ensuring that we do not stray from government policy in general and from our specific mandate in our operations. The contribution of the public sector departments and stakeholders who worked with us to make progress in Key Integration Areas has not gone unnoticed. Finally, I would like to appreciate the Department's management and all of the staff for their commitment and hard work.

Conclusion

The Eastern Cape Department of Education is a dynamic Department which adopt and implement strategies to ensure service delivery to improve teaching and learning and to serve the community of the Eastern Cape Province. For seamless implementation of these strategies, any support is highly encouraged.

Approval and Sign Off

I, therefore, present to you, the Annual Report of the Eastern Cape Department of Education for the 2022/23 financial year. The Annual Report has been prepared in accordance with Section 40(1)(d) of the Public Finance Management Act, 1999 (Act No 1 of 1999), and Part IIIJ3 of the Public Service Regulations, 2001.



Dr AS Nuku
Acting Accounting Officer
Eastern Cape Department of Education
Date: 31 August 2023

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer 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.
- The external auditors are engaged to 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 the Department for the financial year ended 31 March 2023.

Yours faithfully



Dr AS Nuku
Acting Accounting Officer
Date: 31 August 2023

6. STRATEGIC OVERVIEW

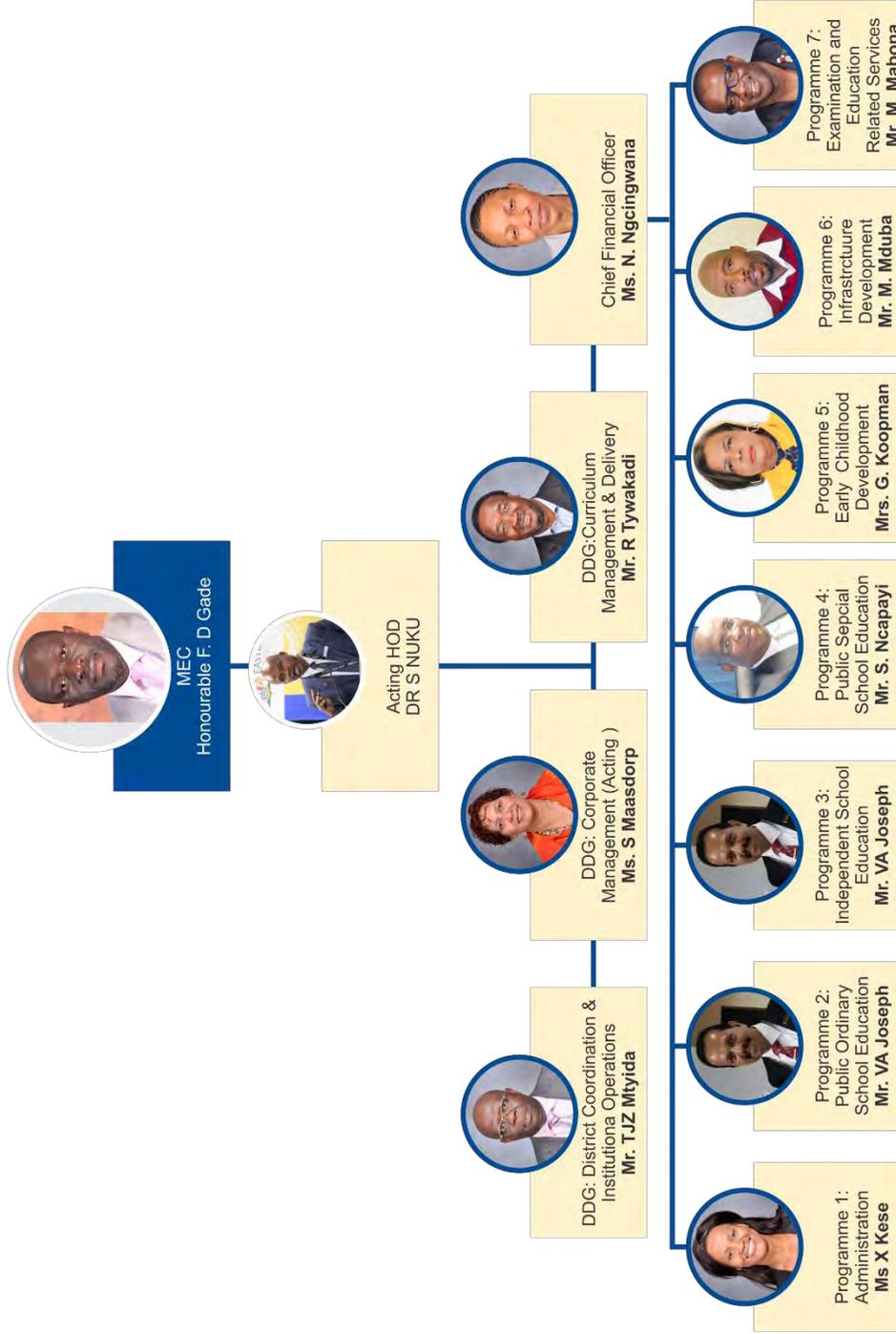


7. LEGISLATIVE AND OTHER MANDATES

The following are the main legislative mandates under which Eastern Cape Department of Education operate:

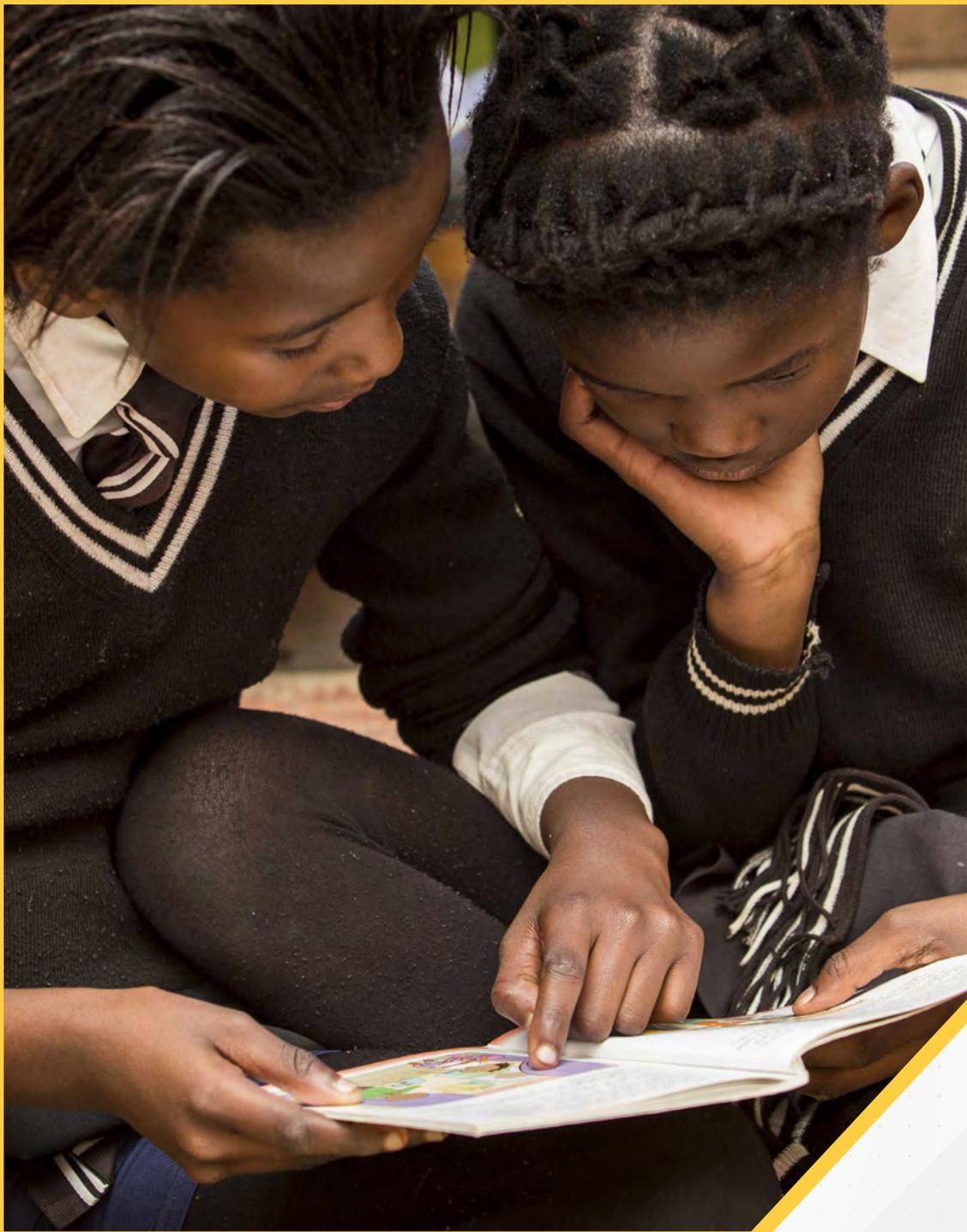
LEGISLATION
The Constitution of the Republic of South Africa Act No 108 of 1996
Public Finance Management Act No.1 of 1999
The National Education Policy Act No. 27 of 1996
South African Schools Act No. 84 of 1996
The Eastern Cape Schools Education Act No. 1 of 1997
Public Service Act No. 104 of 1994
South African Council of Educators Act No. 31 of 2000
Employment of Educators Act No. 76 of 1998
General and Further Education and Training Quality Assurance Act No. 50 of 2008
Annual Revenue Division of Revenue Act No. 5 of 2002
Employment Equity Act No.55 of 1998
Basic Conditions of Employment Act No.75 of 1997
National Qualification Framework Act No. 67 of 2008
The use of Official Language Act No.12 of 2012
Treasury Regulations
South African Qualifications Authority Act No. 58 of 1995
Labour Relations Act No 66 of 1995.
Skills Development Act No. 97 of 1998
Preferential Procurement Act No.5 of 2000
Skills Development levies Act No. 9 of 1999
Occupational Health and Safety Act No 85 of 1993
Government Immovable Asset Management Act No 19 of 2007
Promotion of equality and prevention of unfair discrimination Act No. 4 of 2000
The Promotion of Administrative Justice Act No. 3 of 2000
Protection of Personal Information Act No. 4 of 2013
Access to information Act No. 2 of 2000
Intellectual property rights from publicly financed research and development Act No. 51 of 2008

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC



PART B

PERFORMANCE INFORMATION

1. AUDITOR GENERAL’S REPORT: PREDETERMINED OBJECTIVES

Report of the auditor-general to the Eastern Cape Provincial Legislature on vote no. 6: Department of Education

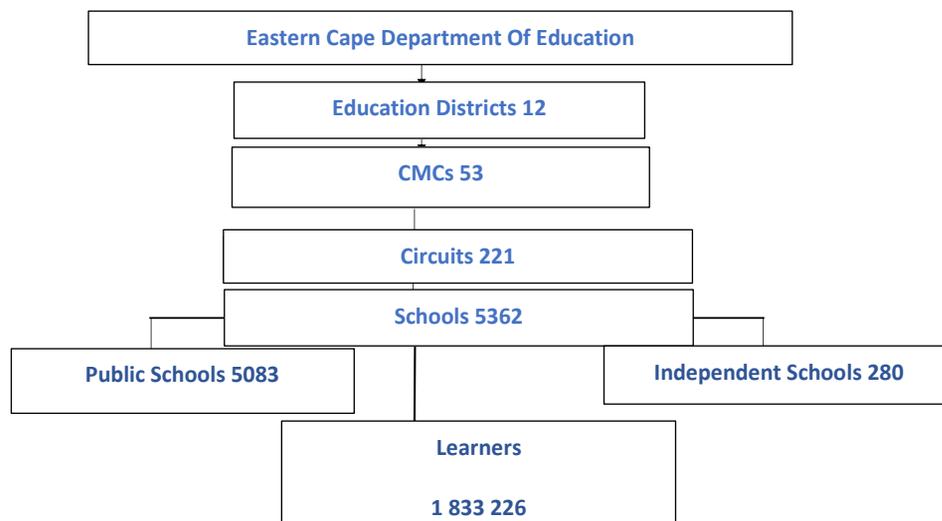
Refer to Part F from page 145 to 160

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Eastern Cape Department of Education has a responsibility to ensure that there is maximum access to quality basic education and training which is provided to the citizens of this Province. This mandate is supported by the following service delivery outcomes:

- To improve the quality of teaching, learning and assessment within compulsory school-going phases.
- To improve all educational institutions and develop them into thriving centres of excellence.
- To strive to progressively provide access to further/higher education.
- The provision of adequate supply of the right quantity and quality of suitably qualified educators and practitioners; and
- The acquisition of the skills required to drive the curriculum, administration, social and psychological support programmes.



According to the National Development Plan (NDP): Vision 2030, states that districts have a responsibility to “provide targeted support to improve practices within schools and ensure communication and information sharing between authorities and schools. Schools need to share best practice.” On the SDM, the Department has 221 Circuit Offices to service all public schools (5083) in the province.

Education districts play a central role in ensuring that all learners have access to education of progressively high quality. Districts are the link between Provincial Education Department, their education institutions, and the public in general. They are often the major and sometimes the only source of external assistance and support received by schools. Districts are, therefore, a key vehicle for initiating, testing, driving, and sustaining systemic reforms. Schools often lack the capacity to redesign themselves and school functionality therefore relies in many ways on the functionality of education districts.

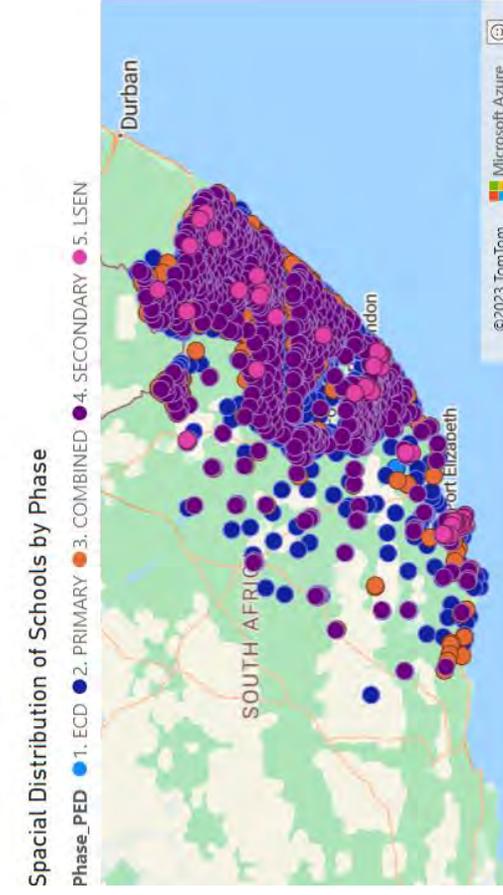
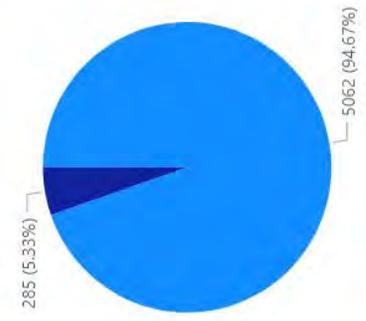
EMIS Masterfile Report: Number of Schools as on 17/07/2023

Number of Schools by Phase						
EDistrict	1. ECD	2. PRIMARY	3. COMBINED	4. SECONDARY	5. LSEN	Total
ALFRED NZO EAST		139	44	40	3	226
ALFRED NZO WEST		423	49	76	2	550
AMATHOLE EAST		534	101	86	1	722
AMATHOLE WEST		287	11	89		387
BUFFALO CITY		302	27	118	11	458
CHRIS HANI EAST		377	28	57	1	463
CHRIS HANI WEST	2	263	30	84		379
JOE GOABI		191	58	48	3	300
NELSON MANDELA	12	223	29	86	16	366
OR TAMBO COASTAL		368	202	83	2	655
OR TAMBO INLAND		455	58	98	4	615
SARAH BAARTMAN	4	143	37	40	2	226
Total	18	3705	674	905	45	5347



Schools by Sector

Number of Schools by Phase and Sector			
Phase_PED	Independent/Private	Public	Total
1. ECD	18	18	18
2. PRIMARY	149	3556	3705
3. COMBINED	85	589	674
4. SECONDARY	51	854	905
5. LSEN	45	45	45
Total	285	5062	5347



Category	Count
Pub sch with Gr R	4051
Hostels	159

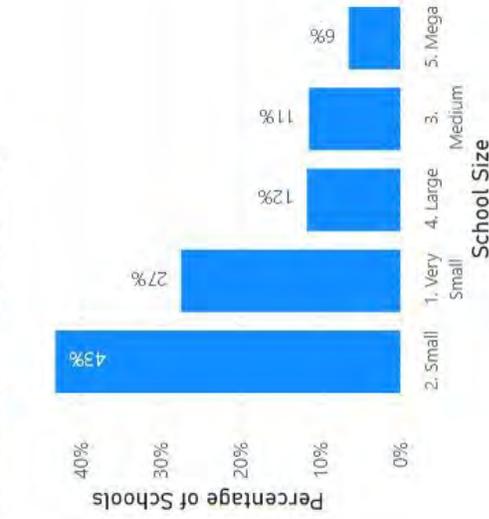
Category	Count
Circuits	222
CMC's	54
Technical	68
Public Ordinary	16
Public Ordinary	4999



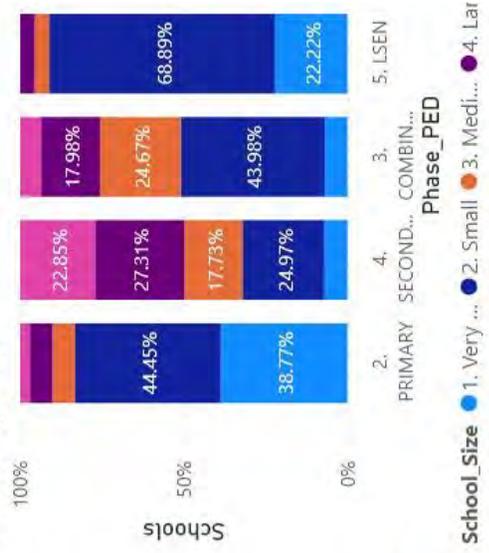
EMIS Masterfile Report: School Size of Reporting Schools as on 17/07/2023

Number of Schools by Size						Total
	1. Very Small	2. Small	3. Medium	4. Large	5. Mega	
0 EAST	14	113	40	33	26	226
0 WEST	157	271	54	41	27	550
EAST	352	270	52	41	7	722
WEST	197	135	27	22	4	385
TY	80	183	58	75	56	452
I EAST	206	191	27	27	11	462
I WEST	117	164	38	39	20	378
	119	106	25	32	18	300
ANDELA	37	72	39	124	90	362
COASTAL	85	322	123	81	44	655
INLAND	161	304	60	51	38	614
RTMAN	44	64	40	55	18	221
	1569	2195	583	621	359	5327

Percentage of Schools by Size



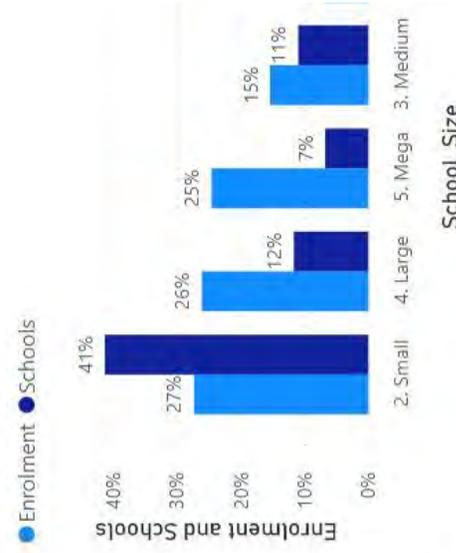
Schools by Phase



Distribution of Schools by Size



Percentage of Enrolment by Size



347.1

Avg School Size

1061

Schools < 100

359

Schools > 1000

362

Schools < 50

2246

Highest Enrolment

1

Lowest Enrolment

2.2 Service Delivery Improvement Plan

The Department is in the process of revising the existing SDIP for the next 3 years. The SDIP will be in line with the vision and mission of the Department. The revised SDIP will be subjected to improvement through the MTEF period. The ECDoE embrace its vision of creating a platform where “All learners provided with opportunities to become productive, responsible and competitive citizens through an inclusive quality basic education system”; supported through mission:

- Implement appropriate and relevant educational programmes through quality teaching and learning;
- Mobilise community and stakeholder support through participation; and
- Institutionalise a culture of accountability at all levels of the Department.

Main Services and standards

Main services	Beneficiaries	Current Standard of Service	Desired Standard of Service	Actual Achievement
Appointment of teachers in Eastern Cape Department of Education (ECDOE) schools as per Post Provision Norms (PPN).	Districts; CMCs; Schools ; Learners	90%	100%	75%
Increase the number of Grade 12 learners that are passing the NSC examinations.	Learners; Schools; Districts	60%	100%	63%
To provide all learners with LTSM	Learners	90%	100%	78%

Batho Pele Arrangements with beneficiaries

Current/Actual Arrangements	Desired Information tools	Actual Achievements
Professional Standards Public Servants:	All enquiries be treated with care, fairness, respect, dignity and courtesy Wearing Name Tags	Enquiries are attended within 24 hours Enquiries are treated with care, fairness, respect, dignity and courtesy All employees have access cards with Employee information
Access Standards:	Easily accessible building with ramps Customer communicated with in their own language	Easily accessible building with ramps and elevator in the Provincial office and districts Enquiries are treated with care, fairness, respect, dignity and courtesy Responsive ECDoE Customer care
Information Standards:	Through utilisation of Social Media. Through utilisation of ECDOE Sikuncede Njani Application. Responsive ECDoE Call Centre with a Toll-free number Easily accessible location All 12 District Offices located closer to schools. Customer orientated website	Facebook, Twitter. ECDOE Sikuncede Njani Application Toll Free Number: 080 12 12 570 Steve Tshwete Complex, Zone 6, Zwelitsha Private Bag X0032, Bhisho All 12 District Offices located closer to schools. -Circuit Offices -Circuit Management Centres -ECDOE Intranet -ECDOE Website: customer@ecdoe.gov.za
Redress Standards:	Complaints are attended within 24 hours Enquiries are treated with care, fairness, respect, dignity and courtesy Responsive ECDoE Customer care	Complaints are attended within 24 hours Enquiries are treated with care, fairness, respect, dignity and courtesy Responsive ECDoE Customer care

Current/Actual Arrangements	Desired Information tools	Actual Achievements
Consultation Standards:	Public engagements utilizing radio and social media Suggestion boxes are to clearly visible at the Provincial office and districts	Departmental sites on facebook, twitter etc Radio roadshows Suggestion boxes clearly visible at the Provincial office and districts
Openness & Transparency Standards:	Publication of Annual Report	Comprehensive and concise Annual Report, uploaded on departmental websites and available at all libraries
Service Standards	Detailed SOPS and Operational plans that outline daily processes of the Department	SOPs are available for all directorates
Value for Money	Elimination of waste, fraud and corruption	Fraud hotline

Complaints Mechanism

Currentcomplaints mechanism	Desired complaints mechanism	Actual achievements
Customer Care:	Availability of Customer Care services:	Complaints are attended within 24 hours by customer Care Responsive ECDoE Customer care Sikuncede Njani Application Toll-Free Number: 080 12 12 570 Email: customercare@ecdoe.gov.za USSD: 35658

3. ORGANISATIONAL ENVIRONMENT

The Eastern Cape Department of Education has a responsibility to ensure that there is maximum access to quality basic education and training which is provided to the citizens of this Province. This mandate is supported by the following service delivery outcomes:

- To improve the quality of teaching, learning and assessment within compulsory school-going phases.
- To improve all educational institutions and develop them into thriving centres of excellence.
- To strive to progressively provide access to further/higher education.
- The provision of adequate supply of the right quantity and quality of suitably qualified educators and practitioners; and
- The acquisition of the skills required to drive the curriculum, administration, social and psychological support programmes.

The Department has two types of employees, namely, educators and public servants. The employment of these employees is based on the Organisational Structure that came to effect on the 1 April 2020. The number of employees in the Department is 64,879. The distribution of these employees is as follows:

- Public school educators are 51,060
- Office Based Educators are 1,185
- ECD Practitioners are 2,950
- Public Servants are 8,753 of which 6,235 are in schools
- The total number of males is 18,111 versus 45,837 females.

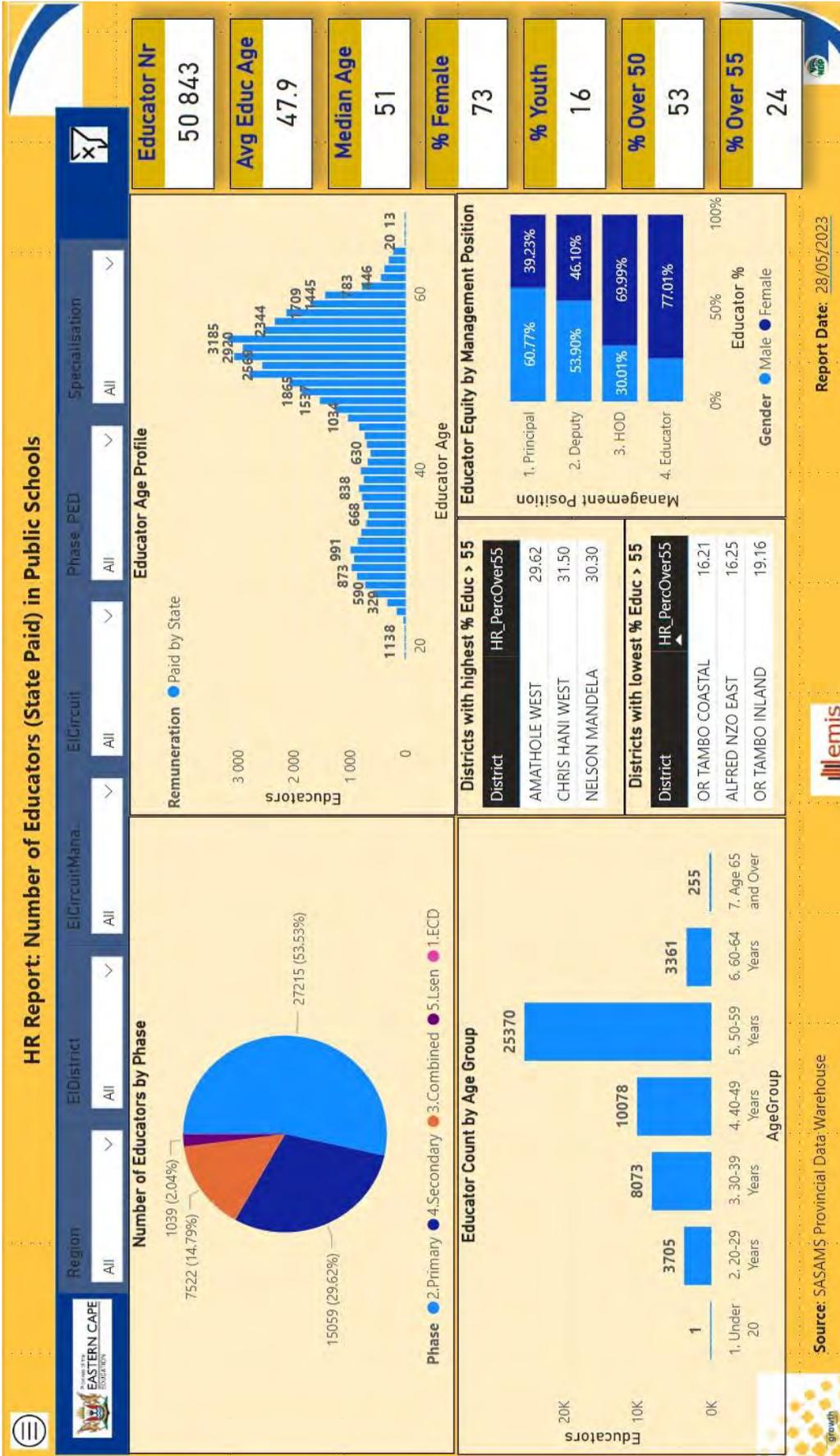
Leadership plays a pivotal role in the success of an organization. During the reporting period, the appointed Head of Department was suspended, and an Acting HoD was appointed for the period up until 31 March 2023. The Department was able to fill the position of the Chief Financial Officer (CFO), however there is still a huge vacancy rate at Senior Management level. The Department has been operating with 32 acting senior managers during the period under review. The inability by the Department to appoint permanent SMS members is due to budgetary constraints. This has a direct relation on the Departments ability to deliver on its predetermined objectives.

It is imperative to have strategic positions filled by personnel with requisite skills in an organisation for it to achieve its strategic intent.

The Department has started in earnest to utilize the new organizational structure on PERSAL by migrating all Head Office staff to the new organizational structure. This was preceded by placing all Departmental employees to the new organizational structure. The new structure was developed in line with the Departmental strategic goals; however, it has not been easy to fully populate it with employees due to budgetary constraints, which leaves many unfilled positions.

The organisational and posts establishment structure was approved for implementation by the MEC in 2019/20 financial year. 2021/22 becomes the second financial year for the Department in operation with the structure. It is a requirement that organisational of the public service institution be amended after 3- 5 years, as depicted in the Amended 2015 Department of Public Service and Administration (DPSA) directive on changes to the organisational of the Department. The period is given to Department to unpack their current strategy in ensuring the Department continue exercise its purpose and mandate.

While there is sufficient supply of qualified educators in most of the fields, there is a difficulty in recruiting qualified educators for scarce skills such as Mathematics and Science. Presentations have been made to the Department of Basic Education who is responsible for the awarding of Funza Lushaka bursaries, the Department requested to prioritise scarce subjects' qualifications including Mathematics and Science, as well as all other identified fields where the supply may not be sufficient. The moratorium on the filling of public service posts has also resulted in a high vacancy rate in support personnel. Highly skilled and experienced employees were lost through attrition and the posts could not be filled. Succession planning was therefore compromised.



2023 AGE ANALYSIS	PRINC	DEP PRINC	HOD	PL 1	Grand Total
AGE : 20 - 29 YEARS		2	41	4035	4078
AGE : 30 - 39 YEARS	75	118	577	7886	8656
AGE : 40 - 49 YEARS	645	310	1205	7702	9862
AGE : 50 - 54 YEARS	1745	463	2030	9085	13323
AGE : 55 - 59 YEARS	1753	448	1946	7630	11777
AGE : 60 - 64 YEARS	472	144	494	2082	3192
AGE : 65 YEARS AND ABOVE	20	15	30	144	209
Grand Total	4710	1500	6323	38564	51097

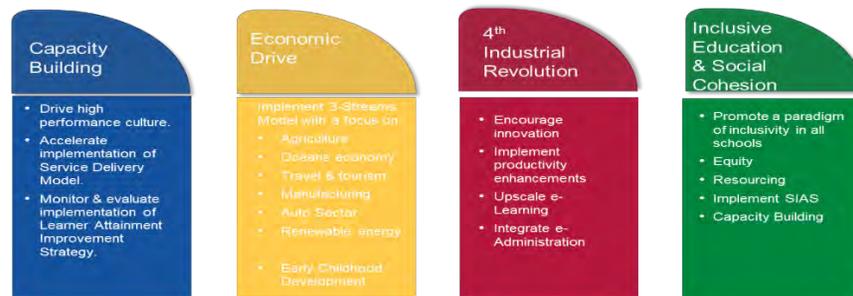
(Source: School Based Educator Persal Snapshot Age Analysis – (excl substitutes))

In February 2023, 55,7% of publicly employed teachers were aged 50 or older and will therefore retire in the next 10 years, representing an unprecedented demographic change. It is not an overstatement to say that the South African education system will rise or fall based on how this challenge is dealt with. The biggest challenge that will facing the Eastern Cape Department of Education in the coming years is the aging and retirement of educators. The Department will continue to encourage the recruitment of Funza Lushaka bursary graduates into the system as this will have the additional advantage of dealing with the impact of our aging teaching cohort.

DISTRICT	SCHOOL BASED EDUCATORS					SCHOOL BASED NON-TEACHING STAFF	SCHOOL BASED SUBSTITUTES	APPOINTMENTS ON SUSPENSE FILE (EXCL NOA 17 & 32)	APPOINTMENTS ON SUSPENSE FILE (NOA's 17 AND 32)
	PRINC	DEP PRINC	HOD	PL 1	Grand Total				
ALFRED NZO EAST	208	103	381	2293	2985	343	2	11	
ALFRED NZO WEST	517	113	597	3553	4780	522	8	17	
AMATHOLE EAST	648	84	501	3047	4280	459			
AMATHOLE WEST	316	41	247	1729	2333	393	5	2	
BUFFALO CITY MUNICIPALITY	375	185	684	4191	5435	762	16	24	
CHRIS HANI EAST	443	65	375	2398	3281	412		4	
CHRIS HANI WEST	338	83	397	2418	3236	568	6	18	1
JOE GQABI	252	83	339	2048	2722	321		12	5
NELSON MANDELA BAY	295	289	838	5037	6459	661	28	21	
O R TAMBO COASTAL	597	225	946	5615	7383	592	9	22	
O R TAMBO INLAND	538	143	722	4184	5587	777	5	4	
SARAH BAARTMAN	183	86	296	2051	2616	443	6	9	2
Grand Total	4710	1500	6323	38564	51097	6253	85	144	8

RANK	% FEMALE	TOTAL	FEMALE
PRINC	39%	4710	1838
DEP PRINC	47%	1500	701
HOD	71%	6323	4494
PL 1	76%	38564	29478
TOTAL	71%	51097	36511

Education System Transformation Plan 2019-2023



Pillar: 1 Capacity Building, the Department has registered the following achievements:

- In the 2022/23 financial year the Department experienced greater stability in its service delivery environment and has also registered an upward trajectory in the NSC results and the learning outcomes across the schooling system. This was largely because of stability in the leadership of the Department, labour peace in the province and the full implementation of the Learner Attainment Improvement Strategy (LAIS). Much of this improvement can be attributed to progress on each of the outcomes of the ESTP.
- The decentralisation of trainings in the four Provincial Teacher Development Institutes (PTDI), resulting in the training of 17091 teachers in in different subjects, leadership & management, and ICT integration, as well as training of admin support staff.
- In Schools the rate of absenteeism dropped immensely in both teachers and learners. This was due to functionality of School Management Teams (SMT) in monitoring attendance, leave management and utilisation of DDD in schools.
- The Department development of a comprehensive plan for the rationalisation of schools to ensure an increase in the number of viable primary and high schools through mergers and closure of schools . However community and stakeholders resistance has been challenging this process .

Pillar: 2 Economic Drive

- The Department did well in the National School Nutrition Programme by providing the main meal to 1 648 826 learners in quintile 1- 3 public ordinary schools and targeted special schools. Employment of 12658 Volunteer Food Handlers to prepare meals for learners.
- Additional meal through breakfast to 352 883 learners in public ordinary schools The Department has implemented Phases 1-3 of the Presidential Youth Employment Initiative (PYEI). This has assisted the province in the reduction of unemployed youths (ages 18-35) thus, alleviating poverty. 761 unemployed graduates were placed at workstations for the internship programme. The Department offered 310 bursaries to unemployed youth to study BEd qualification. The Department has in the current financial year trained 1 200 unemployed youth in handyman skills programme (plumbing, carpentry, brick laying and tiling, tiling & plastering) through Presidential Youth Employment Initiative. Employment opportunities were created through the EPWP.
- In 2022/23 financial year 5 schools offered Maritime Studies subjects at Grades 10-12 in the Buffalo City Municipality and O.R Tambo Coastal District. The Department also has also piloted program for Marine Science housed in NMBD.

Pillar: 3 4th Industrial Revolution

- The Department successfully piloted Coding and Robotics and teachers were trained. In 2022/23 financial year 25 grade R schools, 111 grades 4-6 schools and 111 grade 7 schools have been identified to pilot the teaching of these subjects. The training of Subject Advisors and Teachers was

undertaken in 2022 where 187 grade R teachers, 50 Grade4-6 teachers and 222 Grade 7 teachers were trained.

- There was also an improvement in terms of ICT integration in teaching and learning.
- More schools received devices which were then loaded with content. This was made possible by the Partnerships the Department has. STATS SA donated tablets to schools.
- There is a notable improvement on the use of DDD by districts and schools. This has made information readily available for all the users including Head Office.

Pillar: 4 Inclusive Education & Social Cohesion

- The department has managed to service 67 special Care Centres as on the Business plan
- 250 Care givers were trained on the learning program and Basic computer skills.
- 105 learners benefited from the procurement of Assistive devices in the form of Buggies and orthotic devices.
- Backlog Cognitive assessments conducted to 426 PID learners.
- The stakeholders have been raked in and are in support of the inclusive education agenda.
- School Based Support Teams are fully functional and are supported by District Based Support Teams.
- In partnership with Department of Health and Department of Social Development, Psychosocial support has been given to learners.
- Districts have been encouraged to increase advocacy on accommodations and concessions so that no deserving learner is left out.

