



Province of the  
**EASTERN CAPE**  
EDUCATION

---

**2017/18**

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**ANNUAL  
R E P O R T**



**EASTERN CAPE DEPARTMENT OF EDUCATION**

**2017/18**

**ANNUAL REPORT**

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# PART A

# GENERAL INFORMATION



### 1.1. Department's General Information

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## 1.2. List of Abbreviations

AAC: Autism Alternative and Augmentative Communication
AET: Adult Education and Training
AIDS: Acquired Immunodeficiency Syndrome
AIP: Audit Improvement Plan
ANA: Annual National Assessments
AWB: Amatola Water Board
CAPS: Curriculum and Assessment Policy Statements
CBM: Condition Based Maintenance
CEM: Council of Education Ministers
CFO: Chief Financial Officer
COGTA: Department of Cooperative Governance and Traditional Affairs
CSLP: Circuit Schools Landscape Plans
DBE: Department of Basic Education
DDD: Data Driven Districts
DEMIS: District Education Management Information System
DRPW: Department of Roads and Public Works
EAP: Environment Assessment Practitioners
ECD: Early Childhood Development
ECDC: Eastern Cape Development Corporation
ECDOE: Eastern Cape Department of Education
EDO: Education Development Officers
EE: Employment Equity
EFMS: Education Facilities Management System
EGRA: Early Grade Reading Assessment
EIA: Environmental Impact Assessment
EIG: Education Infrastructure Grant
EMIS: Education Management Information System
EPWP: Expanded Public Works Programme
FET: Further Education and Training
FP: Foundation Phase
GET: General Education and Training
HEI: Higher Education Institution
HIV: Human Immunodeficiency Virus
HOD: Head of Department
HR: Human Resources
HRD: Human Resources Development
ICT: Information and Communication Technology
IRM: Treasury Infrastructure Reporting Module
IA: Implementing Agent
ICU: Internal Control Unit
IT: Information Technology
IMDG: Institutional Management Development and Governance
IDMS: Infrastructure Delivery Management System
IPIP: Infrastructure Programme Implementation Plans
IPMP: Infrastructure Programme Management Plan
IQMS: Integrated Quality Management System
LAIS: Learner Attainment Improvement Strategy
LED: Local Economic Development
LSEN: Learners with Special Education Needs



LTSM: Learning and Teaching Support Materials
MEC: Minister of Executive Council
MPAT: Management Performance Assessment Tool
MST: Mathematics, Science and Technology
MTEF: Medium-Term Expenditure Framework
MTSF: Medium Term Strategic Framework
NCS: National Curriculum Statement
NDP: National Development Plan
NEPA: National Education Policy Act
NGO: Non-Governmental Organisation
NQF: National Qualifications Framework
NSC: National Senior Certificate
NSNP: National School Nutrition Programme
OHS: Occupational Health and Safety
OSD: Occupation Specific Dispensation
PDP: Provincial Development Plan
PELRC: Provincial Education Labour Relations Council
PFMA: Public Finance Management Act
PID: Profound Intellectual Disabilities
PILIR: Policy on Incapacity Leave and Ill-Health Retirement
PIRLS: Progress in International Reading Literacy Study
PMDS: Performance Management and Development System
PPI: Programme Performance Indicator
PPM: Programme Performance Measure
PPN: Post Provisioning Norms
PSU: Programme Support unit
RCL: Representative Council of Learners
SACE: South African Council for Educators
SA-SAMS: South African School Administration and Management System
SASL: South African Sign Language
SACMEQ: Southern and Eastern African Consortium for Monitoring Educational Quality
SAQA: South African Qualifications Authority
SASA: South African Schools' Act
SBA: School Based Assessments
SCM: Supply Chain Management
SDIP: Service Delivery Improvement Plan
SDM: Service Delivery Model
SETA: Sector Education and Training Authority
SGB: School Governing Body
SGBAs: School Governing Body Associations
SDM: Service Delivery Model
SIAS: Screening, Identification, Assessment and Support
SID: Severely Intellectually Disabled
SITA: State Information Technology Agency
SMT: School Management Team
TIMSS: Trends in International Mathematics and Science Studies
U-AMP: User Asset Management Plan
WRC: Water Research Commission
WSE: Whole School Evaluation

### 1.3. Foreword by MEC

Dear People of the Eastern Cape

It is my privilege to present to you the Department's 2017/18 Annual Report. This Annual Report (2017/18) details the implementation of 2017/18 priorities, achievements and challenges.



2017/18 was:

- a) The second year of the Education System Transformation Plan (2016 – 2018)
- b) The first academic year having appointed a new Superintendent General (December 2016)
- c) The first year in implementing the new Service Delivery Model
  - I. 12 New Districts (from 23 Districts)
  - II. Delegation of appointments (e.g. Post Level 1 Educator to District Director)

The year 2017/18 also saw the Department:

- a) Professionalising Grade R practitioners to permanent educators
- b) Introducing the Expanded Skills Programmes (3 Stream Model)
- c) Appointing a CFO and 4 Chief Directors (all Chief Directors appointed being women)
- d) Rolling out the teacher laptop initiative
- e) Implementing the Data Driven Districts Programme
- f) Rolling out Teacher Development Institutes
- g) Implementing a Programme to address the Grade 1 repetition rate

There were many other good programmes implemented, but there were also immense challenges:

- a) Scholar transport remained a challenge (with only 80 000 of the 114 000) learners being transported
- b) Infrastructure, especially sanitation and the refurbishment of old infrastructure
- c) The Department has not yet fully institutionalised and budgeted for the Language in Education Policy
- d) The Province still has a large number of small/unviable schools
- e) The Audit Report remains qualified
- f) At the end of 2017/18 the review of the 2006 Organogram had not yet been finalised

However, having learnt lessons from the 2017/18 performance of the Department, the Department has committed itself to do more in providing quality public education.

Programmes, projects and initiatives have commenced to improve upon the current situation. I am looking forward to better outcomes by the end of 2018/19.

I wish to thank:

- a) The HOD and his team for the hard work done
- b) The Portfolio Committee and the Provincial Legislature for the righteous Oversight that assisted the Department.

A handwritten signature in black ink, appearing to read "M. Makupula". The signature is written in a cursive, flowing style.

**Hon. M. Makupula, MPL**  
**MEC for Education, Eastern Cape**

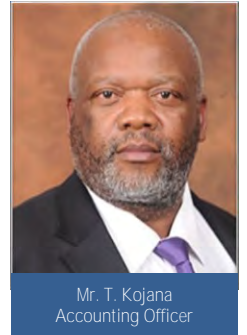
## 1.4. Report of the Accounting Officer

### The Accounting Officer's Overview

The 2017/18 financial year was a year of transforming the way in which we deliver services, strengthening existing controls and providing adequate resources to leadership within Districts. The education system is complex and does not come without challenges. Despite challenges encountered, we have registered the following overall achievements in 2017/18:

- The consultation and implementation of a new Service Delivery Model consisting of 12 districts and a realigned Head Office structure
- The early declaration and distribution of posts to schools
- Decisive steps have been taken to improve school functionality through the appointment of 121 principals, 242 deputy principals and 665 Heads of Department
- Improved delivery of books and school furniture and considerable investment in school infrastructure.
- The 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.
- Regular communication and consultation with education stakeholders
- The establishment of a Provincial Teacher Development Committee; the approval of Norms and Standards for Provincial Teacher Development Institutes and District Teacher Development Centres and a Prospectus of all teacher development programmes offered in the province
- Increase in NSC pass rate in two consecutive years from 58% to 65%

2017/18 was the second year of implementing the Education System Transformation Plan 2016 – 2018. In this period, the Department continued to work towards transforming the Education System to provide a better education experience for the learners of our Province. The achievements realized during the year under review for each of the 7 outcomes found in the Transformation Plan is outlined in the following pages.



Outcome 1: Increased Number of fully functional schools 2017/18 Achievements	
Sub-Outcome	
<p><b>1. School Leadership and Management</b> Principals, Deputies and HODs SGBs that serve more than 1 school</p>	<ul style="list-style-type: none"> <li>• 141 mentors appointed to support principals</li> <li>• 450 principals were taken through a formal induction programme</li> <li>• 390 principals were trained on Curriculum Management</li> <li>• 188 Circuit Managers trained to utilise the Data Driven District (DDD) system</li> <li>• 831 FET school principals were trained on DDD</li> <li>• 920 Departmental Heads from underperforming schools were trained on Curriculum Management and Instructional Leadership and Instructional Leadership</li> <li>• An information sharing session (Indaba) was held in March 2017 with SGBs covering a range of leadership and management areas.</li> </ul>
<p><b>2. Eliminate inefficiencies and increase the speed in filling of educator and non educator positions at school level</b></p>	<ul style="list-style-type: none"> <li>• Reduction in PILIR cases – from 10 845 to 3 383 (68% reduction)</li> <li>• 42 % of displaced educators were placed</li> </ul>
<p><b>3. Up-Scale e-learning and teacher development</b> 560 viable Secondary Schools In quintiles 1 to 3 for Grades 10, 11 and 12 gateway subjects</p>	<ul style="list-style-type: none"> <li>• 413 schools connected to Telematics Teaching for broadcast of critical subjects.</li> <li>• 983 Smart classrooms have been deployed in 293 schools.</li> <li>• 16 817 Foundation phase teachers and 23 487 intermediate phase teachers were the beneficiaries of a laptop with 2G data</li> <li>• 4 707 teachers have been trained on basic ICT and teaching integration skills.</li> <li>• ICT equipment has been provided to 1 364 Fieldworkers, Subject Advisors and Office based educators</li> <li>• 5 441 School principals have received Tablets with 2G data with School Management Application</li> <li>• All schools provided with new laptops to support the operationalisation of SASAMS, Data Driven Districts (DDD) and other systems including email system</li> <li>• All targeted High Schools provided with Internet Kiosk Laptop to improve access to internet and to all systems provided by the department</li> <li>• All schools have been provided with email (Microsoft Office 365) and online Microsoft Sharepoint collaboration platforms</li> </ul>
<p><b>4. Matric Preparation</b> Support of progressed, 2<sup>nd</sup> chance matric and modular matric Eliminate progressed learners</p>	<ul style="list-style-type: none"> <li>• 9 DBE funded second chance Matric centres are functional within the Province (3 in East London, 2 in Mthatha and 4 digital sites)</li> <li>• Partnership with the National Education Collaboration Trust to roll out programmes focusing on lesson plans and monitoring tools to track curriculum coverage</li> <li>• Roll out of a Grade 12 support programme to identified schools</li> </ul>