4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

Basic Education, Department of / Disaster Management Act (57/2002): Directions issued in terms of Regulation 4 (3), read with Regulation 66A (1) and 66A (4), read with Regulation 69 and 7, of the Regulations made under Section 27 (2) of the Act, regarding the full time return of learners to schools and measures to address, prevent and combat the spread of Covid-19 in the National Department of Basic Education, all Provincial Departments of Education, all Education District Offices and all Public and Independent Schools in the Republic of South Africa.

5. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

MTSF PRIORITY Improved school readiness of children				
Outcome 1	Outcome Indicator	Baseline	Five - year target	Major Achievements
A strong and solid foundation in literacy and numeracy	Proportion of 5-year-olds (Grade R) enrolled in educational institutions by 2024	87%	95%	105 909 Grade R learners were registered in educational institutions thereby laying strong foundational skills for the Foundation Phase
	Proportion of 4-year-olds (Grade RR) enrolled in educational institutions by 2024	New Indicator	35%	As of December 2022, 82 833 Pre-Grade R students used ECD services, which led to an 81.5% increase in enrollment.

MTSF PRIORITY 10-year-old learners in schools read for meaning				
Outcome 2	Outcome Indicator	Baseline	5-year target	Major Achievements
10-year-old learners enrolled in publicly funded schools read for meaning	Percentage of learners achieving in Reading and Mathematics Learning outcomes in Grades 3 critical subjects reflected in the new Systemic Evaluation by 2024	51% Literacy	60%	<p>Educators were trained on reading methodologies using Effective Usage of Indigenous Framework and Primary School Reading Improvement Plan. They were also capacitated on teaching online reading methodologies and all the district officials were given USBs with the module and videos so that they can upload for the teachers and also be able to learn offline.</p> <p>Beginning of each term learners write diagnostic baseline assessments in the Foundation Phase (Grade 1-3). This helps the educators find out the short falls of the previous term. Closing those gaps serves as a solid foundation for the content of the new term. Mental Mathematics in which learners are exposed to, also strengthens the understanding of the content. Our educators have been exposed to the Mental Mathematics strategies in the previous years.</p> <p>350 score obtained by Grade 4 learners</p>
	Average score obtained by Grade 4 learners in PIRLS by 2024	290	300	
	Average score obtained by Grade 5 learners in TIMSS by 2023	343	400	Educators were taken through the Development of Quality Assessment Tasks. This assists in exposing learners to different kinds of items, even those that need higher order reasoning.
	Number of schools implementing EGRA	1 100	3000	Departmental Heads are capacitated on the Grade specific content and on content coverage monitoring procedures. TIMSS exemplars are being packaged per Content Area to assist Grade 5 educators and learners.
	Percentage of 10-year-olds (Grade 4) able to read for meaning	25%	35%	1487 schools in 12 districts are implementing EGRA
				All home languages show a slight improvement though Afrikaans still shows a little improvement.

MTSF PRIORITY					
Youths better prepared for further studies and the world of work beyond grade 9					
Outcome 3	Outcome Indicator	Baseline		Major Achievements	
		5-year target	5-year target	Major Achievements	
	international SACMIEQ by 2020	Mathematics	449	510	Teachers were trained in the strategies of solving problems. This equips the learners in creative thinking that will be necessary in FET and The World of work beyond Grade 9. Educators were also trained on the Development of Quality Assessment Tasks strategies. Maths clubs' learners are engaged in, also play a big role in developing responsible citizens out of our learners. Higher Education Institutions like Rhodes University and University of Orange Free State add their voice in equipping our educators in content. They have clusters in some of our districts where they conduct workshops. The performance of our learners in competitions like Horizon Mathematics Competition (HMC), Grow smart Competition and various Olympiads displays the efforts taken so far in realising the dreams of this outcome.
Youths better prepared for further studies and the world of work beyond Grade 9	Average score obtained by Grade 6 learners according to the international SACMIEQ by 2020	Gr9	60%	70 %	General Education Certificate-GEC Pilot study on introduction of the three streamed model. The Provincial of the Eastern Cape is part of the Ministerial mandate to introduce a three-stream model with curriculum diversification in response to the 21st century market demand and in response to the demand of the fourth Industrial Evolution (4IR) The Department of Education in the province has made budget allocation to ensure of GEC pilot before 2025 full rollout
		Gr 6	29%	60%	Introduction of the 21st century learner, responding to market demands on entrepreneur, vocational, occupational and academic streams The Provincial of the Eastern Cape is part of the Ministerial mandate to introduce a three-stream model with curriculum diversification in response to the 21st century market demand and in response to the demand of the fourth Industrial Evolution (4IR). The Department of Education in the province has made budget allocation to ensure of GEC pilot before 2025 full rollout
		Gr9	47%	60%	Grade 9 progressed learners' performance in Mathematics Pilot Study Developed and mediated the Pilot study findings Pilot Study has laid an important foundation to escalate the pilot into a Main study; Currently collaboration with Cooperate planning and research directorate collecting data in 12 Districts for capturing and analysis.

MTSF PRIORITY				
Youths leaving the schooling system more prepared to contribute towards a prosperous and equitable South Africa				
Outcome 4	Outcome Indicator	Baseline	5 -year target	Major Achievements
Youths leaving the schooling system more prepared to contribute towards a prosperous and equitable South Africa	Percentage of Grade 12 learners obtaining a Bachelor level pass in NSC by 2024	32.3%	40%	Bachelor passes improved to 36,8%. Stability of the system has been recorded as an achievement as the quality of performance bears testimony. The province is 3,2% less as compared to the target set for 5-year period.
	Percentage of Grade 12 learners obtaining 60% and above in Mathematics and Physical Science by 2024	14.3% 21.6%	24% 32%	8.5% passes were achieved 12.4% passes were achieved
	Number of historically disadvantaged schools that offer 'niche' subjects such as Engineering Technical Vocational, Technical Occupational, and computing subjects.	504	580	16 Schools offering CAT & IT were provided with 30 Laptops and other related hardware, and another 16 schools offering EGD subjects received Laptops and related software.
	Number of underperforming schools identified for intervention programmes.	199	100	For the period under review the number of underperforming schools had been reduced to 111 schools.

MTSF PRIORITY				
Youths leaving the schooling system more prepared to contribute towards a prosperous and equitable South Africa				
Outcome 5	Outcome Indicator	Baseline	Five -year target	Major Achievements
ICT integrated in the provision of quality basic education	Percentage of public schools with connectivity and Wi-Fi	20%	100%	37% schools have broadband connectivity resulting in 603 schools. Out of these schools 120 schools have been provided with Wi-Fi infrastructure.
	Percentage of public schools with digital instructional devices in classrooms (smart classrooms)	40%	100%	In 2022/23 21% of public schools received digital instructional devices some of the devices were procured by the Department some through partners.
	Percentage of educators in public schools with connected and loaded digital devices who can access appropriate curriculum content	80%	100%	Teachers in 792 schools received digital devices loaded with curriculum digital content .
	Percentage of learners in public schools with connected and loaded digital devices who can access appropriate curriculum content.	20%	50%	21% of schools received digital devices loaded with curriculum digital content .
	Percentage of public schools that can be contacted electronically	80%	100%	Over 90% of schools can be contacted electronically

MTSF PRIORITY			
Youths better prepared for further studies and the world of work beyond grade 9		Major Achievements	
Outcome	Outcome Indicator	Baseline	Five -year target
6	Number of fully functional agricultural public schools	17	Re-capitalise 17 existing Agricultural schools
	Number of fully functional maritime schools	4	Resource and extend the curriculum to include Maritime Studies in 6 Schools in Gqeberha, Port Alfred and Humansdorp nodal points
	Number of fully functional technical vocational high schools	7	Ensure that 40 schools currently offering technical subjects comply with the requirements of becoming full technical high schools as per guidelines
Skills for a changing world			<p>The Department managed to conduct a workshop on entrepreneurship to 60 teachers (20 principals and 40 teachers).</p> <p>The following agricultural schools were provided with equipment, goods and services:</p> <p>6 Schools (Abambo, Ulana, Mandela, Tyelimhlophe, Moshoeshoe and Palmerton) were supplied with generators to mitigate loadshedding. Pandulwazi Agricultural school was provided with a tractor, pasturiser and a waterpump.</p> <p>15 schools were provided with goods and services. Gwebinkunda and Bijolo were provided with a planting tunnel together with good and services (seedlings and fertilisers). 11 schools were provided with boreholes to address water challenges. Freemantle High School was provided with a layerhouse. A broilerhouse and egg incubator was procured for Abambo. An egg incubator and a Hatcher was procured for each of the following schools, Fremantle boys' School, Patensie agricultural school, Ulana agricultural school, Frank Zibi agricultural school, Gobizizwe agricultural school.</p> <p>Agricultural PPEs were also procured for learners in the following schools, Gobizizwe agricultural school, Frank Zibi agricultural school Moorosi agricultural school, and Patensie agricultural school.</p> <p>The Department has managed to operationalise 1 school in Nelson Mandela Bay District, Solomon Mahlangu Senior Secondary school in Kariega. 5 more schools have applied to include Maritime studies in Nelson Mandela bay district, and Sarah Baartman district.</p> <p>36 schools were provided with consumables and 6 schools were provided with Automotive equipment</p>

MTSF PRIORITY				
A skilled and capable workforce to support an inclusive growth path				
Outcome 7	Outcome Indicator	Baseline	Five -year target	Major Achievements
A well-defined holistic integrated inclusive education support system	Percentage of functional school-based support teams in schools	60%	90%	The Department has managed to train teachers on SIAS policy and we had functional SBSTs. SIAS policy was implemented and learners were referred to Specialists for assessment and correct placement.
	Percentage of functional district-based support teams	60%	100%	Training and support provided to schools has increased Trained 250 care givers on the learning program and Basic computer skills.
	Percentage of individualised support plans developed for learners with barriers to learning	10	70	Improved development of ISPs
	Number of concessions and accommodations awarded	447	3000	Cognitive assessments were conducted to 426 PID learners.
	Number of learners with access to Assistive Devices and/or Technology	250	2000	Assistive devices procured for 105 PID learners in the form of Buggies and orthotic devices

MTSF PRIORITY			
Learners and educators feel respected, and learning improved by 2024			
Outcome 8	Outcome Indicator	Baseline	Five -year target
Effective social protection and creation of a safe school environment conducive to learning	Number of learners benefitting from the National School Nutrition Programme (NSNP)	1 657 275	1 650 000
	Number of schools with functional school safety committees (Junior Commissioners Clubs, March, and Drill Programme, Teenage Against Drug Abuse)	1 760	2 500
	Number of learners benefitting from scholar transport	85 139	110 000
	Percentage of learners provided with hostel facilities	10%	15%
	Number of schools implementing school health and psychosocial support activities	925	3 500
Major Achievements		<p>The Department provided a main meal to 1 648 826 learners in quintile 1- 3 public ordinary schools and targeted special schools. Additional meal through breakfast to 352 883 learners in quintile 1 -3 public ordinary schools. Employment of 12 658 Volunteer Food Handlers to prepare meals for learners.</p> <p>There are 800 schools that have functional School Safety Committees. This improvement was due to training that was provided to all twelve (12) school safety coordinators in each district. School Safety Committees work with learner support agents to do awareness campaigns on Teenage pregnancy, Drugs and Substance use. All schools were linked to nearest police stations and this relationship is strengthened during the awareness campaigns. Learners in schools are encouraged to establish junior commissioners led by SAPS, which is a programme that inculcated discipline and changes behavior where necessary.</p> <p>121 000 learners are still benefitting from the old contract that has expired in March 2023, awaiting renewal.</p> <p>There are 107 hostels that are public ordinary and accommodating almost sixteen thousand learners (almost 16000 learners) in the fifty-five (55) public ordinary subsidised hostels. There are fifty-two (52) hostels that are public ordinary but are not subsidised. A needs audit of these hostels was done during monitoring hence the renovation project is in place for them to be made conducive</p> <p>There are eight hundred (800) schools that implement fully the school health and psycho-social support activities 800 appointed learner support agents contracted in the Conditional Grant. Keeping Boys in School Programme Monitors, where 100 of them were placed in the fort- nine (49) circuit management centres to support schools in various circuits especially during the initiation period, where more of this support to boys is needed. There are forty-nine (49) social workers that are employed and they work closely with the Department of Social Development. The Learner Support Agents, Social Workers and Keeping Boys in School Monitors, identify vulnerable learners, support them emotionally and collaborate with Social Development for material support like school uniforms and shoes, where there is a need.</p> <p>Strong relations with partners are made to maximum impact and scope of work. There is an MOU that is signed between Department of Social Development, Department of Health and Department of Education which outlines the roles and responsibilities when supporting and developing the child at school.</p> <p>This collaboration is good and an award from Department of Health National is evidence to this.</p>	

MTSF PRIORITY				
Learners and educators feel respected, and learning improved by 2024				
Outcome 9	Outcome Indicator	Baseline	Five - year target	Major Achievements
Good governance, for quality basic education	Clean audit - number of qualification areas.	3	0	1
	Number of small and unviable schools rationalised	783	1 902	Sixty (60) schools in seven (07) districts have conducted stakeholder consultations and school files are currently consolidated for consideration by the MEC.
	Number of integrated and operational districts	12	12	12
	Number of partnerships agreements established (signed MOUs, MoAs, and SLAs)	37	40	11 MoU have been signed and 2 are still in progress. There are however, discussions underway with prospective partners to enter into partnership agreements with the Department

MTSF PRIORITY					
Outcome 10	Outcome Indicator	Infrastructure Delivery			Major Achievements
		Baseline	Five -year target		
School physical infrastructure and environment that inspires learners to learn and educators to teach	Number of schools that reach minimum uniform physical infrastructure norms and standards	59%	65%		We have completed the following new schools Vukile Tshwete SS, Mqhokweni PS, Sophatisana SS, Ntsizwa SSS, Attwell Madala HS and Lower Ngqungqu JSS.
	Number of additional learners provided with hostel facilities	18 210	20 090		The Department completed Thembisa Special school which has provided 80 beds for males and 80 beds for females.
	Percentage of approved maintenance plans in all public schools	New Indicator	100%		39 maintenance projects completed in this period
	Percentage of refurbished structures into technical vocational schools	New indicator	100%		Due to budgetary constraints, there was no implementation of refurbishment projects.

6. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

6.1 Programme 1: Administration

Purpose:

To provide overall management of, and support to, the education system in accordance with the National Education Policy Act, the Public Finance Management Act and other relevant policies

Sub-Programmes:

Sub-Programmes	Purpose
Office of the MEC	To provide for the functioning of the office of the Member of the Executive Council (MEC) for education.
Corporate Services	To provide management services that are not education specific for the education system and to make limited provision for, and maintenance of accommodation.
Education Management	To provide education management services for the education system.
Human Resource Development	To provide human resource development for office-based staff.
Education Management Information System	To provide education management information in accordance with the National Education Information Policy.

Institutional Outcomes

Outcome
ICT integrated in the provision of quality basic education

Outcome	Output	Standardized Outcomes, Outputs, Output Indicators, Targets and Actual Achievements				Reasons for Deviations		
		Output Indicator	Audited Actual Performance		Planned Annual Target 2022/23		Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement
			2020/21	2021/22				
ICT integrated in the provision of quality basic education	<p>100% schools utilise electronic management Systems for data management</p> <p>New innovations developed and implemented to support good governance, effective administration; and improve teaching and learning.</p>	SOI 101: Number of public schools that use the South African Schools Administration and Management Systems (SA-SAMS) or any alternative electronic solution to provide data	5109	5096	5 130	5 094	-36	Target not achieved Some schools had no enrolment and the rationalization processes had not yet been completed. These schools were then recorded as non-operational. There were challenges with the upload of data due to some technical issues were experienced.
		SOI 102: Number of public schools that can be contacted electronically (e-mail)	5243	5 098	5 130	5 094	-36	Target not achieved Some schools had no enrolment and the rationalization processes had not been completed yet. These schools were then recorded as non-operational.
Good governance for quality basic education	Funding as per Norms and Standards	SOI 103: Percentage of education expenditure going towards non-personnel items	19.3%	19.7%	20%	23%	-3%	Target not achieved The Department overspent mainly in payment of capital assets and households which contributed in education expenditure going towards non-personnel items. The over expenditure on Households was due to payment of leave gratuities in lieu of exit benefits.

Non-standardized Outcomes, Outputs, Output Indicators, Targets and Actual Achievements									
Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement	Reasons for Deviations	
			2020/21	2021/22					
Good governance for quality basic education	District provided with targeted support to improve school performance	NSOI 104: Percentage of schools visited at least twice a year by District officials for monitoring and support purposes	35.1%	49.7%	60%	56.8%	-3.2%	Target not achieved While many schools were visited more than twice during the year under review, the Department is to strengthen monitoring systems by Districts to ensure that district officials report on all school visits.	
ICT integrated in the provision of quality basic education	Resourcing of public schools with connectivity and Wi-Fi.	NSOI 105: Percentage of schools having access to information through (a) Connectivity (other than broadband); and (b) Broadband	23.9%	6%	20%	37%	17%	Target achieved Schools had internet for school administration though delays in provincial government broadband remained a challenge.	
			16.5%	6%	9%	12%	3%		
Good governance for quality basic education	Young graduates to enter teaching profession	NSOI 106: Number of qualified Grade R-12 educators aged 30 and below, entering the public service as educators for the first time during the financial year	391	1004	400	994	594	Target achieved The number of exiting educators, increased in the year under review, resulting vacant posts and placement newly qualified educators who were below the age of 30.	

Linking performance with budget

The programme has a total expenditure of R2.846 billion of the final appropriation of R2.878 billion for 2022/23 financial year, underspending by R31.792 million.

The under expenditure on Goods and Services is attributed to austerity measures implemented on non-core items within good and services to avoid overspending. Households under spent its budget mainly due to delayed payment of leave gratuities in respect of staff who exited the system. The under expenditure on Machinery and Equipment is attributed to austerity measures implemented on non-core items to avoid overspending.

Sub-programme expenditure

Sub- Programme Name	2021/22			2022/23		
	Final Appropriation	Actual Expenditure	Over/Under Expenditure	Final Appropriation	Actual Expenditure	Over/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	15 463	14 426	1 037	17 298	17 288	10
Corporate Services	1 396 665	1 392 210	4 455	1 536 441	1 523 577	12 864
Education Management	1 199 959	1 203 855	3 896	1 227 951	1 212 048	15 903
Human Resource Development	16 249	16 196	52	11 982	11 828	154
Education Management Information Systems	48 055	49 704	(1 651)	84 555	81 694	2 861
Total	2 676 391	2 676 391	-	2 878 227	2 846 435	31 792

Strategy to overcome areas of under performance

Output Indicator	Strategy to overcome under-performance
SOI 101 Number of public schools that use the South African Schools Administration and Management Systems (SA-SAMS) or any alternative electronic solution to provide data	The Number of schools in the Province keep decreasing each year. This is due to rationalisation and re-alignment and in some cases, small schools close organically where teaching and learning becomes impossible. Therefore, the number reported are not necessarily a sign of under-performance but natural attraction of schools due to factors that affect Education in the Province.
SOI 102 Number of public schools that can be contacted electronically (e-mail)	The Department is planning to rollout internet connectivity to 2000 rural schools that are heavily affected and furthermore, the Department has set funds aside to devolve them to all schools that have not benefitted from the broadband. This will allow them to procure for routers in the interim
SOI 103: Percentage of education expenditure going towards non-personnel items.	The education sector norm on budget split is 80% budget allocation to personnel and 20% budget allocation to non-personnel. The budget allocation at the beginning of the financial year complied to this norm, however, the appointment and population of vacant posts on the approved organogram could not be done as the anticipated salary increase of 3.3% at the time was not sufficient and therefore the December 2023 IYM indicated overspending on the budget of personnel. Whilst PT has confirmed through budget allocation letter for budget adjustment in November 2023 and that the Department will be given that additional funding to fund the 3.3% (R872 983 million) increase and this was reflected in the December 2023 IYM.
NSOI 104 Percentage of schools visited at least twice a year by District officials for monitoring and support purposes	<ul style="list-style-type: none"> Ensure that Districts appoint a person who will be responsible for consolidation of reports in the District Director's office Strengthen multi-disciplinary teams Strengthen accountability at District level

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not Applicable

6.2 Programme 2: Public Ordinary School Education

Purpose:

To provide overall management of, and support to, the education system in accordance with the National Education Policy Act, the Public Finance Management Act and other relevant policies

Sub-Programmes:

Sub-Programme	Sub-Programme Purpose
Public Primary Schools	To provide Public Primary Ordinary Schools with resources required for quality education in Grades 1 to 7.
Public Secondary Schools	To provide Public Secondary Ordinary Schools with resources required for quality education in Grades 8 to 12.
Human Resource Development	To provide services required for the professional development of Educators and Non-Educators in Public Ordinary Schools.
School Sport, Culture and Media Services	To provide Departmentally managed sporting, cultural and heritage activities in Public Ordinary Schools.
Conditional Grant School	To provide for projects specified by the Department of Basic Education and funded by conditional grants: To provide a nutritious meal to all targeted learners on every school day through the National School Nutrition Programme (NSNP). To improve performance of learners in Mathematics, Science and Technologies (MST) through targeted resourcing of specific public ordinary schools. To contribute to the skills development training, create jobs in educational institutions through Expanded Public

Institutional Outcomes

Outcome
10-year-old learners enrolled in publicly funded schools read for meaning
Skills for a changing world
A well-defined holistic integrated inclusive education support system
Youths better prepared for further studies and the world of work beyond Grade 9
Good governance, for quality basic education

Outcome	Output	Output Indicator	Outcomes, Outputs, Output Indicators, Targets and Actual Achievements					Reasons for Deviations
			Audited Actual Performance		Planned Annual Target	Actual Achievement	Deviation planned target to Actual Achievement	
			2020/21	2021/22				
10-year-old learners enrolled in publicly funded schools read for meaning	Schools provided with graded readers to in all Languages of Teaching and Learning which includes Big Books, flashcards, story books, alphabet friezes, posters as a resource pack for grades 1-12	SOI 201: Number of schools provided with multi-media resources	4449	4389	4000	4 365	365	Target achieved Schools determine their needs and order according to their needs.
		SOI 202: Number of learners in public ordinary schools benefiting from the No- Fee School Policy	1 512 901	1 523 082	1 531 456	1 518 616	-12 840	
Good governance, for quality basic education	Learners in public ordinary schools benefiting from No-Fee School Policy	SOI 203: Percentage of Funza Lushaka bursary holders placed in schools within six months upon completion of studies or upon confirmation that the bursar has completed studies	46%	70%	40%	7%	-33%	Target not achieved The placement of Funza Lushaka bursary holders depends on the availability of substantive vacant posts matching their profiles. The Department prioritised additional Educators for the period under review to be placed against matching substantive vacant posts before placement of bursary holders and other new entrants in the system.
		SOI 204: Percentage of learners in schools that are funded at a minimum level.	100%	59%	100%	0	-100%	

Non-standardized Outcomes, Outputs, Output Indicators, Targets and Actual Achievements								
Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievement	Deviation planned target to Actual Achievement	Reasons for Deviations
			2020/21	2021/22				
Skills for a changing world	Number of teachers trained in Maths and Language content and methodology	NSOI 205 Number of educators trained in Literacy/Language content and methodology	0	1 210	5 200	761	-4 439	Target not achieved The targeted numbers to be trained was not met hence the reported under achievement. The Department will continue to advocate the benefits of completing the teacher development training offerings.
		NSOI 206: Number of educators trained in Numeracy/Mathematics content and methodology.	0	1 092	5200	522	-4 678	Target not achieved The targeted numbers to be trained was not met hence the reported under achievement. The Department will continue to advocate the benefits of completing the teacher development training offerings.
A well-defined holistic integrated inclusive education system	Educators, officials, and support trained in inclusive education.	NSOI 207: Number of educators with training on inclusion	0	100	1 500	423	-1 077	Target not achieved The targeted numbers to be trained was not met hence the reported under achievement. The Department will continue to advocate the benefits of completing the teacher development training offerings.
		NSOI 208: Percentage of schools where allocated teaching posts are all filled.	60%	60.6%	80%	61%	-19%	Target not achieved The declared number of PPN posts was 52,817. The warm bodies in the system as at 31 March 2023 as obtained from PERSAL snapshot was 51,060 which is 97% of total number of declared posts. The movement of teachers to vacant posts where they meet the required profile of the vacant post took time due to natural attrition and other factors.
10-year-old learners	Percentage of learners in Grade 3	NSOI 209:	96%	78%	70%	75.6%	5.6%	Target achieved

Non-standardized Outcomes, Outputs, Output Indicators, Targets and Actual Achievements							
Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievement 2022/23	
			2020/21	2021/22			
						Deviation planned target to Actual Achievement	
enrolled in publicly funded schools read for meaning.	achieving the required level of Literacy and Numeracy skills.	Percentage of learners with English First Additional Language (EFAL) and Mathematics textbooks in Grades 3, 6, 9 and 12	51.4%	53.01%	70%	62%	
Good governance for quality education.	Number of innovations developed and implemented to support good governance, effective administration; and improve teaching and learning.	NSOI 210: Percentage of schools producing a minimum set of management documents at a required standard	51.4%	53.01%	70%	62%	-8%
							<p>A sample of 72 schools was used instead of the minimum of 60 schools and not all schools are implementing the Retrieval policy.</p> <p>The Department issued LTSM policy guidelines to all schools.</p> <p>Target not achieved.</p> <ul style="list-style-type: none"> Lack of support from circuit managers in guiding school principals on the administration of the basic management documents Uncoordinated reporting mechanism in districts, leading to under reporting.

Linking performance with budget

Programme 2 had a total expenditure of R31.198 billion of the final appropriation of R31.232 billion for 2022/23 financial year, underspending its budget by R34.208 million.

The underspending was on Compensation of Employees owing to recruitment processes that were not yet finalized as at the end of the financial year; the outstanding appointments were on the Persal Suspense file either awaiting approval or authorization. Goods and Services underspent due to implementation of austerity measures which were introduced to curb the overall overspending of the department, thus avoiding unauthorized expenditure. Household overspent its budget due to payment of accruals and current payments for leave gratuities in respect of employees who opted to leave the system.

Sub-programme expenditure

Sub- Programme Name	2021/22			2022/23		
	Final Appropriation	Actual Expenditure	Over/Under Expenditure	Final Appropriation	Actual Expenditure	Over/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Public Primary Level	9,978,283	10,340,802	(362,519)	10 293 470	10 293 470	-
2.2 Public Secondary Level	18,250,560	18,122,921	127,639	19 186 224	19 160 696	25 528
2.3 Human Resource Development	88,920	75,016	13,904	113 745	108 390	5 355
2.4 School Sport, Culture and Media Services	10,460	1,953	8,507	27 214	22 991	4 223
2.5 Conditional Grants	1,537,795	1,510,021	27,774	1 612 085	1 612 983	(898)
Total	29,866,018	30,050,713	(184,695)	31 232 738	31 198 530	34 208

Strategy to overcome areas of under performance

Output Indicator	Strategy to overcome under-performance
SOI 202: Number of learners in public ordinary schools benefiting from the No- Fee School Policy	The province is experiencing a loss of adults leaving the province due to high unemployment rates. This is evident in the high reduction in learner registration in the foundation phase. PGDP needs to provide for growth opportunities especially through Local Economic Development
SOI 203: Percentage of Funza Lushaka bursary holders placed in schools within six months upon completion of studies or upon confirmation that the bursar has completed studies	The placement of Funza Lushaka bursary holders is dependent on the availability of posts matching vacancy profiles. The first priority for the Department is the placement of additional educators in the system with employment obligation and the availability of budget for the compensation of employees. The Post Provisioning Norm 2022 has been reduced by 421 posts, which affected the number of placed Bursary Holders for 2022/2023 financial years. The indicator description must be changed to accommodate all placements of Funza Placements from previous financial years to clear the backlog of unplaced bursary holders (the exclusion of six months after completion of studies). The indicator description limits the placement of bursary holders that is only accommodates the placement within six months upon completion of studies. Placement of graduates from the backlog matching the available vacancies are not counted as performance for the Department. The placement list from DBE is in line with academic year while the audit is in line with financial year.
SOI 204: Percentage of learners in schools that are funded at a minimum level.	Bid for additional funding from Treasury and reprioritise funds within the Department and programme in the 2023 MTEF period. The Department .received additional funding from Provincial Treasury & are funding at 100% on national norm in 2023/24
NSOI 205 Number of educators trained in Literacy/Language content and methodology.	The Department has partnered with publishers and universities in order to outsource more teacher trainings workshops due to capacity constraints of ECDoE
NSOI 206: Number of educators trained in Numeracy/Mathematics content and methodology.	
NSOI 207: Number of educators with training on inclusion	Increase in the number of training provided. The increase in the number of bursaries provided for in-service educators to upskill themselves in the area of inclusive education.
NSOI 208: Percentage of schools where allocated teaching posts are all filled.	-Timeous placement of additional educators -Timeous filling of PL1 posts. -Timeous filling of promotional posts
NSOI 210: Percentage of schools producing a minimum set of management documents at a required standard	To mediate the basic management document tool to circuit managers who should guide, monitor and support their schools on the production of basic management documents and implementation thereof.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable

6.3 Programme 3: Independent School Education

Purpose:

To support independent schools in accordance with the South African Schools Act 1996 (Act No. 84 of 1996)

Sub-Programmes:

Sub-Programme	Purpose
3.1. Primary Phase	Supports independent schools in Grades 1 to 7
3.2. Secondary Phase	Supports independent schools in Grades 8 to 12

Institutional Outcomes

Outcomes
Good governance for quality basic education

Non standardized Outcomes, Outputs, Output Indicators, Targets and Actual Achievements								
Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Reasons for deviations
			2020/21	2021/22				
Good governance, effective administration, partnerships, effective planning, monitoring and evaluation for quality Basic Education	Number of innovations developed and implemented to support good governance, effective administration; and improve teaching and learning	NSOI 301 Percentage of registered independent schools receiving subsidies	49.6%	42%	47%	37.5%	-10.5%	Target not achieved. The target could not be met because 1 school in Amathole East District (Butterworth Revival), with 112 learners, could not be paid due to non-compliance with policy prescripts.
		NSOI 302 Number of learners subsidized at registered independent schools	38 417	42 651	43 000	43 711	711	Target achieved. The Department managed to fund all the learners in deserving schools.
		NSOI 303 Percentage of registered independent schools visited for monitoring and support	0%	8.4%	60%	19%	-41%	Target not achieved. Registered schools targeted for monitoring and support could not be visited due to limited financial and human resources.

Linking performance with budgets

The programme spent R154.897 million of the final appropriation of R157.897 million for 2022/23 financial year, underspending its budget by R3.000 million.

The underspending was due to the withholding of funds to selected qualifying independent schools, late submission of quarterly reports (AFS) and underperforming school.

Sub-programme expenditure

Sub- Programme Name	2021/22			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Primary Level	59 206	57 592	1 614	96 922	95 894	1 028
3.2 Secondary Level	42 422	41 634	788	60 975	59 003	1 972
Total	101 628	99 226	2 402	157 897	154 897	3 000

Strategy to overcome areas of under performance

Output Indicator	Strategy to overcome under-performance
NSOI 301 Percentage of registered independent schools receiving subsidies	<ul style="list-style-type: none"> Strengthening monitoring and support through school visits Registered subsidized independent schools monitored 0.4% (1) School that failed to comply with policy prescripts removed from the list of subsidized schools Follow up on schools to comply with policy prescripts e.g. Submission of compliance documents by schools by due date Improvement in Grade 12 performance
NSOI 303 Percentage of registered independent schools visited for monitoring and support	<ul style="list-style-type: none"> To conduct Inter-District meeting to enhance performance Issue guidelines and mediate Circular 2 of 2023, which lends at schools by the 31st of March and be returned to Head Office for support, by the 31st May 2023.

Performance in relation to Standardized Outputs and Output Indicators for Sectors with Concurrent Function

Not Applicable

6.4 Programme 4: Public Special School Education

Purpose

To provide compulsory public education in Special Schools in accordance with the South African Schools' Act No. 84 of 1996 (as amended) and the White Paper 6 on special education. It is also to build an Inclusive Education and Training System.

Sub-Programmes

Sub-Programme	Purpose
Schools	To provide specific public special schools with resources (including E-learning and Inclusive Education)
Human Resource Development	To provide Departmental services for the development of educators and non-educators in public special schools (including Inclusive education)
School Sport, Culture and Media Services	To provide for Departmentally managed sporting, cultural and reading activities in public special schools (including Inclusive education) and required additional staff
Conditional Grants	To provide for projects under Programme 4 specified by the DBE and funded by Conditional Grants (including Inclusive education)

Institutional Outcomes

Outcomes
A well-defined holistic integrated inclusive education support system

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements								
Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievement	Deviation planned target to Actual Achievement	Reasons for Deviations
			2020/21	2021/22				
A well-defined holistic integrated inclusive education support system	Number of concessions and accommodations awarded	SOI. 401 Number of learners in Public special schools.	9 879	9 895	10 100	10 072	28	Target achieved. The Department of Social Development move learners out of Youth Care Centers and places of safety once the learners court orders have expired.
	Number of educators trained in inclusion.	SOI. 402 Number of therapists/specialist staff in public special schools,	48	46	74	40	-34	Target not achieved Due to severe austerity measures, there were no additional funds available for Compensation of Employees.
Non-standardized Outcomes, Outputs, Output Indicators, Targets and Actual Achievements								
A well-defined holistic integrated inclusive education support system	Percentage of individualized support plans developed for learners with barriers to learning in public special schools.	NSOI. 403 Percentage of public special schools serving as Resource Centers.	52%	53%	52%	53%	1%	Target achieved Department of Social Development is no longer placing learners in conflict with the law at Gail Thembani (JJ Serfontein) which lead to the designation of status to be retrieved.

Linking performance with budgets

The programme spent R 974.837 million of the final appropriation of R1.030 billion for 2022/23 financial year. The programme underspent in all sub programmes by R55.968 million.

The under expenditure on Compensation of Employees was as a result of slow appointment and payment of support staff and Therapists vacant posts. The funds were earmarked for the payment of historical overtime for special school staff. As a result, there was a high vacancy rate caused by resignations and retirements. Goods and services underspent due to the implementation of cost containment measures which were introduced to curb the overall overspending of the Department, thus avoiding unauthorized expenditure.

Sub-programme expenditure

Sub- Programme Name	2021/22			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4.1. Schools	922 611	920 534	2 077	983 738	936 795	46 943
4.2. Human Resource Development	-	-	-	6 347	2 881	3 466
4.3. School sport, culture and media services	16	16	-	7 920	7 101	819
4.4. Conditional Grants	33 320	23 925	9 395	32 800	28 061	4 739
Total	955 947	944 475	11 472	1 030 805	974 837	55 968

Strategy to overcome areas of under performance

Output Indicator	Strategy to overcome under-performance
SOI. 402 Number of therapists/specialist staff in public special schools,	The submission for the approval of 28 additional post has been submitted to PMCT. Once approval is given, the process of appointing more Therapists will commence.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Function

Not applicable

6.5 Programme 5: Early Childhood Development

Purpose

Early Childhood Development is a policy priority which was conceptualized in Education White Paper 5 on Early Childhood Education (May 2001) and highlighted in the National Development Plan as critical in laying a strong foundation towards breaking the cycle of inequality and poverty.

Sub-Programmes:

Sub-Programme	Purpose
5.1 Grade R in Public Schools	To provide specific public ordinary schools with resources required for Grade R
5.2 Grade R in Early Childhood Centers	To support Grade R level at Early Childhood Development centres
5.3 Pre-Grade R Training	To provide training and payment of stipends of Pre-Grade R Practitioners/Educators
5.4 Human Resource Development	To provide Departmental services for the development of practitioners and non-educators at public schools and ECD centres
5.5 Conditional Grants	To provide for projects specified by the Department of Basic Education and funded by Conditional Grants

Institutional Outcomes

Outcomes
A strong and solid foundation in literacy and numeracy

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements								
Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2020/21	2021/22				
A strong and solid foundation in literacy and numeracy	Proportion of 5-year-olds (Grade RR) enrolled in educational institutions by 2024	SOI 501 Number of public schools that offer Grade R	4 152	4 107	3 500	4 043	543	Target achieved. Rationalization, merger and closure of small and unviable schools took longer than anticipated.
	Professionalisation of ECD practitioners	SOI 502 Number of Grade R educators/practitioners with NQF level 6 and above qualification	1 415	1 435	2 200	1 418	-782	Target not achieved Grades 1 to 3 recruit teachers from the qualified Grade R practitioners and they thus leave Grade R.

Linking performance with budget

The programme spent R837.168 million of the final appropriation of R965.867 billion. The programme underspent its budget by R128.699 million.

The underspending was because of practitioners that left the system due to retirement and others were appointed in the mainstream schools as Post Level 1 educators after acquiring the professional qualifications of ECD. Goods and Services underspending emanated from the slow processes in the procurement of items like bursaries, Learner Teacher Support Material (LTSM), stationery & printing and training.

Sub-programme expenditure

Sub- Programme Name	2021/22			2022/23		
	Final Appropriation	Actual Expenditure	Over/Under Expenditure	Final Appropriation	Actual Expenditure	Over/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
5.1. Grade R in Public Schools	572 240	516 376	55 864	489 344	433 700	55 644
5.2. Grade R in ECD centres	-	-	-	250 172	214 649	35 523
5.3. Pre-Grade R in ECD centres	15 365	230	15 135	3 019		3 019
5.4. Human Resource Development	-	-	-	223 332	188 818	34 514
5.5. Conditional Grants	-	-	-	-	-	-
Total	587 605	516 606	70 999	965 867	837 168	128 699

Strategy to overcome areas of under performance

Output Indicator	Strategy to overcome under-performance
SOI 502 Number of Grade R educators/ practitioners with NQF level 6 and above qualification	<ul style="list-style-type: none"> • Reprioritization of the budget. • Ensure regular check-ins and follow ups on spending. • Develop and follow action plan.

Performance in relation to Standardised Outputs and Output Indicators for sectors with concurrent functions

Not applicable

6.6 Programme 6: Infrastructure Development

Purpose

To provide and maintain infrastructure facilities for the schools and non-schools.

Sub-Programmes

Sub-Programme	Sub-Programme Purpose
6.1. Administration	To provide and maintain infrastructure facilities for administration
6.2. Public Ordinary Schools	To provide and maintain infrastructure facilities for Public Ordinary Schools
6.3. Special Schools	To provide and maintain infrastructure facilities for Special Schools
6.4. Early Childhood Development	To provide and maintain infrastructure facilities for Early Childhood Development

Institutional Outcomes

Outcomes
School physical infrastructure and environment that inspires learners to learn and teachers to teach

Outcome	Output	Output Indicator	Outcomes, Outputs, Output Indicators, Targets and Actual Achievements					Reasons for deviations
			Audited Actual Performance		Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	
			2020/21	2021/22				
School physical infrastructure and environment that inspires learners to learn and educators to teach	Increase the proportion of schools which reach minimum physical infrastructure norms and standards.	SOI 601 Number of public schools provided with water infrastructure	19	26	32	30	-2	Target not achieved Delays in the completion of the 5 schools targeted for completion in the year affected the provisioning of water infrastructure.
		SOI 602 Number of public schools provided with electricity infrastructure	11	22	32	16	-16	Target not achieved Delays in the completion of the 5 schools targeted for completion in the year affected the provisioning of electricity infrastructure.
		SOI 603 Number of public schools supplied with sanitation facilities	18	24	31	19	-12	Target not achieved The delays in the procurement of the contractors specifically for the sanitation programme affected the achievement of target in 2022/23.
	Percentage of schools that have maintenance plan that is fully adhered to.	SOI 604 Number of schools provided with new or additional boarding facilities.	0	0	1	1	0	Target achieved The target has been achieved as only Tembisa Special Schools was targeted for completion
		SOI 605 Number of schools where scheduled maintenance projects were completed	6	10	34	40	6	Target achieved The target has been achieved with an additional five (5) maintenance projects which were not initially targeted for completion achieved in this period.

Non-Standardised Outcomes, Outputs, Output Indicators, Targets and Actual Achievements								
Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Reasons for deviations
			2020/21	2021/22				
School physical infrastructure and environment that inspires learners to learn and educators to teach	Increase the proportion of schools which reach minimum physical infrastructure norms and standards.	NSOI. 606 Number of new schools that have reached completion (includes replacement schools).	6	10	10	6	-4	Target not achieved Due to contractual delays, a number of large projects could not be completed in the prescribed time-frame and these have been rolled forward to 2023/24
			46	35	35	37	2	The target has been achieved. The Department exceeded the planned target as two more schools were constructed.
			8	42	41	13	-28	Target not achieved Due to contractual delays, a number of projects with Grade R classrooms could not be completed in the prescribed timeframe and these have been rolled forward to 2023/24
			220	384	233	439	206	Target achieved The target has been achieved, with an additional classroom added as a result of the necessity to provide classrooms to storm-damaged schools, which were not originally part of the planned targets but were subsequently included as part of the intervention to the impacted schools
	Percentage of learners provided with Hostel facilities	NSOI. 609 Number of additional classrooms built in, or provided for, existing public schools (includes new and replacement schools).	21	41	50	29	-21	Target not achieved Due to contractual delays, a number of large projects with specialist rooms could not be completed in the prescribed timeframe and these have been rolled forward to 2023/24.

Linking performance with budget

The programme had a total expenditure of R1.854 billion of the final appropriation of R1.954 billion. The programme underspent its budget by R100.636 million.

The overspending on Compensation of Employees was due to under budgeting. This was prevented from occurring in the next financial year as sufficient budget was allocated for COE with regards to warm bodies and vacant positions that were filled in 2022/23. The overall under expenditure was due to invoices that could not be processed on time that relates to maintenance work for different implementing agents. Buildings have spent more during February and March due to invoices that were paid relating to capital projects mainly for upgrades and additions for different Implementing Agents. The bulk of the expenditure was for fencing which related to one of projects from infrastructure recovery plan that was earmarked to expedite expenditure. The overall under expenditure was due to invoices that could not be processed on time.

Sub-programme expenditure

Sub- Programme Name	2021/22			2022/23		
	Final Appropriation	Actual Expenditure	Over/Under Expenditure	Final Appropriation	Actual Expenditure	Over/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
6.1. Administration	202 183	257 453	(55 270)	382 018	387 403	(5 385)
6.2. Public Ordinary Schools	1 183 374	853 615	329 759	1 421 490	1 335 666	85 824
6.3. Special Schools	65 056	74 683	(9 627)	79 410	79 393	17
6.4. Early Childhood Development	56 019	29 190	26 829	71 933	51 753	20.180
Total	1 506 632	1 214 942	291 690	1 954 851	1 854 215	100 636

Strategy to overcome areas of under performance

Output Indicator	Strategy to overcome under-performance
SOI 601: Number of public schools provided with water infrastructure.	The completion of 45 schools under construction for the 2023/24 financial year.
SOI 602: Number of public schools provided with electricity infrastructure.	The completion of 45 schools under construction for the 2023/24 financial year.
SOI 603: Number of public schools supplied with sanitation facilities.	The completion of 45 schools under construction for the 2023/24 financial year. Projects targeted under the sanitation relief programme.
NSOI 606: Number of new schools that have reached completion (includes replacement schools).	The completion of 45 schools under construction for the 2023/24 financial year.
NSOI 608: Number of new Grade R classrooms built or provided (includes those in new, existing and replacement schools).	The completion of grade R Classrooms in 11 targeted schools/ centres under construction for the 2023/24 financial year.
NSOI 610: Number of additional specialist rooms built in public schools (includes specialist rooms built in new and replacement schools).	The completion of specialist classrooms under the targeted: 45 schools under construction for the 2023/24 financial year disaster affected schools.urgent interventions by the Department

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable

6.7 Programme 7: Examination and Education Related Services

Purpose

To provide education institutions as a whole with examination and education related services

Sub-Programmes

Sub-Programme	Purpose
Payments to SETA	To provide employee HRD in accordance with the Skills Development Act.
Professional Services	To provide educators and learners in schools with Departmentally managed support services.
External Examinations	To provide for Departmentally managed examination services and assessment.
Special Projects	To provide for special Departmentally managed intervention projects in the education system as a whole.
Conditional grant	<p>Conditional Grant Projects</p> <ul style="list-style-type: none"> To provide for projects specified by the Department of Basic Education that are applicable to more than one programme and funded from conditional grants: To enhance the protection offered by schools to prevent and mitigate the impact of HIV. To increase knowledge, skill and confidence amongst learners and educators to take self- appropriate sexual and reproductive health decisions. To increase access to sexual and reproductive health services including HIV services for learners and educators.

Institutional Outcomes

Outcome
Youths leaving the schooling system more prepared to contribute towards a prosperous and equitable South Africa

Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Reasons for deviations
			2020/21	2021/22				
Youths leaving the schooling system more prepared to contribute towards a prosperous and equitable South Africa	The percentage of Grade 12 learners obtaining bachelor's level passes in NSC by 2024.	SOI 701 Percentage of learners who passed National Senior Certificate (NSC)	68.1%	73%	77%	77.3	0.3%	Target achieved Structured intervention programmes for schools included provision of weekend and holiday classes and various learner support material supplied to learners. Intensive implementation of LAIS strategies and partnership programmes with contracted service providers such as JENN and Maths Infinity and other collaboration programmes managed to steer the province to achieve 77.3% in the 2022 NSC public examinations. Target not achieved This is due the number teaching days lost during their Grade 10 and 11 year, and they were not exposed to Grade 10 and 11 final examinations due to the Covid-19 regulations which had a direct impact on teaching and learning and achieving the set target in 2022.
		SOI 702 Percentage of Grade 12 learners passing at the bachelor pass level	30%	34%	38%	36.8%	-1.2%	Most of the intervention programs due to the pressure of implementing the recovery plan prioritized learners at high risk of failing NSC Grade 12 at the expense nurturing the quality aspects of NSC passes as well.
	SOI 703 Percentage of Grade 12 learners achieving 60% and above Mathematics.	13.6%	16%	20%	8.5%	-11.5%	Target not achieved This was a result of the number teaching days lost during their Grade 10 and 11 year. These learners were not exposed to Grade 10 and 11 final examinations due to the Covid-19 regulations which had a direct impact on teaching and learning and not achieving the set target in 2022 High number of learners' participation in Mathematics was highly commended but the inability to improve performance is a challenge the province is grappling with.	

Outcome	Output	Output Indicator	Audited Actual Performance			Planned Annual Target	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement	Reasons for deviations
			2020/21		2021/22				
			2020/21	2021/22	2021/22				
The percentage of Grade 12 learners obtaining 60% and above in mathematics and Physical Science by 2024	SOI 704 Percentage of Grade 12 learners achieving 60% or more in Physical Sciences	18.2%	21.2%	25%	12.4%	-12.6%	Lastly, the target was set based on the learners achieving 50% and above but later the threshold was raised to 60% which proved to be an unrealistic target. Target not achieved		
		This was due the number teaching days lost during their Grade 10 and 11 year, and they were not exposed to Grade 10 and 11 final examinations due to the Covid-19 regulations which had a direct impact on teaching and learning and not achieving the set target in 2022. The impact of the time lost was underestimated and the recovery plan developed did not address the strategy of ramping up quality passes but focus was just on learners passing at 30%.							
Number of secondary schools with National Senior Certificate (NSC) pass rate of 60% and above	SOI 705 Number of secondary schools with National Senior Certificate (NSC) pass rate of 60% and above	591	715	750	811	61	Lastly, the target was set based on the learners achieving 50% and above but later the threshold raised to 60% which also proved to be unrealistic. Target achieved.		
		The intensive learner support programme throughout the academic year contributed to achieve 811 schools achieving 60% overall pass and above beyond the set target of 750 schools.							

Linking performance with budget

The programme spent R1.421 billion of the final appropriation of R1.475 billion and underspent its budget by R53.688 million.

The over expenditure was on Compensation of Employees due to the fluctuating learner numbers that increased in 2022/23 academic year. This directly affected the number of markers and examination assistants appointed as well as the payment of overtime for officials processing exam related payments during exam marking period. Goods and services underspent due to cost containment measures implemented to avoid overspending.

Sub-Programme Expenditure

Sub- Programme Name	2021/22			2022/23		
	Final Appropriation	Actual Expenditure	Over/Under Expenditure	Final Appropriation	Actual Expenditure	Over/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
7.1 Payments to SETA	65 150	65 150	-	68 360	68 360	-
7.2 Professional Services	3 562	648	2 914	8 488	2 786	5 702
7.3 External Examinations	382 802	414 761	(31 959)	910 823	862 981	47 842
7.4 Special Projects	943 628	917 602	26 026	441 053	441 153	(100)
7.5 Conditional Grants	50 368	47 349	3 019	46 897	46 653	244
Total	1 445 510	1 445 510	-	1 475 621	1 421 933	53 688

Strategy to overcome areas of under performance

Output Indicator	Strategy to overcome under-performance
SOI 702 Percentage of Grade 12 learners passing at the bachelor pass level	More intensive and focused support programmes for learners in Grade 10-12 such as the use of extra lessons, additional learner support materials, teacher trainings on content gap and other support programmes.
SOI 703 Percentage of Grade 12 learners achieving 60% and above Mathematics.	More intensive and focused support programmes for learners in Grade 10-12 such as the use of extra lessons, additional learner support materials, teacher trainings on content gap and other support programmes. Set realistic targets based on the new threshold at 60%.
SOI 704 Percentage of Grade 12 learners achieving 60% or more in Physical Sciences	More intensive and focused support programmes for learners in Grade 10-12 such as the use of extra lessons, additional learner support materials, teacher trainings on content gap and other support programmes. Set realistic targets based on the new threshold at 60%.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable

7. TRANSFER PAYMENTS

7.1 Transfer payments to Public Entities

Not applicable

7.2 Transfer payments to all organisations other than Public Entities

The table reflects the transfer payments made for the period: 1 April 2022 to 31 March 2023

Name of the transferee	Type of organisation	Purpose for which the funds were used	Did the Dept. comply with S38 (1) (j)	Amount Transferred (R'000)	Amount spent	Reasons for funds unspent
Administration	Provincial Dept	Exit Benefits for Individual Personnel	Yes	62,871	44,593	Underspending was due to cases that were not finalised as at end of the financial year. Family disputes contributed to this anomaly.
Public Ordinary Schools Level	Provincial Dept	Norms and Standards for funding to Public Ordinary Schools	Yes	565,707	568,388	Less than 2 percent, which is percentage cut off for deviation.
Public Ordinary Schools Level	Provincial Dept	National School Nutrition Programme	Yes	1,461,261	1,461,099	Less than 2 percent, which is percentage cut off for deviation.
Public Ordinary Schools Level	Provincial Dept	Exit Benefits for Individual Personnel	Yes	196,490	196,488	Underspending was due to cases that were not finalised as at end of the financial year. Family disputes contributed to this anomaly.
Independent Schools Subsidies	Provincial Dept	Subsidy to qualifying Independent Schools	Yes	157,897	154,897	The underspending was due the non-payment of one school that did not comply with the prescripts.
Public Special Schools	Provincial Dept	Norms and Standards to Public Special Schools	Yes	148,221	144,984	Less than 2 percent, which is percentage cut off for deviation.
Public Special Schools	Provincial Dept	Exit Benefits for Individual Personnel	Yes	3,781	3,781	None
Early Childhood Development	Provincial Dept	Subsidy to ECD centres	Yes	437,090	372,395	Unspent amount was for the ECD Stimulus Relief Fund (SRF) due to challenges experienced with regards to identifying the unpaid 27 organisations from Department of Social Development
Payments to SETA	Provincial Dept	Training and Development	Yes	68,360	68,360	None

Name of the transferee	Type of organisation	Purpose for which the funds were used	Did the Dept. comply with S38 (1) (j)	Amount Transferred (R'000)	Amount spent	Reasons for funds unspent
External Examinations	Provincial Dept	Payments to Marking Centres for Exam purposes.	Yes	45,212	45,200	Less than 2 percent, which is percentage cut off for deviation.
Special Projects	Provincial Dept	MEC Top Achievers	Yes	15,113	15,110	Less than 2 percent, which is percentage cut off for deviation.

7.3 Transfer payments budgeted for but not made

Not applicable

8. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The tables below describe each of the conditional grants and earmarked funds paid by the Department

Conditional Grant : Mathematics, Science and Technology (MST)

Department who transferred the grant	Department of Basic Education
Purpose of the grant	To provide support and resources to schools, teachers and learners in line with the Curriculum Assessment Policy Statements (CAPS) for the improvement of mathematics, science and technology teaching and learning at selected public schools
Expected outputs of the grant	<ul style="list-style-type: none"> • Information, communication and technology (ICT) subject specific resources • Workshop machinery, Equipment and Tools • Laboratory equipment/apparatus, manipulatives and consumables including coding and robotics. • Teacher support • Learner support • Administration • Cubans Support Programme
Actual outputs achieved	<ul style="list-style-type: none"> • Information, communication and technology (ICT) 92 schools • consumables including coding robotics 168 schools. • Workshop machinery, Equipment and Tools 36 schools. • Laboratory equipment/apparatus, manipulatives 150 school. • Teacher support 5610 teachers • Learner support 5300 learners • Administration 2 • Cuban support programme 4
Amount per amended DORA(R'000)	R73.896
Amount transferred (R'000)	R73.896
Reasons if amount as per DORA not transferred	Not Applicable
Amount spent by the Department (R'000)	R72.699
Reasons for the funds unspent by the entity	The R1.197 unspent funds, were funds on our commitments, due to late submissions of invoices from service providers.
Monitoring mechanism by the transferring Department	<ul style="list-style-type: none"> • Reports submitted on a monthly and quarterly basis. • Provinces, Districts and Schools visited quarterly for monitoring and support purposes. • Evaluation on the grant conducted on a yearly basis.

Conditional Grant : National School Nutrition Programme

Department who transferred the grant	Department of Basic Education
Purpose of the grant	To enhance learning capacity and to promote access to Education by providing nutritious meals to learners in quintile 1-3 Public Ordinary Schools and targeted special schools. An additional breakfast meal was served to 352 883 learners as part of the food and nutrition insecurity activities. The employment of Volunteer Food Handlers to address socio-economic and poverty in communities through the implementation of the programme has afforded 12 729 opportunities throughout the financial year.
Impact of the grant	Improved quality of life through access to lifelong learning.
Expected outputs of the grant	1 648 826 learners in 4883 schools benefit from the provision of a main meal.
Actual outputs achieved	Provision of a main meal to 1 648 826 learners in quintile 1- 3 public ordinary schools and targeted special schools. Employment of 12658 Volunteer Food Handlers to prepare meals for learners. Additional meal through breakfast to 352 883 learners in public ordinary schools
Amount per amended DORA(R'000)	R1 494 648 (annual budget)
Amount transferred (R'000)	R 1 494 648 (annual budget)
Reasons if amount as per DORA not transferred	Not applicable
Amount spent by the Department (R'000)	R1 495 454
Reasons for the funds unspent by the entity	Not applicable
Monitoring mechanism by the transferring department	The Department utilised the MRR (Monitoring, Reporting and Responding methodology for the visits of school throughout the financial year.

Conditional Grant : Infrastructure Grant

Department who transferred the grant	Eastern Cape Department of Education
Purpose of the grant	<ul style="list-style-type: none"> To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation. To enhance capacity to deliver infrastructure in education. To address damages to infrastructure. To address achievement of the targets set out in the minimum norms and standards for school infrastructure
Expected outputs of the grant	<p>Outputs</p> <ul style="list-style-type: none"> Number of new schools, additional education spaces, education support spaces and administration facilities constructed as well as equipment and furniture provided. Number of existing schools' infrastructure upgraded and rehabilitated. Number of new and existing schools maintained. Number of work opportunities created. Number of new special schools provided, and existing special and full-service schools upgraded and maintained. Number of schools where contracts focussed on the development and upgrading of school potable water supply and safe sanitation have reached practical completion.
Actual outputs achieved	<ul style="list-style-type: none"> SOI 601: 20 public ordinary schools were provided with water infrastructure. SOI 602: 16 public schools were provided with electricity infrastructure. SOI 603: 19 public schools were supplied with sanitation facilities. SOI 604: 1 school was provided with new or additional boarding facilities. SOI 605: 40 schools received scheduled maintenance projects were completed. NSOI 606: 6 new schools that have reached completion (includes replacement schools). NSOI 607: 37 new schools are under construction (includes replacement schools). NSOI 608: 13 new Grade R classrooms were built or provided (includes those in new, existing and replacement schools). NSOI 609: 439 additional classrooms were built in, or provided for, in existing public schools (includes new and replacement schools). NSOI 610: 29 additional specialist rooms were built in public schools (includes specialist rooms built in new and replacement schools).
Amount per amended DORA(R'000)	R 2 054 954
Amount transferred (R'000)	R 1 954 851
Reasons if amount as per DORA not transferred	The budget was cut due to non-compliance
Amount spent by the Department (R'000)	R 1 854 232
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> Slow payment process due to perpetual system breakdowns as a result of load shedding and intermittent BAS system downtime Slow start of projects that had previously been abandoned / cancelled due to procurement moratorium. Delays in the procurement processes due to treasury instruction to hold in abeyance procurement that was advertised on or after 16 February 2022 to 30 May 2022 had a significant impact in the procurement and slowed down expenditure in the first half of the financial year. Socio-political hindrances resulting in some projects not spending at all i.e., Toli.

Monitoring mechanism by the transferring Department

- Monthly Executive Reporting Meetings with Implementing Agents
- Education Facilities Management System
- Infrastructure Reporting Model
- Site visits by Clerks of Works and Works Inspectors
- Contract management by appointed Professional Service Providers

Conditional Grant : HIV/AIDS Grant

Department who transferred the grant	Department of Basic Education
Purpose of the grant	<p>To support South Africa's HIV prevention strategy by:</p> <ul style="list-style-type: none"> • Providing comprehensive sexuality education and access to sexual and reproductive health services to learners • Supporting the provision of employee health and wellness programmes for educators • To mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators <p>To reduce the vulnerability of children to HIV, TB and STI's, with a particular focus on orphaned children and girls</p>
Expected outputs of the grant	<ul style="list-style-type: none"> • Training and Development • Co-curricular activities • Care and Support • Monitoring and Support • Management and Administration • LTSM
Actual outputs achieved	All outputs achieved but more still needs to be done on learner centered activities.
Amount per amended DORA(R'000)	R 46 897
Amount transferred (R'000)	R 46 897
Reasons if amount as per DORA not transferred	Not applicable
Amount spent by the Department (R'000)	R 46 653
Reasons for the funds unspent by the entity	Under expenditure is less than 2 percent cut off deviation.
Monitoring mechanism by the transferring Department	Monthly reports and site visits sampling schools that were focusing on care and support programmes funded by the Conditional Grant.

Conditional Grant : EPWP Grants - Social Sector Incentive Grant

Department who transferred the grant	Department of Public Works & Infrastructure
Purpose of the grant	To incentivize Provincial Social Sector Departments identified in 2014 Social Sector log frame. To increase work opportunities by focusing on the strengthening and expansion of Social Sector programme that have employment potential.
Expected outputs of the grant	To increase number of EPWP participants receiving stipends from the grant.
Actual outputs achieved	1056 job opportunities created
Amount per amended DORA(R'000)	R40 050
Amount transferred (R'000)	R40 050
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department (R'000)	R41 434
Reasons for the funds unspent by the entity	CoE – overspending was due to payment of travelling and housing allowances of permanent officials that are paid through this grant
Monitoring mechanism by the transferring Department	The following mechanisms were carried out by the Department: 1.Fincom reports 2.IYM 3.Quarterly reports 4.Evaluation reports 5.Annual reports

Conditional Grant : EPWP Grants - Integrated

Department who transferred the grant	Department of Public Works & Infrastructure
Purpose of the grant	Aims to support national building through involving young people in delivery of crucial government services and through this enable these young people to acquire and apply skills and values to access economic opportunities upon completion of the programme and to continue to engage with community activities and social processes.
Expected outputs of the grant	To develop the skills, knowledge and ability of young people to enable them to transition to adulthood. To improve young employment through opportunities for work experience, skills development, and support to gain access to economic and further learning opportunities
Actual outputs achieved	92 job opportunities created.
Amount per amended DORA(R'000)	R3 491
Amount transferred (R'000)	R3 491
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department (R'000)	R3 396
Reasons for the funds unspent by the entity	CoE- underspending due to appointment of EPWP participants under integrated grant using wrong codes.
Monitoring mechanism by the transferring Department	The following mechanisms were carried out by the Department: 1.Fincom reports 2.IYM 3.Quarterly reports 4.Evaluation reports 5.Annual reports

Conditional Grant : Learners with Severe to Profound Intellectual Disability Grant

Department who transferred the grant	Department of Basic Education
Purpose of the grant	The LSPID grant goal is to ensure learners with severe to profound intellectual disabilities access quality public funded education and support.
Expected outputs of the grant	The outcome is for improved access to quality basic education for children with severe to profound intellectual disabilities in conditions that will ensure dignity promote self-reliance and facilitate active participation in the community
Actual outputs achieved	Serviced 67 special care centres as on the Business plan Trained 250 care givers on the learning program and Basic computer skills. Assistive devices procured for 105 PID learners in the form of Buggies and orthotic devices. Backlog Cognitive assessments conducted to 426 PID learners. Procured storage containers, LTSM, sewing machines, ovens, TV s DVDS and consumables for special care centres. Retained 27 Team members and provided them with cell phones with data packages. 67 Special care centres provided with laptops. Placed 9 learners in special schools.
Amount per amended DORA(R'000)	R32 800
Amount transferred (R'000)	R32 800
Reasons if amount as per DORA not transferred	All three tranches were transferred
Amount spent by the Department (R'000)	R28 061
Reasons for the funds unspent by the entity	The amount unspent was rollover amount and unpaid invoices.
Monitoring mechanism by the transferring Department	Onsite monitoring and evaluation per quarter Monitoring and evaluation of activities through share point platform Quarterly reports Annual reports

9. DONOR FUNDS

Not Applicable

10. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Infrastructure projects	2021/22			2022/23		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	143,733	112,008	44,505	69,583	69,583	-
Existing infrastructure assets	1 141 705	460 497	681 208	1 577 137	1 492 080	85 057
- Upgrades and additions	921,328	667,820	172,808	1,064,770	1,064,770	-
- Rehabilitation, renovations and refurbishments	77,548	61,615	27,388	184,059	163,510	20,549
- Maintenance and repairs	142,829	56,931	218,557	328 308	263 800	64 508
Non infrastructure	221,193	316,393	(166,808)	304,704	290,022	14,682
Infrastructure transfer	-	175	(175)	3,427	2,530	897
- Current	-	175	(175)	-	3	(3)
- Capital	-	-	-	3,427	2,527	900
Total	1,506,632	1,214,942	291,690	1,954,851	1,854,215	100,636

Progress made on implementing the capital, investment and asset management plan.

The Eastern Cape Department of Education (ECDoE) infrastructure programme commenced the 2022/23 financial year still recovering from the Covid-19 pandemic in 2020 and the drastic budget cuts that accompanied it. It is now a matter of record that most contractors suspended operations or terminated contracts during 2020/21 due to non-payment / payment delays by the Department, which in turn was a result of insufficient funds due to the budget cuts. Extreme difficulties were experienced in trying to resuscitate these projects. The credibility of the Department as a reliable client was severely compromised. Thus, both PIAs, and especially contractors, were reluctant to resume construction without a guarantee that they would be paid timeously. A second challenge was the time required to re-do the design and procurement for projects that were terminated. Galvanising construction activity was still difficult in the first two quarters of 2022/23 and hence expenditure was slow, but we recovered well in the final two quarters as shown elsewhere herein.

With regard to the asset management plan, progress has finally been made with the implementation of new condition assessments after these had stalled for a number of years due to over-commitment on other projects. These assessments have been carried out 1 107 schools, targeting those with asbestos roofs initially.

Infrastructure projects which have been completed in the current year

Achievements	Planned	Actual	Reasons for variance
SOI 601 Number of public schools provided with water infrastructure	32	30	Target not achieved Delays in the completion of the 5 schools targeted for completion in the year affected the provisioning of water infrastructure.
SOI 602 Number of public schools provided with electricity infrastructure	32	16	Target not achieved Delays in the completion of the 5 schools targeted for completion in the year affected the provisioning of electricity infrastructure.
SOI 603 Number of public schools supplied with sanitation facilities	31	19	Target not achieved The delays in the procurement of the contractors specifically for the sanitation programme affected the achievement of target in 2022/23.
SOI. 604 Number of schools provided with new or additional boarding facilities.	1	1	Target achieved The target has been achieved as only Tembisa Special Schools was targeted for completion
SOI 605 Number of schools where scheduled maintenance projects were completed	34	40	Target achieved The target has been achieved with an additional five (5) maintenance projects which were not initially targeted for completion achieved in this period.
NSOI. 606 Number of new schools that have reached completion (includes replacement schools).	10	6	Target not achieved Due to contractual delays, a number of large projects could not be completed in the prescribed time-frame and these have been rolled forward to 2023/24
NSOI. 607 Number of new schools under construction (includes replacement schools). (includes replacement schools)	35	37	The target has been achieved. The Department exceeded the planned target as two more schools were constructed.
NSOI. 608 Number of new Grade R classrooms built or provided (includes those in new, existing and replacement schools).	41	13	Target not achieved Due to contractual delays, a number of projects with Grade R classrooms could not be completed in the prescribed timeframe and these have been rolled forward to 2023/24
NSOI. 609 Number of additional classrooms built in, or provided for, existing public schools (includes new and replacement schools).	233	439	Target achieved The target has been achieved, with an additional classroom added as a result of the necessity to provide classrooms to storm-damaged schools, which were not originally part of the planned targets but were subsequently included as part of the intervention to the impacted schools
NSOI. 610 Number of additional specialist rooms built in public schools (includes specialist rooms built in new and replacement schools).	50	29	Target not achieved Due to contractual delays, a number of large projects with specialist rooms could not be completed in the prescribed timeframe and these have been rolled forward to 2023/24.

Plans to close down or down-grade any current facilities.

In pursuit of satisfying the requirements of the Services Plan, the Department has undertaken a technically, rigorous, and scientific process by applying spatially referenced analytical techniques and using disaggregated demographic analysis and projection enrolment analysis at circuit level to develop long-term integrated, sustainable comprehensive institutional landscape plans termed Circuit School Landscape Plans (CSLPs).

The purpose of the exercise is to transform education circuits from having an “irrational” distribution of schools and school types and levels, or school landscape, to a rational distribution of schools or school landscape. Rational in terms of school population and distribution, local population and socio-economic dynamics, educational requirements, financial and service delivery efficiency, and effectiveness.

The following are the key focus areas of the plan:

- To reduce the number of small and unviable schools through re-alignment, mergers, incorporations, and closures.
- To create efficient and effective schooling landscape system at both primary and secondary schools.
- To achieve enrolment densification by increasing average enrolments to be nearer the national average of 504 learners in most of our schools and enable adequate resourcing of schools.

In contextualising the CSLPs, it is important to note its broad implication on all facet of the Departmental operations which are currently being considered and configured to align the new institutional landscape such as:

- Teacher provisioning.
- Curriculum outlay - 3 stream model mapping.
- School specialisation.
- Scholar transport provisioning.
- Learner hostel accommodation.
- Infrastructure provisioning.
- Financial resourcing; etc.
- To provide scholar transport and hostels based on reliable data sets and GIS information and demographic analysis.

Whilst the endorsement of the 220 CSLPs by circuit and district management were achieved in May 2018, the broad consultative processes, which are underpinned by the establishment of institutional structures such as the Provincial School Rationalisation and Realignment Steering Committee (SRRASCOM) and District-level Rationalisation and Realignment Coordinating Committees (DRRCC), are continuing unabatedly to cost and schedule the different interventions required.

Progress made on the maintenance of infrastructure.

School maintenance remains a massive challenge. The Department allocated a substantial portion of the 2022/23 budget to maintenance and renovation / rehabilitation projects as shown in the table below:

Nature of Investment	Indicative Budget 2022/23	%
Maintenance and repairs	328 308	17%
Rehabilitation, renovations and refurbishment	184 059	9%
Non-Infrastructure	304 704	16%
New infrastructure assets	69 583	4%
Upgrades and additions	1 064 770	54%
Infrastructure transfer	3 427	0%
Grand Total	1 954 851	100%

Despite the magnitude of this allocation, the conditions of the EIG framework have been amended to insist that 60% of the EIG is allocated to maintenance. This will in turn impact on the Department’s ability to address the backlog in basis services.

The situation is further compounded by the extent to which the maintenance portion of the Norms & Standards funding directly to schools has been reduced. Prior to Covid it was in the order of R600 million per annum. In the past year this amount was only R58 million.

Developments relating to the above that are expected to impact on the Department’s current expenditure.

The above will not impact on expenditure in the forthcoming MTEF, as the challenges associated with the impact of the Covid-19 related budget cuts have finally been resolved. The risk of under-expenditure has thus virtually been eliminated, barring any future misfortune.

However, the magnitude of funding required versus the current backlogs is an un surmountable challenge. The facilities backlog is in the order of R80bn while the condition (maintenance) backlog is in the order of R 8bn; the annual infrastructure budget only amounts to R1,8bn per annum. R8-10bn would be required annually if these backlogs were to be eliminated in the next 10 years.

Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft.

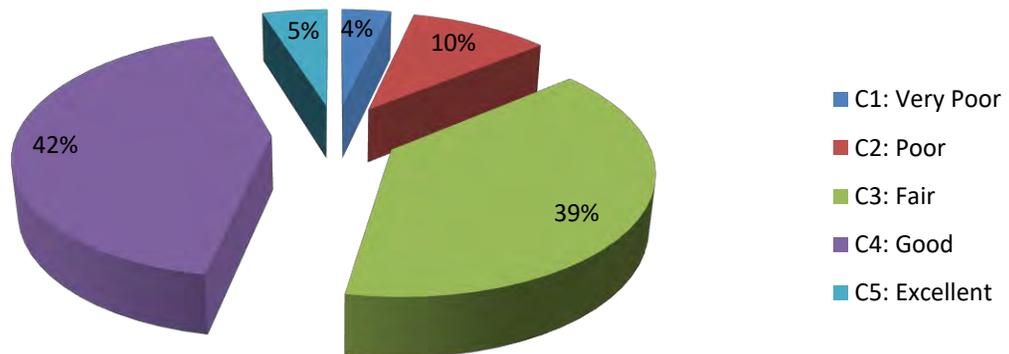
Operational schools closed through rationalization

Measures taken to ensure that the Department’s asset register remained up-to-date during the period under review.

The updating of condition assessments has been on hold for a number of years due to the over-commitment of funds on active projects. However, in the latter half of the 2022/23 financial year the Department commissioned an assessment of the first phase of updating the condition assessments on its Property Register. This phase comprised 1 075 schools, targeting those with suspected asbestos roofs.

The current state of the Department’s capital assets

The condition of the Department’s fixed assets, based on the earlier assessments, is shown graphically below



Condition status	General description	Rating
Excellent	No effect on service capability. No risk. Repair cost less than 2,5% of replacement cost.	C5
Good	Probability of risk to health and safety or property is slight. Low cost implications. Repair cost 2,5% – 6,4% of replacement cost.	C4
Fair	Risk index: Frequent inconvenience to operations. Some risk to health and safety or property. Medium cost implications. Repair cost 6,4% - 21,6% of replacement cost	C3
Poor	Risk index: Many disruptions to service capability, some risk to health and safety or property. High cost implication. Repair cost 21,6% - 50% of replacement cost.	C2
Very poor	Risk index: Accommodation is unusable, immediate high risk to security, health and safety or property. Significant cost impact. Repair cost greater than 50% of replacement cost, should be replaced.	C1

The Department acknowledges that, to maintain the value of its physical assets, it needs to budget sufficient funds for this purpose. Industry norms indicate that an annual budget of at least 2% of the replacement value of the building should be made available for its maintenance. This would imply an annual maintenance budget requirement of almost R1,35bn, which is the same order of magnitude as the entire infrastructure budget.

The reduction of the maintenance allocation to schools from R600m in 2019 to R58m in 2022 is thus highly regrettable

Major maintenance projects that have been undertaken during the period under review.

There were no major projects maintenance projects undertaken

Progress made in addressing the maintenance backlog during the period under review

As indicated in the foregoing sections the condition of the Department's facilities is currently not up to standard, and the Department has not been able to allocate sufficient funding to address this adequately, given the magnitude of the EIG. Furthermore, the Equitable Share allocation for maintenance (via the N&S funding) has been reduced from approximately R600m prior to Covid to only R58m in 2022.

The EIG conditions state that 60% of the EIG needs to be spent on maintenance going forward. This will certainly improve the current condition of schools, but will still be insufficient to catch up the backlog and meet ongoing industry standards.