Outcome 1: Increased Number of fully functional schools	
2017/18 Achievements	
Sub-Outcome	
<b>5. Curriculum Streamlining, assessment, support and learner channeling</b> Grade 9	<ul style="list-style-type: none"> <li>• 1 935 learners were assessed in schools using the Screening, Identification, Assessment and Support Tool</li> <li>• 69 District based therapists and psychologists were appointed. This increased the coverage at schools for the implementation of Screening, Identification, Assessment and Support Policy (SIAS)</li> <li>• Remedial support initiated in 30 Full Service schools</li> <li>• PPN for 2018 provided 1 100 educators in special schools and 900 educators in Public Ordinary Schools to support inclusion of learners</li> <li>• 36 social worker interns were appointed to support vulnerable learners</li> <li>• 50 teacher assistants appointed in full service schools and trained on technical skills programmes (building) for the occupational curriculum</li> </ul>
<b>6. Supply Chain Management and financial management</b>	<ul style="list-style-type: none"> <li>• 70% of term contracts are in place for procurement of goods and services</li> <li>• A three year contract was concluded for the provision of school furniture in line with the Provincial LED framework</li> <li>• A pool of auditors was loaded onto the Departmental database and schools are required to utilise an auditor from the database.</li> <li>• Submission of audited financial statements of schools to the Department for review and feedback</li> </ul>
<b>7. Performance and Consequence Management</b>	<ul style="list-style-type: none"> <li>• Appointed the Director: Labour Relations from 1 April 2017</li> <li>• Letters of accountability were issued to all principals where an achievement of below 60% was realized</li> <li>• 15 letters of accountability were issued to principals of schools achieving below 40% for 5 consecutive years</li> <li>• Meetings were conducted by the SG with the principals who received accountability letters</li> <li>• 7 new schools completed (includes 3 realigned schools)</li> <li>• 86 schools provided with sanitation</li> <li>• 129 schools provided with water</li> <li>• 138 schools benefitted from fencing projects</li> <li>• 15 ECD classrooms completed with 23 ECD classrooms and 16 New ECD centres under construction</li> <li>• 45 projects under construction comprising replacement, rehabilitation, realignment, mud structures/inappropriate infrastructure eradication in schools</li> <li>• The appointment of employees utilizing the EPWP conditional grant was as follows: <ul style="list-style-type: none"> <li>○ 117 school safety patrollers</li> <li>○ 77 school gardeners</li> <li>○ 122 cleaners and gardeners</li> <li>○ 26 hostel cleaners</li> <li>○ 92 support staff at Special and Full Service Schools</li> <li>○ 4 interpreters in Special Schools</li> <li>○ 30 EPWP champions (data capturers)</li> </ul> </li> </ul>
<b>8. Infrastructure, facilities and Security Management</b>	

Outcome 2: Rationalised and re-aligned small and unviable schools	
<b>9. 2 077 small schools targeted for rationalisation and realignment</b>	<ul style="list-style-type: none"> <li>Public hearings conducted at 187 schools in 16 Districts</li> <li>The closure of 113 schools approved by the MEC</li> <li>Guidelines for stakeholder management were developed and approved</li> <li>Standard Operating Procedures for school rationalisation were developed and are at review and approval stage</li> </ul>
Outcome 3: Fully capacitated and Functional Districts and Head Office	
<b>10. Head Office and Districts</b>	<ul style="list-style-type: none"> <li>Number of Districts reduced from 23 to 12</li> <li>Placement of 12 District Directors on a temporary basis</li> <li>Appointment, induction and assumption of duty of 31 Circuit Managers</li> <li>40 internal employees trained as Job Evaluation Technical Support</li> </ul>
Outcome 4: Social Partners mobilized and rallied around the change agenda	
<b>11. Schools District Province</b>	<ul style="list-style-type: none"> <li>Provincial Education Labour Relations Council (PELRC) is fully functional</li> <li>The MECs Advisory Committee is fully functional</li> </ul>
Outcome 5: Increased supply of appropriately trained educators	
<b>12. Schools District Province</b>	<ul style="list-style-type: none"> <li>507 Fundza Lushaka bursars appointed and placed</li> <li>84 Provincial BEd graduates placed</li> <li>Road shows conducted in all Districts to attract unemployed youth to the teaching profession</li> <li>57 Teach SA ambassadors placed on a 2 year contract at various schools to aid the improvement of results for Mathematics, Science and languages</li> <li>Appointment of 4 heads at the Teacher Development Institutes</li> </ul>
Outcome 6: Adherence to National Funding Norms	
<b>Sub-Outcome</b>	<b>2017/18 Achievements</b>
<b>13. Schools District Province</b>	<ul style="list-style-type: none"> <li>Funding ratios improved from 87:13 to 80:20</li> <li>Funding of learners in Public Ordinary Schools is as per the National norm (R 1 177 per learner) for quintiles 1 – 3 and R204 for Quintiles 4 - 5</li> </ul>
Outcome 7: Unqualified Audit	
<b>14. Leave Management Commitments and accruals (goods/services and capital) Irregular Expenditure</b>	<ul style="list-style-type: none"> <li>Director: Asset Management was appointed</li> <li>Irregular Expenditure committee established</li> <li>Audit Improvement Plan developed</li> </ul>

The achievements realised in 2017/18 demonstrates that transformation of education is taking place. As 2018/19 is the last year to implement the Education System Transformation Plan 2016 – 2018, the Department will focus on improving the areas where weaknesses were identified.

**Overview of the financial results of the Department**

Departmental receipts	2016/17			2017/18		
	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
Tax Receipts	-	-	-	-	-	-
- Motor Vehicle Licenses	-	-	-	-	-	-
Sales of goods and services other than capital assets	-	-	-	54 308	53 289	1 019
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	92	2	90	98	13	85
Interest, dividends and rent on land	280	54	226	297	152	145
Sale of capital assets	51 234	49 877	1 357			
Financial transactions in assets and liabilities	17 022	13 429	3 593	18 043	24 953	(6 910)
<b>Total</b>	<b>68 628</b>	<b>63 362</b>	<b>5 266</b>	<b>72 746</b>	<b>78 407</b>	<b>(5 661)</b>

The Department recorded a revenue collection of R78 407 million against the adjusted budget of R72 746 million and over collection by R5 661 million in the period under review. The bulk of the revenue collected emanated from sale of goods and services.

## Programme Expenditure

The Programme expenditure is outlined in the table below:

Programme Name	2016/17			2017/18		
	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	2 612 752	2 608 524	4 228	2 794 041	2 715 720	83 321
2. Public Ordinary Schools	24 888 901	25 012 249	(123 348)	26 620 156	26 596 281	23 875
3. Independent School Subsidies	120 000	119 985	15	123 042	122 899	143
4. Public Special Schools	649 366	643 705	5 661	695 754	682 834	12 920
5. Early Childhood Development	580 484	449 985	130 499	588 460	495 651	92 809
6. Infrastructure Development	1 679 493	1 629 640	49 853	1 659 618	1 659 618	-
7. Examinations & Education related services	451 640	502 863	(51 223)	532 994	532 639	356
<b>Total</b>	<b>30 982 636</b>	<b>30 966 951</b>	<b>15 685</b>	<b>33 019 066</b>	<b>32 805 642</b>	<b>213 424</b>

The Eastern Cape Department of Education has seven (7) programmes: Programme 1: Administration, Programme 2: Public Ordinary School Education, Programme 3: Independent School Subsidies, Programme 4: Public Special School Education, Programme 5: Early Child Development, Programme 6: Infrastructure Development and Programme 7: Examination and Education Related Services.

The Department had an adjusted budget of R33 019 billion in 2017/18 financial year. The Department spent R32 506 billion (99.4% of the budget). Under spending is mainly recorded in: Programme 1: Administration by R83 321 million and Programme 5: Early Childhood Development by R92 809 million.

Programme 1: Administration underspent by R83 321 million. The biggest underspending was identified under Corporate Services due to delays in the implementation of the Annual Recruitment Plan.

Programme 2: Public Ordinary Schools, took the largest budget share (81%of the Departmental budget). This programme recorded under spending for Machinery and Equipment.

Programme 4: Public Special School Education, recorded under expenditure mainly attributed to unfilled vacancies. Training and Development and Assistive devices were not provided, due to delays in bids specifications.

Programme 5: Early Childhood Development received an allocated adjusted budget of R588 460 million and spent a total of R495 651 million (84.2% of the budget), The Programme underspent due to delays in the signing of the Memorandum of Understanding (MoU) relating to bursaries and training.

Programme 7: Examination and Education Related Services underspent by R356 thousand.



## Roll Overs

Roll overs Applied for during 2017/18 Financial Year is as follows:

Details	Amount R'000
Maths Science and Technology	12 084
Learners with Severe Profound Intellectual Disability (LSPID) grant	1 983
<b>Total</b>	<b>14 067</b>

### Maths Science and Technology (MST) Grant

The purpose of the roll-over was to facilitate the payment of services that were already committed at year end amounting to R12 084 million on the MST conditional Grant. The commitment was in respect of the purchase and installation of CAT & IT computer laboratories at 25 schools.

### Learners with Severe Profound Intellectual Disability (LSPID) Grant

The purpose of the conditional grant is to improve access to quality basic education for children with severe to profound intellectual disabilities so that they may experience dignity, self-reliance and equal opportunities to participate in their community. The grant targets all learners who experience severe to profound intellectual barriers to learning. Furthermore, it seeks to provide these learners with the necessary support structures and therapeutic interventions within identified Care Centres and Severe Intellectual Disabled (SID) schools.

The Department secured the order number for the buying of toolkits for learners at identified centres. The payment of the toolkits was not processed within the year under review. This was due to the late submission of the invoice for the toolkits.

## Virements

Virements for the 2017/18 financial year are as follows:

Programme	2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation
	R'000	R'000	R'000	R'000
1. Administration	3 037 443	-	(238 402)	2 799 041
2. Public Ordinary Schools	26 289 869	-	330 287	26 620 156
3. Independent School Subsidies	123 042	-	-	123 042
4. Public Special Schools	745 942	-	(50 188)	695 754
5. Early Childhood Development	639 630	-	(51 170)	588 460
6. Infrastructure Development	1 658 750	-	868	1 659 618
7. Examinations & Education related services	524 389	-	8 605	532 994
<b>Total</b>	<b>33 019 066</b>	<b>-</b>	<b>-</b>	<b>33 019 066</b>

The Department implemented movement of funds at year-end from Programme 1 (Administration) amounting to R238 402 million, Programme 4 (Public Special Schools) to the value of R50 188 million and Programme 5 (Early Childhood Development) amounting to R51 170 million. These funds were utilised to defray excess expenditure under Programme 2 (Public Ordinary School) of R330 287 million, Programme 6 (Infrastructure Development) R868 thousand and Programme 7 (Examination and Education Related Services) to the value of R8 605 million.

The post-adjustment virements were done from:

- Programme 1 (Administration): The Department developed and established a new Service Delivery Model (SDM) which resulted in the revision of the current organogram. The new SDM was approved and implemented during the budget planning stage. The Department envisaged that the organogram would be approved and ready for implementation in the 2017/18 financial year and thus the budget was made available to fund the new organogram. The new structure was not approved in 2017/18 as planned resulting in under expenditure. An amount of R205 341 was moved to augment excess spending in other Programmes.
- Programme 4 (Public Special Schools): This programme had new staff appointments which were not be finalised at year end that resulted in underspending of the Programme's budget. The unspent budget was moved to defray excess spending in other Programmes.
- Programme 5 (Early Childhood Development): The training of practitioners commenced late in the year and therefore payments for bursaries could not be made by year-end resulting in underspending.

The post-adjustment virements were done to:

- Programme 2 (Public Ordinary Schools) R330 287 million: The Department experienced overspending on this item due to payment of CoE related accruals and other salary related financial obligations. Funds were moved to this Programme to defray excess spending recorded at year end. The Department also budgeted for transfers to schools for norms and standards funding based on learners with valid ID numbers. This resulted in overspending of the budget in this item.
  - Programme 7 (Examination and Education Related Services) R8 605 million: This programme experienced overspending on compensation of employees due to payments made for overtime worked during the marking of examination papers for the 2017/18 financial year which resulted in overspending on CoE.

### **Unauthorised, fruitless and wasteful expenditure**

The Department recorded an amount of R3 032 million as fruitless and wasteful expenditure.