PART C

GOVERNANCE

1. INTRODUCTION

The Department is committed to upholding the principles of good governance in pursuing its mandate of providing quality education to all learners in the Province. The Department also encourages participatory governance through the establishment of governance structures such as School Governing Bodies.

The Department understands and observes the principles of accountability, transparency and responsiveness in its internal and external engagement. Responses to all external oversight institutions such as the National and Provincial Legislatures, the National Department of Basic Education, the Premier's Office, Provincial Treasury and Auditor-General are accorded the seriousness they deserve. Risk management, prevention of fraud and corruption and measures to minimize conflict of interest are constantly reviewed to promote clean governance, effectiveness and efficiency within the organization.

2. RISK MANAGEMENT

Business continuity was promoted, and risk incidents were dealt with by the organization with the assistance of Enterprise Risk and Integrity Management. The goal of the Risk Management Strategy and Policy Framework adopted by the office of Enterprise Risk and Integrity Management was to ensure the effectiveness of risk management as a crucial component of reducing departmental risk and aligning with good corporate governance principles. Therefore, effective risk management assisted the Department to meet high performance, service delivery goals, and minimize potential resource losses. This led to efficient systems for accountability and responsibility, improved performance, and adherence to rules and laws, preventing reputational harm. Additional key benefits include:

- Aligning risk appetite and strategy.
- Enhancing risk response decisions.
- Ensuring proper financial and asset management.
- Increasing probability of achieving objectives and planned target.

The RMC was established by the Department and consists of one external member (the RMC's chair) and one member from a Departmental Audit Committee (AC). The Department adopted a Risk Management Implementation Plan approved by the Chairperson of Risk Management Committee (RMC) and HoD and reviewed annually. The Implementation Plan guided the Department on risk management matters and facilitated the execution of risk management planned activities. Risk Assessments were conducted, and implementation of action plans were monitored. All the identified risks both strategic and operational were presented quarterly in the RMC meeting.

The Audit Committee further monitored the implementation of action plans that were meant to reduce recognized risks. The opinions of the Audit Committee were independent, effective, and efficient regarding the risk management system. Both the RMC and the AC assisted the Department in identifying risks and steps taken to mitigate them. Both committees constantly reviewed risk assessments to spot new and substantial concerns within the organization. They further analysed the success of the mitigation techniques used to reduce the Department's material risk.

3. FRAUD AND CORRUPTION

The Department's Fraud Prevention Plan was signed by the HoD. The Fraud awareness workshops were facilitated by Risk officials in all the Districts, through advocacy campaigns relating to Risk Management Policies. Fraudulent activities were reported through National Anti-Corruption Hotline (NACH) 0800701701 and Departmental Customer Care Line and walk-in cases were also reported. The officials were encouraged to report suspected fraudulent activities to promote zero tolerance of fraud. Whistle Blowing Policy protected our employees to make such disclosures and to avoid any occupational detriment.

Fraud and corruption cases were reported via NACH, walk-ins, Portfolio committee and the Public Service Commission. All the reported cases were registered in the case register and preliminary investigation were conducted by the unit before any for full-scale investigation were undertaken.

4. MINIMISING CONFLICT OF INTEREST

The Department received preliminary data on the Conflict of Interest (COI) report from Provincial Treasury (PT) on a quarterly basis. The Department's HR Unit analysed and verified the data received and send the verified data back to Provincial Treasury.

Upon receipt of verified data from PT, the Department perform the following functions:

- Verify whether they are falling in the following categories, exam assistants, interns, contract workers, etc. which is exempted and may trade with the State.
- Contact Suppliers telephonically requesting to provide consent to the Department to deregister them from the CSD.
- Request PT to deregister those Suppliers who agreed to be deregistered from the CSD.
- Identify those officials who resigned from the company and are awaiting deregistration of CIPC process.
- Those officials who could not be traced are being referred to Labour Relations to contact them as they are the custodians of employees.
- Officials who are conflicted (did business with government) are subjected to consequence management through further investigations conducted by Risk Management and disciplinary actions through Labour Relations.

It must be noted that there are no conflicted officials detected from the reports of PT for the 2022/23 financial year. To minimize conflict of interest is to address the root cause of barring government officials from registering on the Centralized Supplier database

5. CODE OF CONDUCT

The primary purpose of the Code of Conduct is a positive one, viz. to promote exemplary conduct. Notwithstanding this, an employee may be dealt with in accordance with the relevant collective agreement, as outlined in the Public Service Co-ordinating Bargaining Council (PSCBC) Resolution No. 2 of 1999, if she or he contravenes any provision of the Code or fails to comply with any provision thereof. Although there has been a noticeable decline on unethical conduct, there is still a lack of knowledge amongst employees as to what ethics management is all about. Capacity building therefore in terms of awareness/advocacy campaigns is required to ensure that there is a clearer understanding of the harm that can be caused by unethical behaviour and how ethical behaviour can enhance the reputation of the department

Disciplinary process necessitated by The Code of conduct act as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others (internal and external). Compliance with the Code can be expected to enhance professionalism and help to ensure confidence in the employees of the department and in the public service in general.

Expected personal conduct and private interests.

- Employee does not, without approval, undertake remunerative work outside her or his official duties or use office equipment for such work.
- An employee shall not, without prior written approval of the Head of Department obtain or accept any private gifts, benefits, or item of monetary value and a description of the source of the gift with a value in excess of R350 from any person for himself or herself during the performance of duties as these may be construed as bribes.
- Employees are required to disclose their financial interests in line with Chapter 2, Part 2 of Public Service Regulations, 2016 so as to reduce/eliminate conflict of interests if any and also promote good governance.

Process followed for the breach of code of conduct/ethics policy

1. On receipt of allegation, a preliminary investigation is conducted.
2. Based on the findings of the preliminary investigation into alleged unethical behaviour, a full-scale investigation is conducted.

The Department is using different codes of conduct because of two pieces of legislation that regulate employment relations.

1. Employment of Educators Act -section17 and 18 together with schedule 2 of the same Act.
2. Public Service Act is in PSCBC Resolution No 1 of 2003.
3. SMS members – SMS Handbook Chapter 7 read with PSCBC Resolution 1 of 2003.

Both Codes of conduct are adhered to by the Department at all material times and as such the Department is consistent in applying the rule to all its employees.

Process followed once there is breach of code:

The Presiding Officer together with the employer representative is appointed to initiate a formal disciplinary hearing. The employee in breach of Code is served with the Notice of Disciplinary hearing. In the Notice charges preferred against the employee will be clearly defined with a date and a venue for the hearing.

The employee is afforded the following rights:

- To be represented by a union official or a shop-steward/ fellow employee.
- To cross examine the witness/es of the employer,
- To state his side of the story,
- If found guilty to appeal the sanction (Not Applicable to SMS members).
- Employee Relations and Advocacy directorate will keep the information in a file and on PERSAL.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The impact of natural disasters is something that until this day puts a strain in the backlog of the province's infrastructure, which worsens yearly. The unpredicted weather and climate conditions are detrimental to the educational environment. Veld fires caused by communities affect employees in the offices which may cause difficulty in breathing and asthmatic employees are affected adversely. The province has also been negatively impacted by the water crises, especially in Amathole west, Alfred Nzo east, Amathole east which had no running water and BCM had frequent water cuts. This causes health risk to the employees. The Provincial office is also affected by bird flies, rats, snakes and other reptiles which invade offices that causes anxiety and stress. Electricity load shedding and its inconsistency with regards to its stages and time slots for the power cuts made it difficult for teachers and learners to be fully functional in these extraordinary conditions.

7. PORTFOLIO COMMITTEE

Date	Matters raised	Resolutions
04/04/2022	Consideration of Budget Vote 6	The MEC, HoD and CFO tabled their overviews on the Budget Vote 6.
07/04/2022	Consideration of Appropriation Bill	The presentation of Programmes was then led by the Programme Managers.
21-26/04/2022	Consideration of Budget Vote 6	Presentation of Programme budgets and performance information led by the Programme Managers.
29/04/2022	Adoption of report	The Committee adopted the Budget Vote 6
13/07/2022	Visits to schools around the Province	Portfolio committee requested the Department to release Senior Managers to accompany teams to school visits from 19 th to 28 th July 2022.
18/07/2022	Implementation of House Resolutions starting from 2019 -2022.	Department presented progress on implementation of House Resolutions starting from 2019 -2022.
08/11/2022	Consideration of 2021/22 Annual Report	The MEC, HoD and CFO tabled their overviews on the 2021/22 Annual Report
23- 25/11/2022	Consideration of 2021/22 Annual Report	Presentation of programme performance information by Programme Managers
02/12/2022	Consideration of Six Monthly financial Oversight Report - 2022/23..	Presentation of Six Monthly financial Oversight Report 2022/23.
17/01/2023	State of readiness of the Schools and progress made with regards to the implementation of the House resolutions on Schools that were visited in January 2022.	The Department tabled a state of readiness report to the committee as well as the progress made on the House resolutions of January 2022.

8. SCOPA RESOLUTIONS

Res no.	Subject	Scopa Resolution	Response by the Department	Resolved
1	<p>Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R19, 6 million as required by section 38(1)(c) (ii) of the PFMA and Treasury Regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with Supply Chain Management legislation. This is a recurring finding.</p>	<p>The Department must take appropriate steps to prevent irregular expenditure as required by section 38 (1) (c) (ii) of the PFMA, in addition the accounting officer must attach the responsibility of implementation and monitoring of Audit Intervention plan in the performance agreements of managers, the accounting officer must hold all managers who are not performing in this regard accountable. A Periodical review of the control environment is also encouraged to assess the effectiveness of the controls.</p>	<p>In 2021/22 financial year, there was no new irregular expenditure identified. However, the Department is still making payments on previously identified irregular transactions and has finalized previous year's transactions amounting to R265 million, which was submitted to Provincial Treasury</p> <p>As part of measures to control the expenditure environment, the Department increased the capacity of the Internal Control pre-audit unit to ensure prevention controls are implemented. In addition to further strengthen controls as from 1 August 2022, the Department integrated Infrastructure SCM and Finance units under the CFO branch.</p> <p>Periodic review of the Internal Control environment is done through Internal Audit Plans.</p>	Ongoing
2	<p>Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R7 million as required by section 38(1)(c)(ii) of the PFMA and Treasury regulations 9.1.1.</p> <p>Most of the fruitless expenditure was as a result of salaries made to employees on precautionary suspension and payments for damages and interest on late payments.</p>	<p>The Accounting Officer must take proactive steps to prevent fruitless and wasteful expenditure as required by section 38 (1) (a) of the PFMA. The Department must finalise the adoption of the Standard Operating Procedures to improve the efficiency in the processing of invoices.</p> <ul style="list-style-type: none"> All cases relating to officials placed on precautionary suspension must be fast tracked to curb the fruitless expenditure incurred. An update is sought on the current status of cases and the reasons for non-finalisation. 	<p>The recommendation was noted and the Standard Operating Procedures for payment of invoices were approved and implemented. In addition, the Department established a Payment Acceleration Forum meeting monthly to discuss and action any invoices which may have issues before the 30-day cycle is concluded. For other transactions of Fruitless and Wasteful Expenditure incurred in the year under review, the main reasons for interest charged on late payments was due to the challenge of budget constraints faced by the Department. As a result of this, the Department was unable to honour its contractual obligations. The Department managed to limit new commitments to the available budget.</p> <p>Budget Management has been improving within the Department, resulting in improved turnaround time of invoice payments.</p> <p>The Department had 14 precautionary suspensions which were on their last 60-day period due to the Education Labour Relations Council (ELRC) cases that were on sexual related misconduct. The educators were not accepted back to their schools and in instances where the cases had been lifted, they were placed at district offices to assist as roving educators.</p>	Ongoing

Res no.	Subject	Scopa Resolution	Response by the Department	Resolved
3	The Department incurred unauthorised expenditure of R184.7 million due to overspending on Programme 2 Public Ordinary School education. This is a recurring finding.	<p>The issue of budget cuts was applicable throughout the provincial government and the Department should have reprioritised to ensure it spends within its voted funds.</p> <p>This finding is recurring for 3 financial periods especially in Programme 2 and the excessive spending could have been avoided. The Provincial treasury must charge the over-expenditure against the Departments' future appropriations (in line with Section 34(2) of the PFMA)</p> <p>Consequence management must be applied against responsible officials in line with the outcome of the investigation.</p>	<p>The Department investigated the reasons for the incurrence of unauthorised expenditure, and it was found that the Unauthorised Expenditure incurred in Programme 2, was a result of overspending of the main division within a vote.</p> <p>The Department has put measures in place to prevent the Unauthorised Expenditure in the current year</p> <p>The Department has noted with appreciation the approval received of the R184,692 million with funding as direct charge against the Provincial Revenue Fund.</p>	In progress
4	Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by Treasury Regulation 8.2.3. This is a recurring finding.	<p>The Accounting Officer must ensure that the in-year monitoring tool is not only prepared for mere compliance but is used to effectively monitor cash resources and spending trends [as informed by Section 40(4)(c) (i)(ii) of the PFMA]. All managers that are not monitoring their spending trends must be held accountable.</p> <p>The Accounting Officer must fast-track the adoption and implementation of the Standard Operating Procedures to provide a structured and efficient management of invoices.</p>	<p>The Standard Operating Procedures (SOP) were approved and are implemented in the Department. The invoice tracking tool has been updated to be aligned with the SOP. In 2021/22 financial year, the Department adopted the tranche payment system that enabled Implementing Agents to pay suppliers timeously. The tranche system was expected to usher in a further decline in the supplier payment turnaround time.</p> <p>Budget Management has been improving within the Department, which resulted in improved turnaround time of invoice payments.</p>	In progress.
5	Proper control systems were not in place at the Department to ensure the safeguarding and maintenance of assets, as required by Treasury Regulation 10.1.1(a).	<p>The Department has incorrectly diagnosed the root cause of the problem by saying the finding is as a result of limited funding. What is required however is an overhaul of the asset management system with specific focus on registration and maintenance of proper records of all assets. This process must then be complemented by controls in place to manage access and risk exposure.</p>	<p>The Department has intensified security controls. Access control through digital cards and biometric systems have been implemented at Head Office. This ensures that no unauthorized people access the building, and thus will reduce risk exposure of state assets. The Department is also in the process of advertising another tender for security services, which will address security concerns of the Department and ensure the appointed service provider has the capacity to strengthen security measures working with the Department. All movable assets of the Department are allocated to the user responsible for them, and such is recorded in the Departmental asset register. This strengthens control measures and intensifies accountability for government resource.</p> <p>Under the Education Infrastructure Grant (EIG), The Department has made provision of maintenance of schools and Departmental Buildings.</p>	In progress.

Res no.	Subject	Scopa Resolution	Response by the Department	Resolved
6	The submitted Annual Financial Statements and Annual Performance Report contained material misstatements and material findings that were not corrected. The portfolio of evidence and supporting schedules used to support the financial statements were not complete and accurate in all instances.	The Accounting Officer must submit a report on the reasons why the provisions of Section 40(1) (a) and (b) of the PFMA were not followed in the preparation of financial statements. The report must give an indication of whether all the misstatements were corrected and what controls will be put in place to prevent reoccurrence of this finding.	The Department trained officials responsible for the compilation of the Annual Financial Statements during the week of 27 – 31 March 2023 in preparation for the Annual Financial Statements submission on the 31 May 2023. This is to ensure that Financial Statements are free from material errors. The Department trained all Personal Assistants and Office Managers on Compilation of Reports, Portfolio of Evidence, Audit and Risk Management and Performance Management. Secondly, an Entry Meeting was held with the Programme and Responsibility Managers to ensure audit readiness. Focus was on previous audit findings, Explanation of Technical Indicator Descriptors and Guidelines for submission of Portfolio of Evidence (POE). Furthermore, the two qualified areas were monitored by the Department on a monthly basis through the Audit Improvement Plan. Over and above these, Corporate Planning convened Engagement Meetings with all the programmes in preparation for 2023/24 planning. This was done to give clarity on the outputs, targets, budget and the TIDs. All these were done so as to circumvent the reoccurrence of these findings.	In progress
7	Not all planned audits were finalised at year end which limited how the significant risks from the risk assessment could be addressed.	The reasons stated for the non-finalisation of internal audits is failure to submit on time by certain units. The Accounting Officer must hold accountable all managers that are failing to meet set deadlines for the submission of audit information. Consequence management must be implemented to curb the culture of impunity within the Department.	Proof of consequence management applied for late submission of audit information will be provided.	In progress.
8	Some of the construction contracts were awarded to contractors that did not qualify for the contract in accordance with Construction Industry Development Board Regulation 25(7A) Departments.	The Department must finalise the revised Standard Operating Procedures for Implementing Agents (IA's) and facilitate the training on CIBD to officials and IA's as previously committed. Evidence of the said interventions must be submitted to the Committee upon finalisation.	The Department has developed a Standard Operating Procedures on program concurrence to avert the recurrence of irregular expenditure pertaining to the awarding of contract,	In progress.

Res no.	Subject	Scopa Resolution	Response by the Department	Resolved
9	Some of the construction contracts were extended or modified without the approval of the properly delegated official as required by section 44 of the PFMA and Treasury Regulations 8.2.1 and 8.2.2.	The Department of Public Works must submit a report to this Committee within 30 days of adoption detailing reasons why no disciplinary action was taken against officials that approved contracts without properly delegated powers, if not, when will the action be taken.	A draft letter to SCOPA was received on 7th March 2023 from DPWI	In progress.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
<p>Immovable Tangible Capital Assets was scoped in, in the 2017-18 financial year and has received a qualified audit opinion from the Auditor-General. The main paragraphs are Capital Work-In-Progress, Completed Assets and Section 42 Transfers.</p>	<p>2017-18</p>	<p>The Department has adopted a two-fold approach on disclosing its Immovable Tangible Capital Assets which is a combination of Cost and Fair Value. A methodology detailing the process has been developed in 2021-22 financial year that is currently being audited by the Auditor-General to ascertain whether we have reasonably disclosed all our assets.</p>

10. INTERNAL CONTROL UNIT

For the financial period 2022/2023 the Internal Control environment of the Department heightened up as far as its control appetite is concerned. This heightened environment saw the Department improving on its financial performance as well as reporting, though there's still room for growth as far as this area is concerned this is underpinned by the realisation that controls consists of ongoing tasks as well as activities, it is a means to an end, not an end in itself. The Unit has for the financial year 2022/2023 focused itself on two aspects of the Internal Control namely:

Operations Objectives

It has ensured that operations objectives are met by means of reviewing & verifying 100% of all payment documents for both Compensation of Employees as well as Goods & Services. The unit played a critical role in the payment of NSC Examination related payments for both June & December examinations for 2022/2023. The unit also curbed any incurring of new Irregular Expenditure for the financial year and review.

Compliance Objectives

The Unit using internal checklist which are geared in ensuring that all various programmes of the Department adhere to the legislative environments applicable to their space has ensured that all documents reviewed for payments are compliant.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Public Finance Management Act and the related Treasury Regulations require the establishment of a system of internal audit under the direction of the Audit Committee. The Department's Internal Audit function provides management with independent, objective assurance and consulting services on the effectiveness of governance, risk management and internal control processes. These are intended to add value, continuously improve the operations of the Department and enable the achievement of its objectives.

The internal audit function evaluates risk exposures relating to the Department's governance, operations, and information systems regarding the:

1. Reliability and integrity of financial and operational information;
2. Effectiveness and efficiency of operations and programs;
3. Safeguarding of assets; and
4. Compliance with laws, regulations, policies, procedures, and contracts.

The nature of work conducted by Internal Audit encompasses assurance and consulting reviews:

Assurance reviews entail the internal audit team's objective assessment of evidence to provide an independent opinion or conclusions regarding the Department's operations, functions, processes and systems. The nature and scope of the assurance engagements are determined by the internal audit function and approved by the Audit Committee in the Annual Internal Audit Plan.

Consulting reviews are advisory in nature and are generally performed at the specific request of the Audit Committee, the Head of Department or management. The nature and scope of the consulting engagements are subject to agreement with the engagement client and approval by the Audit Committee.

Of the 31 audits planned for the year, 21 were completed, 1 was in progress and 10 were de-prioritised and an amendment of the Audit Plan was submitted and approved by the Audit Committee.

Details of the audits are outlined in the table below:

NO	PROJECT NAME	NATURE OF WORK	STATUS
1	Transfer Payment Roll Over	Assurance	Complete
2	Transfer Receipts (IYM) Roll Over	Assurance	Complete
3	Asset Verification – AG Collaboration	Assurance	Complete
4	Employee Verification – AG Collaboration	Assurance	Complete
5	Asset Management	Assurance	Complete
6	Infrastructure	Assurance	Complete
7	Review of EMIS & SASAMS Data	Assurance	In progress
8	Review of AFS	Assurance	Complete
9	Review of Annual Report	Assurance	Complete
10	SCOPA Review	Assurance	Complete
11	School Audit - Supervision and Teaching	Assurance	Complete
12	School Audit - Poor Performing Schools	Assurance	Complete
13	School Audit - IQMS & Curriculum	Assurance	Complete
14	School Audit - Management of School Finances, Assets and Governance	Assurance	Complete
15	School Audit - LTSM – 22/23	Assurance	Complete
16	IA Control Dashboard	Assurance	Complete
17	AIP Review – Adequacy of MAP	Assurance	Complete
18	AIP Review – Implementation	Assurance	Complete
19	Review of IFS Q1 2022	Assurance	Complete
20	Review of Performance - Q1 2022	Assurance	Complete
21	Transfer Payments 22/23	Assurance	Complete
22	Subsistence & Travelling (S&T)	Assurance	De-prioritised
23	Effectiveness of Circuit Managers	Assurance	De-prioritised
24	Performance Indicators Q2	Assurance	De-prioritised
25	FMCMM	Assurance	De-prioritised
26	Special Schools	Assurance	De-prioritised
27	Transfer Receipts	Assurance	De-prioritised
28	Interim Financial Statements Q3	Assurance	De-prioritised
29	Governance	Assurance	De-prioritised
30	Fraud and Corruption	Assurance	De-prioritised
31	Asset and Management (Follow-Up)	Assurance	De-prioritised

Audit Committee

The audit committee is an independent governance structure whose function is to provide an oversight role on the system of internal control risk management and governance. The audit committee operates in terms of the approved Audit Committee Charter which is in compliance with the PFMA and Treasury Regulations.

The Audit Committee provides an oversight role on the effectiveness of internal audit, audit progress, financial reporting, risk management and internal controls processes.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date Resigned	No. of Meetings attended
Justin Emslie (Chairperson)	CA(SA)	External	N/A	01/01/2021	N/A	8
Singa Ngqwala	BCom Honours	External	N/A	01/01/2021	N/A	9
Fungai Mushohwe	CA(SA)	External	N/A	01/01/2021	N/A	9
Zamela Kiviet	ACIS	External	N/A	01/01/2021	N/A	6

12. AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present our report for the financial year ended 31 March 2023.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit, which was based on the risks identified, revealed significant internal control weaknesses which were raised with the management during the year. These significant findings related to finance and performance areas including Transfer Payments, Asset Management, School supervision and teaching, Infrastructure and Management of school finances.

The unit managed to complete a total of 20 activities and audits including mandatory and risk-based audits. The planning however extended to a greater number of risk-based audits that were not completed during the year. Several of these remained in progress at year end and have been taken into consideration for the ensuing plan. Internal audit did not operate at full capacity throughout the year with limitations on staffing and budget.

The unit completed two assignments on behalf of the Auditor General of South Africa (AGSA), and we thank the AGSA for this opportunity.

The unit also undertook skills training and acted as secretariat to the Audit Committee. The recommended findings tracking tool to enhance effectiveness of the unit was not implemented by year end and this recommendation remains.

In-Year Management and Monthly/Quarterly Report

The Department has reporting monthly and quarterly to the Treasury as is required by the PFMA.

Risk Management

The audit committee requested quarterly reporting on risk management through that unit and the risk committee chair. The reports received highlighted progress addressing strategic and operational risks and identification of emerging risks.

Throughout the year the committee expressed concern on the functioning of risk management and the risk committee structures within the Department. It was evident that these structures were not functioning as expected, providing limited assurance through reduced efficiency.

The committee has not been satisfied with the resourcing of risk management as we believe it is not adequate for a Department the size of Education and it remains a committee recommendation that the unit be further capacitated and that systems be set in place to enhance effectiveness and communication.

Evaluation of Financial Statements and Performance reporting

The committee reviewed the annual financial statements and reporting on predetermined objectives for the 2022/2023-year end. Through this process the committee:

- Reviewed explanations for significant fluctuations compared to previous year and variances between the financial statements and budgeted amounts;
- Reviewed any new or proposed legislation that may have an impact on policies, the financial statements and disclosure therein;
- Reviewed the findings of Internal Audit on their review on the reporting;

- Enquired into the adequacy, reliability and completeness of supporting information as supporting these financial statements.

Based on our review the committee concluded that the financial statements and performance report should be timeously submitted to the AGSA for auditing as required by the PFMA. This was to maintain compliance with the reporting timeframes, despite concerns remaining following our review. Correction of prior year risk and qualifications areas remained a concern despite progress against these.

Compliance with laws and regulations

The Department continued to incur unauthorised expenditure in contravention of the PFMA and its Regulations. The contributors as highlighted in the notes to the Appropriation Statement in the financial statements. As reported in the financial statements the Department continues to report irregular and fruitless and wasteful expenditure. The financial statements were not free from error or misstatement, leading to an audit qualification as reported by the AGSA.

Auditor General's Report

We have reviewed the Department's implementation plan for audit issues raised in the previous year. We are satisfied that progress has been made against issues raised except for the following:

- Immovable assets and capital work in progress has not been adequately resolved and the Department is to continue implementing recommendations to resolve these reporting issues.

The Audit Committee concurs with and accepts the conclusions of the AGSA on the annual financial statements. The audited annual financial statements should be accepted and read together with the report of the Auditor-General.

Appreciation

The Committee expresses its sincere appreciation to the Honourable MEC, Accounting Officer, Management, Internal Audit, Provincial Treasury and the AGSA for their co-operation in enabling the Committee to fulfil its responsibilities.



Mr JJ Emslie CA(SA)
Chairperson of the Audit Committee
Eastern Cape Department of Education

13.BBEE COMPLIANCE REPORTING

The following table has been completed in accordance with the compliance of BBEE requirements of the BBEE Act of 2013 and as determined by the Department of Trade and Industry

Has the Sphere of Government / Public Entity / Organ of State applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Circle relevant answer	Attachment
<ul style="list-style-type: none"> Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law 	Not applicable	
Developing and implementing a preferential procurement policy	YES	ECDoE SCM policy incorporates the aspects of PPP Regulations in its policy and the implementation there off
Determining qualification criteria for the sale of state-owned enterprises	Not applicable	
Developing criteria for entering into partnerships with the private sector	Partially	The department is in a process of establishing a unit that must focus on PPP's which is still in the initial stages in terms of policy formulation,
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	Not applicable	



PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The Eastern Cape Department of Education has a responsibility to ensure that there is maximum access to quality basic education and training is provided to the citizens of the Province. This mandate is supported by the following service delivery outcomes:

- To improve the quality of teaching, learning and assessment.
- To improve all educational institutions and develop them into thriving centres of excellence.
- To provide an opportunity for further/higher education.
- To provide effective and efficient educators and practitioners; and
- To provide skills required to drive the curriculum, administration, social and psychological support programmes.

2. OVERVIEW OF HUMAN RESOURCES

The Department has two types of employees, namely, Educators and Public Servants. The employment of these employees is based on the Organisational Structure that came into effect on the 1 April 2020. The number of employees in the Department is 64,879. The distribution of these employees is as follows:

- Public school educators are 51,060
- Office Based Educators are 1,185
- ECD Practitioners are 2,950
- Public Servants are 8,753 of which 6,235 are in schools
- The total number of males is 18,111 versus 45,837 females.

Human Resource Development plays a key role in the improvement of service delivery in the Department by investing in the skills of current and potential employees. HRD refers to employee training, career development, performance management, mentoring, coaching and all other developmental needs that might be required by employees. Therefore, the HRD is responsible for Skills Development, Performance Management Development System (PMDS) and Quality Management System (QMS). HRD introduced more focused skills development programmes to ensure that the training implemented addresses the skills needs of employees per their Key Performance Areas (KPA's). Teacher development programmes, recruitment of educators who are adept in their subjects they are teaching as well as managers in schools contributed to the improvement in the grade 12 results. There are gaps in the current workforce (e.g educators for Afrikaans, Technical Mathematics, Technical Science) in which Department finds difficult to get educators for. The Department continues to offer bursaries that are in line with the needs of the sector.

The Department also provided with employment opportunities including work experience and skills development. The Department executed the Presidential Youth Employment Initiative in a short space of time, appointing more than 55 000 employees within a month. Although there were challenges, the programme was a success with the Department receiving accolades from the National Basic Education Department on the manner the programme was run by the Department.

The Department has been unable to fill some of the critical Senior Management positions due to budgetary constraints. This has resulted in the Department appointing employees on acting capacity in the SMS positions, because these positions cannot be left unoccupied as they drive the strategic direction of the Department.

Employees are attracted to caring organisations thus the Department strives to demonstrate a pleasant working culture, enabling the Department to retain talented employees. It is also imperative to offer development programmes to employees in line with their career paths within the organisation, thus, will result in growth of employees.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 and 31 March 2023

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	2,846,435	2,076,368	-	-	72.9	62
Early Childhood Development	837,168	408,783	-	-	48.8	140
Examination & Education Related Services	1,421,933	264,976	-	-	18.6	17
Independent School Subsidies	154,897	-	-	-	-	-
Infrastructure Development	1,854,215	33,761	-	-	1.8	572
Public Ordinary School Education	31,198,530	26,726,799	-	-	85.7	471
Public Special School	974,837	776,423	-	-	79.6	398
Assets & Liabilities	-	-	-	-	-	-
Receipts Objective	-	-	-	-	-	-
TOTAL	39,288,104	30,287,110	-	-	77.1%	274

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Personnel Expenditure including Transfers (R'000)	% of Total Personnel Cost	Average Personnel Cost per Employee (R)	Number of Employees
01 Lower skilled (Levels 1-2)	68,424	20.0%	172,353	397
02 Skilled (Levels 3-5)	1,242,333	400.0%	259,414	4789
03 Highly skilled production (Levels 6-8)	20,480,847	6570.0%	467,631	43797
04 Highly skilled supervision (Levels 9-12)	8,122,218	2610.0%	686,752	11827
5 Senior management (Levels >= 13)	73,571	20.0%	1,290,719	57
10 Contract (Levels 1-2)	333	-	166,500	2
11 Contract (Levels 3-5)	12,033	-	316,658	38
12 Contract (Levels 6-8)	22,438	10.0%	407,964	55
13 Contract (Levels 9-12)	9,750	0.0%	696,429	14
14 Contract (Levels >= 13)	2,422	0.0%	1,211,000	2
18 Contract Other	394,517	130.0%	132,968	2967
19 Periodical Remuneration	29,475	10.0%	8,546	3448.83
20 Abnormal Appointment	651,280	210.0%	15,115	43088.12
TOTAL	31,109,641	99.8%	281,581	110481.95

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
PR1: ADMINISTRATION	1,736,643	66.3%	12,581	0.5%	60,460	2.3%	107,858	4.1%
PR2: PUB ORDIN SCH EDU	22,116,629	81.5%	127	0.0%	874,229	3.2%	1,442,255	5.3%
PR4: PUB SPEC SCH EDUC	617,696	79.0%	6,037	0.8%	30,942	4.0%	54,223	6.9%
PR5: EARLY CHILDHOOD DEVELOPMENT	402,112	98.4%	-	-	1,207	0.3%	1,844	0.5%
PR6: INFRASTRUCTURE CONDITIONAL GRANTS	24,602	78.0%	-	-	798	2.5%	1,218	3.9%
PR7: AUX & ASSOC SERVICES	59,193	33.4%	3,992	2.3%	2,116	1.2%	3,515	2.0%
TOTAL	24,956,875	80.1%	22,737	0.1%	969,752	3.1%	1,610,912	5.2%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
01 Lower skilled (Levels 1-2)	52,927	77.4%	5	-	5,231	7.6%	4,329	6.3%
02 Skilled (Levels 3-5)	946,727	76.2%	11,469	0.9%	74,733	6.0%	97,871	7.9%
03 Highly skilled production (Levels 6-8)	16,679,345	81.4%	5,619	-	690,009	3.4%	1,166,429	5.7%
04 Highly skilled supervision (Levels 9-12)	6,681,721	81.9%	5,644	0.1%	198,743	2.4%	341,535	4.2%
05 Senior management (Levels >= 13)	65,546	85.5%	-	-	1,031	1.3%	583	0.8%
10 Contract (Levels 1-2)	318	95.2%	-	-	-	-	-	-
11 Contract (Levels 3-5)	11,996	99.7%	-	-	-	-	-	-
12 Contract (Levels 6-8)	22,249	99.1%	-	-	-	-	100	0.4%
13 Contract (Levels 9-12)	9,439	94.5%	-	-	5	0.1%	-	-
14 Contract (Levels >= 13)	2,321	87.4%	-	-	-	-	-	-
18 Contract Other	394,018	99.9%	-	-	-	-	65	-
19 Periodical Remuneration	29,475	95.2%	-	-	-	-	-	-
20 Abnormal Appointment	60,791	9.3%	-	-	-	-	-	-
TOTAL	24,956,875	80.1%	22,737	0.1%	969,752	3.1%	1,610,912	5.2%

3.2 Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

Table 3.2.1 Employment and vacancies by programme as on 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	15,845	3,415	78.4	348.00
Programme 2: Public Ordinary Schools Education	65,637	55,482	15.5	2,529
Programme 4: Public Special School Education	2,961	1,953	34	82.00
Programme 5: Early Childhood Development	3,050	2,917	4.4	2,823
Programme 6: Infrastructure	127.00	59.00	53.5	1.00
Programme 7: Examinations and Education Related Services	121.00	119.00	1.7	117.00
TOTAL	87,741	63,945	27.1	5,900

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	1549.00	399.00	74.2	23
Skilled (3-5)	12,621	4,827	61.8	411
Highly skilled production (6-8)	52,136	43,852	15.9	2,153
Highly skilled supervision (9-12)	18,296	11,841	35.3	366
Senior management (13-16)	172.00	59	65.7	4
Other	2,967	2,967	-	2,943
TOTAL	87,741	63,945	27.1	5,900

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to establishment
Administrative Related,	402	79	80.3	17
All Artisans in The Building Metal Machinery Etc.,	10	4	60	-
Architects Town and Traffic Planners,	18	4	77.8	-
Artisan Project and Related Superintendents,	2	1	50	-
Auxiliary And Related Workers,	50	25	50	-
Biochemistry Pharmacol. Zoology & Life Scie.Techni,	1	1	-	-
Building And Other Property Caretakers,	368	31	91.6	1
Bus And Heavy Vehicle Drivers,	12	5	58.3	2
Cleaners In Offices Workshops Hospitals Etc.,	3,748	1,535	59	157
Client Inform Clerks (Switchb Recept Inform Clerks),	10	6	40	-
Community Development Workers,	4	3	25	2
Compositors Typesetters & Related Printing Workers,	1	1	-	-
Computer Programmers.,	2	2	-	1
Computer System Designers and Analysts.,	63	1	98.4	1
Conservation Labourers,	3	3	-	-
Custodian Personnel,	1	1	-	-
Diplomats,	1	1	-	-
Earth Moving and Related Plant Operators,	1	1	-	-
Engineers And Related Professionals,	7	2	71.4	1
Farm Hands and Labourers,	4	3	25	-
Farming Forestry Advisors and Farm Managers,	35	22	37.1	-
Finance And Economics Related,	250	64	74.4	7
Financial And Related Professionals,	347	63	81.8	8
Financial Clerks and Credit Controllers,	696	362	48	26
Fire Fighting and Related Workers,	1	1	-	-
Food Services Aids and Waiters,	318	167	47.5	5
General Legal Administration & Rel. Professionals,	1	1	-	-
Geologists Geophysicists Hydrologists & Relat Prof,	6	1	83.3	-
Head Of Department/Chief Executive Officer,	34	4	88.2	-
Household And Laundry Workers,	954	396	58.5	14
Household Food and Laundry Services Related,	16	9	43.8	-
Housekeepers Laundry And Related Workers,	11	9	18.2	-
Human Resources & Organisat Developm & Relate Prof,	145	35	75.9	4
Human Resources Clerks,	858	426	50.3	15
Human Resources Related,	453	60	86.8	6
Inspectors of Apprentices Works and Vehicles,	57	23	59.6	2
Legal Related,	13	2	84.6	-
Library Mail and Related Clerks,	245	83	66.1	8
Light Vehicle Drivers,	375	76	79.7	1
Logistical Support Personnel,	117	40	65.8	1
Material-Recording and Transport Clerks,	499	407	18.4	30
Mathematicians And Related Professionals,	2	-	100	-
Messengers Porters And Deliverers,	93	15	83.9	-
Motor Vehicle Drivers,	4	1	75	-
Nursing Assistants,	9	7	22.2	-
Occupational Therapy,	22	10	54.5	-
Operational Planning,	2	-	100	-
Other Administrat & Related Clerks and Organisers,	5,560	3,121	43.9	232
Other Administrative Policy and Related Officers,	880	192	78.2	29
Other Information Technology Personnel.,	52	17	67.3	5
Other Occupations,	67,415	55,943	17	5,278
Physiotherapy,	3	3	-	1
Probation Workers,	1	1	-	-
Professional Nurse,	6	2	66.7	-
Quantity Surveyors & Rela Prof Not Class Elsewhere,	7	2	71.4	-
Rank: Departmental Head,	118	-	100	-
Rank: Deputy Principal,	26	-	100	-