### **Future plans of the Department**

The processes for correcting the remaining audit qualification areas were reviewed and strengthened. The control breakdowns identified during the review period will form the basis for strengthening the control environment for 2018 onwards, to ensure commitments, capital work-in-progress as well as employee benefits qualification areas are addressed. Further processes to be strengthened relate to addressing material non-compliance on expenditure management.

### **Public Private Partnerships**

The Department had not entered into any Public Private Partnerships for the period under review.

### **Discontinued activities / activities to be discontinued**

There were no discontinued activities for the period under review

### **New or proposed activities**

No new or proposed activities for the period under review.

### **Supply chain management**

No unsolicited bids were concluded for the year under review.

In the financial year 2017/18, the SCM Unit adopted a strategic sourcing approach, where term contracts for routine, high volume and high spending commodities are implemented for a period of 3 years to improve efficiency in the delivery of goods and services, increase expenditure patterns and

reduce irregular expenditure. The ECDoE has to date 47 existing contracts which is in line with the SCM strategy of implementing term contracts to reduce the time and effort spent on procuring these commodities to enable SCM to concentrate more on capacity building, transfer of skills, strengthen controls and monitor existing contracts. In addressing the findings raised by Auditor General and prevent recurrence of such findings, the SCM has developed an Audit Improvement Plan (AIP). As part of this plan the unit has completed the post audit exercise to prevent recurrence of repeat findings.

SCM Unit has a high vacancy rate, particularly in strategic areas, i.e. Asset Management, Tenders, Logistics Management and Contracts Management which in turn has had negative effects in the audit opinion specifically in areas of infrastructure procurement resulting in irregular expenditure and management of assets. The fact that SCM in the department is not structured according to the new SCM Reforms as issued by the National Treasury and approved by Cabinet in 2015 continues to hinder SCM in effectively achieving its objectives at desired levels. The persistent capacity constraints and lack of skills and expertise worsens the situation. The new SCM reforms require a significant change in how SCM has to operate in government institutions which includes modernisation, automation of SCM systems and processes as well as standardization of professional qualification in SCM.

These challenges have been addressed in the proposed new organisational structure as it requires a whole new range of skills, change of mind-set and ethical conduct. Given this significant transformation of SCM, the need for intensive training of the current SCM staff is vital which is being addressed through training provided by Provincial Treasury.

#### **Gifts and Donations received**

There were no gifts and donations received for the period under review.

#### **Exemptions and deviations received from the National Treasury**

There were no deviations recorded for the period under review.

#### **Events after the reporting date**

There were no events completed after the reporting date applicable to the year under review

#### **Acknowledgement/s or Appreciation**

I wish to express my sincere appreciation to the officials of the ECDOE for their hard work and contributions in the 2017/18 financial year, as we strive towards providing quality education and learning experiences for all learners of the Province. Without their hard work and dedication, the progress we have made would not have been possible.

I also want to acknowledge the contribution of our stakeholders: the various sister Departments, trade unions, School Governing Body Associations, entities and municipalities and thank them for their continued partnership with us.

Finally, a sincere word of appreciation to the honourable MEC, for his leadership on our journey towards effective education delivery and good governance.

I, therefore, present to you the Annual Report of the Eastern Cape Department of Education for the Financial Year 2017/18. 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.



**Mr. T. Kojana**  
**Accounting Officer**  
**Department of Education, Eastern Cape**

### 1.5. Statement of responsibility and confirmation of accuracy of 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 E) 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 2018.

Yours faithfully



**Mr. T. Kojana**  
**Accounting Officer**  
**Department of Education, Eastern Cape**

## 1.6. Strategic Overview

### Vision

To provide learners with opportunities to become productive and responsible citizens through quality basic education.

### Mission

To achieve the vision, we will:

- 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.

### Values

Empathy  
Dignity  
Unity  
Confidence  
Access  
Trust  
Integrity  
Ownership  
Nation

The Vision and Mission are supported by the values of the Constitution of the Republic of South Africa (Act 108 of 1996) and the **Batho Pele** principles.

As officials of the Department of Education and servants of the public we pledge to:

- serve with **Empathy**
- endeavour at all times to treat learners, colleagues and stakeholders with **Dignity** and courtesy
- ensure in the spirit of teamwork, to continuously strive for **Unity** as we focus on quality education for all.

We also undertake to:

- inspire **Confidence** in government services and
- fulfil the fundamental principles of **Access** and equity as enshrined in the Constitution of the Republic
- engender **Trust in** all we do
- display a high level of **Integrity** and accountability in our daily operations
- instill a culture of **Ownership** and humility as we make our contribution to moulding the future leaders of our beloved **Nation**.

The letters of the acronym “**EDUCATION**” are employed as the first letters of the eight (8) values: **Empathy, Dignity, Unity, Confidence, Access, Trust, Integrity, Ownership** and **Nation**.

## 1.7. Legislative and other Mandates

### Constitutional Mandates

**The Constitution of South Africa, 1996 (Act 108 of 1996)**

The Constitution requires education to be transformed and democratised in accordance with the values of human dignity, equality, human rights and freedom, non-racism and non-sexism. It guarantees basic education for all, with the provision that everyone has the right to basic education, inclusive of adult basic education.

### Legislative Mandates

**The National Education Policy Act (NEPA), 1996 (Act 27 of 1996)**

The NEPA inscribes into law the policies, the legislative and monitoring responsibilities of the Minister of Education, as well as the formal relations between national and provincial authorities. It lays the foundation for the establishment of the Council of Education Ministers, as well as the Heads of Education Departments Committee (HEDCOM), as inter-governmental forums that collaborate in the development of the new education system. The NEPA embodies the principle of cooperative governance, elaborated upon in Schedule 3 of the Constitution.

**South African Schools Act, (SASA), 1996 (Act 84 of 1996), as amended**

The SASA provides for a uniform system for the organisation, governance and funding of schools. It ensures that all learners have the right of access to quality education without discrimination, and makes schooling compulsory for children aged 7 to 14 years.

**Public Finance Management (PFMA) Act, 1999 (Act 1 of 1999)**

The PFMA regulates financial management in the national and provincial governments and to ensure that government resources are managed efficiently and effectively.

**The Division of Revenue Act (DORA), 2013 (Act 2 of 2013)**

The DORA provides for the equitable division of revenue raised nationally and provincially.

**Employment of Educators (EEA) Act, 1998 (Act 76 of 1998)**

The EEA provides for the employment of educators by the state and for regulation of the conditions of service, discipline, retirement and discharge of educators. The Employment of Educators Act and the resultant professional council, the South African Council of Educators (SACE), regulates the teaching corps of South Africa.

**South African Qualifications Authority (SAQA) Act, 1995 (Act 58 of 1995)**

The South African Qualifications Authority Act provides for the establishment of the National Qualifications Framework (NQF), which forms the scaffolding for a national learning system that integrates education and training at all levels. The launch of the Human Resources Development Strategy by the Minister of Labour and the Minister of Education on 23 April 2001 reinforced the resolve to establish an integrated education, training and development strategy that will harness the potential of all learners. The design of the NQF was refined with the publication of the Higher Education Qualifications Framework in *Government Gazette No. 928*, 5 October 2007, to provide ten levels of the NQF. The school and college level qualifications occupy levels 1 to 4. Higher education qualifications of the NQF occupy six levels, levels 5 to 10. Levels 5 to 7 are undergraduate and levels 8 to 10 are postgraduate.

**The Eastern Cape Schools Education Act (ECSEA), 1997 (Act No. 1 of 1997)**

This provincial Act provides for a uniform education system for the organisation, governance and funding of Eastern Cape schools and makes provision for the specific educational needs of the Province. It provides for the control of education in schools in the Province and for other matters connected therewith.

**The Promotion of Administrative Justice Act [PAJA], 2000 (Act 3 of 2000)**

The PAJA gives effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996 and to provide for matters incidental thereto. The Act applies to all administrative decisions of organs of state.

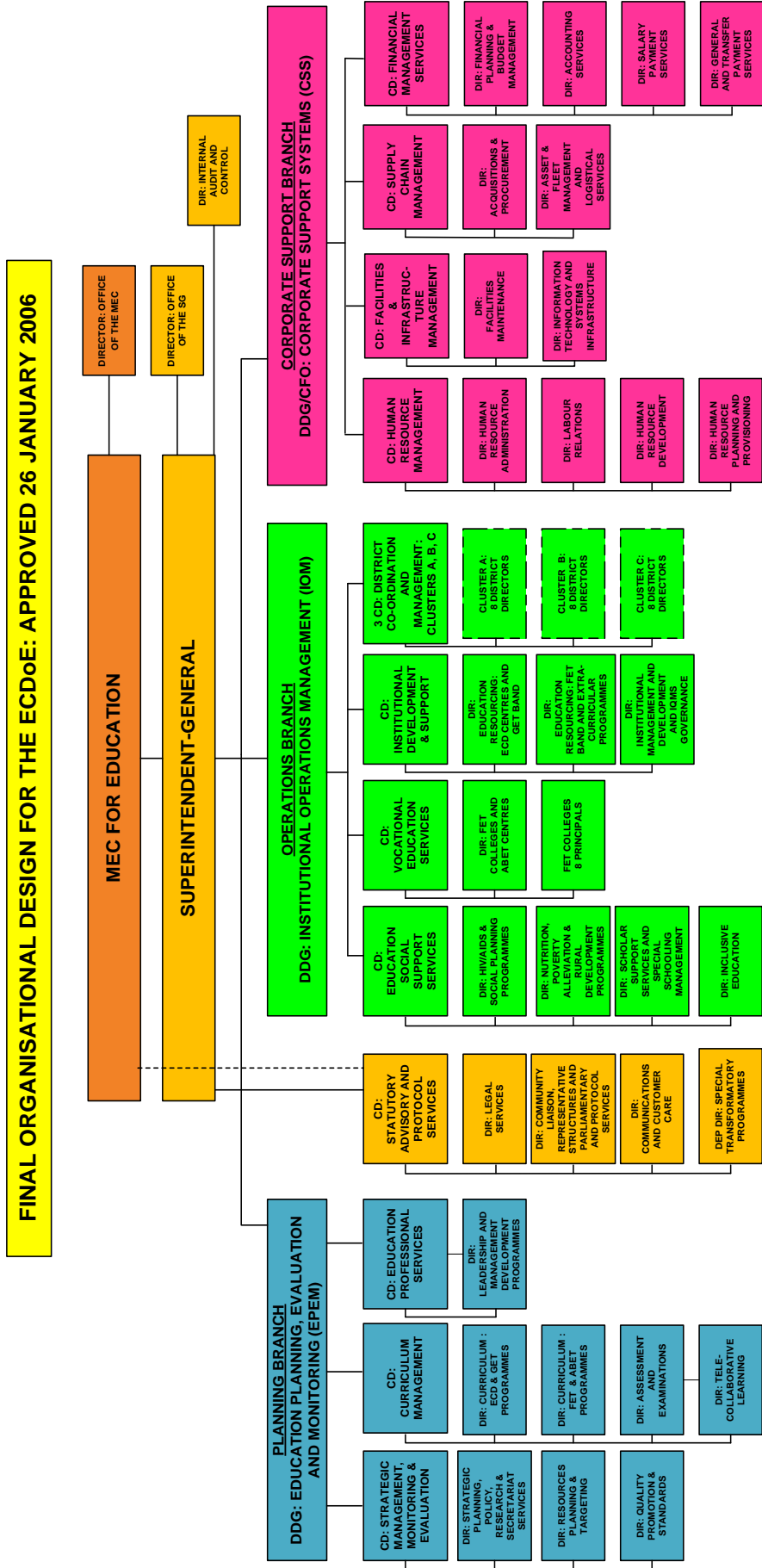
**The Promotion of Access to Information Act [PAIA], 2000 (Act 2 of 2000)**

The PAIA deals with section 32 of the Constitution, the right of access to information 'records' held by public and private bodies such as all documents, recordings and visual material, but does not apply during civil and criminal litigation.