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to establishment
Rank: Principal P1,	19	-	100	-
Rank: Principal P2,	26	-	100	-
Rank: Principal P3,	7	-	100	-
Rank: Principal S1,	8	-	100	-
Rank: Teacher,	609	-	100	-
Risk Management and Security Services,	11	-	100	-
Saps,	1	-	100	-
Secretaries & Other Keyboard Operating Clerks,	202	102	49.5	29
Security Guards,	426	273	35.9	3
Security Officers,	1,655	141	91.5	3
Senior Managers,	188	55	70.7	3
Social Sciences Supplementary Workers,	59	13	78	1
Social Work and Related Professionals,	62	38	38.7	5
Speech Therapy and Audiology,	8	3	62.5	-
Staff Nurses and Pupil Nurses,	18	14	22.2	-
Trade Labourers,	4	2	50	-
Trade/Industry Advisers & Other Related Profession,	1	-	100	-
Youth Workers,	98	30	69.4	2
TOTALS	87,741	63,945	27.1	5,900

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% Of SMS posts filled	Total number of SMS posts vacant	% Of SMS posts vacant
Head of Department	1	1	100	-	-
Salary Level 16	1	1	100	-	-
Salary Level 15	4	3	75	1	25
Salary Level 14	17	11	64.7	6	35.3
Salary Level 13	68	43	63.2	25	36.8
Total	90	59	65.6	31	34.4

Table 3.3.2 SMS post information as on 30 September 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% Of SMS posts filled	Total number of SMS posts vacant	% Of SMS posts vacant
Head of Department	1	1	100	-	-
Salary Level 16	1	1	100	-	-
Salary Level 15	4	3	75	1	25
Salary Level 14	17	11	64.7	6	35.3
Salary Level 13	68	43	63.2	25	36.8
Total	90	57	63.3	32	35.6

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

SMS Level	Advertising		Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months but not filled in 12 months	Number of vacancies per level filled in 6 months but not filled in 12 months	Number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	-	-	-	-
Salary Level 16	-	-	-	-
Salary Level 15	1	1	1	-
Salary Level 14	1	1	1	-
Salary Level 13	4	4	3	-
Total	6	6	5	-

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
All vacant funded posts were advertised and filled within prescribed time frames. However it is imperative to state that all posts which were not funded but deemed critical acting arrangements were made to ensure business continuity .
Reasons for vacancies not filled within twelve months
Posts which remained unfilled were those that were unfunded.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
None
Reasons for vacancies not filled within six months
None

3.4. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	724	-	-	-	-	-	-
Skilled (Levels 3-5)	2666	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	1238	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	2787	-	-	-	-	-	-
Senior Management Service Band A	64	-	-	-	-	-	-
Senior Management Service Band B	16	-	-	-	-	-	-
Senior Management Service Band C	4	-	-	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
Total	7500	-	-	-	-	-	-

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-

Employees with a disability	-
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 and 31 March 2023

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
-	-	-	-	-
Total number of employees whose salaries exceeded the level determined by job evaluation				None
Percentage of total employed				None-

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 and 31 March 2023

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	408	2	8	2
Skilled (Levels 3-5)	5,047	40	239	4.7
Highly skilled production (Levels 6-8)	43,892	3681	3,120	7.1
Highly skilled supervision (Levels 9-12)	11,947	19	1,048	8.8
Senior Management Service Bands A	41	2	1	2.4
Senior Management Service Bands B	10	1	-	-
Senior Management Service Bands C	2	-	-	-
Senior Management Service Bands D	2	-	-	-
Other	3,250	11	304	9.4
Total	64,599	3756	4720	7.3%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative Related	85	5	9	10.6
All Artisans in The Building Metal Machinery Etc.	5	-	1	20
Architects Town and Traffic Planners	3	-	-	-
Artisan Project and Related Superintendents	1	-	-	-
Auxiliary And Related Workers	26	-	1	3.8
Biochemistry Pharmacol. Zoology & Life Scie. Techni	1	-	-	-
Building And Other Property Caretakers	33	-	2	6.1
Bus And Heavy Vehicle Drivers	5	-	-	-
Cleaners In Offices Workshops Hospitals Etc.	1,679	1	141	8.4
Client Inform Clerks (Switchb Recept Inform Clerks)	6	-	-	-
Community Development Workers	4	-	-	-
Compositors Typesetters & Related Printing Workers	1	-	-	-
Computer Programmers.	2	-	-	-
Computer System Designers and Analysts.	1	-	-	-
Conservation Labourers	3	-	-	-
Custodian Personnel	1	-	-	-
Diplomats	1	-	-	-

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Earth Moving and Related Plant Operators	1	-	-	-
Engineers And Related Professionals	2	1	1	50
Farm Hands and Labourers	3	-	-	-
Farming Forestry Advisors and Farm Managers	23	-	1	4.3
Finance And Economics Related	71	-	6	8.5
Financial And Related Professionals	68	1	6	8.8
Financial Clerks and Credit Controllers	373	-	12	3.2
Fire Fighting and Related Workers	1	-	-	-
Food Services Aids and Waiters	170	-	3	1.8
General Legal Administration & Rel. Professionals	1	-	-	-
Geologists Geophysicists Hydrologists & Relat Prof	1	-	-	-
Head Of Department/Chief Executive Officer	4	-	-	-
Household And Laundry Workers	419	-	21	5
Household Food and Laundry Services Related	9	-	-	-
Housekeepers Laundry And Related Workers	9	-	-	-
Human Resources & Organisat Developm & Relate Prof	37	-	3	8.1
Human Resources Clerks	447	1	21	4.7
Human Resources Related	85	-	26	30.6
Inspectors of Apprentices Works and Vehicles	25	1	2	8
Legal Related	3	-	1	33.3
Library Mail and Related Clerks	87	-	4	4.6
Light Vehicle Drivers	82	-	3	3.7
Logistical Support Personnel	45	-	5	11.1
Material-Recording and Transport Clerks	426	-	18	4.2
Messengers Porters And Deliverers	17	-	2	11.8
Motor Vehicle Drivers	1	-	-	-
Nursing Assistants	7	-	-	-
Occupational Therapy	11	-	2	18.2
Other Administrat & Related Clerks and Organisers	3,168	18	60	1.9
Other Administrative Policy and Related Officers	212	4	21	9.9
Other Information Technology Personnel.	18	-	1	5.6
Other Occupations	56,235	3,708	4,323	7.7

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Physiotherapy	3	-	-	-
Probation Workers	1	-	-	-
Professional Nurse	2	-	-	-
Quantity Surveyors & Rela Prof Not Class Elsewhere	2	-	-	-
Secretaries & Other Keyboard Operating Clerks	96	13	6	6.3
Security Guards	280	-	8	2.9
Security Officers	148	-	7	4.7
Senior Managers	51	2	1	2
Social Sciences Supplementary Workers	12	1	-	-
Social Work and Related Professionals	37	-	1	2.7
Speech Therapy and Audiology	3	-	-	-
Staff Nurses and Pupil Nurses	14	-	-	-
Trade Labourers	1	-	-	-
Youth Workers	31	-	1	3.2
Total	64,599	3,756	4,720	7.3%

The table below identifies the major reasons why staff left the Department.

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations
Death	343	7.3%
Resignation	783	16.6%
Expiry of contract	1,898	40.2%
Discharged due to ill health	43	0.9%
Dismissal-misconduct	44	0.9%
Retirement	1,608	34.1%
Dismissal-operational changes	1	-
TOTAL	4,720	100%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of employees by occupation	Progressions to another Notch within Salary Level	Notch Progression as a % of Employees by Occupation
Administrative Related	85	-	-	45	52.9
All Artisans in The Building Metal Machinery Etc.	5	-	-	4	80
Architects Town and Traffic Planners	3	2	66.7	1	33.3
Artisan Project and Related Superintendents	1	-	-	-	-
Auxiliary And Related Workers	26	-	-	19	73.1
Biochemistry Pharmacol. Zoology & Life Scie. Techni	1	-	-	-	-
Building And Other Property Caretakers	33	-	-	18	54.5
Bus And Heavy Vehicle Drivers	5	-	-	3	60
Cleaners In Offices Workshops Hospitals Etc.	1,679	-	-	802	47.8
Client Inform Clerks (Switchb Receipt Inform Clerks)	6	-	-	1	16.7
Community Development Workers	4	-	-	-	-
Compositors Typesetters & Related Printing Workers	1	-	-	1	100
Computer Programmers.	2	-	-	-	-
Computer System Designers and Analysts.	1	-	-	1	100
Conservation Labourers	3	-	-	-	-
Custodian Personnel	1	-	-	-	-
Diplomats	1	-	-	1	100
Earth Moving and Related Plant Operators	1	-	-	1	100
Engineers And Related Professionals	2	-	-	0	0
Farm Hands and Labourers	3	-	-	1	33.3
Farming Forestry Advisors and Farm Managers	23	-	-	18	78.3
Finance And Economics Related	71	1	1.4	39	54.9
Financial And Related Professionals	68	-	-	30	44.1
Financial Clerks and Credit Controllers	373	-	-	178	47.7
Fire Fighting and Related Workers	1	-	-	-	-
Food Services Aids and Waiters	170	-	-	109	64.1
General Legal Administration & Rel. Professionals	1	-	-	1	100
Geologists Geophysicists Hydrologists & Relat Prof	1	-	-	1	100
Head Of Department/Chief Executive Officer	4	-	-	-	-
Household And Laundry Workers	419	-	-	303	72.3
Household Food and Laundry Services Related	9	-	-	-	-
Housekeepers Laundry And Related Workers	9	-	-	2	22.2
Human Resources & Organisat Developm & Relate Prof	37	-	-	8	21.6
Human Resources Clerks	447	-	-	195	43.6
Human Resources Related	85	-	-	40	47.1
Inspectors of Apprentices Works and Vehicles	25	1	4	11	44
Legal Related	3	-	-	2	66.7
Library Mail and Related Clerks	87	-	-	43	49.4
Light Vehicle Drivers	82	-	-	46	56.1
Logistical Support Personnel	45	-	-	12	26.7
Material-Recording and Transport Clerks	426	-	-	158	37.1
Messengers Porters And Deliverers	17	1	5.9	4	23.5
Motor Vehicle Drivers	1	-	-	-	-
Nursing Assistants	7	-	-	7	100
Occupational Therapy	11	-	-	1	9.1

Occupation	Employee nt at Beginning of Period	Promotio ns to another Salary Level	Salary Level Promotio ns as a % of employee s by occupatio n	Progressio ns to another Notch within Salary Level	Notch Progressi on as a % of Employee s by Occupatio n
Other Administrat & Related Clerks and Organisers	3,168	-	-	1,973	62.3
Other Administrative Policy and Related Officers	212	-	-	72	34
Other Information Technology Personnel.	18	-	-	10	55.6
Other Occupations	56,235	1,514	2.7	42,987	76.4
Physiotherapy	3	-	-	1	33.3
Probation Workers	1	-	-	-	-
Professional Nurse	2	-	-	1	50
Quantity Surveyors & Rela Prof Not Class Elsewhere	2	-	-	-	-
Secretaries & Other Keyboard Operating Clerks	96	-	-	42	43.8
Security Guards	280	-	-	144	51.4
Security Officers	148	-	-	78	52.7
Senior Managers	51	1	2	10	19.6
Social Sciences Supplementary Workers	12	-	-	1	8.3
Social Work and Related Professionals	37	-	-	1	2.7
Speech Therapy and Audiology	3	-	-	-	-
Staff Nurses and Pupil Nurses	14	-	-	-	-
Trade Labourers	1	-	-	-	-
Youth Workers	31	-	-	-	-
TOTAL	64,599	1,520	2.4	47,426	73.4

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Employees 01 APR 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skilled (Levels 1-2)	408	-	-	225	55.1
Skilled (Levels 3-5)	5,047	1	-	3,042	60.3
Highly Skilled Production (Levels 6-8)	43,892	680	1.5	34,646	78.9
Highly Skilled Supervision (Levels 9-12)	11,947	838	7	9,506	79.6
Senior Management (Levels 13-16)	55	1	1.8	7	12.7
Other	3,250	-	-	-	-
Total	64,599	1,520	2.4	47,426	73.4%

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2023

Occupational category	Male			Female			Total		
	African	Coloured	Indian	White	African	Coloured		Indian	White
Legislators, senior officials, and managers	31	4	1	1	21	3	-	-	61
Professionals	13,336	1,127	54	670	32,539	2,443	139	2,251	52,559
Technicians and associate professionals	110	13	1	4	230	14	-	15	387
Clerks	1,021	29	-	5	3,141	198	2	112	4,508
Service and sales workers	338	30	-	1	77	8	-	-	454
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	19	1	-	-	9	-	-	-	29
Plant and machine operators and assemblers	69	7	-	4	1	2	-	-	83
Labourers and related workers	1,065	154	-	13	4,262	280	1	89	5,864
Elementary occupations	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	15,989	1,365	56	698	40,280	2,948	142	2,467	63,945
Employees with disabilities	43	9	-	3	55	2	-	7	119

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	-	-	-	2	-	-	-	5
Senior Management	29	3	1	1	17	3	-	-	54
Professionally qualified and experienced specialists and mid-management	4,311	516	30	236	5,716	514	52	466	11,841
Skilled technical and academically qualified workers, junior management, supervisors, foremen	9,657	637	25	426	29,047	2,088	89	1,883	43,852
Semi-skilled and discretionary decision making	1,812	180	-	32	2,494	224	-	85	4,827
Unskilled and defined decision making	165	28	-	3	174	27	-	2	399
Not available	12	1	-	-	2,830	92	1	31	2,967
Total	15,989	1,365	56	698	40,280	2,948	142	2,467	63,945
Employees with disabilities	43	9	-	3	55	2	-	7	119

Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	3	-	-	-	3
Professionally qualified and experienced specialists and mid-management	12	-	-	-	5	1	-	1	19
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1,105	71	1	38	2,039	271	4	152	3,681
Semi-skilled and discretionary decision making	12	3	-	4	16	5	-	-	40
Unskilled and defined decision making	2	-	-	-	-	-	-	-	2
Unknown	-	-	-	-	10	1	-	-	11
Total	1,131	74	1	42	2,073	278	4	153	3,756
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	-	-	-	-	-	1
Senior Management	4	-	-	-	1	2	-	-	7
Professionally qualified and experienced specialists and mid-management	3,581	463	28	193	5,116	479	52	432	10,344
Skilled technical and academically qualified workers, junior management, supervisors, foremen	7,326	493	22	347	24,042	1,591	80	1,425	35,326
Semi-skilled and discretionary decision making	1,047	93	-	24	1,697	121	-	61	3,043
Unskilled and defined decision making	87	18	-	3	96	21	-	-	225
Unknown	-	-	-	-	-	-	-	-	-
Total	12,046	1,067	50	567	30,952	2,214	132	1,918	48,946
Employees with disabilities	31	6	-	1	41	1	-	6	86

Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	1	-	-	-	1
Professionally qualified and experienced specialists and mid-management	290	73	3	34	521	53	3	71	1,048
Skilled technical and academically qualified workers, junior management, supervisors, foremen	800	61	1	39	1,808	215	4	192	3,120
Semi-skilled and discretionary decision making	108	12	-	2	101	14	-	2	239
Unskilled and defined decision making	4	-	-	-	4	-	-	-	8
Not available	1	-	-	-	270	31	-	2	304
Total	1,203	146	4	75	2,705	313	7	267	4,720
Employees with disabilities	4	1	-	-	5	1	-	2	13

Table 3.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Corrective counseling	8	-	-	-	1	-	-	-	9
Final written warning	8	2	-	-	4	-	-	-	14
Fine	3	-	-	-	7	1	-	-	11
No outcome	44	2	-	1	13	-	-	1	61
Suspended without payment	2	-	-	-	9	1	-	-	11
TOTAL	65	4	-	1	34	2	-	1	107

Table 3.6.7 Skills development for the period 1 April 2022 to 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	156	2	-	-	128	1	-	-	287
Principals	1 124	76	06	94	859	67	09	69	2 304
Professionals	2 359	59	27	57	3 968	99	37	107	6 322
Technicians and associate professionals	-	-	-	-	-	-	-	-	-
Clerks	2 074	02	-	-	2 695	15	-	17	4 803
Services and sales workers	-	-	-	-	-	-	-	-	-
Craft and related trade workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	3 354	139	33	151	7 650	182	46	193	13 716

3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	01	01	100%
Salary level 16	-	-	-	-
Salary Level 15	3	02	02	100%
Salary Level 14	17	09	09	100%
Salary Level 13	68	41	41	100%
Total	90	53	53	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2023

Reasons
SMS members could not submit their Performance contracts on time due to competing priorities although reminders were issued.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2023

Reasons
Individual letters of non-compliance were issued

3.8 Performance Agreement

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender, and disability for the period 1 April 2022 to 31 March 2023

Race and Gender	Beneficiary Profile		Cost		Average cost per employee
	Number of beneficiaries	Number of employees	% Of total within group	Cost (R'000)	
African, Male	-	15,946	-	-	-
Asian, Male	-	56	-	-	-
Coloured, Male	-	1,356	-	-	-
White, Male	-	695	-	-	-
African, Female	-	40,225	-	-	-
Coloured, Female	-	142	-	-	-
Asian, Female	-	2,946	-	-	-
White, Female	-	2,460	-	-	-
Employees with disabilities	-	119	-	-	-
Total	-	63,945	-	-	-

*Performance cycle runs from 01 April 2022 to 31 March 2023, Pay Progression is effective on 01 July 2023. However, due to a PERSAL report that was drawn for costing and payment of 1.5 % for 2022/23, Pay Progression showed the following variances: 10176 Educator scores, 1178 Office Based Employees and 147 Office Based Educators. Districts requested to do verification, as some of the missing educator scores were submitted in their respective offices. Verification for PMDS has been finalised and a new report has been drawn. QMS verification will be finalised by 25 August 2023. Costing will be done after the verification process.

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary Profile		Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% Of total within salary bands	Average cost per employee	
Lower skilled (Levels 1-2)	-	399	-	-	-
Skilled (Levels 3-5)	-	4,827	-	-	-
Highly skilled production (Levels 6-8)	-	43,852	-	-	-
Highly skilled supervision (Levels 9-12)	-	11,841	-	-	-
Other	-	2,967	-	-	-
Total	-	63,886	-	-	-

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 to 31 March 2023

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% Of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks and Credit Controllers	-	362	-	-	-
Household Food and Laundry Services Related	-	9	-	-	-
Earth Moving and Related Plant Operators	-	1	-	-	-
Human Resources Clerks	-	426	-	-	-
Security Officers	-	141	-	-	-
Household And Laundry Workers	-	396	-	-	-
Geologists Geophysicists Hydrologists & Relat Prof	-	1	-	-	-
Human Resources & Organisat Developm & Relate Prof	-	35	-	-	-
Messengers Porters And Deliverers	-	15	-	-	-
All Artisans in The Building Metal Machinery Etc.	-	4	-	-	-
Biochemistry Pharmacol. Zoology & Life Scie. Techni	-	1	-	-	-
Logistical Support Personnel	-	40	-	-	-
Finance And Economics Related	-	64	-	-	-
Other Administrat & Related Clerks and Organisers	-	3,121	-	-	-
Housekeepers Laundry And Related Workers	-	9	-	-	-
Auxiliary And Related Workers	-	25	-	-	-
Other Occupations	-	55,943	-	-	-
Legal Related	-	2	-	-	-
Financial And Related Professionals	-	63	-	-	-
Building And Other Property Caretakers	-	31	-	-	-
Probation Workers	-	1	-	-	-
Occupational Therapy	-	10	-	-	-
Diplomats	-	1	-	-	-
Architects Town and Traffic Planners	-	4	-	-	-
Social Sciences Supplementary Workers	-	13	-	-	-
Administrative Related	-	79	-	-	-
Secretaries & Other Keyboard Operating Clerks	-	102	-	-	-
Cleaners In Offices Workshops Hospitals Etc.	-	1,535	-	-	-
Library Mail and Related Clerks	-	83	-	-	-
Human Resources Related	-	60	-	-	-
Head Of Department/Chief Executive Officer	-	4	-	-	-
Computer Programmers.	-	2	-	-	-
Trade Labourers	-	2	-	-	-
Physiotherapy	-	3	-	-	-
Social Work and Related Professionals	-	38	-	-	-
General Legal Administration & Rel. Professionals	-	1	-	-	-
Material-Recording and Transport Clerks	-	407	-	-	-
Youth Workers	-	30	-	-	-
Farm Hands and Labourers	-	3	-	-	-

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% Of total within occupation	Total Cost (R'000)	Average cost per employee
Compositors Typesetters & Related Printing Workers	-	1	-	-	-
Other Administrative Policy and Related Officers	-	192	-	-	-
Artisan Project and Related Superintendents	-	1	-	-	-
Fire Fighting and Related Workers	-	1	-	-	-
Inspectors of Apprentices Works and Vehicles	-	23	-	-	-
Professional Nurse	-	2	-	-	-
Bus And Heavy Vehicle Drivers	-	5	-	-	-
Senior Managers	-	55	-	-	-
Farming Forestry Advisors and Farm Managers	-	22	-	-	-
Client Inform Clerks (Switchb Recept Inform Clerks)	-	6	-	-	-
Speech Therapy and Audiology	-	3	-	-	-
Computer System Designers and Analysts.	-	1	-	-	-
Engineers And Related Professionals	-	2	-	-	-
Other Information Technology Personnel.	-	17	-	-	-
Light Vehicle Drivers	-	76	-	-	-
Custodian Personnel	-	1	-	-	-
Motor Vehicle Drivers	-	1	-	-	-
Security Guards	-	273	-	-	-
Food Services Aids and Waiters	-	167	-	-	-
Nursing Assistants	-	7	-	-	-
Quantity Surveyors & Rela Prof Not Class Elsewhere	-	2	-	-	-
Conservation Labourers	-	3	-	-	-
Community Development Workers	-	3	-	-	-
Staff Nurses and Pupil Nurses	-	14	-	-	-
Total	-	63,945	-	-	-

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary Profile		Cost			Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% Of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	-	43	-	-	-	-
Band B	-	11	-	-	-	-
Band C	-	3	-	-	-	-
Band D	-	2	-	-	-	-
Total	-	59	-	-	-	-

3.9. Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2022 and 31 March 2023

Salary band	01-Apr-22		31-Mar-23		Change	
	Number	% Of total	Number	% Of total	Number	% Change
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly Skilled Production (Levels 6-8)	40	83.3	41	78.8	1	25
Highly Skilled Supervision (Levels 9-12)	5	10.4	6	11.5	1	25
Contact (level 9-12)	-	-	-	-	-	-
Contract (level 13-16)	3	6.3	5	9.6	2	50
Total	48	100	52	100	4	100

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023

Major Occupation	01-Apr-22		31-Mar-23		Change	
	Number	% Of total	Number	% Of total	Number	% Change
Other occupations	46.00	95.8	50.00	96.2	4.00	100
Professionals and managers	2.00	4.2	2.00	3.8	-	-
Technicians and associated professionals	-	-	-	-	-	-
Total	48	100	52	100	4	100

3.10. Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% Of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	645	83.9	118	0.5	5	356
Skilled (Levels 3-5)	12,212	83.8	1,780	7.3	7	10,233
Highly skilled production (Levels 6-8)	130,102	82.9	17,922	73.6	7	211,300
Highly skilled supervision (Levels 9-12)	33,503	85.5	4,501	18.5	7	84,379
Senior management (Levels 13-16)	165	93.3	24	0.1	7	739
Contract / Other	17	64.7	10	-	2	11
Total	176,643	83.5	24,355	100	7	307,018

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2023

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% Of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	74	100	2	0.2	37	40
Skilled (Levels 3-5)	1,614	100	19	2.2	123	1,326
Highly skilled production (Levels 6-8)	50,949	99.7	661	75.9	77	85,264
Highly skilled supervision (Levels 9-12)	14,477	100	189	21.7	77	34,871
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	67,114	99.7	871	100	77	121,502

Table 3.10.3 Annual Leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	2,031	148	14
Skilled Levels 3-5)	26,474	2,039	13
Highly skilled production (Levels 6-8)	49,185	2,400	20
Highly skilled supervision (Levels 9-12)	30,193	1,481	20
Senior management (Levels 13-16)	831	48	17
Other	5	2	3
Total	108,718	6,118	18

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	-	-	-	54
Skilled Levels 3-5)	51	7	7	63
Highly skilled production (Levels 6-8)	578	149	4	60
Highly skilled supervision (Levels 9-12)	431	117	4	72
Senior management (Levels 13-16)	-	-	-	81
Other	-	-	-	-
Total	1,060	273	4	65

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R)
Annual - Discounting with Resignation (Work Days)	23	1	23,000
Annual - Gratuity: Death/Retirement/Medical Retirement (Work)	7,402	214	34,589
Capped - Gratuity: Death/Retirement/Medical Retirement (Work)	162,560	1,060	153,358
Total	169 985.00	1,275	133,322
Leave Payouts (Actual) Allow Codes: 0060,0168,0625,0422,0567,0698,0699,0701	170,536	1,121	

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<ul style="list-style-type: none"> Field workers (Head Office and District Based Itinerant Employees who are often compelled to work away from their workstation and families while visiting districts and schools for a number of days in a week and sometimes for consecutive weeks The Departmental Drivers who are travel within and sometimes outside the province and are way from their families for days and sometimes for weeks. Educators who are forced by redeployment and the rationalisation of schools to move closer to their new work sites. Exposure on COVID-19 by educators and office-based employees. 	<ul style="list-style-type: none"> Distribution of condoms for prevention of sexual transmitted infections and other disease. Health promotion messages and education sessions on risk behaviour change. Early detection of HIV infection through quarterly Health Testing Services to enable employees to have a regular check-up of their HIV. Facilitating access to treatment (where necessary), care and support for infected employees and affected families. Counselling to assist acceptance and adherence to treatment Intensifying education on managing HIV so that it does not impede employee productivity. Sensitising managers on reasonable accommodation (physically and emotionally) of employees who are infected. Personal Protective Equipment (sanitisers, running water, soap, face masks and thermometers) are made available to prevent the spread of corona virus.

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		X	No. The committee need to be revived.
2. Does the Department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The Directorate: Employee Wellness Services. The Directorate has 11 employees as follows: - <ul style="list-style-type: none"> It is headed by an Assistant Director 3 Wellness Practitioners An Admin clerk And 6 interns and have 2 social work qualifications and in all 11 districts. 10 districts have placed employees as practitioners, Budget allocated to EWS R1020 000.00 has been allocated for programme 2 implementation and R1950 000.00 for programme 1
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Yes. The Department is implementing an Integrated Employee Health and Wellness Programme modelled along the DPSA Strategic Framework for Employee Health and Wellness in the Public Service. The key elements of this programme are the following: •HIV, STI and TB Management

Question	Yes	No	Details, if yes
			<ul style="list-style-type: none"> • Health and Productivity Management • Safety, Health, Environment, Risk and Quality Management • Wellness Management
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		<p>Yes. The term of the committee has expired the new committee will be established. The Directorate is using the old committee.</p>
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		<p>It's under review.</p>
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		<p>Yes</p> <ul style="list-style-type: none"> • Upholding the confidentiality principle throughout the access to treatment, care, and support process • Ensuring anonymity during our HTS sessions placing no emphasis at all on the names of participants and putting all emphasis on statistics • Identification of infected employees is protected during the referral process (names are kept strictly confidential by referring specialist only)
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		<p>Yes</p> <ul style="list-style-type: none"> • Every quarter in all districts Health Testing Services are provided and the Department have provided more than 50 HCT opportunities across the province. • Employees do not make use of the opportunity to know their status for early detection and access to treatment, the attrition. • Employees who disclosed their status were assisted to access counselling and treatment with the support of their Medical Aids
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		<ul style="list-style-type: none"> • Quarterly Statistical reports indicating new infections and services utilisation. • Follow up the work attendance of employees who have disclosed their status and are on treatment with a view to negotiating reasonable accommodation with the supervisors for those who need that.

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3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023

Total number of Collective agreements	None

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	% Of total
Corrective Counselling	6	5.71
Final Written Warning	10	9.52
Verbal warning	-	-
Fine	8	7.6.1
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case with drawn	-	-
No Outcome	74	70.47
Suspended Without Payment	7	6.66
Total	105	100

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% Of total
Absent from work without reason or permission	5	6.1
Assault/Attempts or threatens to assault a person	6	7.4
Conduct self in improper/unacceptable manner	-	-
Disrespect/Abusive or insolent behavior	-	-
Fails to carry out order or instruction	4	4.9
Fails to comply with or contravenes an Act	27	33.33
Intimidates/Victimise others	-	-
Mismanages finances of State (Edu)	18	22.22
Performs poorly for reasons other than incapacity	-	-
Prejudices Admin/Discipline of State (Edu)	3	3.7
Prejudices Administration of Organization of Dept	-	-
Refuse formal program of counselling (Edu)	-	-
Refuse rehabilitation/Rehab program (Edu)	-	-
Sexual Harassment	17	20.98
Willfully or negligently mismanages finances	1	1.2
Total	81	100

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023

Grievances	Number	% Of Total
Grievances resolved	6	17.6
Grievance not solved	14	41.2
Pending	14	41.2
Total	34	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

Disputes	Total	% of Total
Collective Agreement	10	8,06
Disciplinary Procedure	2	1,61
Enforcement	1	0,81
Equal pay for work of equal value	1	0,81
Failure to pay amount owing	8	6,45
Inquiry by arbitrator	1	0,81
Non-payment of salary	6	4,84
Non-renewal of fixed term contract	1	0,81
Prohibition of unfair dismissal	1	0,81
Termination of contract	1	0,81
ULP: Appointment	10	8,06
ULP: Benefits	33	26,61
ULP: Demotion	1	0,81
ULP: Placement	2	1,61
ULP: Promotion	29	23,39
ULP: Transfer	2	1,61
Unfair Conduct	1	0,81
Unfair Dismissal	8	6,45
Unfair Suspension	6	4,84
Total	124	100

Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023

Total number of persons working days lost	7 Days
Total costs working days lost	None
Amount recovered as a result of no work no pay (R'000)	None

*Reports indicate that workplaces were inaccessible during the period. By implication all employees could not access the workplaces. The situation is evidenced by the memorandum advising employees to work from home.

Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023

Number of people suspended	27
Number of people whose suspension exceeded 30 days	27
Average number of days suspended	180 days
Cost of suspension(R'000)	R 937 927.73

3.13 Skills development

This section highlights the efforts of the Department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	129	-	Monitoring & Evaluation Change Management Diversity Management People Management Organizational Development Competency Assessment Fraud and Risk Management Excel Training Advanced Management Development Programme Executive Development Programme Executive Report Writing	Bursaries PHD Masters Hons PGD ND (Various fields)	12
	Male	158	-	Monitoring & Evaluation Change Management Diversity Management People Management Organizational Development Competency Assessment Fraud and Risk Management Excel Training Advanced Management Development Programme Executive Development Programme Executive Report Writing	Bursaries PHD Masters Hons PGD ND (Various fields)	13

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Professionals	Female	37 372	-	Leadership Management ICT Coding and Robotics Advanced Management Development Programme Assessor Moderator Materials Development Excel Training ICT Understanding Spectrum South African Sign Language Quality Management Development System	Bursaries Masters B ED Hons Inclusive Education B ED Hons B ED Foundation Phase B ED Autism Spectrum PG Diploma	13
	Male	15187	-	Leadership Management ICT Coding and Robotics Advanced Management Development Programme Assessor Moderator Materials Development Excel Training ICT Understanding Spectrum South African Sign Language Quality Management Development System	Bursaries Masters B ED Hons Inclusive Education B ED Hons B ED Foundation Phase B ED Autism Spectrum PG Diploma	13
Technicians and associate professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period				Total
			Learnerships	Skills Programmes & other short courses	Other forms of training		
Clerks	Female	3453	-	Excel Training Compulsory Programme Excel and MS Teams Financial Management PMDS Training Collective Bargaining Transversal Trainings SCM Trainings Minute-Taking Facilitator Assessor Verification Report Writing Presentation Skills Executive Management Development Programme	Induction	Bursaries Masters Hons PGD ND (Various fields)	17
	Male	1055	-	Excel Training Compulsory Programme Excel MS Teams Financial Management PMDS Training Collective Bargaining Transversal Trainings SCM Trainings Minute-Taking Facilitator Assessor Verification Report Writing Presentation Skills Executive Management Development Programme	Induction	Bursaries Masters Hons PGD ND (Various fields)	17
Service and sales workers	Female	-	-	-	-	-	-
	Male	-	-	-	-	-	-

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period				Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total	
Skilled agriculture and fishery workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Craft and related trades workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Plant and machine operators and assemblers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Elementary occupations	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Sub Total	Female	40 954	-	-	-	42	
	Male	16 400	-	-	-	43	
Total		57 354	-	-	-	85	

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period				Total
			Learnerships	Skills Programmes & other short courses	Other forms of training		
Legislators, senior officials and managers	Female	129	-	172	27	199	
	Male	158	-	115	17	132	
Professionals	Female	37 372	-	5018	520	5538	
	Male	15 187	-	3999	430	4429	
Technicians and associate professionals	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Clerks	Female	3453	-	-	-	2917	
	Male	1055	-	2076	62	2138	
Service and sales workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Skilled agriculture and fishery workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Craft and related trades workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Plant and machine operators and assemblers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Elementary occupations	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Sub Total	Female	57354	-	10507	1246	15353	
	Male						

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2022 and 31 March 2023

Nature of injury on duty		Number	% Of total
Awards		4	18%
Injury on Duty		18	82%
Fatal		-	-
Total		22	100%

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
Improve audit outcomes	1	30 months – Expiring 30 October 2022	R735 p/h
Mazars Internal Audit outsource	1	36 months – with 24 months extension contract expiring 31 July 2023	R24 932 771.00
BTM (Infrastructure Programme support unit)	1	36 months – with 24 months extension contract expiring 31 July 2024	R250 451 965.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Improve audit outcomes	100%	100%	None
Financial data analysis	100%	100%	None
Records management and archiving	100%	100%	None

No individual contracts have been entered into during the 2022/23 financial year.

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 and 31 March 2023

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2022 and 31 March 2023

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total	-	-	-	-



PART E

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2021/22	2022/2023
	R'000	R'000
Opening balance	1 815 100	1 837 847
Add: Irregular expenditure confirmed	22 747	8 730
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	1 837 847	1 846 577

The Department incurred irregular expenditure of R 8730 million as a result of subsequent payments on prior multi-year contracts identified as irregular expenditure in prior period in the 2015/16 financial year. These contracts were declared irregular expenditure due to non-compliance with the Treasury regulations on procurement procedures. The Department is in the process of performing determination tests to ascertain the responsible officials on all prior year contracts of R1 846 billion in line with National Treasury Compliance and Reporting Framework to apply for condonations.

• Reconciling notes

Description	2021/22	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	22 747	8 730
Total	22 747	8 730

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description ¹	2021/22	2022/23
	R'000	R'000
Irregular expenditure under assessment	214 377	560 925
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total ²	214 377	560 925

The Department disclosed Irregular expenditure under assessment of R560 925 million where assessments could not be completed in the 2022/2023 financial year to establish whether these contracts were irregular expenditure in line with National Treasury Compliance and Reporting Framework Instruction No 4 of 2022/2023 to address completeness of irregular expenditure.

The R560 925 million is made up of R150 669 million from prior years and R410 256 million identified during the 2022/23 financial year audit and disclosed as under assessment. The Department will further perform assessments which will be reported in the next financial year.

c) Details of current and previous year irregular expenditure condoned.