**The Public Service Act (PSA), 1994 as amended [Proclamation No 103 of 1994]**

The PSA makes provision for the organisation and administration of the public service of the Republic as well as the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service.

1.8. Organisational Structure





### **1.9. Entities Reporting to the MEC**

There are no entities reporting to the MEC.

# PART B

# PERFORMANCE INFORMATION



## **2.1. Auditor General's Report: Predetermined Objectives**

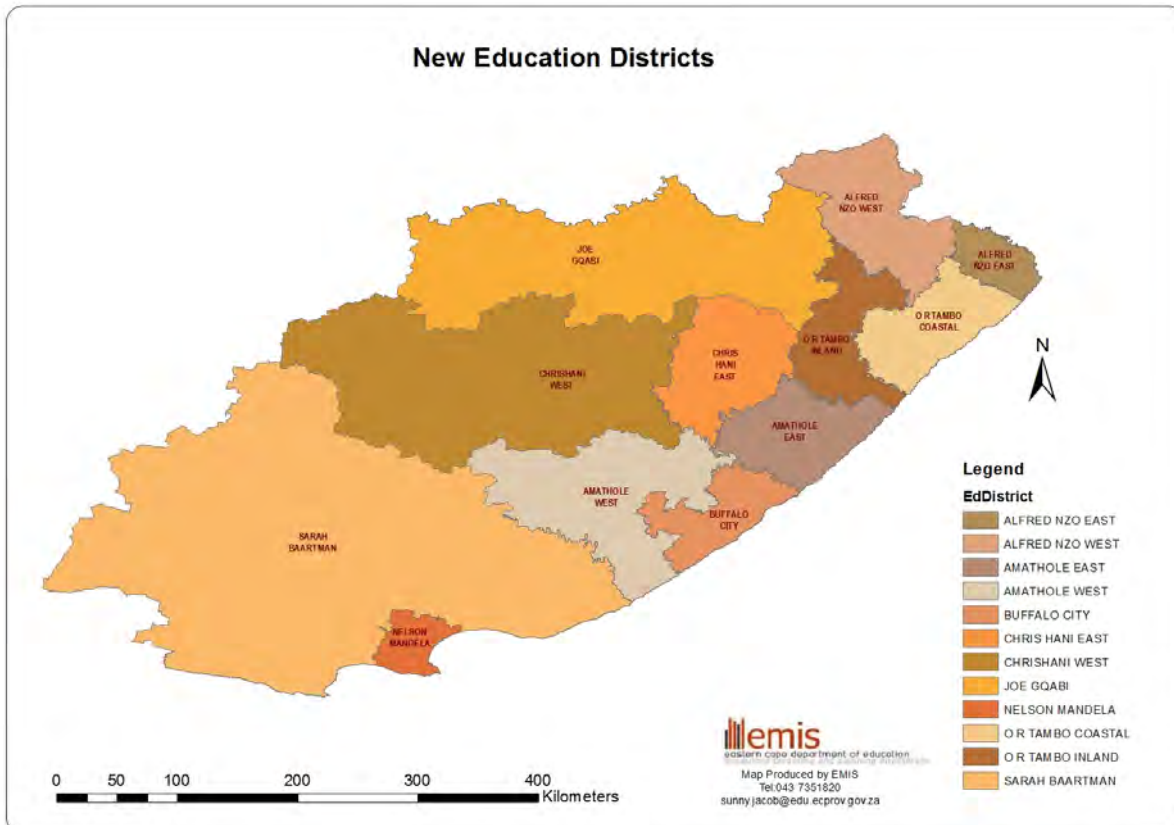
Refer to Page 151 of the Annual Report

## 2.2. Overview of Departmental Performance

### Service Delivery Environment

In the 2017/18 financial year, the Eastern Cape Department of Education experienced greater stability in the service delivery environment than in previous years. The improved service delivery environment can largely be attributed to stability in the leadership of the Department; the filling of key posts and the finalisation of the twelve new education districts.

The map below shows the New Education Districts. The reduction in Districts allows for more focused support services to be provided to schools.



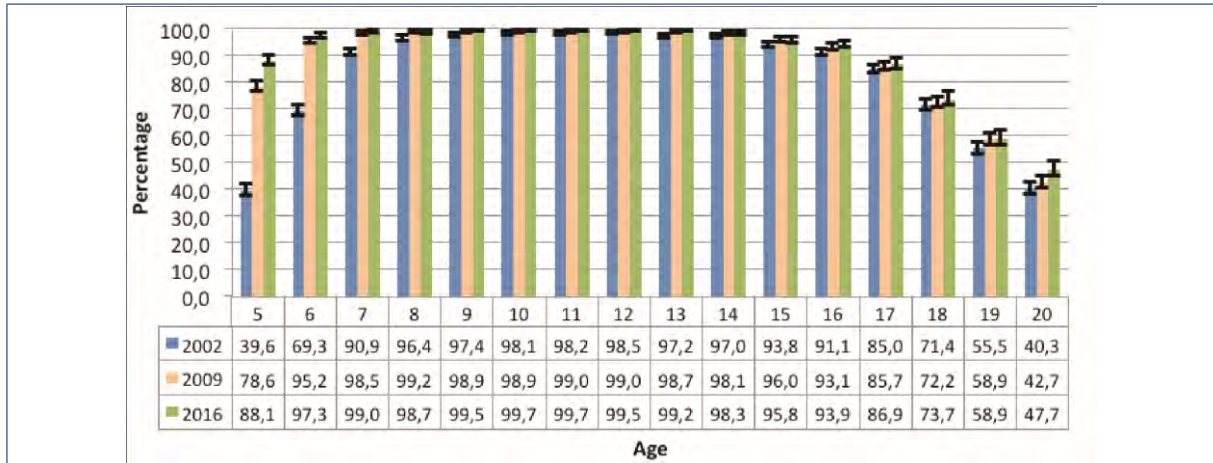
According to the 2016 General Household Survey, over the last two decades, the basic education sector in South Africa realised improvement in the following areas:

- universal access to schooling – measured by the attendance rate of learners of compulsory school-going age.
- Learner test scores indicated improvement amongst children in international studies such as the Trends in International Mathematics and Science Study (TIMSS) and the Progress in International Reading Literacy Study (PIRLS).

National Senior Certificate (NSC) examination results also showed progress made in the Education Sector. The number of NSC passes increased from 283 742 in 1995 to 442 672 in 2016. Moreover, the number of learners attaining a Bachelor pass increased from 80 000 in 1995 to 160 000 in 2016. The Education Sector is however experiencing challenges with grade repetition.

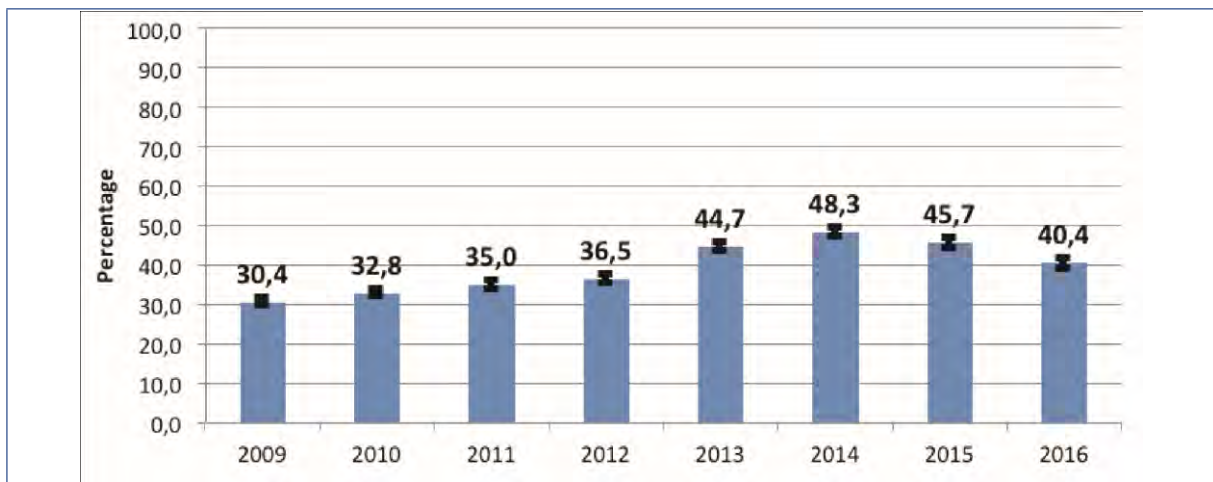
Source: 2016 General Household Survey – Focus on Schooling

**Overall summary participation in educational institutions**



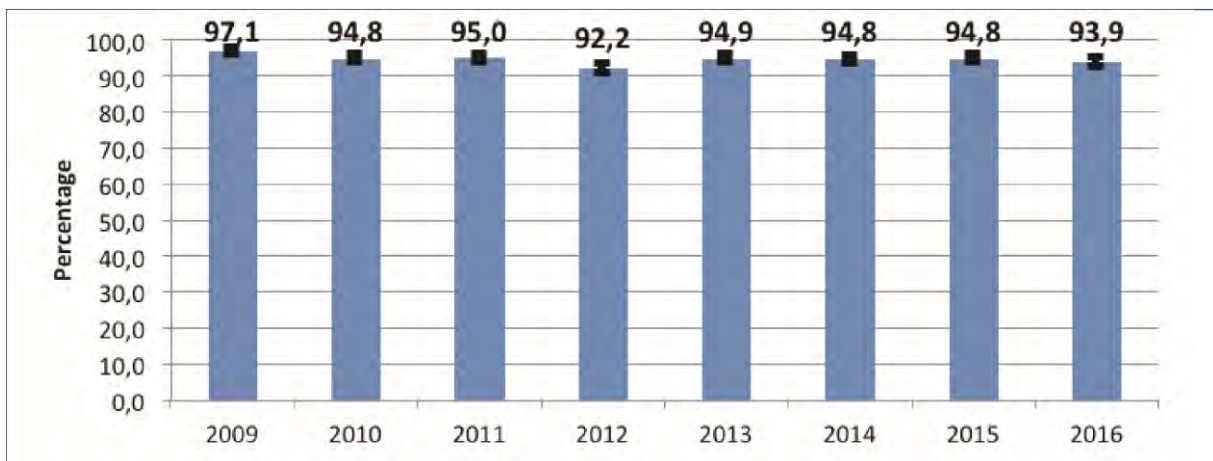
Source: 2016 General Household Survey – Focus on Schooling

**Percentage of 0 to 4 year old attending ECD facilities, 2009-2016**



Source: 2016 General Household Survey – Focus on Schooling

**Percentage of learners in Grade 1 who attended Grade R**



Source: 2016 General Household Survey – Focus on Schooling

### **Service Delivery Improvement Plan 2015 - 2017**

The Department has an approved Service Delivery Improvement Plan (SDIP) consisting of three key services. Two of the three relied heavily on the Annual National Assessments (ANA). The suspension of ANA by the Department of Basic Education (DBE) late in 2014, resulted in the Provincial Department not administering the ANA assessment in 2014 and 2015. The Provincial Department of Education then arranged for Provincial external assessments for Grade 3 in Mathematics and Languages and Grade 6 and 9 in all subjects except Life Skills and Life Orientation. Therefore, although ANA was not administered, alternative assessments were conducted for Grades 3, 6 and 9 in 2017.