Description	2021/22	2022/2023
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

¹ Group similar items

² Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2021/22	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

e) Details of current and previous year irregular expenditure recovered

Description	2021/22	2022/2023
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2021/22	2022/2023
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is not* responsible for the non-compliance)

Description	2021/22	2022/2023
	R'000	R'000
IDT -subsequent payment on prior year contracts	-	361
DPWI -extension of variation orders without approval	19 583	-
DPWI -subsequent payment on prior year contracts	428	8 369
CDC -subsequent payment on prior year contracts	2 736	-
Total	22 747	8 730

The Department incurred irregular expenditure due to non-compliance on procurement processes on goods and services through Implementing Agents because of inter-institutional arrangement between Eastern Cape Department of Public Works and Infrastructure (DPWI), COEGA Development Corporation (CDC) an entity of Economic Development, Environmental Affairs and Tourism (DEDEAT) and IDT an entity of National Department of Public Works on behalf of the Eastern Cape Department of Education.

The Department is still in the process of performing Determination tests in terms of National Treasury Compliance and Reporting Framework to seek Provincial Treasury for condonations.

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)

Description	2021/22	2022/2023
	R'000	R'000
None	-	-
Total	-	-

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken

In the current year under review the Department is still in the process of Determination to identify responsible officials in terms of the National Treasury Compliance and Reporting Framework.

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2021/22	2022/2023
	R'000	R'000
Opening balance	209 350	216 354
Add: Fruitless and wasteful expenditure confirmed	7 004	24 278
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	216 354	240 632

The Department has incurred fruitless and wasteful expenditure to the total of R 24 278 million in the current year mainly due to late payments on infrastructure related projects caused by delays and in payment processes with the implementing agents. The fruitless and wasteful expenditure is currently being assessed to establish the facts for recovery and liability within the Department and Implementing agents. The figure has reduced compared to prior year due to improvement in strengthening of the control environment on payment to suppliers.

Description	2021/22	2022/23 ³
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	7 004	24 278
Total	7 004	24 278

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁴	2021/22	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total ⁵	-	-

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2021/22	2022/23
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2021/22	2022/23
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

³ Record amounts in the year in which it was incurred

⁴ Group similar items

⁵ Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

- e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken

None

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	6 002	5,181 663 billion
Invoices paid within 30 days or agreed period	4 244	4,334 485 billion
Invoices paid after 30 days or agreed period	1 357	673 102 million
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	401	174 075 million
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	Nil	Nil

- Valid invoices received for 2022/2023 financial were 6002 with a value of R5 181 663 Billion which includes 1617 invoices with a value of R1 286 407 Billion for implementing agent.
- Invoices not paid for older than 30 days were declared on the accruals at the end of Financial Year

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

The Department procure in terms of the available legislation provided such as emergency procurement requests, urgent requests, sole suppliers procurement, quotations process up to R1m and the bidding process above R1m. No procurement by other means have been done which is not legislated for the 2022/23 financial year.

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Not applicable				

3.2. Contract variations and expansions

The sourcing strategy of the Department is to put term contracts in place, which is rates based, that depends on the need and budget availability to accommodate variations. The contracts are for a period of three (3) years with an option to extend for another two (2) years to accommodate expansions and variations.

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Not applicable						



PART F

FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL

Report on the audit of the financial statements

Qualified of opinion

1. I have audited the financial statements of the Eastern Cape Department of Education set out on page 161 to 226, which comprise the appropriation statement, statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of the auditor's report, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Department of Education as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) as prescribed by the National Treasury, and the requirements of the Public Finance Management Act of South Africa No. 1 of 1999 (PFMA) and the Division of Revenue Act of South Africa No. 5 of 2022 (Dora).

Basis for qualified opinion

Immovable tangible capital assets and capital work in progress

3. The department did not appropriately account for immovable tangible capital assets and capital work-in-progress in accordance with MCS 11, *Capital assets*. Immovable tangible capital assets and capital work-in-progress were not valued and classified correctly and immovable tangible capital assets were not all recorded on the asset register. I was unable to determine the impact of these and other immaterial misstatements, as it was impracticable to do so. Furthermore, I was also unable to obtain sufficient appropriate audit evidence that immovable tangible capital assets and capital work-in-progress were properly accounted for due to the status of accounting records. I was unable to confirm the immovable tangible capital assets and capital work-in-progress by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the immovable tangible capital assets and capital work in progress, stated at R14,8 billion (2022: R13,08 billion) and R2,5 billion (2022: R2,3 billion) in note 27 and 27.2 to the financial statements respectively. These limitation misstatements also had an impact on the prior period errors disclosure in note 29 to the financial statements.

Context for opinion

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

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2022 were restated because of errors in the financial statements of the department at, and for the year ended 31 March 2023.

Bank overdraft

9. As disclosed in note 12 to the financial statement, the department was in a overdraft position of R1, 2 billion as at 31 March 2023

Immovable tangible capital assets – assets under investigations

10. On note 27 to the AFS, the department has disclosed a significant value of R6,2 billion as assets under investigation for immovable tangible capital assets and capital work-in-progress projects measured at cost and fair value, for which the department is still in the process of searching for invoices that will reconcile to the closing balances or obtaining the correct scope of works.

Other matter

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

Unaudited supplementary information

12. The supplementary information set out on pages 227 to 237 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly we do not express an opinion on them.

Unaudited irregular expenditure and fruitless and wasteful expenditure

13. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in either the annual report or the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 21 to the financial statements of the Eastern Cape Department of Education. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the Eastern Cape Department of Education. I do not express an opinion on the disclosure of unauthorised, irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS, PFMA and Dora and for such internal control as the accounting determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the accounting officer is responsible for assessing the department'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 department or to cease operations, or has no realistic alternative but to do so.

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

16. 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.
17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
19. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Public ordinary school education	48 - 53	To provide overall management of, and support to, the education system in accordance with the National Education Policy Act, the Public Finance Management Act and other relevant policies.
Early childhood development	60 - 62	Early childhood development is a policy priority which was conceptualised in the Education White Paper 5 on Early Childhood Education (May 2001) and highlighted in the National Development Plan as critical in laying a strong foundation towards breaking the cycle of inequality and poverty.
Infrastructure development	63 - 66	To provide and maintain infrastructure facilities for schools and non-schools.

20. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
21. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

22. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion

23. The material findings on the performance information of the selected programmes are as follows:

Public ordinary school education

SOI 202: Number of learners in public ordinary schools benefiting from the “no fee school” policy

24. An achievement of 1 518 616 was reported against a target of 1 531 456. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.

SOI.203: Percentage of Funza Lushaka bursary holders placed in schools within six months upon completion of studies or upon confirmation that the bursar has completed studies

25. An achievement of 7% was reported against a target of 40%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

NSOI 207: Number of educators with training on inclusion

26. An achievement of 423 was reported against a target of 1500. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

NSOI 208: Percentage of schools where allocated teaching posts are all filled

27. An achievement of 61% was reported against a target of 80%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.

NSOI.209: Percentage of learners with English first additional language (EFAL) and Mathematics textbooks in Grades 3, 6, 9 and 12

28. An achievement of 70% was reported against a target of 75,6%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Various indicators

29. The reasons for under achievements reported against planned targets in the annual performance report were generic and not specific to the deviation of the performance indicator for the following indicators:

Indicator	Planned performance	Actual achievement	Deviation
SOI 203: Percentage of Funza Lushaka bursary holders placed in schools within six months upon completion of studies or upon confirmation that the bursar has completed studies.	40%	7%	33%
NSOI 205: Number of educators trained in Literacy/Language content and methodology	5 200	761	4 439
NSOI 206: Number of educators trained in numeracy/Mathematics content and methodology	5 200	522	4 678
NSOI 210: Percentage of schools producing a minimum set of management documents at a required standard	70%	62%	8%

Infrastructure development

SOI 605: Number of schools where scheduled maintenance projects were completed

30. An achievement of 40 was reported against a target of 34 but the audit evidence showed the actual achievement to be 44. The achievement against the target was better than reported.

Various indicators

Based on audit evidence, the actual achievement for the following indicators did not agree to the achievements reported. Consequently, the targets were not achieved, the under achievements on the targets were more than reported and the achievements against the target were lower than reported:

Indicator	Target	Reported Achievement	Actual achievement
SOI 601: Number of public schools provided with water infrastructure	32	30	21
SOI 602: Number of public schools provided with electricity infrastructure	32	16	11
NSOI 607: Number of new schools under construction (includes replacement schools)	35	37	28
NSOI 609: Number of additional classrooms built in, or provided for, existing public schools (includes new and replacement schools)	233	439	187
NSOI 610: Number of additional specialist rooms built in public school (includes specialist rooms built in new and replacement schools)	50	29	24

Various indicators

31. The reasons for under achievements reported against planned targets in the annual performance report were generic and not specific to the deviation of the performance indicator for the following indicators:

Indicator	Planned performance	Actual achievement	Deviation
SOI 601 Number of public schools provided with water infrastructure	32	30	2
SOI 602 Number of public schools provided with electricity infrastructure	32	16	16
SOI 603 Number of public schools supplied with sanitation facilities	31	19	12
NSOI 606 Number of new schools that have reached completion (includes replacement schools)	10	6	4
NSOI 608 Number of new Grade R classrooms built or provided (includes those in new, existing and replacement schools)	41	13	28
NSOI 610 Number of additional specialist rooms built in public schools (includes specialist rooms built in new and replacement schools)	50	29	21

Other matters

32. I draw attention to the matters below.

Achievement of planned targets

33. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements. This information should be considered in the context of the material findings on the reported performance information.

34. The department plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
Public ordinary school education <i>Targets achieved: 20%</i>		
<i>Budget spent: 99,9%</i>		
SOI 201 Number of schools provided with media resources	4 000	4 365
SOI 202 Number of learners in public ordinary schools benefiting from the "no fee school" policy	1 531 456	1 518 616
SOI 203 Percentage of Funza Lushaka bursary holders placed in schools within six months upon completion of studies or upon confirmation that the bursar has completed studies.	40%	7%
NSOI 205 Number of educators trained in literacy/language content and methodology	5 200	761

NSOI.206 Number of educators trained in numeracy/mathematics content and methodology	5 200	522
NSOI 207 Number of educators with training on inclusion.	1 500	423
NSOI 208 Percentage of schools where allocated teaching posts are all filled.	80%	61%
NSOI 209 Percentage of learners with English first additional language (EFAL) and Mathematics textbooks in Grade 3, 6, 9 and 12	70%	75,6%
Early childhood development		
<i>Targets achieved: 50%</i>		
<i>Budget spent: 88,6%</i>		
SOI501 Number of Public schools that offer Grade R	3 500	4 043
NSOI 502 Number of Grade R educators/practitioners with NQF level 6 and above qualification.	2 200	1 418
Infrastructure development		
Targets achieved: 40%		
Budget spent: 94,9%		
SOI 601 Number of public schools provided with water infrastructure	32	30
SOI 602 Number of public schools provided with electricity infrastructure	32	16
SOI 603 Number of public schools supplied with sanitation facilities	31	19
SOI. 604 Number of schools provided with new or additional boarding facilities.	1	1
SOI 605 Number of schools where scheduled maintenance projects were completed	34	40
NSOI 606 Number of new schools that have reached completion (includes replacement schools).	10	6
NSOI. 607 Number of new schools under construction (includes replacement schools). (includes replacement schools)	35	37
NSOI. 608 Number of new Grade R classrooms built or provided (includes those in new, existing and replacement schools)	41	13
NSOI 609 Number of additional classrooms built in, or provided for, existing public schools (includes new and replacement schools).	233	439

NSOI 610 Number of additional specialist rooms built in public schools (includes specialist rooms built in new and replacement schools).	50	29
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35. Reasons for the underachievement of targets are included in the annual performance report on pages 49 to 65.

Material misstatement

36. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Public ordinary school education and Infrastructure development. Management did not correct all the misstatements and I reported material findings in this regard.

Report on compliance with legislation

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

38. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

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

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

Annual financial statements

41. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1) (a) and (b) of the PFMA. Material misstatement of the prior period disclosure identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided for immovable tangible capital assets and capital work-in progress resulted in the financial statements receiving a qualified opinion.

Strategic planning and performance management

42. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery, as required by public service regulation 25(1)(e)(i) and (iii).

Expenditure management

43. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

44. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R8,7 million, as disclosed in note 21 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with supply management chain legislation.

45. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R24,3 million, as disclosed in note 21 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury

regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by the payment of salaries to employees no longer working for the department, services not utilised by the department as well as interest paid on late payments.

46. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1.

Transfer of funds

47. I was unable to obtain sufficient appropriate audit evidence that appropriate measures were maintained to ensure that transfers and subsidies to entities were applied for their intended purposes, as required by treasury regulation 8.4.1.

Asset management

48. Proper control systems were not in place at the department to ensure the safeguarding and maintenance of assets, as required by treasury regulation 10.1.1(a)

Consequence management

49. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against some of the officials who had incurred and/or permitted irregular expenditure in prior years, as required by section 38(1)(h)(iii) of the PFMA.
50. I was unable to obtain sufficient appropriate audit evidence that cases of irregular expenditure that constituted a crime were reported to the SAPS, as required by treasury regulation 12.5.1.
51. I was unable to obtain sufficient appropriate audit evidence that losses resulting from irregular expenditure were recovered from the liable person, as required by treasury regulation 9.1.4.
52. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.
53. I was unable to obtain sufficient appropriate audit evidence that investigations were conducted into all allegations of financial misconduct committed by officials, as required by treasury regulation 4.1.1.
54. I was unable to obtain sufficient appropriate audit evidence that disciplinary hearings were held for confirmed cases of financial misconduct committed by officials, as required by treasury regulation 4.1.1.

Procurement and contract management

55. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and Treasury Regulations 8.2.1 and 8.2.2.
56. Some of the construction contracts were awarded to contractors that were not registered with the Construction Industry Development Board (CIDB) and/or did not qualify for the contract in accordance with section 18(1) of the CIDB Act and Construction Industry Development Board 25(7A). Similar non-compliance was also reported in the prior year.

Other information in the annual report

57. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
58. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
59. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
60. When I do receive and read the other information I have not received, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

61. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
62. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
63. Managements' lack of due diligence over the recording and review of information for immovable tangible capital assets and capital work-in-progress in the asset registers and disclosure in the financial statements has resulted to the material misstatements reported.
64. The department does not properly maintain its asset registers throughout the year.
65. Lack of appropriated monitoring controls over performance reporting and implementation of an electronic performance management system.
66. IT department is not seen and used as an enabler to strengthen the departments operation.

Material irregularities

67. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Material irregularities identified during the audit

68. The material irregularities identified are as follows:

Payments for extension of time claims due to late payments of supplier

69. The department did not settle payments to the supplier responsible for the construction of a special school within 30 days. This led to variation orders for extension of time claims being approved and the supplier charging for extension of time claims of R 3,2 million .
70. I notified the accounting officer of the material irregularity on 8 July 2022 and invited him to make a written submission on the actions taken. The accounting officer instituted an investigation to determine, the circumstances

that led to the late payments that led to the material irregularity being reported, and the conclusion was that it was due to budget cuts.

71. Further, the department requested and received additional funding, and reduced annual targets for infrastructure programmes, did not start any new infrastructure projects which led to capital commitments significantly decreasing over the affected years as a result.
72. No further interest payments were made in the current period for the affected project and the department has endeavoured to pay all its service providers within 30 days, the department is tracking invoices and ensuring that payments are made within 30 days.
73. Based on the considerations above, the actions that were taken were adequate to resolve the material irregularity.

Payments for extension of time claims due to late payments of supplier (Laerskool Grens)

74. The department did not settle payments to the supplier responsible for the repairs and renovations to Laerskool Grens within 30 days. This led to variation orders for extension of time claims and the supplier charging for extension of time claims of R6,6 million.
75. I notified the accounting officer of the material irregularity on 6 February 2023 and invited him to make a written submission on the actions taken. The accounting officer instituted an investigation to determine, the circumstances that led to the late payments that led to the material irregularity being reported, and the conclusion was that it was due to budget cuts and covid-19 impact on budget cuts was an additional (and very substantial) contribution to the situation.
76. The department also went through an extensive exercise in consultation with the relevant implementing agents of analysing the status of all active projects in February 2021, from which agreed allocations were made to each project on a prioritised basis. The quantum of the allocations made per implementing agent made up their budget for the MTEF, and they were instructed to manage their projects within this amount. The potential for project expenditure to exceed budget in 2021-22 and beyond has therefore been mitigated.
77. The department has also reprioritised all projects to allow progress only on projects where there is construction taking place to ensure that service provider claims are honoured.
78. There has also been a slight improvement in the budget allocation in the 2022-23 financial year and all projects were rolled out timeously. The department has also reduced annual targets for infrastructure related programme (Programme 6) to alleviate the pressure on infrastructure payments as payments for extension of time claims due to late payments of supplier in this MI related to infrastructure projects.
79. No further interest on late payments were made in the current period for the affected project and the department has further implemented internal controls to ensure that invoices are being processed within the value chain. This has resulted in the payment cycle within the department decreasing to +- 25 days in the last 2 months
80. Based on the considerations above, the actions that were taken were adequate to resolve that material irregularity.

Material irregularities in progress

81. I identified a material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting officer was not yet due. This material irregularity will be included in next year's auditor's report.
82. I identified another material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report I had not yet completed the process of evaluating the response from the accounting officer. This material irregularity will be included in the next year's auditor's report.

Status of previously reported material irregularities

Payments made for services not rendered

83. Payments were made for school furniture refurbishment services that were not delivered, as effective internal controls were not in place for the approval and processing of payments made, as required by treasury regulation 8.1.1. The payments were made between the year ended 31 March 2019 and the year ended 31 March 2020. The non-compliance resulted in a material financial loss of R3,4 million.
84. I notified the accounting officer of the material irregularity on 15 October 2020 and invited him to make a written submission on the actions taken. The accounting officer instituted an investigation into the matter and found that two departmental officials were responsible. Disciplinary processes for the responsible employees were finalised, where one of the employees was exonerated and other found guilty.
85. The matter was also reported to the South African Police Services and the Mthatha Commercial Crimes Unit on 1 December 2020.
86. The department has instituted proceedings to recover the monies lost as per the letter dated 16 March 2022 addressed to the state attorney from the legal representative of the department.
87. The supplier filed an intention to defend the matter in court papers on 16 February 2023 and a counter claim on the case was filled by the supplier on 12 April 2023. To date, the matter is still with the courts.
88. A follow up will be made in the next financial year on the progress of the case.

Interest paid on payments not made within 30 days

89. The department did not settle payments to the supplier responsible for professional services: quantity surveying within 30 days in contravention of treasury regulation 8.2.3. This led to the supplier instituting legal proceedings against the department, and charging interest of R3,6 million. The payments were made by the department as at 31 March 2021 and were included in the fruitless and wasteful expenditure in the 2020-21 financial year.
90. I notified the accounting officer of the material irregularity on 22 July 2021 and invited him to make a written submission on the actions taken. The accounting officer instituted an investigation to determine, the circumstances that led to the late payments that led to the material irregularity being reported, and the conclusion was that it was due to budget cuts.
91. Further, the department requested and received additional funding, and reduced annual targets for infrastructure programmes, did not start any new infrastructure projects which led to capital commitments significantly decreasing over the affected years as a result.
92. No further interest payments were made in the current period for the affected project and the department has endeavoured to pay all its service providers within 30 days, the department is tracking invoices and ensuring that payments are made within 30 days.
93. Based on the considerations above, the actions that were taken were adequate to resolve the material irregularity.

Interest paid on payments not made within 30 days

94. The department did not settle payments to the supplier responsible for the renovation and redevelopment within 30 days in contravention of treasury regulation 8.2.3. The payments were made by the department as at 31 March 2021 and were included in the fruitless and wasteful expenditure in the 2020-21 financial year. This led to the supplier instituting legal proceedings against the department, and charging interest of R1,3 million.
95. I notified the accounting officer of the material irregularity on 22 July 2021 and invited him to make a written submission on the actions taken. The accounting officer instituted an investigation to determine, the circumstances that led to the late payments that led to the material irregularity being reported, and the conclusion was that it was due to budget cuts.

96. Further, the department requested and received additional funding, and reduced annual targets for infrastructure programmes, did not start any new infrastructure projects which led to capital commitments significantly decreasing over the affected years as a result.
97. No further interest payments were made in the current period for the affected project and the department has endeavoured to pay all its service providers within 30 days, the department is tracking invoices and ensuring that payments are made within 30 days.
98. Based on the considerations above, the actions that were taken were adequate to resolve the material irregularity.

Interest paid on payments not made within 30 days

99. The department did not settle payments to the supplier within 30 days in contravention of treasury regulation 8.2.3. The payments were made by the department as at 31 March 2021 and were included in the fruitless and wasteful expenditure in the 2020-21 financial year. This led to the supplier instituting legal proceedings against the department, and charging interest of R2,7 million.
100. I notified the accounting officer of the material irregularity on 22 July 2021 and invited him to make a written submission on the actions taken. The accounting officer instituted an investigation to determine, the circumstances that led to the late payments that led to the material irregularity being reported, and the conclusion was that it was due to budget cuts.
101. Further, the department requested and received additional funding, and reduced annual targets for infrastructure programmes, did not start any new infrastructure projects which led to capital commitments significantly decreasing over the affected years as a result.
102. No further interest payments were made in the current period for the affected project and the department has endeavoured to pay all its service providers within 30 days, the department is tracking invoices and ensuring that payments are made within 30 days.
103. Based on the considerations above, the actions that were taken were adequate to resolve the material irregularity.

Payments for extension of time claims and interest due to late payment of supplier

104. The department did not settle payments to the supplier responsible for the construction, repairs, renovations and additions within 30 days in contravention of treasury regulation 8.2.3. The payments were made by the department as at 31 March 2021 and were not included in the fruitless and wasteful expenditure disclosed in the 2020-21 financial year. This led to variation orders for extension of time claims and interest being approved and the supplier charging for extension of time claims and interest of R1,4 million.
105. I notified the accounting officer of the material irregularity on 1 October 2021 and invited him to make a written submission on the actions taken. The accounting officer instituted an investigation to determine, the circumstances that led to the late payments that led to the material irregularity being reported, and the conclusion was that it was due to budget cuts.
106. Further, the department requested and received additional funding, and reduced annual targets for infrastructure programmes, did not start any new infrastructure projects which led to capital commitments significantly decreasing over the affected years as a result.
107. No further interest payments were made in the current period for the affected project and the department has endeavoured to pay all its service providers within 30 days, the department is tracking invoices and ensuring that payments are made within 30 days.
108. Based on the considerations above, the actions that were taken were adequate to resolve the material irregularity.

Payment for goods not delivered

109. Payment was made for school furniture manufacture and delivery services that were not rendered, as effective internal controls were not in place for the approval and processing of payments made, as required by treasury regulation 8.1.1. The payment was made on 29 December 2020. The non-compliance resulted in a material financial loss of R1,5 million.

110. I notified the accounting officer of the material irregularity on 26 July 2021 and invited him to make a written submission on the actions take.
111. The accounting officer instituted an investigation into matter and found that a departmental official was responsible.
112. The matter was also reported to the SAPS. The department instituted proceedings to recover the money lost as per the letter dated 23 May 2022.
113. The disciplinary hearing of the affected employee has been rescheduled for 5 and 6 September 2023 due to logistic challenges.
114. A letter of demand was sent to supplier on 23 May 2022. Default judgement was made against the supplier and ordered by the court to pay R1,5 million to the department on 22 November 2022. The supplier applied for rescission to set-aside the Default Judgment order. The department is defending this application for rescission. To date, the matter involving the supplier is still with the courts
115. A follow up will be made in the next financial year on the progress of the case.

Presidential fund

116. The department employees received funds from the saving of SGB and government subsidized independent schools' posts allocation, while also being paid as employees in the service of the department amounting to R1,5 million
117. I notified the accounting officer of the material irregularity on 1 October 2021 and invited them to make a written submission on the actions taken and that will be taken to address the matter.
118. An investigation into the matter by the departmental investigation committee was initiated during the 2020-21 financial year and concluded on 31 March 2023. Letters instructing schools were sent to schools through district offices to start the process of recovery. Districts are engaging with SGBs, recommendations will be processed as and when they are received from districts.

Other reports

119. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
120. The Special Investigating Unit (SIU) is conducting ongoing investigations into supply chain management processes and delivery of goods and services relating to covid-19 expenditure. These investigations cover the previous financial periods and are still ongoing.

Auditor-General

East London

31 July 2023



Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

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 department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the 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 relating to events or conditions that may cast significant doubt on the ability of the department 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 my 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 department to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Division of revenue act	Section 11 Section 12 Section 16
Public Finance Management Act 1 of 1999 (PFMA)	Section 1 Section 38 Section 49 Section 45
Preferential Procurement Regulations of 2022 (PPR)	Regulation 2 Regulation 4 Regulation 5 Regulation 6 Regulation 7 Regulation 8 Regulation 9 Regulation 10

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per programme	2022/23					2021/22			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
Voted funds and Direct charges									
Programme									
1. ADMINISTRATION	2 802 041	-	74 100	2 876 141	2 844 349	31 792	98.9%	2 674 413	2 674 413
2. PUBLIC ORDINARY SCHOOL EDUCATION	31 165 637	-	67 101	31 232 738	31 198 530	34 208	99.9%	29 866 018	30 050 713
3. INDEPENDENT SCHOOL SUBSIDIES	157 897	-	-	157 897	154 897	3 000	98.1%	101 628	99 226
4. PUBLIC SPECIAL SCHOOL EDUCATION	1 049 956	-	(19 151)	1 030 805	974 837	55 968	94.6%	955 947	944 475
5. EARLY CHILDHOOD DEVELOPMENT	1 014 917	-	(49 050)	965 867	837 168	128 699	86.7%	587 605	516 605
6. INFRASTRUCTURE DEVELOPMENT	1 954 851	-	-	1 954 851	1 854 215	100 636	94.9%	1 506 632	1 214 942
7. EXAMINATION AND EDUCATION RELATED SERVICES	1 548 621	-	(73 000)	1 475 621	1 421 933	53 688	96.4%	1 445 510	1 445 510
Programme sub total	39 693 920	-	-	39 693 920	39 285 928	407 992	99.0%	37 137 752	36 945 884
Statutory Appropriation	2 086	-	-	2 086	2 086	-	100.0%	1 978	1 978
Members' Remuneration	2 086	-	-	2 086	2 086	-	100.0%	1 978	1 978
TOTAL	39 696 006	-	-	39 696 006	39 288 014	407 992	99.0%	37 139 730	36 947 862
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				14 953					
NRF Receipts				-					
Aid assistance				-					
Actual amounts per Statement of Financial Performance (Total Revenue)				39 710 959				37 139 730	
Add									
Aid assistance					269 283				
Prior year unauthorised expenditure approved without funding									
Actual amounts per Statement of Financial Performance Expenditure					39 557 297				36 947 862

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per economic classification	2022/23						2021/22		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	35 388 379	(219 432)	8 360	35 177 307	34 868 360	308 947	99.1%	33 245 990	33 256 493
Compensation of employees	30 662 905	(289 523)	(1 250)	30 372 132	30 287 110	85 022	99.7%	29 582 476	29 675 739
Salaries and wages	26 578 068	(485 261)	(87 633)	26 005 174	25 943 312	61 862	99.8%	25 511 472	25 467 585
Social contributions	4 084 837	195 738	86 383	4 366 958	4 343 798	23 160	99.5%	4 071 004	4 208 154
Goods and services	4 725 474	70 091	9 610	4 805 175	4 581 250	223 925	95.3%	3 662 094	3 579 334
Administrative fees	1 382	(1 280)	-	102	1	101	1.0%	845	-
Advertising	6 730	3 182	(1 022)	8 890	8 516	374	95.8%	7 840	7 080
Minor assets	37 440	(9 561)	(25 575)	2 304	763	1 541	33.1%	17 368	3 993
Audit costs: External	29 642	(1 289)	2 169	30 522	30 522	-	100.0%	24 204	24 204
Bursaries: Employees	84 065	(1 225)	(3 000)	79 840	62 490	17 350	78.3%	94 737	80 503
Catering: Departmental activities	24 203	(762)	1 538	24 979	20 192	4 787	80.8%	10 162	6 588
Communication (G&S)	303 548	85 526	(265)	388 809	388 594	215	99.9%	106 651	108 006
Computer services	496 558	(21 411)	(2 846)	472 301	472 273	28	100.0%	277 428	274 049
Consultants: Business and advisory services	15 570	1 577	9 783	26 930	26 544	386	98.6%	13 390	8 318
Infrastructure and planning services	321 010	(58 164)	-	262 846	250 961	11 885	95.5%	117 799	164 199
Legal services	27 094	3 000	-	30 094	26 204	3 890	87.1%	23 000	22 442
Contractors	5 441	(2 466)	(403)	2 572	1 375	1 197	53.5%	15 255	2 520
Agency and support / outsourced services	1 285 299	247 631	(9 597)	1 523 333	1 474 916	48 417	96.8%	1 368 297	1 436 880
Fleet services (including government motor transport)	21 443	11 501	3 430	36 374	30 172	6 202	82.9%	-	-
Inventory: Clothing material and accessories	600	(14)	-	586	669	(83)	114.2%	-	-
Inventory: Farming supplies	2 463	-	-	2 463	2 458	5	99.8%	-	-
Inventory: Fuel, oil and gas	3 761	(2 386)	(1 241)	134	499	(365)	372.4%	-	-
Inventory: Learner and teacher support material	656 867	(38 815)	46 346	664 398	651 968	12 430	98.1%	545 442	607 027
Inventory: Materials and supplies	807	40	(40)	807	-	807	-	609	-

EASTERN CAPE DEPARTMENT OF EDUCATION
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for the year ended 31 March 2023

Inventory: Medical supplies	33	(40)	33	33	-	100.0%	-	-	-
Inventory: Medicine	129	(38)	91	90	1	98.9%	-	-	-
Inventory: Other supplies	89 142	11 529	104 044	101 734	2 310	97.8%	109 979	86 276	
Consumable supplies	14 336	(4 616)	5 309	6 980	(1 671)	131.5%	49 766	147 790	
Consumable: Stationery, printing and office supplies	35 833	(9 403)	9 438	8 028	1 410	85.1%	59 886	49 240	
Operating leases	21 467	(5 310)	25 766	25 225	541	97.9%	39 649	37 665	
Property payments	753 981	(123 229)	631 100	553 484	77 616	87.7%	431 898	213 555	
Transport provided: Departmental activity	17 906	(2 073)	15 390	14 861	529	96.6%	9 888	2 505	
Travel and subsistence	122 400	7 206	130 714	125 915	4 799	96.3%	59 630	78 388	
Training and development	223 640	(19 688)	197 594	170 270	27 324	86.2%	143 382	93 387	
Operating payments	118 496	1 960	122 889	122 919	(30)	100.0%	132 743	124 271	
Venues and facilities	4 188	(1 329)	4 523	2 574	1 949	56.9%	2 245	446	
Rental and hiring	-	-	-	19	(19)	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	1 420	1 420	
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	1 420	1 420	
Transfers and subsidies	3 115 789	19 111	3 136 150	3 075 029	61 121	98.1%	2 727 115	2 770 672	
Departmental agencies and accounts	68 360	-	68 360	68 360	-	100.0%	65 150	65 150	
Departmental agencies	68 360	-	68 360	68 360	-	100.0%	65 150	65 150	
Higher education institutions	15 113	-	15 113	15 110	3	100.0%	14 500	14 288	
Non-profit institutions	2 815 388	-	2 815 388	2 746 985	68 403	97.6%	2 428 074	2 418 606	
Households	216 928	19 111	237 289	244 574	(7 285)	103.1%	219 391	272 628	
Social benefits	-	-	-	-	-	-	219 391	272 628	
Other transfers to households	216 928	19 111	237 289	244 574	(7 285)	103.1%	-	-	
Payments for capital assets	1 191 838	200 321	1 382 549	1 344 624	37 925	97.3%	1 166 625	920 696	
Buildings and other fixed structures	1 122 018	196 394	1 318 412	1 297 863	20 549	98.4%	1 086 838	845 353	
Buildings	-	-	-	-	-	-	1 086 838	845 353	
Other fixed structures	1 122 018	196 394	1 318 412	1 297 863	20 549	98.4%	-	-	
Machinery and equipment	68 441	3 927	62 338	46 762	15 576	75.0%	79 787	75 344	
Transport equipment	62 765	1 106	53 865	43 146	10 719	80.1%	79 787	75 344	
Other machinery and equipment	5 676	2 821	8 473	3 616	4 857	42.7%	-	-	
Software and other intangible assets	1 379	-	1 379	-	1 799	-	-	-	
	39 696 006	-	39 696 006	39 288 014	407 992	99.0%	37 139 730	36 947 862	

EASTERN CAPE DEPARTMENT OF EDUCATION
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APPROPRIATION STATEMENT
for the year ended 31 March 2023

	2022/23					2021/22			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 1: ADMINISTRATION									
Sub programme									
1. OFFICE OF THE MEC	13 061	(50)	2 201	15 212	15 202	10	99.9%	13 485	12 448
2. CORPORATE SERVICES	1 361 176	90 626	84 639	1 536 441	1 523 577	12 864	99.2%	1 396 665	1 392 210
3. EDUCATION MANAGEMENT	1 311 853	(75 373)	(8 529)	1 227 951	1 212 048	15 903	98.7%	1 199 959	1 203 855
4. HUMAN RESOURCE DEVELOPMENT	17 466	(5 484)	-	11 982	11 828	154	98.7%	16 249	16 197
5. EDUCATION MANAGEMENT INFORMATION SYSTEM (EMIS)	98 485	(9 719)	(4 211)	84 555	81 694	2 861	96.6%	48 055	49 704
	2 802 041	-	74 100	2 876 141	2 844 349	31 792	98.9%	2 674 413	2 674 413
Economic classification									
Current payments	2 690 490	(1 281)	74 100	2 763 309	2 761 058	2 251	99.9%	2 580 710	2 561 358
Compensation of employees	2 294 246	(169 964)	(50 000)	2 074 282	2 074 282	(0)	100.0%	2 133 452	2 114 355
Salaries and wages	1 934 164	(98 905)	(57 173)	1 778 086	1 777 827	259	100.0%	1 815 257	1 822 221
Social contributions	360 082	(71 059)	7 173	296 196	296 455	(259)	100.1%	318 195	292 134
Goods and services	396 244	168 683	124 100	689 027	686 776	2 251	99.7%	446 371	446 116
Administrative fees	102	-	-	102	1	101	1.0%	-	-
Advertising	6 199	3 182	(865)	8 516	8 516	-	100.0%	6 745	6 345
Minor assets	2 124	390	(1 941)	573	573	0	100.0%	157	-
Audit costs: External	29 642	(1 289)	2 169	30 522	30 522	-	100.0%	21 904	21 904
Bursaries: Employees	4 246	(1 225)	-	3 021	3 021	-	100.0%	6 081	6 045
Catering: Departmental activities	972	268	80	1 320	1 320	0	100.0%	353	795
Communication (G&S)	37 197	(1 377)	(265)	35 555	35 555	-	100.0%	42 340	42 295
Computer services	84 471	148 119	106 306	338 896	338 868	28	100.0%	169 498	169 934
Consultants: Business and advisory services	13 559	1 577	11 409	26 545	26 544	1	100.0%	11 943	7 840
Legal services	27 094	-	-	27 094	26 204	890	96.7%	23 000	22 442
Contractors	3 239	(2 506)	(305)	428	428	(0)	100.1%	1 881	189
Agency and support / outsourced services	30 890	2 022	6 690	39 602	39 604	(2)	100.0%	10 000	9 618
Fleet services (including government motor transport)	15 268	-	-	15 268	14 391	877	94.3%	-	-
Consumable supplies	8 739	(5 299)	(1 224)	2 216	2 216	0	100.0%	23 982	21 166
Consumable: Stationery, printing and office supplies	10 596	(8 125)	94	2 565	2 565	0	100.0%	10 865	7 192
Operating leases	9 202	-	-	9 202	9 157	45	99.5%	25 000	18 369
Property payments	62 776	25 579	2 347	90 702	90 702	0	100.0%	64 117	66 515

EASTERN CAPE DEPARTMENT OF EDUCATION
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for the year ended 31 March 2023