The three key focus areas of the SDIP, planned activities and achievements are presented in the table below.

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES FOR 2017/18	ACTUAL ACHIEVED 2017/18
<p><b>1. To improve numeracy and literacy levels in all grades from Grade 1 – 9.</b></p>	<p>Learners in grades 3, 6 and 9 to benefit directly from the assessments through the setting of National Benchmarks to improve learner performance. Teachers will benefit in improving content and pedagogical knowledge based on Nationally set assessment standards.</p>	<p>Quantity: The Provincial Department of Education has conducted Provincial external assessment for Grade 3, 6 and 9 in Mathematics and Languages.  In 2016 Mathematics, out of 624 727 Grade 3 assessments conducted for terms one to four, 562 794 learners performed from 40% and beyond; while out of 527 261 Grade 6 assessments, 443 784 learners performed from 40% and beyond; Lastly, out of 470 638 Grade 9 assessments conducted, 299 964 learners performed from 40% and beyond.  In 2016 Languages, out of 622 756 Grade</p>	<p>In 2017, 50% of Grade 3 learners should pass Mathematics (progression requirement for Mathematics is 40-49%). In 2017, 45% of Grade 6 learners should pass Mathematics (progression requirement for Mathematics is 40-49%). In 2017, 40% of Grade 9 learners should pass Mathematics (progression requirement for Mathematics is 40-49%). In 2017, 62% of Grade 3 learners should pass Language (progression requirement for Home Language is 50-59% and for Additional Language 40-49%). In 2017, 55% of Grade 6 learners should pass Language (progression requirement for Home Language is 50-59% and for Additional Language 40-49%). In 2017, 50% of Grade 9 learners should pass Language (progression requirement for Home Language is 50-59% and for Additional Language 40-49%).</p>	<p>The Provincial Department of Education has conducted Provincial external assessment for Grade 3, 6 and 9 in Mathematics and Languages.  In 2017 Mathematics, 88% of Grade 3 learners, 66% Grade 6 learners and 40% Grade 9 learners performed from 40% and beyond.  In 2017 Home Languages, 88% of Grade 3 learners, 90% Grade 6 learners and 85% Grade 9 learners performed from 40% and beyond.  In 2017 Additional Languages, 89% of Grade 3 learners, 90% Grade 6 learners and 85% Grade 9 learners performed from 40% and beyond.</p>
	<p><b>Quality:</b></p>	<p>The minimum level of achievement to proceed to the next Grade is stated above.</p>	<p>The minimum level of achievement to proceed to the next Grade is stated above.</p>	<p>The minimum level of achievement to proceed to the next Grade is stated above.</p>

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES FOR 2017/18	ACTUAL ACHIEVED 2017/18
1. To improve numeracy and literacy levels in all grades from Grade 1 – 9. (continued)	Legal Standards	Literacy and Numeracy National Strategy	Literacy and Numeracy National Strategy	Literacy and Numeracy National Strategy
	<b>BATHO PELE PRINCIPLES</b>			
	<b>Consultation</b>	Provincial and district officials involved in the Quarterly and Annual Subject Indabas, Evidence Based Reporting sessions, workshops and seminars.	Provincial and district officials involved in the Quarterly and Annual Subject Indabas, Evidence Based Reporting sessions, workshops and seminars.	Provincial and district officials involved in the Quarterly and Annual Subject Indabas, Evidence Based Reporting sessions, workshops and seminars.
	<b>Access</b>	Standardised Provincial Assessments are implemented in all schools for all learners in grades at exit point thus increasing access.	Standardised Provincial Assessments are implemented in all schools for all learners in grades at exit point thus increasing access.	Standardised Provincial Assessments are implemented in all schools for all learners in grades at exit point thus increasing access.
	<b>Courtesy:</b>	All schools are timeously informed about the nature and times of the assessments. A cross-section of relevant stakeholders is part of this process  Monitoring and support of numeracy and literacy strategy involving relevant stakeholders	Monitoring and support of numeracy and literacy strategy involving all relevant stakeholders.	Monitoring and support of numeracy and literacy strategy involving all relevant stakeholders.
<b>Openness and Transparency</b>	Regular meetings of staff at provincial and district level with feedback to schools Information relating to the area of literacy and numeracy has been the focus of attention in the SONA, SOPA address, MEC of Education's budget	Regular meetings of staff at provincial and district level with feedback to schools Information relating to the area of literacy and numeracy has been the focus of attention in the SONA, SOPA address, MEC of Education's budget	Regular meetings of staff at provincial and district level with feedback to schools Information relating to the area of literacy and numeracy has been the focus of attention in the SONA, SOPA address, MEC of Education's budget and policy speech, the ECDoE Master	



KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES FOR 2017/18	ACTUAL ACHIEVED 2017/18
<p><b>1. To improve numeracy and literacy levels in all grades from Grade 1 – 9. (continued)</b></p>		<p>SONA, SOPA address, MEC of Education 's budget and policy speech, the ECDoE Master Plan which was made public through various media releases Reports on learner performance to all stakeholders including analyses of results through various media releases</p>	<p>and policy speech, the ECDoE Master Plan which was made public through various media releases Reports on learner performance to all stakeholders including analyses of results through various media releases</p>	<p>Plan which was made public through various media releases. Reports on learner performance to all stakeholders including analyses of results through various media releases.</p>
	<p><b>Information:</b></p>	<p>Advocacy of the numeracy and literacy strategy through various media to all relevant stakeholders Information relating to the area of literacy and numeracy has been the focus of attention in the SONA, SOPA address, MEC of Education's budget and policy speech, the ECDoE Master Plan which was made public through various media releases.</p>	<p>Advocacy of the numeracy and literacy strategy through various media to all relevant stakeholders Information relating to the area of literacy and numeracy has been the focus of attention in the SONA, SOPA address, MEC of Education's budget and policy speech, the ECDoE Master Plan which was made public through various media releases.</p>	<p>Advocacy of the numeracy and literacy strategy through various media to all relevant stakeholders Information relating to the area of literacy and numeracy has been the focus of attention in the SONA, SOPA address, MEC of Education's budget and policy speech, the ECDoE Master Plan which was made public through various media releases.</p>
	<p><b>Redress</b></p>	<p>Improvement strategies e.g. remedial strategies. Subject intervention strategies in schools, district and provincial improvement plans to increase the percentage of learners achieving an acceptable standard of</p>	<p>Improvement strategies e.g. remedial strategies. Subject intervention strategies in schools, district and provincial improvement plans to increase the percentage of learners achieving an acceptable standard of performance. Schools are required to develop and implement subject learners' performance which is</p>	<p>Improvement strategies e.g. remedial strategies. Subject intervention strategies in schools, district and provincial improvement plans to increase the percentage of learners achieving an acceptable standard of performance. Schools are required to develop and implement subject learners' performance which is</p>

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES FOR 2017/18	ACTUAL ACHIEVED 2017/18
<p><b>1. To improve numeracy and literacy levels in all grades from Grade 1 – 9. (continued)</b></p>		<p>performance. Schools are required to develop and implement subject improvement plans to improve learners' performance which is designed to enhance their progress through the school system</p> <p>The Foundations for learning campaign, The Quality Teaching and Learning Campaign. The ECDoE LAIS Programme (aligned to the National Strategy for Learner Attainment, the Master Plan Project and the Mother Tongue Project launched in 2010, are largely focused on improving numeracy and literacy particularly in previously disadvantaged schools.</p>	<p>improvement plans to improve learners' performance which is designed to enhance their progress through the school system.</p>	<p>designed to enhance their progress through the school system.</p>
	<p><b>Value for Money</b></p>	<p>Projects implemented according to planned budget and time frames. Poor performance in mathematics and language led to high drop-out and repetition rates</p> <p>The implementation of Standardised Provincial Assessments had a potential to mediate these problems thereby enhancing value for money.</p>	<p>Projects implemented according to planned budget and time frames. Poor performance in mathematics and language led to high drop-out and repetition rates</p> <p>The implementation of Standardised Provincial Assessments had a potential to mediate these problems thereby enhancing value for money.</p>	<p>Projects implemented according to planned budget and time frames. Poor performance in mathematics and language led to high drop-out and repetition rates</p> <p>The implementation of Standardised Provincial Assessments had a potential to mediate these problems thereby enhancing value for money.</p>

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES FOR 2017/18	ACTUAL ACHIEVED 2017/18
<p><b>1. To improve numeracy and literacy levels in all grades from Grade 1 – 9. (continued)</b></p>		<p>these problems thereby enhancing value for money.</p> <p><b>Time:</b> The time frames in which learner achievements are projected to improve are set out in the service standards set for each grade with minimum progression requirements are set out in the service standards set out above. The number of students in the form of a percentage are given above for each year of the cycle.</p> <p><b>Cost:</b> As per budget in the relevant financial year Provincial and district budget focused in this area. This is a priority area and receives the budget accordingly.</p>	<p>The time frames in which learner achievements are projected to improve are set out in the service standard above. The standards set for each grade with minimum progression requirements are set out in the service standards set out above. The number of students in the form of a percentage are given above for each year of the cycle.</p>	<p>The time frames in which learner achievements are projected to improve are set out in the service standard above. The standards set for each grade with minimum progression requirements are set out in the service standards set out above. The number of students in the form of a percentage are given above for each year of the cycle.</p> <p style="text-align: right;">R1 125 177</p>

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES 2017/18	ACTUAL ACHIEVED 2017/18
<p><b>2. Providing content and pedagogical support to all Grade 8 and 9 mathematics educators</b></p>	<p>Educators and learners in grades 8 and 9, National and Provincial Education Departments.</p>	<p><b>Quantity:</b> 3 609 Educators trained in Numeracy/Mathematics content and Methodology. Support Grade 8 and 9 teachers and all Grade 8 and 9 learners in the Eastern Cape</p> <p><b>Quality:</b> Improving the quality of teaching and pass rates in Mathematics in Grade 8 and 9. A pre- and post- test is intended to measure whether the project has an impact and has improved the quality of teaching and learning processes involved for both teachers and learners.</p> <p><b>Consultation</b> A series of consultative meetings were held between Provincial and District officials in the two clusters which include all 12 districts. The programme was adapted in consultation with teachers from being a one plus four to a one plus nine framework. An effective and efficient communication system to be implemented at all levels of the District system. District, School Management, Teachers and SGBs.</p>	<p>3 800 Grade 8 and 9 educators to be trained in Numeracy/Mathematical content and Methodology.</p>	<ul style="list-style-type: none"> <li>Held 1<sup>st</sup> Provincial Lesson Study Seminar at OR Tambo Inland- Maluti CMC for 100 teachers on 12-13 October 2017, where all district GET Mathematics Subject Advisors, MST staff and curriculum planners as well as provincial managers and DBE MST were exposed on how to teach conceptual development in Mathematics.</li> <li>Conducted item analysis and diagnostic/ error analysis for November 2017 Grade 6, 7 &amp; 9 results on 3-6 December 2017. Framework for improvement was developed.</li> </ul> <p>Pre- and post- test were administered to measure whether the project has an impact and has improved the quality of teaching and learning processes involved for both teachers and learners.</p> <ul style="list-style-type: none"> <li>Held 1<sup>st</sup> Provincial Lesson Study Seminar at OR Tambo Inland- Maluti CMC for 100 teachers on 12-13 October 2017, where all district GET Mathematics Subject Advisors, MST staff and curriculum planners as well as provincial managers and DBE MST were exposed on how to teach conceptual development in Mathematics.</li> <li>Conducted item analysis and diagnostic/ error analysis for November 2017 Grade 6, 7 &amp; 9 results on 3-6 December 2017.</li> </ul>