Travel and subsistence	32 829	8 089	2 714	43 632	43 631	1	100.0%	6 718	29 811
Training and development	13 220	(1 701)	(2 712)	8 807	8 807	(0)	100.0%	10 109	10 168
Operating payments	3 879	979	(767)	4 091	4 089	2	100.0%	11 679	5 379
Venues and facilities	-	-	370	370	62	308	16.8%	-	108
Interest and rent on land	-	-	-	-	-	-	-	887	887
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	887	887
Transfers and subsidies	61 590	1 281	-	62 871	44 325	18 546	70.5%	25 466	44 529
Households	61 590	1 281	-	62 871	44 325	18 546	70.5%	25 466	44 529
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	61 590	1 281	-	62 871	44 325	18 546	70.5%	25 466	44 529
Payments for capital assets	49 961	-	-	49 961	38 966	10 995	78.0%	68 237	68 526
Machinery and equipment	48 845	-	(420)	48 425	38 966	9 459	80.5%	68 237	68 526
Transport equipment	48 845	-	(420)	48 425	38 966	9 459	80.5%	68 237	68 526
Software and other intangible assets	1 116	-	420	1 536	-	1 536	-	-	-
	2 802 041	-	74 100	2 876 141	2 844 349	31 792	98.9%	2 674 413	2 674 413

EASTERN CAPE DEPARTMENT OF EDUCATION
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APPROPRIATION STATEMENT
for the year ended 31 March 2023

	2022/23						2021/22		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 2: PUBLIC ORDINARY SCHOOL EDUCATION									
Sub programme									
1. PUBLIC PRIMARY LEVEL	10 146 811	(98 099)	67 674	10 116 386	10 293 470	(177 084)	101.8%	9 978 283	10 340 802
2. PUBLIC SECONDARY LEVEL	19 247 693	115 368	247	19 363 308	19 160 696	202 612	99.0%	18 250 560	18 122 921
3. HUMAN RESOURCE DEVELOPMENT	128 713	(14 968)	-	113 745	108 390	5 355	95.3%	88 920	75 016
SCHOOL SPORT, CULTURE AND MEDIA	30 335	(2 301)	(820)	27 214	22 991	4 223	84.5%	10 460	1 953
4. SERVICES									
5. CONDITIONAL GRANTS	1 612 085	-	-	1 612 085	1 612 983	(898)	100.1%	1 537 795	1 510 021
	31 165 637	-	67 101	31 232 738	31 198 530	34 208	99.9%	29 866 018	30 050 713
Economic classification									
Current payments	28 984 756	(17 830)	41 248	29 008 174	28 971 642	36 532	99.9%	27 569 189	27 726 202
Compensation of employees	26 873 834	(116 440)	-	26 757 394	26 726 799	30 595	99.9%	25 985 170	26 142 218
Salaries and wages	23 299 677	(383 237)	(67 145)	22 849 295	22 818 587	30 708	99.9%	22 381 883	22 357 555
Social contributions	3 574 157	266 797	67 145	3 908 099	3 908 212	(113)	100.0%	3 603 287	3 784 663
Goods and services	2 110 922	98 610	41 248	2 250 780	2 244 843	5 937	99.7%	1 583 486	1 583 451
Administrative fees	1 280	(1 280)	-	-	-	-	-	845	848
Advertising	321	-	(157)	164	-	164	-	848	488
Minor assets	13 051	(9 951)	(2 937)	163	163	-	100.0%	17 211	3 726
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	32 855	-	(3 000)	29 855	28 955	900	97.0%	33 049	27 227
Catering: Departmental activities	13 557	1 617	1 458	16 632	14 671	1 961	88.2%	8 888	5 085
Communication (G&S)	263 192	87 143	-	350 335	350 279	56	100.0%	64 311	65 711
Computer services	403 136	(164 510)	(109 152)	129 474	129 474	-	100.0%	98 218	95 127
Consultants: Business and advisory services	1 511	-	(1 126)	385	-	385	-	1 447	478
Contractors	1 967	-	(98)	1 869	947	922	50.7%	11 516	2 331
Agency and support / outsourced services	304 561	242 778	106 713	654 052	654 495	(443)	100.1%	501 456	526 922
Fleet services (including government motor transport)	4 774	(140)	1 171	5 805	5 052	753	87.0%	-	-
Inventory: Clothing material and accessories	-	-	-	-	573	(573)	-	-	-
Inventory: Farming supplies	2 463	-	-	2 463	2 458	5	99.8%	-	-
Inventory: Fuel, oil and gas	1 861	(486)	(1 241)	134	1	133	0.7%	-	-
Inventory: Learner and teacher support material	608 982	(25 644)	46 346	629 684	629 684	-	100.0%	512 792	589 080
Inventory: Materials and	807	40	(40)	807	-	807	-	609	-

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for the year ended 31 March 2023

	2022/23						2021/22		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Sub programme									
1. PRIMARY LEVEL	96 922	-	-	96 922	95 894	1 028	98.9%	59 206	57 592
2. SECONDARY LEVEL	60 975	-	-	60 975	59 003	1 972	96.8%	42 422	41 634
	157 897	-	-	157 897	154 897	3 000	98.1%	101 628	99 226
Economic classification									
Transfers and subsidies	157 897	-	-	157 897	154 897	3 000	98.1%	101 628	99 226
Non-profit institutions	157 897	-	-	157 897	154 897	3 000	98.1%	101 628	99 226
	157 897	-	-	157 897	154 897	3 000	98.1%	101 628	99 226

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APPROPRIATION STATEMENT
for the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 4: PUBLIC SPECIAL SCHOOL EDUCATION									
Sub programme									
1. SCHOOLS	1 002 889	-	(19 151)	983 738	936 795	46 943	95.2%	922 611	920 534
2. HUMAN RESOURCE DEVELOPMENT	6 347	-	-	6 347	2 881	3 466	45.4%	-	-
SCHOOL SPORT, CULTURE AND MEDIA	7 920	-	-	7 920	7 101	819	89.7%	16	16
3. SERVICES									
4. CONDITIONAL GRANTS	32 800	-	-	32 800	28 061	4 739	85.6%	33 320	23 925
	1 049 956	-	(19 151)	1 030 805	974 837	55 968	94.6%	955 947	944 475
Economic classification									
Current payments	886 803	-	(10 791)	876 012	825 605	50 407	94.2%	807 573	795 046
Compensation of employees	805 354	(2 619)	(1 250)	801 485	776 423	25 062	96.9%	772 113	762 938
Salaries and wages	697 288	(2 619)	(13 315)	681 354	654 828	26 526	96.1%	668 672	645 337
Social contributions	108 066	-	12 065	120 131	121 595	(1 464)	101.2%	103 441	117 601
Goods and services	81 449	2 619	(9 541)	74 527	49 182	25 345	66.0%	35 460	32 107
Advertising	210	-	-	210	-	210	-	247	246
Minor assets	3 354	-	(2 500)	854	22	832	2.6%	-	-
Bursaries: Employees	464	-	-	464	457	7	98.4%	443	-
Catering: Departmental activities	2 889	-	-	2 889	2 085	804	72.2%	114	14
Consultants: Business and advisory services	500	-	(500)	-	-	-	-	-	-
Contractors	235	-	-	235	-	235	-	178	-
Agency and support / outsourced services	2 000	2 000	-	4 000	3 951	50	98.8%	6 216	6 445
Fleet services (including government motor transport)	1 401	(259)	2 259	3 401	-	3 401	-	-	-
Inventory: Learner and teacher support material	13 395	(219)	-	13 176	2 734	10 442	20.7%	583	665
Inventory: Other supplies	28 379	99	(12 951)	15 527	13 762	1 765	88.6%	17 598	16 926
Consumable supplies	4 046	259	(3 398)	906	3 416	(2 510)	377.0%	6 086	3 184
Consumable: Stationery, printing and office supplies	884	(47)	(260)	577	281	296	48.7%	566	362
Operating leases	-	-	9 610	9 610	9 336	274	97.1%	-	-
Property payments	4 925	-	(2 000)	2 925	43	2 882	1.5%	1 365	562
Transport provided:	529	-	-	529	529	0	100.0%	-	-
Departmental activity	11 729	871	200	12 800	9 843	2 957	76.9%	3 197	3 329
Travel and subsistence	6 393	(85)	-	6 308	2 724	3 584	43.2%	(1 143)	352
Training and development									

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for the year ended 31 March 2023

		2022/23					2021/22			
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 5: EARLY CHILDHOOD DEVELOPMENT										
Sub programme										
1. GRADE R IN PUBLIC SCHOOLS		538 421	(27)	(49 050)	489 344	433 700	55 644	88.6%	572 240	516 376
PRE-GRADE R IN EARLY CHILDHOOD DEVELOPMENT CENTRES		250 145	27	-	250 172	214 649	35 523	85.8%	15 365	230
3. HUMAN RESOURCE DEVELOPMENT		3 019	-	-	3 019	-	3 019	-	-	-
4. CONDITIONAL GRANTS		223 332	-	-	223 332	188 818	34 514	84.5%	-	-
		1 014 917	-	(49 050)	965 867	837 168	128 699	86.7%	587 605	516 605
Economic classification										
Current payments		577 166	(500)	(23 197)	553 469	464 773	88 696	84.0%	555 491	490 762
Compensation of employees		447 832	(500)	-	447 332	408 783	38 549	91.4%	426 473	388 055
Salaries and wages		427 242	(500)	-	426 742	403 618	23 124	94.6%	406 636	387 037
Social contributions		20 590	-	-	20 590	5 165	15 425	25.1%	19 837	1 019
Goods and services		129 334	-	(23 197)	106 137	55 990	50 147	52.8%	129 018	102 707
Minor assets		18 772	-	(18 197)	575	-	575	-	-	-
Bursaries: Employees		46 500	-	-	46 500	30 057	16 443	64.6%	55 164	47 232
Catering: Departmental activities		1 093	(40)	-	1 053	241	812	22.9%	-	41
Communication (G&S)		159	-	-	159	-	159	-	-	-
Inventory: Learner and teacher support material		22 590	(1 915)	-	20 675	18 687	1 988	90.4%	32 067	17 263
Inventory: Other supplies		1 500	-	-	1 500	1 453	47	96.9%	-	-
Consumable supplies		26	(26)	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies		71	2 040	-	2 111	2 111	-	100.0%	36 958	37 983
Property payments		10 281	-	-	10 281	2 136	8 145	20.8%	-	-
Travel and subsistence		1 342	(65)	-	1 277	1 102	175	86.3%	226	87
Training and development		26 979	-	(5 000)	21 979	176	21 803	0.8%	4 603	102
Operating payments		21	6	-	27	27	-	100.0%	-	-
Transfers and subsidies		437 090	-	(25 853)	411 237	372 395	38 842	90.6%	32 114	25 843
Non-profit institutions		437 090	-	(25 853)	437 090	372 395	64 695	85.2%	32 114	25 843
Households		-	-	(25 853)	(25 853)	-	(25 853)	-	-	-
Other transfers to households		-	-	(25 853)	(25 853)	-	(25 853)	-	-	-

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APPROPRIATION STATEMENT
for the year ended 31 March 2023

		2022/23					2021/22			
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Sub programme		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. ADMINISTRATION		238 006	144 012	-	382 018	387 403	101.4%	(5 385)	202 183	257 453
2. PUBLIC ORDINARY SCHOOLS		1 572 686	(151 196)	-	1 421 490	1 335 666	94.0%	85 824	1 183 374	853 615
3. PUBLIC SPECIAL SCHOOLS		69 519	9 891	-	79 410	79 393	100.0%	17	65 056	74 683
4. EARLY CHILDHOOD DEVELOPMENT		74 640	(2 707)	-	71 933	51 753	71.9%	20 180	56 019	29 190
		1 954 851	-	-	1 954 851	1 854 215	94.9%	100 636	1 506 632	1 214 942
Economic classification										
Current payments		832 833	(199 821)	-	633 012	553 822	87.5%	79 190	420 487	369 493
Compensation of employees		31 929	-	-	31 929	33 761	105.7%	(1 832)	23 000	30 500
Salaries and wages		25 282	-	-	25 282	28 970	114.6%	(3 688)	18 647	26 636
Social contributions		6 647	-	-	6 647	4 791	72.1%	1 856	4 353	3 864
Goods and services		800 904	(199 821)	-	601 083	520 061	86.5%	81 022	397 487	338 993
Minor assets		-	-	-	-	5	-	(5)	-	267
Infrastructure and planning services		321 010	(58 164)	-	262 846	250 961	95.5%	11 885	117 799	164 199
Legal services		-	-	-	3 000	-	-	3 000	-	-
Inventory: Learner and teacher support material		-	-	-	-	-	-	-	-	20
Consumable supplies		-	-	-	-	-	-	-	(0)	115 032
Property payments		470 865	(142 557)	-	328 308	263 800	80.4%	64 508	275 489	56 840
Travel and subsistence		9 029	(2 100)	-	6 929	5 263	76.0%	1 666	4 200	2 636
Operating payments		-	-	-	-	32	-	(32)	-	-
Transfers and subsidies		-	-	-	-	3	-	(3)	-	-
Non-profit institutions		-	-	-	-	23	-	(23)	-	-
Households		-	-	-	-	(20)	-	20	-	-
Payments for capital assets		1 122 018	199 821	-	1 321 839	1 300 390	98.4%	21 449	1 086 144	845 449
Buildings and other fixed structures		1 122 018	196 394	-	1 318 412	1 297 863	98.4%	20 549	1 086 144	844 659
Buildings		-	-	-	-	-	-	-	1 086 144	844 659
Other fixed structures		1 122 018	196 394	-	1 318 412	1 297 863	98.4%	20 549	-	-
Machinery and equipment		-	3 427	-	3 427	2 527	73.7%	900	-	790
Transport equipment		-	-	-	-	-	-	-	-	790
Other machinery and equipment		-	3 427	-	3 427	2 527	73.7%	900	-	-
		1 954 851	-	-	1 954 851	1 854 215	94.9%	100 636	1 506 632	1 214 942

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2023

	2022/23						2021/22		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 7: EXAMINATION AND EDUCATION RELATED SERVICES									
Sub programme									
1. PAYMENTS TO SETA	68 360	-	-	68 360	68 360	-	100.0%	65 150	65 150
2. PROFESSIONAL SERVICES	27 188	(18 700)	-	8 488	2 786	5 702	32.8%	3 562	648
3. SPECIAL PROJECTS	382 501	8 552	50 000	441 053	441 153	(100)	100.0%	943 628	917 602
4. EXTERNAL EXAMINATIONS	1 023 675	10 148	(123 000)	910 823	862 981	47 842	94.7%	382 802	414 761
5. CONDITIONAL GRANTS	46 897	-	-	46 897	46 653	244	99.5%	50 368	47 349
	1 548 621	-	(73 000)	1 475 621	1 421 933	53 688	96.4%	1 445 510	1 445 510
Economic classification									
Current payments	1 414 245	-	(73 000)	1 341 245	1 289 374	51 871	96.1%	1 310 563	1 311 654
Compensation of employees	207 624	-	50 000	257 624	264 976	(7 352)	102.9%	240 290	235 695
Salaries and wages	192 329	-	50 000	242 329	257 397	(15 068)	106.2%	218 399	226 821
Social contributions	15 295	-	-	15 295	7 579	7 716	49.6%	21 891	8 874
Goods and services	1 206 621	-	(123 000)	1 083 621	1 024 398	59 223	94.5%	1 070 272	1 075 959
Minor assets	139	-	-	139	-	139	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	5 692	(2 607)	-	3 085	1 874	1 211	60.7%	807	653
Communication (G&S)	3 000	(240)	-	2 760	2 760	-	100.0%	-	-
Computer services	8 951	(5 020)	-	3 931	3 931	-	100.0%	9 712	8 988
Contractors	-	40	-	40	-	40	-	1 680	-
Agency and support / outsourced services	947 848	831	(123 000)	825 679	776 867	48 812	94.1%	850 624	-
Fleet services (including government motor transport)	-	11 900	-	11 900	10 729	1 171	90.2%	-	-
Inventory: Clothing material and accessories	600	(14)	-	586	96	490	16.4%	-	-
Inventory: Fuel, oil and gas	1 900	(1 900)	-	-	498	(498)	-	-	-
Inventory: Learner and teacher support material	11 900	(11 037)	-	863	863	-	100.0%	-	-
Inventory: Other supplies	498	-	-	498	-	498	-	-	-
Consumable supplies	50	450	-	500	352	148	70.4%	4 580	2 483
Consumable: Stationery, printing and office supplies	4 114	(1 303)	-	2 811	1 698	1 113	60.4%	6 848	1 569
Operating leases	540	-	-	540	340	200	63.0%	-	183
Property payments	12 841	(4 364)	-	8 477	6 448	2 029	76.1%	15 200	8 211
Transport provided: Departmental activity	-	1 900	-	1 900	1 492	408	78.5%	-	-
Travel and subsistence	25 886	7 564	-	33 450	33 450	-	100.0%	20 740	28 880

**EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
NOTES TO THE APPROPRIATION STATEMENT
as at 31 March 2023**

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1. Per programme:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Programme 1 - Administration	2 876 141	2 844 349	31 792	1.1%
Programme 2 - Public Ordinary School Education	31 232 738	31 198 530	34 208	0.1%
Programme 3 - Independent School Subsidies	157 897	154 897	3 000	1.9%
Programme 4 - Public Special School Education	1 030 805	974 837	55 968	5.4%

Programme 4 - Public Special School Education

Compensation of Employees – The underspending is attributed to vacancies under Equitable Share due to the moratorium on filling of posts issued in November 2019 by the OTP and Provincial Treasury. The non-filling of equitable share administration posts and natural attrition resulted high vacancy rate.

Goods and services – The department implemented austerity measures in order to prevent exceeding available cash resources on equitable share. There are also funds that were set aside to augment any shortfall on municipal services owed to schools and these funds were not utilised and also the funds that were set aside for emergency security services required by special schools was not fully utilised at year end. These funds are utilised as and when a need arises.

Machinery and equipment – The underspending is due to cost containment measures implemented to circumvent the potential overspending in other Programmes.

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
NOTES TO THE APPROPRIATION STATEMENT
as at 31 March 2023

Early Childhood Development	965 867	837 168	128 699	13.3%
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Programme 5 - Early Childhood Development

Compensation of Employees – underspending is attributed to Grade R Practitioners who have left the system through natural attrition and some practitioners were employed as permanent teachers in the foundation phase of Public Schools. The underspending is also attributable to late appointment of the Construction Manager position in the grant.

Goods and Services – underspending is due to verification process of invoices that took longer than anticipated for payments of bursaries to Universities for the registered ECD Practitioners. The department also underspent in the Maintenance Budget for the grant owing to delays by district in submission of quotations for maintenance as well as deferred training and development procurement for Grade R has been bid processes that took longer than anticipated.

The bidding processes for the maintenance of ECD Centres has been completed and 15 service providers were awarded contracts as a result 9 service providers have been issued with orders and the remainder to be issued in April 2023.

Non-Profit Institutions – underspending is attributed to transfers of Grade R in Public Schools that was not processed due to anticipated change in the model of payment, however the resourcing of schools was fully implemented (acquisition of LTSM). The transfers for Pre Grade R which is based on targeted practitioners undergoing training was not processed due to the ECD Level 4 training which was deferred to the next financial year.

A roll-over of R23 million received during adjustments in respect of the ECD Stimulus Relief Fund (SRF) was not spent due to challenges experienced with regards to identifying the unpaid 27 organisations from Department of Social Development. The Programme will request a rollover for all funds that were not transferred to ECD centres due to challenges encountered.

Machinery and equipment – The underspending is due to cost containment measures implemented to circumvent overall overspending by the department, this decision only affected equitable share portion of the voted funds.

Infrastructure Development	1 954 851	1 854 215	100 636	5.1%
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Programme 6 - Infrastructure Development

The underspending of the programme during the year under review is attributed to poor and disintegrated planning between the infrastructure and the support functionaries, namely Implementing Agents especially on matters relating to adherence with the set (planned) procurement targets. It is also worth mentioning that the national moratorium on procurement contributed to the poor performance of the programme as many projects could only be procured after the moratorium was lifted. The structural instability within the Infrastructure Programme also contributed to the poor performance as there was uncertainty and unwillingness to make crucial decisions owing to the acting capacity of incumbents at the time. Lastly, the R291 million roll-over allocation was only availed in January 2023 and simultaneously taken by DBE which led to the department underspending and losing R100 million of the allocated budget.

**EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
NOTES TO THE APPROPRIATION STATEMENT
as at 31 March 2023**

Examination and Education Related Services	1 475 621	1 421 933	53 688	3.6%
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Programme 7 - Examination and Education Related Services

The overspending on Compensation of Employees is to the fluctuating learner numbers that has increased in 2022/23 academic year directly affects the number of markers and examination assistants to be appointed, the bigger the enrolment numbers, the larger the number of markers appointed, increase in tariffs for exam remuneration works, payment of overtime for officials that processes exam related payments during marking periods.

Goods and Services- the overspending is largely recorded in Agency and Support due to payment of stipends for PYEI participants including expenditure of payment of Interns which will be corrected and recorded under Programme 1 and Programme 2.

Machinery and Equipment -The underspending is due to the cost containment measures implemented by the department which affected the procurement minor assets under Professional services sub programme..

4.2. Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	30 372 132	30 287 110	85 022	0.3%
Goods and services	4 805 175	4 581 250	223 925	4.7%
Transfers and subsidies				
Departmental agencies and accounts	68 360	68 360	-	0.0%
Higher education institutions	15 113	15 110	3	0.0%
Non-profit institutions	2 815 388	2 746 985	68 403	2.4%
Households	237 289	244 574	(7 285)	(3.1%)
Payments for capital assets				
Buildings and other fixed structures	1 318 412	1 297 863	20 549	1.6%
Machinery and equipment	62 338	46 762	15 576	25.0%

Compensation of Employees underspent by R85 million - The underspending is due In Administration and Public Special Schools to the moratorium issued in November 2019 by Office of the Premier and Provincial Treasury on filling of approved ARP posts, as a result there is a high vacancy rate caused by resignations and retirements. Public Ordinary Schools underspent due to recruitment processes that were not yet finalized as at the end of the financial year although the PPN Bulletins were advertised and closed on the 13th of August 2022 and the addendum issued on the 1st of September 2022 for closing on the 30th September 2022 and these outstanding appointments are on Persal Suspense file (165 transactions). Early Childhood Development underspent on Grade R Practitioners who have left the system through natural attrition and some practitioners were employed as permanent teachers in the foundation phase of Public Schools.

Goods and Services underspent by R224 million – Underspending is due to bursary payments not processed at year end owing to verification that to longer than anticipated, secondly the budget for maintenance underspent as a result of non submission of invoices by Implementing Agents for payment in March as well as the bid for ECD that was awarded late in the year for implementation of school maintenance for ECD. The department also under spent on ECD emanating from payments of bursaries to universities that were not processed at year end due to Departmental verification processes for the registered practitioners. The training and development procurement for Grade R has been deferred to the next financial year and also the training bid for Pre Grade R NQF Level 4 is being finalized. The bidding processes for the

EASTERN CAPE DEPARTMENT OF EDUCATION
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NOTES TO THE APPROPRIATION STATEMENT
as at 31 March 2023

maintenance of ECD Centres has been completed and 15 service providers were awarded contracts as a result 9 service providers have been issued with orders and the remainder to be issued in April 2023.

Non-Profit Institutions underspent by R68 million. The underspending is attributed to transfers of Grade R in Public Schools that was not processed due to anticipated change in the model of payment, however the resourcing of schools was fully implemented (acquisition of LTSM). The transfers for Pre Grade R which is based on targeted practitioners undergoing training was not processed due to the ECD Level 4 training which was deferred to the next financial year. Underspending is recorded in Non-Profit Institutions caused by a roll-over of R23 million received during adjustments in respect of the ECD Stimulus Relief Fund (SRF) that was not spent due to challenges experienced with regards to identifying the unpaid 27 organisations from Department of Social Development.

Households overspent by R7 million – Households overspent due to payment of exit benefits in respect of staff who took early retirements, passed on, and those who resigned from the system. Operation Bhatala Project that was implemented to look at payment of exit benefits of employees together with any Compensation of Employees matters that were not resolved assisted with the reduction of long outstanding claims which were resolved and paid to beneficiaries.

Machinery and Equipment underspent by R15 million as a result of the implemented cost containment measures in an attempt of reducing potential overspending identified in other economic classification items.

4.3. Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Maths, Science and Technology Grant	73 896	72 699	1 197	1.6%
Education Infrastructure Grant	1 954 851	1 854 232	100 619	5.1%
HIV & Aids	46 897	46 653	244	0.5%
National School Nutrition Programme	1 494 648	1 495 454	(806)	(0.1%)
Extended Public works (Social Sector)	40 050	41 434	(1 384)	(3.5%)
Extended Public Works Integrated Programme	3 491	3 396	95	2.7%
Learner Profound Intel Disability Grant	32 800	28 061	4 739	14.4%
Early Childhood Development Grant	223 332	189 217	34 115	15.3%

Education Infrastructure Grant (R100.6 million (5.1%)) – The underspending of the programme during the year under review is attributed to poor and disintegrated planning between the infrastructure and the support functionaries, namely Implementing Agents especially on matters relating to adherence with the set (planned) procurement targets. It is also worth mentioning that the national moratorium on procurement contributed to the poor performance of the programme as many projects could only be procured after the moratorium was lifted. The structural instability within the Infrastructure Programme also contributed to the poor performance as there was uncertainty and unwillingness to make crucial decisions owing to the acting capacity of incumbents at the time. Lastly, the R291 million roll-over allocation was only availed in January 2023 and simultaneously taken by DBE which led to the department underspending and losing R100 million of the allocated budget.

**EASTERN CAPE DEPARTMENT OF EDUCATION
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NOTES TO THE APPROPRIATION STATEMENT
as at 31 March 2023**

Learners With Profound Intellectual Disabilities Grant (R4.7 million (14.1%)) – The underspending in Compensation of Employees is due posts that will be advertised in the next financial year which were anticipated to be filled in 2022/23 financial year and three officials who assumed duties in March but not yet paid at financial year end. In terms of goods and services, the underspending is attributed to late submission of invoices for LTSM, inventory other supplies and equipment to care centres contributed to the underspending of the grant.

Early Childhood Development Grant (R34 million (15.3%)) – Underspending is recorded in Non-Profit Institutions caused by a roll-over of R23 million received during adjustments in respect of the ECD Stimulus Relief Fund (SRF) that was not spent due to challenges experienced with regards to identifying the unpaid 27 organisations from Department of Social Development. The Programme will request a rollover for all funds that were not transferred to ECD centres due to challenges encountered. The bidding processes for the maintenance of ECD Centres has been completed and 15 service providers were awarded contracts as a result 9 service providers have been issued with orders and the remainder to be issued in April 2023.

EPWP Integrated (R95 thousand (2.7%)) – The overspending is due to Compensation of Employees expenditure misallocations, which are receiving attention at Human Resource Management for correction.

EPWP Incentive (R1.384 million (3.5%)) – The grant has recorded overspending on Good and services, agency and support item and due to appointment of Social Sector EPWP participants that were supposed to have been appointed under Equitable Share. The matter has be brought to the attention of Human Resource Management for correction.

**EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6**

**STATEMENT OF FINANCIAL PERFORMANCE
as at 31 March 2023**

	Note	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	39 693 920	37 137 752
Statutory appropriation	2	2 086	1 978
Departmental revenue	3	14 953	-
TOTAL REVENUE		39 710 959	37 139 730
EXPENDITURE			
Current expenditure			
Compensation of employees	4	30 287 109	29 675 740
Goods and services	5	4 581 252	3 579 333
Interest and rent on land	6	1 944	1 420
Total current expenditure		34 870 305	33 256 493
Transfers and subsidies			
Transfers and subsidies	7	3 075 031	2 770 670
Total transfers and subsidies		3 075 031	2 770 670
Expenditure for capital assets			
Tangible assets	8	1 342 678	920 699
Total expenditure for capital assets		1 342 678	920 699
Unauthorised expenditure approved without funding		269 283	-
TOTAL EXPENDITURE		39 557 297	36 947 862
SURPLUS/(DEFICIT) FOR THE YEAR		153 662	191 868
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		138 709	191 868
Annual appropriation		-	(140 636)
Conditional grants		138 709	332 504
Departmental revenue and NRF Receipts	11	14 953	-
SURPLUS/(DEFICIT) FOR THE YEAR		153 662	191 868

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**STATEMENT OF FINANCIAL POSITION
as at 31 March 2023**

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current Assets		39 611	66 926
Receivables	9	39 611	66 926
Non-Current Assets		187 757	122 776
Receivables	9	187 757	122 776
TOTAL ASSETS		227 368	189 701
LIABILITIES			
Current Liabilities		2 118 890	2 648 805
Voted funds to be surrendered to the Revenue Fund	10	793 716	987 511
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	11	20 510	4 802
Bank overdraft	12	1 226 641	1 604 212
Payables	13	78 023	52 280
TOTAL LIABILITIES		2 118 890	2 648 805
NET ASSETS		(1 891 522)	(2 459 103)
Represented by:			
Recoverable revenue		40 570	29 300
Unauthorised expenditure		(1 932 092)	(2 488 403)
TOTAL		(1 891 522)	(2 459 103)

**EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6**

**STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2023**

	Not e	2022/23 R'000	2021/22 R'000
Recoverable revenue			
Opening balance		29 300	21 617
Transfers		11 270	7 683
Debts revised		(749)	(644)
Debts recovered (included in departmental receipts)		(5 860)	(5 699)
Debts raised		17 879	14 026
Closing balance		40 570	29 300
Unauthorised expenditure			
Opening balance		(2 488 403)	(2 303 711)
Unauthorised expenditure - current year		-	(184 692)
Relating to overspending of the vote or main division within the vote		-	(184 692)
Amounts approved by Parliament/Legislature with funding		287 028	-
Amounts approved by Parliament/Legislature without funding and derecognised		269 283	-
Current		269 283	-
Closing balance		(1 932 092)	(2 488 403)
TOTAL		(1 891 522)	(2 459 103)

**EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6**

**CASHFLOW STATEMENT
as at 31 March 2023**

	<i>Note</i>	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		39 800 089	37 230 472
Annual appropriated funds received	1.1	39 693 920	37 137 752
Statutory appropriated funds received	2	2 086	1 978
Departmental revenue received	3	104 027	90 705
Interest received	3.3	56	37
Net (increase)/ decrease in working capital		53 058	(214 130)
Surrendered to Revenue Fund		(427 046)	(247 999)
Current payments		(35 137 644)	(33 255 073)
Interest paid	6	(1 944)	(1 420)
Transfers and subsidies paid		(3 075 031)	(2 770 670)
Net cash flow available from operating activities	14	1 211 482	1 344 622
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(1 342 678)	(920 699)
Proceeds from sale of capital assets	3.4	6 167	-
(Increase)/decrease in non-current receivables		(64 981)	186 301
Net cash flows from investing activities		(1 401 492)	(734 398)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		567 581	7 683
Net cash flows from financing activities		567 581	7 683
Net increase/ (decrease) in cash and cash equivalents		377 571	14 465
Cash and cash equivalents at beginning of period		(1 604 212)	(1 618 677)
Cash and cash equivalents at end of period	12	(1 226 641)	(1 604 212)

**EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p>Revenue</p>
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p>

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

	<p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	<p>Expenditure</p>
8.1	<p>Compensation of employees</p>
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	<p>Leases</p>

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
10	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
11	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
12	<p>Financial assets</p>
12.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
12.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic</p>

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	benefits expected to be received from that asset, is recorded in the notes to the financial statements.
13	Payables Payables recognised in the statement of financial position are recognised at cost.
14	Capital Assets
14.1	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
14.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
14.3	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

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	Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
14.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
15	Provisions and Contingents
15.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and 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 of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
15.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
15.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
15.4	<p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
16	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p> <p>Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related fund are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure recorded in the notes to the financial statements comprise of:</p>

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	<ul style="list-style-type: none"> unauthorised expenditure that was under assessment in the previous financial year; unauthorised expenditure relating to previous financial year and identified in the current year; and unauthorised expenditure incurred in the current year.
17	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:</p> <ul style="list-style-type: none"> fruitless and wasteful expenditure that was under assessment in the previous financial year; fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and fruitless and wasteful expenditure incurred in the current year.
18	<p>Irregular expenditure</p> <p>Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:</p> <ul style="list-style-type: none"> irregular expenditure that was under assessment in the previous financial year; irregular expenditure relating to previous financial year and identified in the current year; and irregular expenditure incurred in the current year.
19	<p>Changes in accounting estimates and errors</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
20	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
21	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for all infrastructure related projects. In terms of the arrangement the department is the principal and is responsible for directing the Eastern Cape Department Public Works and other implementing agents to undertake transactions relating to infrastructure projects through the memorandum of understanding. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms</p>

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	of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
22	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
23	<p>Related party transactions</p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
24	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
25	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>
26	<p>Transfer of functions</p> <p>Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>

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1. Annual Appropriation
1.1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2022/23			2021/22		
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000	Funds not requested/ not received R'000
1 ADMINISTRATION	2 748 141	2 748 141	-	2 674 413	2 674 413	-
2 PUBLIC ORDINARY SCHOOL EDUCATION	31 232 738	31 232 738	-	29 866 018	29 866 018	-
3 INDEPENDENT SCHOOL SUBSIDIES	157 897	157 897	-	101 628	101 628	-
4 PUBLIC SPECIAL SCHOOL EDUCATION	1 030 805	1 030 805	-	955 947	955 947	-
5 EARLY CHILDHOOD DEVELOPMENT	970 867	970 867	-	587 605	587 605	-
6 INFRASTRUCTURE DEVELOPMENT	1 954 851	1 954 851	-	1 506 631	1 506 631	-
7 EXAMINATION AND EDUCATION RELATED SERVICES	1 598 621	1 598 621	-	1 445 510	1 445 510	-
Total	39 693 920	39 693 920	-	37 137 752	37 137 752	-

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1.2. Conditional grants

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Total grants received	30	3 869 965	3 128 703
Provincial grants included in Total Grants received		3 869 965	3 128 703

2. Statutory Appropriation

Members' Remuneration		2 086	1 978
		2 086	1 978
Actual Statutory Appropriation received		2 086	1 978

3. Departmental revenue

Sales of goods and services other than capital assets	3.1	61 690	63 826
Fines, penalties, and forfeits	3.2	3	110
Interest, dividends and rent on land	3.3	56	37
Sales of capital assets	3.4	6 167	-
Transactions in financial assets and liabilities	3.5	42 334	26 769
Total revenue collected		110 250	90 742
Less: Own revenue included in appropriation	11	95 297	90 742
Departmental revenue collected		14 953	-

3.1. Sales of goods and services other than capital assets

Sales of goods and services produced by the department		61 690	63 826
Sales by market establishment		1	7
Other sales		61 689	63 819
Total		61 690	63 826

3.2. Fines, penalties and forfeits

Fines		3	110
Total		3	110

3.3. Interest, dividends and rent on land

Interest		56	37
Total		56	37

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3.4. Sales of capital assets

	2022/23 R'000	2021/22 R'000
Tangible capital assets	6 167	-
Machinery and equipment	6 167	-
Total	6 167	-

3.5. Transactions in financial assets and liabilities

	2022/23 R'000	2021/22 R'000
Receivables	5 799	-
Other Receipts including Recoverable Revenue	36 535	26 769
Total	42 334	26 769

3.6. Donations received in-kind (not included in the main note)

	2022/23 R'000	2021/22 R'000
Various companies	-	14 906
Oxford University Press	4	
MTN	130	
Maths & Science Infinity	50	
BTKM	216	
Kasipu Consulting	119	
Mr Hoboyi	432	
Samara Foundation	1 200	
ECGB with gambling Foundation	1 189	
Nuddle (Pty) Ltd	1 605	
Total	4 945	14 906

3.7. Cash received not recognised (not included in the main note) - 2022/23

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
SAICA	20	-	20
Industrial Development Cooperation	45	-	45
Standard Bank	50	-	50
	115	-	115

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Cash received not recognised (not included in the main note) - 2021/22

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
Various companies	2 526	-	2 526
	2 526	-	2 526

4. Compensation of employees

4.1. Salaries and wages

Basic salary	21 501 793	21 015 332
Performance award	10 075	14 678
Service Based	83 009	46 095
Compensative/circumstantial	404 308	530 452
Periodic payments	8 485	8 555
Other non-pensionable allowances	3 935 638	3 852 473
Total	25 943 308	25 467 585

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4.2. Social contributions

Employer contributions

Pension	2 707 523	2 650 964
Medical	1 614 705	1 545 490
UIF	11 508	2 982
Bargaining council	2 385	2 357
Official unions and associations	6 420	4 841
Insurance	1 260	1 521
Total	4 343 801	4 208 155
Total compensation of employees	30 287 109	29 675 740
Average number of employees	65 404	65 712

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5. Goods and services

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Advertising		8 517	7 185
Minor assets	5.1	764	273
Bursaries (employees)		62 491	80 504
Catering		20 187	6 588
Communication		388 589	108 006
Computer services	5.2	472 275	269 969
Consultants: Business and advisory services		27 456	8 318
Infrastructure and planning services		250 961	164 199
Legal services		26 205	22 442
Contractors		1 375	2 634
Agency and support / outsourced services		1 474 914	1 436 774
Audit cost – external	5.3	29 557	24 205
Inventory	5.4	754 250	697 022
Consumables	5.5	48 389	196 917
Operating leases		25 228	37 665
Property payments	5.6	553 444	213 556
Rental and hiring		19	-
Transport provided as part of the departmental activities		14 810	2 505
Travel and subsistence	5.7	126 351	78 386
Venues and facilities		2 574	446
Training and development		169 884	93 387
Other operating expenditure	5.8	123 012	128 352
Total		4 581 252	3 579 333

There has been a significant increase in the expenditure items noted below:

- Communication
- Computer services
- Consultants
- Infrastructure and planning services
- Inventories
- Property payments
- Travel and subsistence
- Training and development

This is mainly as a result of the department settling accruals and payables from the 2021/22 financial year. Communication and computer services expenses in particular were significant as well as Property payments in the form of municipal services costs. These, with other notable expenses, account for over R800million of the year-on-year movement on goods and services expenditure.