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES 2017/18	ACTUAL ACHIEVED 2017/18
2. Providing content and pedagogical support to all Grade 8 and 9 mathematics educators (continued)				Framework for improvement was developed.
		<p><b>Access:</b></p> <p>The programme was adapted to give equal access to all teachers from both rural schools and inner-city ones hence re-arrangement from 1 plus 4 to one plus 9 framework.</p> <p>Furthermore, the training on the programme will take place at circuit level rather than district level.</p>		Rollout of the JICA programme in all 12 districts after training was cascaded to provincial trainers.
		<p><b>Courtesy:</b></p> <p>Through the consultative, access, redress, openness and transparency and information sharing sessions and processes the principle of courtesy was maximised.</p>		Through the consultative sessions, access, redress, openness and transparency and information sharing sessions and processes the principle of courtesy was maximised.
		<p><b>Openness and Transparency:</b></p> <p>Circular 2 of 2015 dated 21 January 2015 from the Acting Superintendent – General of the Eastern Cape Department of Education clearly outlines the processes involved in the project, the intended outcomes of the project, the roles and responsibilities of the stakeholders. This circular was preceded by a series of consultative and information sessions outlined under consultation in this document</p>		<ul style="list-style-type: none"> <li>Held 1<sup>st</sup> Provincial Lesson Study Seminar at OR Tambo Inland- Maluti CMC for 100 teachers on 12-13 October 2017, where all district GET Mathematics Subject Advisors, MST staff and curriculum planners as well as provincial managers and DBE MST were exposed on how to teach conceptual development in Mathematics.</li> <li>Regular meetings of staff at provincial and district level with feedback to schools.</li> </ul>
	<p><b>Information:</b></p> <p>Circular 2 of 2015 dated 21 January 2015 from the Acting Superintendent – General of the Eastern Cape Department of Education clearly outlines the processes involved in the project, the intended outcomes of the project, the roles and responsibilities of the stakeholders. This circular</p>			Through the consultative, access, redress, openness and transparency and information sharing sessions and processes the principle of courtesy was maximised.

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES 2017/18	ACTUAL ACHIEVED 2017/18
<p><b>2. Providing content and pedagogical support to all Grade 8 and 9 mathematics educators</b></p>		<p>was preceded by a series of consultative and information sessions outlined under consultation in this document.</p> <p><b>Redress:</b> The project seeks to address all the topics in the Mathematics curriculum, so that teachers can confidently and competently ensure the learners are able to master the necessary competences and skills.</p> <p>This project was adapted from the National model of One plus four to nine plus one to accommodate the rural areas of the Eastern Cape Province. The roll out will happen at Circuit level to obviate long distances that teachers from remote schools have to travel. All learners and teachers from all schools to benefit from this project.</p> <p><b>Value for Money:</b> All grade 8 and 9 mathematics learners and teachers to benefit from this project at no cost to the school. This project is intended to have an impact on all schools involved to maximise human and budgetary inputs.</p> <p>All the necessary competences and skills required by teachers and learners in mathematics to be covered in this project so that inputs, outputs and outcomes can be maximised.</p> <p>The project will be rolled out in all 23 districts from February 2015.</p>		<p>Training was targeted according to the identified developmental needs.</p> <p>Training was targeted according to the identified developmental needs. All the necessary competences and skills required by teachers and learners in mathematics were covered so that inputs, outputs and outcomes can be maximised.</p> <p>Training throughout the year at different levels especially during school vacation.</p>

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES 2017/18	ACTUAL ACHIEVED 2017/18	
2. Providing content and pedagogical support to all Grade 8 and 9 mathematics educators		<b>Cost:</b>  Proposed budget R16 million		As per budget allocations in the relevant financial year. Provincial and District budgets focused on this area.	
		<b>Human Resources:</b>  The implementation plan involves human resources Provincial Office, District Offices and Schools. All have clearly stated roles and responsibilities.		Provincial and District Officials as well as Lead Teachers have clear roles and responsibilities.	
3. Establishment and implementation of multi-disciplinary district-based teams for WSE Implementation to maximise school improvement and support.	<b>Schools:</b> Principals, SMTs, SGBs, teachers, RCLs and Learners	<b>Quantity:</b>  5 177 Number of schools visited by district officials for monitoring and support purposes.	<b>5 320</b>  • School visits by district officials for monitoring and support purposes.  • Monitoring of WSE: 35 Schools (Provincial Office)  • School Self Evaluation: 9 (Provincial Office)	<ul style="list-style-type: none"> <li>• 5 335 School visits by district officials for monitoring and support visits.</li> <li>• 35 schools that have been previously evaluated were monitored on the implementation of recommendations of the external evaluation (MOIR).</li> <li>• Officials from 588 schools in 9 districts were trained in School Self-Evaluation (SSE) and the development of School Improvement plans.</li> <li>• School Improvement Plans (SIP): monitoring visits were conducted in 144 schools in 10 Districts.</li> </ul>	
		<b>Quality Professional standard if any:</b>		Implementation was aligned with the quality indicators in Schooling 2030 and the National Development Plan.	
		<b>Legal standards:</b>	Implementation is to be aligned with the quality indicators in Schooling 2030 and the National Development Plan. WSE Policy, SASA, Circular 32 of 2015.		WSE Policy, SASA, Circular 32 of 2015.
		<b>Consultation</b>	The following stakeholders in Education will have to be consulted: Members of the QLTC, Social		District personnel was consulted prior and during the MOIR and SSE/ SIP trainings.

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES 2017/18	ACTUAL ACHIEVED 2017/18
<p>3. Establishment and implementation of multi-disciplinary district-based teams for WSE Implementation to maximise school improvement and support (continued).</p>		<p>partners, NGOs, Other Departments viz: Social Development, Transport, Safety and Security. Strong relationships with NEEDU and UMALUSI to be established. Further consultation with district – Based Support Services personnel needs to be undertaken.</p> <p><b>Access:</b> Trained MDDTs will give districts and schools access to enhanced monitoring and evaluation processes and feedback to enhance school effectiveness.</p> <p><b>Courtesy:</b> The approach more collaborative than individualistic. Communication will be done upfront to include frontline implementers like District Coordination Chief Directors etc. District management teams will be responsible for harmonising the introduction of this initiative so that it is in sync with the existing district operations.</p> <p><b>Openness and transparency:</b> The information included under consultation and access indicate that full disclosure to all stakeholders relating to this MDDT process prior to and during implementation are Built into the concept document approved by the Superintendent General of Education on 24 March 2014</p> <p><b>Information</b> A memorandum signed and approved by the Superintendent – General of education gives detailed information about the roll-out and implementation of MDDTs. This document forms the basis of</p>		<p>Circular 32 of 2015 (Institutionalisation of SSE/ SIP in schools) was used to capacitate all schools to do their own evaluation to ensure effectiveness.</p> <ul style="list-style-type: none"> <li>• The approach was more collaborative than individualistic.</li> <li>• Communication was done upfront to include frontline implementers at district and school level.</li> <li>• Circuit Managers were responsible for the rollout of the training and to ensure availability and implementation of SIPs in all schools.</li> </ul> <p>Full disclosure to all stakeholders relating to the institutionalisation of SSE/ SIP in schools process was communicated through Circular 32 of 2015.</p> <p>A memorandum signed and approved by the Superintendent – General of Education (Circular 32 of 2015) gives detailed information about institutionalisation of SSE &amp; SIP in schools. This document forms the basis of</p>



KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES 2017/18	ACTUAL ACHIEVED 2017/18
<p><b>3. Establishment and implementation of multi-disciplinary district-based teams for WSE</b> Implementation to maximise school improvement and support (continued).</p>		<p>communication and information sharing with all stakeholders.</p> <p><b>Redress:</b> WSE adopts a transversal and developmental approach to pursue school effectiveness.</p> <p>To institute MDDTs will ensure that all schools are monitored and supported in a fair and just manner without prejudice because they are operative as a collective rather than individuals.</p> <p>WSE is premised on evidence-based and participatory interventions rather than on assumptions as it has been the approach to development historically.</p> <p><b>Value for Money:</b> Once effectiveness is improved, a more efficient schooling system can evolve thereby maximising value for money.</p> <p>For instance, using the currently employed district officials to achieve more, in terms of monitoring and evaluation which will help to collect more accurate and reliable planning information to craft future interventions in pursuit of continuous improvements.</p> <p><b>Time:</b> The plan is to have fully functional teams by the end of 2016.</p>		<p>communication and information sharing with all stakeholders.</p> <ul style="list-style-type: none"> <li>WSE adopts a transversal and developmental approach to pursue school effectiveness.</li> <li>All schools are monitored and supported in a fair and just manner without prejudice because they operate as a collective rather than individuals.</li> <li>WSE is premised on evidence-based and participatory interventions rather than on assumptions as it has been the approach to development historically.</li> <li>Once effectiveness is improved, a more efficient schooling system can evolve thereby maximising value for money.</li> <li>Training schools on self-evaluation and monitoring of the implementation of external evaluation as well as implementation of SIPs could ensure quality planning, monitoring and evaluation and reporting by all schools. This process also assisted in a more accurate and reliable planning information to craft future interventions in pursuit of continuous improvements.</li> </ul> <p>All identified schools were trained and monitored by the end of 2017/18.</p>

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD (Baseline 2016 /17)	PLANNED ACTIVITIES 2017/18	ACTUAL ACHIEVED 2017/18
<p>3. Establishment and implementation of multi-disciplinary district-based teams for WSE                      Implementation to maximise school improvement and support (continued).</p>		<p><b>Cost:</b>                      School Self Evaluation                      Whole School Evaluation</p> <p><b>Human Resources:</b>                      Twenty-three district-based teams of three members each and a provincial team of 1 + 8.</p>	<p>R143 827                      R 187 627</p>	<p>R143 827                      R 187 627</p> <p>Two (2) Provincial teams from the Quality Promotion and Standards Directorate and Circuit Managers from all 12 districts were involved in the process.</p>

## Organisational environment

In 2017/18 good progress was made in establishing the twelve new District Offices and appointing staff to support schools, namely, 33 new Circuit Managers and 100 new Subject Advisers.

In order to enhance the functionality of district offices, the Department acquired subsidised motor vehicles to allow officials to visit schools; provided District Offices with laptops with 3G cards and phones; and trained Circuit Managers to utilise the Data Driven District (DDD) System.

The organisational environment was also enhanced by the filling of leadership posts at schools. In the financial year, Principal vacancy bulletins and bulletins for HODs/Deputy Principals were advertised in each of the following months: July and October 2017 and January and March 2018. These Bulletins resulted in the appointment of 121 principals, 242 deputy principals and 665 HODs thus bringing greater stability to schools. Principals were taken through a formal induction programme; 390 principals were trained on Curriculum Management and 831 school principals were trained on DDD.