5.1. Minor assets

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Tangible assets		764	273
Machinery and equipment		764	273
Total		764	273

5.2. Computer services

SITA computer services		9 135	35 904
External computer service providers		463 140	234 065

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Total	<u><u>472 275</u></u>	<u><u>269 969</u></u>
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5.3. Audit cost – External

Regularity audits	27 446	20 186
Investigations	-	2 300
Computer audits	2 111	1 719
Total	<u><u>29 557</u></u>	<u><u>24 205</u></u>

5.4. Inventory

Learning and teaching support material	651 967	607 027
Other supplies	5.4.1 <u>102 283</u>	<u>89 995</u>
Total	<u><u>754 250</u></u>	<u><u>697 022</u></u>

5.4.1 Other Supplies

Assets for distribution	102 283	89 995
Machinery and equipment	-	99
School furniture	<u>102 283</u>	<u>89 896</u>

Total	<u><u>102 283</u></u>	<u><u>89 995</u></u>
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5.5. Consumables

	Note	2022/23 R'000	2021/22 R'000
Consumable supplies		40 357	147 677
Uniform and clothing		1 532	115 646
Household supplies		2 913	8 054
Building material and supplies		2	-
IT consumables		36	
Other consumables		35 874	23 977
Stationery, printing and office supplies		8 032	49 240
Total		<u><u>48 389</u></u>	<u><u>196 917</u></u>

The department gradually decreased COVID-19 related essentials under Uniform and clothing. In the 2021/22 financial year, the department transferred funds to schools and the items were accordingly procured in the financial period. In 2022/23 and the alleviation of the national state of emergency, expenditure was considerably less in 2021/22.

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5.6. Property payments

Property management fees	201 904	91 430
Property maintenance and repairs	85 337	56 999
Other	266 203	67 314
Total	553 444	213 556

The increase in property payments is mainly attributed to increased contracted maintenance costs for properties.

5.7. Travel and subsistence

Local	126 351	78 386
Total	126 351	78 386

5.8. Other operating expenditure

Professional bodies, membership and subscription fees	51	-
Resettlement costs	4 138	5 205
Other	118 823	123 147
Total	123 012	128 2

6. Interest and rent on land

	Note	2022/23 R'000	2021/22 R'000
Interest paid		1 944	1 420
Total		1 944	1 420

The Department was charged interest on late payments made. This was due to budget constraints the Department is currently faced with.

7. Transfers and subsidies

Departmental agencies and accounts	ANNEXURE 1A	68 360	65 150
Higher education institutions	ANNEXURE 1B	15 110	14 288
Non-profit institutions	ANNEXURE 1C	2 746 965	2 418 607
Households	ANNEXURE 1D	244 596	272 625
Total		3 075 031	2 770 670

Transfer to NPI - In 2022/23 the department increased its financial support to Early Childhood Development sites due to the migration thereof from the department of Social Development to the Department of Education.

8. Expenditure for capital assets

Tangible assets	1 342 678	920 699
Buildings and other fixed structures	1 295 916	845 354
Machinery and equipment	46 762	75 345

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Total	<u>1 342 678</u>	<u>920 699</u>
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The Departmental allocated Infrastructure capital budget was increased In 2022/23 resulting in the Department contracting for more work on the ground.

8.1. Analysis of funds utilised to acquire capital assets – 2022/23

	Voted Funds R'000	TOTAL R'000
Tangible assets	1 342 678	1 344 622
Buildings and other fixed structures	1 295 916	1 297 860
Machinery and equipment	46 762	46 762
Total	<u>1 342 678</u>	<u>1 344 622</u>

8.2. Analysis of funds utilised to acquire capital assets - 2021/22

	Voted Funds R'000	TOTAL R'000
Tangible assets	920 699	920 699
Buildings and other fixed structures	845 354	845 354
Machinery and equipment	75 345	75 345
Total	<u>920 699</u>	<u>920 699</u>

8.3. Finance lease expenditure included in Expenditure for capital assets

	2022/23 R'000	2021/22 R'000
Tangible assets		
Machinery and equipment	41 441	69 999
Total	<u>41 441</u>	<u>69 999</u>

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9.2. Other receivables

	<i>Note</i>	2022/23 R'000	2021/22 R'000
(Group major categories, but list material items)			
Receipt control account		8	3
Debit order exception		9 365	2
Receipt deposit		25	31
Debit order control		4 319	4 319
Unpaid BAS EBT control		223	-
Debit order erroneous		4	-
Total		13 944	4 355

9.3. Impairment of receivables

Estimate of impairment of receivables	127 067	92 739
Total	127 067	92 739

The impairment for receivables for which there is an indication that it should be impaired, otherwise an impairment for all receivables that are older than three years is recognised. This methodology is informed by the Prescription Act 68 of 1969 (prescribes that the claims are extinguished after a period of 3 years where no acknowledgment has been made).

10. Voted Funds to be surrendered to the Revenue Fund

Opening balance		987 511	765 389
As restated		987 511	765 389
Transfer from statement of financial performance (as restated)		138 709	(191 868)
Add: Unauthorised expenditure for current year	21	-	184 692
Paid during the year		(332 504)	(154 438)
Closing balance		793 716	987 511

10.1. Reconciliation of unspent conditional grants

Total conditional grants received		3 869 965	3 128 703
Total conditional grants spent		(3 731 256)	(2 796 199)
Unspent conditional grants to be surrendered		138 709	332 504
Closing balance		138 709	332 504

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11. Departmental Revenue and NRF Receipts to be surrendered to the Revenue Fund

Opening balance	4 802	7 621
Prior period error	-	-
As restated	4 802	7 621
Transfer from Statement of Financial Performance (as restated)	14 953	-
Own revenue included in appropriation	95 297	90 742
Paid during the year	(94 542)	(93 561)
Total	20 510	4 802

12. Bank Overdraft

Consolidated Paymaster General Account	1 226 641	1 604 212
Bank account	1 226 776	1 535 588
Deposits	5	-
Debit order transfers	(228)	-
Outstanding payment	89	68 624
Total	1 226 641	1 604 212

13. Payables – Current

	Note	2022/23 R'000	2021/22 R'000
Payables - current			
Clearing accounts	13.1	53 470	29 442
Other payables	13.2	24 553	22 838
Total		78 023	52 280

13.1. Clearing Accounts

(Identify major categories, but list material amounts)

Salary ACB Recalls	12 231	9 561
Sal Garnishee	1 008	952
Pension Recoverable	5 764	3 588
Sal Pension Fund	589	-
Sal Income tax	24 994	11 105
Bargaining Council	38	-
GEHS refunds	8 668	4 236
Sal Official Unions	12	-
Sal UIF	164	-
Sal housing	1	-
Total	53 470	29 442

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13.2. Other Payables

(Identify major categories, but list material amounts)

SARS payment	24 551	22 836
Prepayment Capital Asset:	<u>2</u>	<u>2</u>
Total	<u>24 553</u>	<u>22 838</u>

14. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	153 662	191 868
Add back non-cash/cash movements not deemed operating activities	1 057 820	549 312
(Increase)/decrease in receivables	27 315	(215 903)
Increase/(decrease) in payables – current	25 743	1 773
Proceeds from sale of capital assets	(6 167)	-
Expenditure on capital assets	1 342 678	920 699
Surrenders to Revenue Fund	(427 046)	(247 999)
Own revenue included in appropriation	95 297	90 742
Other non-cash items	-	-
Net cash flow generated by operating activities	<u>1 211 482</u>	<u>741 180</u>

15. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account		<u>(1 226 641)</u>	<u>(1 604 212)</u>
Total		<u>(1 226 641)</u>	<u>(1 604 212)</u>

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16. Contingent liabilities and contingent assets

16.1. Contingent liabilities

	Nature			
Housing loan guarantees	Employees	Annex 2A	28 781	28 780
Claims against the department	Employees	Annex 2B	241 105	197 725
Intergovernmental payables (unconfirmed balances)		Annex 4	728	128
Total			270 614	226 633

State guarantees – these are guarantees made by the department to various financial institutions against which employees make home loans. These become liabilities to the department only in the event that the employee defaults on their bank obligations.

Legal claims – These are claims made against the Department which are still pending court ruling.

In 2021/22 the Labour Appeal Court (LAC) ruling that the Public Sector salary increase was unlawful and invalid was appealed and referred to the Constitutional Court. In 2022/23 the Constitutional Court has upheld a judgement that found 2018 Public Sector wage agreement to be invalid and unlawful.

16.2. Contingent Assets

Nature of contingent asset	Note		
Unconfirmed claims with other government departments	Annex 3	21 322	17 809
Total		21 322	17 809

The increase is due to the claim made to the Department Higher Education of R8.8 million for Examination markers and Exam assistants for the administration of Adult Basic Education and Training Level 4 examinations on their behalf. Included is also a claim to KZN Department of Education of R1.1 million for transferred educators.

17. Capital Commitments

Buildings and other fixed structures	1 597 299	1 178 819
Total	1 597 299	1 178 819

18. Accruals and Payables not recognised

18.1. Accruals not recognised

Listed by economic classification	30 days	30+ days	2022/23	2021/22
			R'000 Total	R'000 Total
Goods and services	155 497	48 162	203 659	454 727
Transfers and subsidies	-	137 778	137 778	138 769
Capital assets	-	33 314	33 314	26 288
Total	155 497	219 254	374 751	619 784

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Listed by programme level	Note		
Programme 1 - Administration		66 498	91 489
Programme 2 - Public Ordinary School Education		209 220	349 220
Programme 4 - Public Special School Education		-	1 155
Programme 5 - Early childhood Development		3 477	708
Programme 6 - Infrastructure Development		91 907	26 288
Programme 7 - Examination and Education Related Services		3 649	150 924
Total		374 751	619 784

2021/22 Accruals were adjusted by R8.381 million.

18.2. Payables not recognised

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	148 891	226 427	375 318	1 106 738
Capital assets	-	40 583	40 583	128 785
Total	148 891	267 010	415 901	1 235 523

Listed by programme level	Note	R'000	R'000
Programme 1- Administration		22 220	451 817
Programme 2 - Public Ordinary School Education		313 488	624 400
Programme 4 - Public Special School Education		2 919	2 639
Programme 5 - Early childhood Development		-	628
Programme 6 - Infrastructure Development		77 270	128 785
Programme 7 - Examination and Education Related Services		3	27 254
Total		415 901	1 235 523

<i>Included in the above totals are the following:</i>	Note	2022/23 R'000	2021/22 R'000
Confirmed balances with departments	Annex 4	40 832	54 669
Confirmed balances with other government entities	Annex 4	31 362	-
Total		72 194	54 669

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19. Employee Benefits

Leave entitlement	373 667	360 316
Service bonus	920 934	900 067
Capped leave	2 174 321	2 304 473
Other	66 425	55 754
Total	3 535 347	3 620 610

Other relates to Compensation of Employees related accruals.

20. Lease Commitments

20.1. Operating Leases

2022/23	Buildings and other fixed structures R'000	Total R'000
Not later than 1 year	14 677	14 677
Later than 1 year and not later than 5 years	37 987	37 987
Total lease commitments	52 664	52 664

2021/22	Buildings and other fixed structures R'000	Total R'000
Not later than 1 year	12 959	12 959
Later than 1 year and not later than 5 years	12 556	12 556
Total lease commitments	25 515	25 515

20.2. Finance Leases

2022/23	Machinery and equipment R'000	Total R'000
Not later than 1 year	517 990	517 990
Later than 1 year and not later than 5 years	12 401	12 401
Total lease commitments	530 391	530 391

2021/22	Machinery and equipment R'000	Total R'000
Not later than 1 year	259 684	259 684
Later than 1 year and not later than 5 years	314 428	314 428
Later than five years	-	-
Total lease commitments	574 112	574 112

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21. Unauthorised, Irregular and Fruitless and wasteful expenditure

	2022/23 R'000	2021/22 R'000
Unauthorised expenditure	-	184 692
Irregular expenditure	8 730	22 740
Fruitless and wasteful expenditure	24 278	7 004
Total	33 008	214 436

22. Related party transactions

	Note	2022/23 R'000	2021/22 R'000
Payments made			
Goods and services		8 434	8 417
Total		8 434	8 417

The goods and services payments were to the following companies:

- African Compass; and
- Dad & Son construction

As well as the following independent schools:

- Berview Junior Primary;
- Holy Cross Kiddieland

Year end balances arising from revenue/payments

Payables to related parties	26 068	38 417
Total	26 068	38 417

The payables as at end of the year relate to amounts owing to the Department of Public Works.

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In kind goods and services provided/received

	2022/23 R'000	2021/22 R'000
Rentals of buildings by Department of Public Works	23 177	16 366
Municipal Services by Department of Public Works	630	548
Total	23 807	16 914

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23. Key management personnel

	2022/23 R'000	2021/22 R'000
Political office bearers (provide detail below)	2 086	1 978
Officials:		
Levels 15 and 16	5 579	5 407
Level 14	15 868	16 557
Level 13	60 080	61 096
Family members of key management personnel	31 905	25 600
Total	115 518	110 638

24. Provisions

<i>Long service awards</i>	59 931	101 594
Total	59 931	101 594

24.1. Reconciliation of movement in provisions – 2022/23

	Long service awards R'000	Total provisions R'000
Opening balance	101 594	101 594
Increase in provision	59 931	59 931
Settlement of provision	(101 594)	(101 594)
Closing balance	59 931	59 931

Reconciliation of movement in provisions - 2021/22

	Long service awards R'000	Total provisions R'000
Opening balance	47 750	47 750
Increase in provision	101 594	101 594
Settlement of provision	(47 750)	(47 750)
Closing balance	101 594	101 594

The provision made is for employee who will be qualifying and paid long service awards in 2022-23 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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25. Movable Tangible Capital Assets	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023					
MACHINERY AND EQUIPMENT	178 960	-	-	-	178 960
Transport assets	58 200				58 200
Computer equipment	61 338				61 338
Furniture and office equipment	44 465				44 465
Other machinery and equipment	14 957				14 957
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	178 960	-	-	-	178 960
<i>Include discussion here where deemed relevant</i>					
Movable Tangible Capital Assets under investigation					
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:					
Machinery and equipment				3 969	47 333
					Value
					R'000

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- 1) Assets that were purchased and the Department could not include in the main FAR because the payment vouchers were still outstanding as at the reporting date (outstanding mainly from district offices). These payment vouchers date back from previous years 2014/15. The expenditure for these assets was incurred and needs to be reported as such on the AFS, hence they form part of the Assets Under Investigation.
- 2) Assets that are owned by the department but were not verified in the previous financial years, as a result they could not be included on the FAR. These were reported as assets under investigation on the AFS which is a practice that the Treasury allowed until these assets are investigated and included in the FAR.
- 3) Assets that were verified but could not be linked to the FAR, either because the barcodes fell and were replaced by new barcodes (without removing the old one) hence the assets cannot be tallied for the FAR.

The Department has started to resolve the Assets Under Investigation balance, as shown in the adjustment for prior period errors.

25.1. Movement for 2021/22

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	273 171	(85 247)	5 346	14 310	264 207
Transport assets	72 510	-	-	14 310	58 200
Computer equipment	131 206	(69 958)	90	-	131 296
Furniture and office equipment	49 699	(6 205)	971	-	50 670
Other machinery and equipment	19 756	(9 084)	4 285	-	24 041
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	273 171	(85 247)	5 346	14 310	178 960

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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25.1.1	Prior period error	Note	2021/22 R'000
	Nature of prior period error		
	Relating to 2017/18 to 2019/20 financial years (affecting the opening balance)		(85 247)
	Disposals		(85 247)
	Total		(85 247)

The prior period error relates to assets that were disposed but were not updated in the asset register for the financial periods 2017/18 to 2019/20 as detailed below:

1. Computer equipment – R69.958 million;
2. Furniture and office equipment – R6.205 million; and
3. Other machinery and equipment – R9.084 million

25.2. Minor assets
MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Machinery and equipment R'000	Total R'000
Opening balance	29 990	29 990
Additions	2 198	2 198
TOTAL MINOR ASSETS	32 188	32 188

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Minor assets

	Machinery and equipment R'000	Total R'000
Number of R1 minor assets	7	7
Number of minor assets at cost	61 877	61 877
	61 884	61 884

Minor Capital Assets under investigation

that are under investigation:
Machinery and equipment

Number	Value R'000
1 608	4 113

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Minor assets
MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Machinery and equipment R'000	Total R'000
Opening balance	85 373	85 373
Prior period error	(55 647)	(55 647)
Additions	264	264
TOTAL MINOR ASSETS	29 990	29 990

	Machinery and equipment R'000	Total R'000
Number of R1 minor assets	129	129
Number of minor assets at cost	56 173	56 173
	56 302	56 302

Minor Capital Assets under investigation

that are under investigation:

	Number	Value R'000
Machinery and equipment	5 207	12 396

- 1) Assets that were purchased and the Department could not include in the main FAR because the payment vouchers were still outstanding as at the reporting date (outstanding mainly from district offices). These payment vouchers date back from previous years 2014/15. The expenditure for these assets was incurred and needs to be reported as such on the AFS, hence they form part of the Assets Under Investigation.
- 2) Assets that are owned by the department but were not verified in the previous financial years, as a result they could not be included on the FAR. These were reported as assets under investigation on the AFS which is a practice that the Treasury allowed until these assets are investigated and included in the FAR.
- 3) Assets that were verified but could not be linked to the FAR, either because the barcodes fell and were replaced by new barcodes (without removing the old one) hence the assets cannot be tallied for the FAR.

The Department has started to resolve the Assets Under Investigation balance, as shown in the adjustment for prior period errors

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25.2.1. Prior period error

	Note	2021/22 R'000
Nature of prior period error Relating to 2017/18 to 2019/20 financial years (affecting the opening balance) Disposals		(55 647)
Total		(55 647)

The prior period error relates to assets that were disposed but were not updated in the asset register.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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26. Intangible Capital Assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2023**

	Opening balance R'000	Closing balance R'000
SOFTWARE	11 078	11 078
TOTAL INTANGIBLE CAPITAL ASSETS	11 078	11 078

26.1. Movement for 2021/22

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2022**

	Opening balance R'000	Closing balance R'000
SOFTWARE	11 078	11 078
TOTAL INTANGIBLE CAPITAL ASSETS	11 078	11 078

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27. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	14 077 674	1 125 210	321 089	14 881 795
Non-residential buildings	14 077 674	1 125 210	321 089	14 881 795
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	14 077 674	1 125 210	321 089	14 881 795

Immovable Tangible Capital Assets under investigation

Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation:

Buildings and other fixed structures

	Number	Value R'000
Buildings and other fixed structures	1 027	6 209 811

There are 1027 assets which are under investigation totalling R6.209 billion

During the year the department identified old projects without scope of works thus could not physically verify the projects for condition assessment. The department is in process to identify the scope of works and commence the fair valuation of the projects. Furthermore the department is considering the impact of circular 18 of 2023 that deals with section 42 transfers as well as the encouragement of fair valuation of projects without supporting documents

Projects without P_Numbers (difficult to identify the associated transaction listing and are very old) R51.3million
Projects with P_Numbers but difficult to identify transaction listing due to old system of batch processing R69.7million

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Movement for 2021/22

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

BUILDINGS AND OTHER FIXED STRUCTURES

Non-residential buildings

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
	13 197 808	(256 059)	652 757	517 030	13 077 476
	13 197 808	(256 059)	652 757	517 030	13 077 476
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	13 197 808	(256 059)	652 757	517 030	13 077 476

27.1.1. Prior period error

Nature of prior period error

Relating to 2020/21 and 2021/22 affecting the opening balance
Fair value adjustment due to fair value methodology application

Non capital projects(maintenance) and assets transferred to cost register

Assets transferred from FV register and S42 transfers

Total

	R'000
	(256 059)
	974 304
	(1 166 654)
	(63 709)
	(256 059)

Included in the disposals for the year are 50 projects that have been transferred to the department of public works and infrastructure in terms of the S42 process of the PFMA.

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27.2. Capital Work-in-progress
CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2023

	Note	Opening Balance 1 April 2022 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2023 R'000
Buildings and other fixed structures		2 312 392	1 336 760	1 143 418	2 505 072
TOTAL		2 312 392	1 336 760	1 143 418	2 505 072

Included in the balance as at 31 March 2023 are assets under investigation for various reasons including projects which the department is considering whether to continue with the construction thereof or not.

Number of Projects = 278 @ R1,871 billion

Included in the balance as at 31 March 2023 are 334 projects valued at R1,153 billion that have been transferred to the Ready for Use Register as completed projects.

Payables not recognised relating to Capital WIP

Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress

	2022/23 R'000	2021/22 R'000
Total	28 392	128 785

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CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

Note	Opening Balance R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2022 R'000
Annex 7	3 586 886	(1 359 822)	773 873	(689 206)	2 311 731
TOTAL	3 586 886	(1 359 822)	773 873	(689 206)	2 311 731

During the year under review, the Department realised that the opening balance of the capital work in progress in FY2021 was overstated by R1,090 billion mainly as a result of projects which were completed but not transferred-out to the ready for use register (R897,001 million) and invoices which were erroneously capitalised (R193.537 million).

Furthermore, it was discovered that the additions for the FY2022 were overstated by R77.881 million, mainly as a result of invoices which were not capitalised. Transfers-out were understated as a result of completed projects that were not transferred-out to the completed immovable assets (R190,741 million).

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28. Principal-agent arrangements

28.1. Department acting as the principal

	2022/23 R'000	2021/22 R'000
<i>Eastern Cape Department of Public Work</i>	539 176	520 143
<i>Development bank of South Africa</i>	104 574	41 861
<i>Eastern Cape Development Corporation</i>	624	2 087
<i>Independent development Trust</i>	288 050	98 964
<i>Office of The Premier</i>	572	12 664
<i>The Mvula Trust</i>	11 048	3 175
<i>Coega Development Corporation</i>	255 073	137 547
<i>Amatola Water Board</i>	22 502	8 657
Total	1 221 619	825 098

The department uses DPW, DBSA, ECDC, IDT, OTP, TMT, CDC and AWB as implementing agents for facilitating infrastructure related projects. There has been no changes in the contracts of these implementing agents from prior year. These are specialists that are used due to capacitation of the Department and is more cost effective as a result of economies of scale. Agency paid to these IA's are included in the above amounts and are as follows: AWM R991, CDC R19 283, DBSA R8 227, IDT R11 038, TMT R224. Total agency fees paid R39 763. The liabilities to these IA's relate to accruals and payables as Follows: AWB R10 236, CDC R23 202, DBSA R1 217, IDT R31 262, DPW R26 068. Total Liabilities R91 985

There are no cost implications for the principal, if the principal agent arrangement is terminated, If an agent is not performing the projects are transferred to another one.

There are no cost implications for the principal if the principal-agent arrangement is terminated. If the agent is not performing, the projects are transferred to another implementing agent.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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29. Prior period errors

29.1. Correction of prior period errors

	Note	Amount bef error correction R'000	Prior period error R'000	Restated Amount R'000
Expenditure:				
Immovable asset register		13 197 808	(256 059)	12 941 749
Capital work-in-progress		3 586 886	(1 359 822)	2 227 064
Net effect		16 784 694	(1 615 881)	15 168 813
Other:				
Accruals not recognised – Goods and service	18.1	463 108	(8 381)	454 727
Accruals not recognised – Goods and service	18.1	357 601	(8 381)	349 220
		820 709	(16 762)	803 947

30. Transfer of Functions and Mergers

30.1. Transfer of functions

The President pronounced during February 2019 state of the nation address that the ECD function will be transferred from the Department of Social Development to the Department of Education This process requires pupils to start a compulsory ECD programme for a duration of two years before they are allowed into grade 1 reading with comprehension in their first years of school.

This is essential to equipping children to succeed in school, in work and in life and it is possibly the single most important factor in overcoming poverty unemployment and inequality. The early grade reading studies have demonstrated that a dedicated package of reading resources, expert reading coaches and lessons can have one reading outcome. The Department of Education was therefore identified as the best department to ensure that the above strategic move is implemented, hence the shift.

The transactions below relate to 72 officials who transferred from the Eastern Cape Department of Social Development to the Eastern Cape department of Education from 1 April 2022

The budget allocation letter that was issued in February 2022 reflected an amount of R221.152 million which was shifted from the Eastern Cape of Social Development to the Eastern Cape Department. This mount was not allocated to the Department and therefore there was no direct transaction between these two departments.

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30.1.1. Notes

	Balance before transfer date	Functions received ECDoE	Functions received ECDoE	Functions (transferred) / received	Dept name (Specify)	Balance after transfer date
	R'000	R'000	R'000	R'000	R'000	R'000
Employee benefits	3 620 610	2 489	-	-	-	3 623 099
Movable tangible capital assets	264 207	1 241	-	-	-	265 448

reference to the proclamation or declaration giving effect to the transfer of functions

In 2020 a proclamation was issued in terms of section 97 of the Constitution of the Republic of South Africa, 1996, which transfers the administration of and powers and functions entrusted by Chapter 5 of the Children's Act, 2005 (Act No. 38 of 2005) ("the Children's Act"), and all amendments thereto, in respect of only partial care facilities that provide early childhood development programmes as defined in S91(3) of the Children's Act; Chapter 6 of the Children's Act, and all amendments thereto; Sections 306, 307, 308 and 311 of the Children's Act, and all amendments thereto. In so far as they relate to the Minister of Social Development, from such Minister to the Minister of Basic Education, with effect from the date of publication of this Proclamation in the Gazette.

In line with the above paragraph, The Premier of the Eastern Cape issued proclamation three (3) of 2021, on the 9 June 2021 for the implementation of the transfer of function between the Eastern Cape Department of Social Development and the Eastern Cape Department of Basic Education. Both departments entered a memorandum of understanding to agree that the ECD function will be shifted from the Eastern Cape Department of Social Development to the Eastern Cape department of Education. The MOU was also intended to assist transitional steps to ensure seamless operations of the shift process. The MOU was signed on the 18 August 2021.

The transfer date was 01 April 2022.

The of Eastern Cape of Department of Social Development is the Transferor of the function to the Eastern Cape Department of Education.

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Indicate whether there was an agreement drawn up, and provide a description of roles, responsibilities and accountability arrangements.
Both departments entered into a Memorandum of Agreement is led and driven by the respective Heads of departments reporting directly to the respective MECs.

The Heads of department established a Projects Steering Committees which were co-chaired on a alternative rotational basis.

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31. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION				SPENT				2021/22		
	Division of Revenue Act/Provincial Grants	Roll Overs	DORA Adjustments	Other adjustments	Total Available	Amount received by department	Amount spent by department	Under / (overspending)	% of available funds spent by dept	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Maths, Science and Technology Grant	53 950	19 946	-	-	73 896	73 896	72 699	1 197	98%	59 696	38 680
Education Infrastructure Grant	1 741 459	291 689	21 703	(100 000)	1 954 851	1 954 851	1 854 232	100 619	95%	1 506 631	1 214 942
HIV & Aids	44 528	2 369	-	-	46 897	46 897	46 653	244	99%	50 369	47 349
National School Nutrition Programme	1 494 648	-	-	-	1 494 648	1 494 648	1 495 454	(806)	100%	1 443 715	1 437 852
Extended Public works(Soc.Sector)	40 050	-	-	-	40 050	40 050	41 434	(1 384)	103%	29 797	29 760
Extended Public Works	3 491	-	-	-	3 491	3 491	3 396	95	97%	4 586	3 691
Integrated Programme Learner	28 333	4 467	-	-	32 800	32 800	28 061	4 739	86%	33 909	23 925
Profound Intel Disability Grant	199 668	23 664	-	-	223 332	223 332	189 217	34 115	85%	-	38 680
Early Childhood Development Grant											
	3 606 127	135 342	21 703	(100 000)	3 869 965	3 869 965	3 731 146	138 819		3 128 703	2 796 199

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32. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2021/22	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	
SETA	68 360	-	-	68 360	68 360	100%	65 150	65 150
Total	68 360	-	-	68 360	68 360	-	65 150	65 150

ANNEXURE 1B
STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

INSTITUTION NAME	TRANSFER ALLOCATION				TRANSFER			2021/22	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Payment to Higher Institutions	15 113	-	-	15 113	15 110	3	0%	14 500	14 288
Total	15 113	-	-	15 113	15 110	3	-	14 500	14 288

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ANNEXURE 1C
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers Section 20 & 21	2 147 433	-	(120 465)	2 026 968	2 029 489	100%	2 146 329	2 100 634
Independent schools	157 897	-	-	157 897	154 898	98%	101 628	99 225
Special schools	148 221	-	-	148 221	144 985	98%	144 005	143 406
ECD sites	413 426	-	23 664	437 090	372 393	85%	32 114	25 849
Marking Centres	45 212	-	-	45 212	45 200	100%	49 701	49 493
TOTAL	2 912 189	-	(96 801)	2 815 388	2 746 965		2 473 777	2 418 608

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**ANNEXURE 1E
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2022/23	2021/22
	R'000	R'000
Received in cash		
Various companies	-	2 526
SAICA	20	-
Industrial Development Cooperation	45	-
Standard bank	50	-
Subtotal	115	2 526
Received in kind		
Various companies	-	14906
Oxford university Press	4	-
MTN	130	-
Maths & Science infinity	50	-
BTKM	216	-
Kasipu consulting	119	-
Mr Hoboyi	432	-
Samara Foundation	1 200	-
ECGB with gambling foundation	1 189	-
Niddle (Pty) Ltd	1 605	-
Subtotal	4 945	14 906
TOTAL	5 060	17 432

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 – LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Opening balance 1	Guaranteed	Closing balance 31
		April 2022	repayments/ cancelled/ reduced during the year	March 2023
		R'000	R'000	R'000
	Housing			
Standard Bank	Housing	5 813		5 813
Nedbank	Housing	42		42
Nedbank Limited	Housing	7 294		7 294
First Rand Bank	Housing	2 019		2 019
Nedbank 2	Housing	133		133
Meeg Bank	Housing	75		75
ABSA	Housing	216		216
Unique Finance	Housing	356		356
Peoples Bank	Housing	2 899		2 899
Nedbank ILTD(NBS)	Housing	3 984		
FNB	Housing	642		
Old Mutual	Housing	3 202		
United	Housing	13		
TNBS	Housing	267		
Hilano Financial Services	Housing	12		
Ithala	Housing	111		
Housing Dev Board	Housing	12		
BOE Bank	Housing	48		
SA Home Loans	Housing	1 643		1 643
	Subtotal	28 781		20 490
	Total	28 781		20 490

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITY FOR THE YEAR ENDED 31 MARCH 2023

NATURE OF LIABILITY	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Various claims	197 725	92 711	(49 331)	-	241 105
TOTAL	197 725	92 711	(49 331)	-	241 105

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ANNEXURE 3
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Education KZN	-	-	2 061	1 076	2 061	1 076
Basic Education	-	-	47	47	47	47
Eastern Cape Health	-	-	-	233	-	233
Education Northern Cape	-	-	41	41	41	41
Education Western Cape	-	-	1 064	372	1 064	372
Education Gauteng	-	-	1 194	617	1 194	617
Education National	-	-	37	37	37	37
Education Mpumalanga	-	-	782	657	782	657
Education Limpopo	-	-	319	254	319	254
Education Free State	-	-	21	698	-	-
National Higher Education	-	-	8 928	8 863	-	-
Justice	-	-	47	47	-	-
Public Works National	-	-	6	6	-	-
Correctional Services	-	-	62	127	-	-
KZN Health	-	-	-	23	-	-
Education North-West	-	-	99	28	-	-
OTP Eastern Cape	-	-	4 800	4 800	-	-
Department of Public Works	-	-	1	-	-	-
Department of Environment Forestry and fisheries	-	-	78	-	-	-
Department of Agriculture and Land Reforms	-	-	43	-	-	-
	-	-	19 630	17 926	5 545	3 334
OTHER GOVERNMENT ENTITIES						
SADTU	-	-	205	205	205	205
Unconfirmed overpayments to schools	-	-	6 419	-	6 419	-
	-	-	6 624	205	6 624	205
Total	-	-	26 254	18 131	12 169	3 539

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ANNEXURE 4 INTER-GOVERNMENT PAYABLES	GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
		31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
		R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS							
Current		-	-	-	-	-	-
SAPS		1 132	13	-	-	1 132	13
Eastern Cape Department of Social Development		26 048	18 889	-	-	26 048	18 889
Eastern Cape Department of Public Works		-	-	-	-	-	-
Eastern Cape Provincial Treasury		-	-	-	-	-	-
Eastern Cape Office of the Premier		-	-	-	128	-	128
Eastern Cape Department of Transport		2 414	19 322	-	-	2 414	19 322
Education Northern Cape		-	-	-	-	-	-
Education Gauteng		1 081	-	-	-	1 081	-
Education KZN		107	-	-	-	107	-
Department of Justice		9 828	16 137	-	-	-	-
Higher Education		166	-	-	-	-	-
Western Cape Department of Education		56	243	-	-	-	-
Eastern Cape Health		-	65	-	-	-	65
Subtotal		40 832	54 669	-	128	30 782	38 417
Total Departments		40 832	54 669	-	128	30 782	38 417
OTHER GOVERNMENT ENTITY							
Current		31 362	-	-	-	31 362	-
Special Investigative Unit		-	-	-	-	-	-
Total Other Government Entities		31 362	-	-	-	31 362	-
TOTAL INTERGOVERNMENTAL PAYABLES		72 194	54 669	-	128	62 144	38 417

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 5
INVENTORIES**

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2023

	Note	LTSM R'000	ASSETS FOR DISTRIBUTION R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	TOTAL R'000
Opening balance		13 373	-	-	-	13 373
Add/(Less): Adjustments to prior year balances		651 967	102 223	-	-	754 190
Add: Additions/Purchases - Cash		(665 340)	(102 223)	-	-	(767 563)
(Less): Issues		-	-	-	-	-
Closing balance		-	-	-	-	-

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2022

	Note	LTSM R'000	Assets for Distribution R'000	TOTAL R'000
Opening balance		42 413	-	42 413
Add: Additions - Non-cash		607 027	89 995	697 022
(Less): Issues		(636 067)	(89 995)	(726 062)
Closing balance		13 373	-	13 373

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ANNEXURE 6
Movement in Capital Work-in-Progress
MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	2 311 731	1 336 760	(1 143 418)	2 505 072
Non-residential buildings	2 311 731	1 336 760	(1 143 418)	2 505 072
TOTAL	2 311 731	1 336 760	(1 143 418)	2 505 072

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Prior period errors R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	3 586 886	(1 359 822)	773 873	(689 206)	5 049 965
Non-residential buildings	3 586 886	(1 359 822)	773 873	(689 206)	5 049 965
TOTAL	3 586 886	(1 359 822)	773 873	(689 206)	5 049 965

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 7
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	APR	MAY	JUN	Subtotal	JUL	AUG	SEP	Subtotal	OCT	NOV	DEC	Subtotal	JAN	FEB	MAR	Subtotal	2022/23	2021/22	
	R'000	2022	R'000	Q1	R'000	2022	R'000	Q2	R'000	2022	R'000	Q3	R'000	2023	R'000	Q4	TOTAL	TOTAL	
Goods services <i>Please list all the applicable SCOA level 4 items:</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115 103
Consumable supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115 103
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consultants and professional services: Business and advisory services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6 275
Transfers and subsidies <i>Please list all the applicable SCOA level 4 items:</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65 289
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65 289
TOTAL COVID 19 RESPONSE EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180 392