In the 2016/17 Annual Report, the Department committed to paying particular attention to productivity, communications, customer care and work culture. This commitment has been honoured in a variety of ways:

- Regular meetings with Teacher Unions and SGBAs
- Accountability sessions with head office, district staff and principals of schools.
- All schools were provided with new laptops to support the operationalisation of SASAMS, Data Driven Districts (DDD) and other systems including email system
- School principals received tablets with 2G data with emails and School Management Applications
- Foundation phase teachers received a laptop with 2G data
- In order to support the audit process, audit controllers were appointed in all branches and relevant Chief Directorates
- New Audit Committee Members were interviewed and inducted.
- A strategic risk register and operational risk register was developed and adopted to assist in mitigating the identified high-risk areas

The outcome of the more stable and professional service delivery environment can be seen in improved delivery of services and academic results. In particular, the Department can report

- The early declaration and distribution of posts to schools by September 2017
- Improved delivery of books and school furniture and considerable investment in school infrastructure.
- The 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.
- 99% of the submitted databases submitted by schools were uploaded to LURITS
- An increase in NSC pass rate in two consecutive years from 58% to 65%
- An overall improvement in the pass rate from Grade 1 to Grade 11.

Grade 12 learner performance from 2013 to 2017 was as follows:

Year	Wrote	Passed	% Passed	Bachelor Passes	% Bachelor Pass
2013	69 360	45 426	65.5	13 431	19.4
2014	65 905	43 316	65.7	13 352	20.3
2015	86 212	49 122	57	15 211	17.6
2016	82 555	48 979	59.3	15 574	18.9
2017	68 396	44 446	65	15 526	22.7

## Key policy developments and legislative changes

There were no major changes to relevant policies or legislation for the period under review

### 2.3. Strategic Outcome Orientated Goals

The following are the seven strategic goals of the Department:

<b>Strategic Goal 1:</b>	Improved quality of teaching and learning through timeous supply and effective utilisation and development of teachers
<b>Strategic Goal 2:</b>	Adequate quality infrastructure provided on the basis of a data-driven infrastructure plan
<b>Strategic Goal 3:</b>	Provision of quality Learning and Teaching Support Materials (LTSM) and furniture to all schools through data-driven planning and provisioning
<b>Strategic Goal 4:</b>	Improved assessment for learning
<b>Strategic Goal 5:</b>	Improved quality of Grade R teaching and learning through training of teachers and provision of readers
<b>Strategic Goal 6:</b>	Improved school functionality through effective governance, management and monitoring
<b>Strategic Goal 7:</b>	Improved learning outcomes through partnerships and stakeholder engagement

The strategic outcome orientated goals each have strategic objectives as found in the table below:

STRATEGIC GOAL(SG)	STRATEGIC OBJECTIVES (SOs)
<p><b>Strategic Goal 1</b></p> <p>Improved quality of teaching and learning through timeous supply and effective utilisation and development of teachers</p>	<ul style="list-style-type: none"> <li>• <b>SO 1.1:</b> To develop and enhance the professional and technical capacity and performance of educators through demand-driven training at decentralised venues which are fit for purpose</li> <li>• <b>SO 1.2:</b> To develop the skills of the Department's workforce at all levels</li> <li>• <b>SO 1.3:</b> To promote instructional leadership development for improved quality of teaching and learning</li> <li>• <b>SO 1.4:</b> To increase access to education in public ordinary and independent schools</li> </ul>
<p><b>Strategic Goal 2</b></p> <p>Adequate quality infrastructure provided on the basis of a data-driven infrastructure plan</p>	<ul style="list-style-type: none"> <li>• <b>SO 2.1:</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools</li> </ul>
<p><b>Strategic Goal 3</b></p> <p>Provision of quality Learning and Teaching Support Materials (LTSM) and furniture to all schools through data-driven planning and provisioning</p>	<ul style="list-style-type: none"> <li>• <b>SO 3.1:</b> Provide texts, stationery, assessment exemplars, furniture and Norms and Standards funding to all schools in sufficient numbers and on time through data-driven planning and provisioning</li> </ul>
<p><b>Strategic Goal 4</b></p> <p>Improved assessment for learning</p>	<ul style="list-style-type: none"> <li>• <b>SO 4.1:</b> To increase the percentage of learners performing at required levels in language and Mathematics in all grades.</li> <li>• <b>SO 4.2:</b> To increase the number of Grade 12 learners who become eligible for a Bachelors Programme at a university</li> <li>• <b>SO 4.3:</b> To increase the number of Grade 12 learners who pass Mathematics and Physical Sciences</li> <li>• <b>SO 4.4:</b> To increase the number of Grade 12 learner who passed the National Senior certificate.</li> <li>• <b>SO 4.5:</b> To improve systems for monitoring of learner performance, administration of assessments and utilisation of examination question banks across the system</li> </ul>

<p><b>Strategic Goal 5</b> Improved quality of Grade R teaching and learning through training of teachers and provision of readers</p>	<ul style="list-style-type: none"> <li>• <b>SO 5.1:</b> To improve access of children to quality Early Child Development (ECD)</li> </ul>
<p><b>Strategic Goal 6</b> Improve school functionality through effective governance, management and monitoring</p>	<ul style="list-style-type: none"> <li>• <b>SO 6.1:</b> To increase school functionality through recruitment, Selection and training of principals and support of school Management teams</li> <li>• <b>SO 6.2:</b> To improve the quality of monitoring and support provided to schools by the Department</li> <li>• <b>SO 6.3:</b> To improve systems for effective management and administration of schools</li> </ul>
<p><b>Strategic Goal 7</b> Improved learning outcomes through partnerships and stakeholder engagement</p>	<ul style="list-style-type: none"> <li>• <b>SO 7.1:</b> To promote youth development and inculcation of positive values through arts, culture, heritage and sports in all institutions</li> <li>• <b>SO 7.2:</b> To communicate education plans and commitments to all stakeholders</li> </ul>

## 2.4. Performance Information by Programme

### 2.4.1. Programme 1: Administration

#### Purpose:

To provide overall management of 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
1.1. Office of the MEC	To provide for the functioning of the office of the Member of the Executive Council (MEC) for education in line with the ministerial handbook.
1.2. Corporate Services	To provide management services such as Human Resource Management, Information Technology and Systems, Supply Chain Management, Finance and Strategic Management Monitoring and Evaluation.
1.3. Education Management	To provide education management services for the education system, such as education planning and curriculum development through District Coordination and Management of Clusters.
1.4. Human Resource Development	To provide human resource development for office-based staff.
1.5. Education Management Information Systems	To provide an Education Management Information System in accordance with the National Education Information Policy

## Strategic Goals and Objectives

Strategic Goal	Strategic Objective
<p><b>Strategic Goal 6</b> Improve school functionality through effective governance, management and monitoring</p>	<ul style="list-style-type: none"> <li>• <b>SO 6.2:</b> To improve the quality of monitoring and support provided to schools by the Department</li> <li>• <b>SO 6.3:</b> To improve systems for effective management and administration of schools</li> </ul>

## **Key Policy Priorities**

The following are key priorities to improve governance, accountability and compliance and will support quality learning and teaching:

- Implementation of the approved Service Delivery Model (SDM) and finalisation and population of the Organogram to support the SDM
- Appointment to key strategic administration posts
- Strengthen the Internal Audit, Internal Control and Risk Management Units
- Review and formulate appropriate responses to internal and external findings
- Improve governance, accountability and compliance by strengthening efficiency in general management and development, including executive support services to support quality learning and teaching
- Strengthen Finance, Supply Chain and Human Resources operations
- Strengthen employer-employee relations and relationships with all stakeholders

## **Key Achievements**

### **Management and Governance**

- Number of Districts reduced from 23 to 12
- Standard Operating Procedures for school rationalisation were developed and are at review and approval stage
- Public hearings for rationalisation of schools conducted at 187 schools in 16 Districts
- The closure of 113 schools approved by the MEC
- Letters of accountability were issued to all principals with an achievement of below 60% in the NSC 2017.
- An information sharing session (Indaba) was held in March 2017 with SGBAs covering a range of leadership and management areas

### **Human Resources (HR)**

- Placement of 12 District Directors on a temporary basis
- Appointment, induction and assumption of duty of 31 Circuit Managers
- Appointment of the Director: Labour Relations from 1 April 2017
- Reduction in PILIR cases from 10 845 to 3 383 (68% reduction)
- 42 % of displaced educators were placed
- 40 internal employees trained as Job Evaluation Technical Support
- Appointment of 4 heads at the Teacher Development Institutes
- 141 mentors appointed to support principals
- 450 principals were taken through a formal induction programme
- 390 principals were trained on Curriculum Management
- 188 Circuit Managers trained to utilise the Data Driven District (DDD) system
- 831 FET school principals were trained on DDD
- 920 Departmental Heads from underperforming schools were trained on Curriculum Management and Instructional Leadership
- Digitisation of all HR documents to provide better service to teachers thus reducing time spent out of school to attend to salary and service benefit related matters
- The commencement of an Integrated Document Management and HR records project which will result in the centralisation of all HR Records from districts and head office, the merging of duplicate files and interfiling of loose documents

### **Information Technology (IT)**

- 413 schools connected to Telematics Teaching for broadcast of critical subjects.
- 983 Smart Classrooms have been deployed in 293 schools.
- 16 817 Foundation Phase teachers and 23 487 Intermediate Phase teachers were the beneficiaries of a laptop with 2G data
- 4 707 teachers have been trained on basic ICT and integration skills.

- ICT equipment has been provided to 1 364 Fieldworkers, Subject Advisors and Office based educators
- 5 441 School principals received Tablets with 2G data for School Management Applications
- All schools were provided with new laptops to access SASAMS, Data Driven Districts (DDD) and other systems including email system
- All targeted High Schools were provided with Internet Kiosk Laptop to improve access to internet and to all systems provided by the Department
- All schools have been provided with email (Microsoft Office 365) and online Microsoft Sharepoint collaboration platforms

### **Finance**

- 70% of term (24 – 36 months) contracts are in place for procurement of goods and services
- Submission of audited financial statements of schools to the Department for review and feedback
- Irregular Expenditure Committee established
- SA-SAMS and Data Driven Districts enhanced
- A three year contract was concluded for the provision of school furniture in line with the Provincial Local Economic Development (LED) framework
- A pool of auditors was loaded onto the Departmental database and schools are required to utilise an auditor from the database.
- Audit Improvement Plans developed
- Director: Asset Management was appointed

**Strategic Objectives and Programme Performance Measures**

<b>Programme 1 : Administration</b>						
<b>Standardised Programme Performance Measures</b>						
<b>Strategic Objective</b>	<b>Programme Performance Measure (PPM)</b>	<b>Baseline (Actual Output 2016/17)</b>	<b>Actual Performance against Target</b>		<b>Variance</b>	<b>Reason for Variance</b>
			<b>Planned Target 2017/18</b>	<b>Actual Achievement 2017/18</b>		
<b>SO 6.3</b> To improve systems for effective management and administration of schools	<b>PPM 101</b> Number of public schools that use schools administration and management systems to electronically provide data	5 367	5 320	5 158	-162	Schools were officially closed in 2017/18, which reduced the number of schools required to submit data.
<b>SO 6.3</b> To improve systems for effective management and administration of schools	<b>PPM 102</b> Number of public schools that can be contacted electronically (e-mail)	5 242	5 320	5 320	-	Target met
<b>SO 6.2</b> To improve the quality of monitoring and support provided to schools by the Department	<b>PPM 103</b> Percentage of education expenditure going towards non-personnel items	18.1%	20%	20.8%	0.8%	Target met
<b>SO 6.2</b> To improve the quality of monitoring and support provided to schools by the Department	<b>PPM 104</b> Number of schools visited by district officials for monitoring and support purposes	5 177	5 320	4 790	-530	The variance is due to lack of transport



Programme 1 : Administration						
Non-Standardised Programme Performance Measures						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
<b>SO 6.3</b> To improve systems for effective management and administration of schools	<b>PPM 105*</b> Percentage of 7 to 15 year olds attending education institutions	N/A	91%	99.1%*	8.1%	Target met
<b>SO 6.3</b> To improve systems for effective management and administration of schools	<b>PPM 106</b> Percentage of learners having access to (a) Connectivity (other than broadband) and; (b) Broadband	N/A	(a) 5%	(a) 21%	(a) 16%	The variance is due to accelerated deployment of connectivity and broadband to schools by the USSASA, ICASA and schools deploying their own connectivity.
			(b) 10%	(b) 23.36%	(b) 13.36%	The variance is due to accelerated deployment of connectivity and broadband to schools by the USSASA, ICASA and schools deploying their own connectivity.
<b>SO 6.2</b> To improve the quality of monitoring and support provided to schools by the Department	<b>PPM 107</b> The percentage of school principals rating the support services of Districts as being satisfactory	N/A	66%	89.4%	23.4%	The survey was conducted during the first year of rationalisation of Districts. This resulted in a low response rate and impacted on the outcome.

\* The 2017/18 target was determined by using the only single year population figures which was available at that stage. It was from the previous Census which was conducted in 2011. The GHS has since published Education relevant data which now covers this PPM and is more relevant.

### Strategy to overcome areas of under-performance

PPM	Strategy to overcome under-performance
<b>PPM 101</b> Number of public schools that use schools administration and management systems to electronically provide data	Follow up on schools that do not use SA-SAMS
<b>PPM 104</b> Number of schools visited by district officials for monitoring and support purposes	Circuit Management will be resourced to ensure that monitoring of schools is done timeously. Use of the DDD system is implemented to monitor schools

### Changes to planned targets

n/a

### Linking performance with budgets\*

The information outlined below, provides a summary of the financial performance linked to the allocated budget for the year under review.

Sub-Programmes	(Over)/ Under Expenditure as per Adjusted Budget 2017/18 R'000
1.1. Office of the MEC	5 148
1.2. Corporate Services	42 413
1.3. Education Management	4 654
1.4. Human Resource Development	1 840
1.5. Education Management Information Systems	29 266
<b>Total expenditure</b>	<b>83 321</b>

The budget increase was mainly in sub-programme 1.2 (Corporate Services), in order to provide for the Document Centre. A budget increase was also recorded under sub-programme 1.5 (EMIS) to ensure that support to schools reached a target of 5 544 for the number of schools that must use SA-SAMS to provide data to the National Learner Tracking System.

### Sub-Programme Expenditure

Sub-Programme Name	2016/17			2017/18		
	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	11 723	9 288	2 435	33 287	28 139	5 148
Corporate Services	1 473 195	1 387 058	86 137	1 448 885	1 406 472	42 413
Education Management	1 068 916	1 159 061	(90 145)	1 219 523	1 214 869	4 654
Human Resource Development	13 831	12 756	1 075	29 180	27 340	1 840
Education Management Information Systems	45 087	40 361	4 726	70 144	40 878	29 266
<b>Total</b>	<b>2 612 752</b>	<b>2 608 524</b>	<b>4 228</b>	<b>2 801 019</b>	<b>2 717 698</b>	<b>83 321</b>

The under expenditure of R83 321 million is due to delays in filling of posts as per Annual Recruitment Plan.

## 2.4.2. Programme 2: Public Ordinary schools

### Purpose

To provide public ordinary education from Grades 1 to 12, in accordance with the South African Schools Act (SASA), 1996 (Act No. 84 of 1996) as amended and White Paper 6 on Inclusive Education.

### Sub-Programmes:

Sub-Programme	Sub-Programme purpose
2.1. Public Primary Schools	To provide specific public primary ordinary schools with resources required for the Grades 1 to 7 levels.
2.2. Public Secondary Schools	To provide specific public secondary ordinary schools with resources required for the Grades 8 to 12 levels.
2.3. Human Resource Development	To provide departmental services for the professional and other development of educators and non-educators in public ordinary schools.
2.4. School sport, culture and media services	To provide additional and departmentally managed sporting, cultural and reading activities in public ordinary schools.
2.5. Conditional Grants	Provides for the projects under Programme 2 specified by the DBE and funded by conditional grants

### Strategic Goals and Objectives

STRATEGIC GOAL(SG)	STRATEGIC OBJECTIVES (SOs)
<b>Strategic Goal 1</b> Improved quality of teaching and learning through timeous supply and effective utilisation and development of teachers	<ul style="list-style-type: none"> <li>• <b>SO 1.1:</b> To develop and enhance the professional and technical capacity and performance of educators through demand-driven training at decentralised venues which are fit for purpose</li> <li>• <b>SO 1.4:</b> To increase access to education in public ordinary and independent schools</li> </ul>
<b>Strategic Goal 3</b> Provision of quality Learning and Teaching Support Materials (LTSM) and furniture to all schools through data-driven planning and provisioning	<ul style="list-style-type: none"> <li>• <b>SO 3.1:</b> Provide texts, stationery, assessment exemplars, furniture and Norms and Standards funding to all schools in sufficient numbers and on time through data-driven planning and provisioning</li> </ul>
<b>Strategic Goal 4</b> Improved assessment for learning	<ul style="list-style-type: none"> <li>• <b>SO 4.5:</b> To improve systems for monitoring of learner performance, administration of assessments and utilisation of examination question banks across the system</li> </ul>
<b>Strategic Goal 6</b> Improve school functionality through effective governance, management and monitoring	<ul style="list-style-type: none"> <li>• <b>SO 6.2:</b> To improve the quality of monitoring and support provided to schools by the Department</li> <li>• <b>SO 6.3:</b> To improve systems for effective management and administration of schools</li> </ul>

## **Key Policy Priorities**

- Improved quality teaching and learning through supply, development and effective utilization of teachers.
- Improved quality teaching and learning through provision of adequate, quality infrastructure, Learning and Teaching Support Materials (LTSM) and school furniture.
- Improvement of teaching and assessment to ensure quality and efficiency in academic achievement in a conducive and safe environment.
- Strengthened accountability, improved management and governance at school, community and district levels.
- School Functionality for Effective Teaching and Learning through Management, Governance Development and Institutional support.
- Partnerships for education reform and improved attainment of Provincial Targets.
- Ensure schools are resourced in terms of norms and standards, fee exemptions and accountability thereof.
- Strengthened implementation of National Strategy for Learner Attainment
- Ensure the eligible learners continue to benefit from the “No Fee Policy”
- Manage and monitor that the National School Nutrition Programme (NSNP) benefitted learners in Quintiles 1-3 (“No Fee”) Public Ordinary Schools, including attached Grade R and targeted Special Schools through daily serving of quality nutritious meals.
- Provisioning of hostels for cluster schools to mediate and supplement access to education.
- Teacher Development for strengthened Mathematics & Sciences teaching, including support to underperforming schools & ICT integration
- Holistic development of learners through School Enrichment Programmes

## **Key Achievements**

### **2017 NSC Examination Results**

- The Matric Class of 2017 improved the Eastern Cape National Senior Certificate results by 5.7%, from 59.3% in 2016 to 65% in 2017. This is the second year in succession of Matric results improvement in the Eastern Cape since 2015.
- Eastern Cape enrolled more Mathematics learners than Mathematics Literacy and improved the pass rate of Mathematics by 4%.
- Bachelor passes improved 4%, from 19% in 2016 to 23% in 2017.
- Plans for 2018 Matric Improvement were developed in January 2018 and schools have engaged in a set of minimum activities for the First 100 days of 2018.

### **Inclusive Education**

- Progress was made in strengthening functionality of Full Service Schools. One hundred and twenty (120) Full Service Schools educators were trained in the Advanced Diploma in Remedial Education and sixty (60) educators from Full Service Schools were trained on the ICDL accredited course.

### **Funding of Public Education**

- The Department has funded learners in public schools at R1 177 in Quintiles 1-3. The National School Nutrition Programme (NSNP) continued to benefit 1 611 300 learners in Benefitted from a nutritious meal daily. This includes coverage of attached Grade R classes and targeted Special Schools. Initiatives were taken by communities to provide an additional meal with the same pricing index.
- 80 000 learners benefitted from the provision of scholar transport. The Department is making all efforts to mediate and supplement this with the provisioning of hostels

### **School Functionality**

- Introduction of SA-SAMS module to report progress on assessment tasks to promote curriculum coverage and regular assessment
- Curriculum Coverage has begun to show signs of improvement, with 95% of schools reporting curriculum tasks coverage by end of December 2017.
- Learner absenteeism rates remained stable with learner absenteeism at 2%.
- Teacher absenteeism was reported at 2.7%.

### **Teacher Development Support Systems**

- Development of 4 Professional Teacher Development Institutions and 9 District Teacher District Centres into modern, connected sites for quality teacher development programmes
- Publication of 2018 Prospectus in November 2017

### **Human Resources (HR)**

- The PPN process assisted schools by determining that schools which lost a post through the PPN model but lost less than 40 learners were allowed to retain teachers and promotion posts.
- The Department issued 8 Promotion Bulletins.
- Extension of Contracts for temporary educators to ensure that there is a teacher in front of every class
- Appointment of Walk-ins where there were substantive vacancies

**Strategic Objectives and Programme Performance Measures**

**Programme 2: Public Ordinary Schools**

**Standardised Programme Performance Measures**

Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
<b>SO 1.4</b> To increase access to education in public ordinary and independent schools	<b>PPM 201</b> Number of full service schools servicing learners with learning barriers	30	30	30	-	Target met
<b>SO 4.5</b> To improve systems for monitoring of learner performance, administration of assessments and utilisation of examination question banks across the system	<b>PPM 202</b> The percentage of children who turned 9 in the previous year and who are currently enrolled in Grade 4 (or a higher grade)	68%	68%	68%	-	Target met
<b>SO 4.5</b> To improve systems for monitoring of learner performance, administration of assessments and utilisation of examination question banks across the system	<b>PPM 203</b> The percentage of children who turned 12 in the preceding year and who are currently enrolled in Grade 7 (or a higher grade)	54%	54%	55%	1%	Target exceeded. There is considerable learner migration into, out of and within the Province which affects the outcome of this PPM. In addition, the pass rate in Grade 6 increased from 93% to 94% in 2017.
<b>SO 3.1</b> Provide texts, stationery, assessment exemplars, furniture and Norms and Standards funding to all schools in sufficient numbers and on time through data-driven planning and provisioning	<b>PPM 204</b> Number of schools provided with media resources	0	832	1 470	638	Target exceeded due to advocacy of Grade R and Foundation Phase reading.
<b>SO 6.3</b>	<b>PPM 205</b> Learner absenteeism rate	2%	3%	2%	-1%	Target exceeded. Close monitoring of learner absenteeism was conducted during 2017/18

Programme 2: Public Ordinary Schools						
Standardised Programme Performance Measures						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
To improve systems for effective management and administration of schools						
<b>SO 6.3</b> To improve systems for effective management and administration of schools	<b>PPM 206</b> Teacher absenteeism rate	4%	4%	2.7%	-1.3%	Target exceeded. Closer monitoring of teacher attendance was conducted
<b>SO 1.4</b> To increase access to education in public ordinary and independent schools	<b>PPM 207</b> Number of learners in public ordinary schools benefiting from the "No Fee Schools" policy	1 582 878	1 549 829	1 482 131	-67 698	There is considerable learner migration into, out of and within the Province which affects the outcome of this PPM.
<b>SO 1.1</b> To develop and enhance the professional, technical capacity and performance of educators through demand-driven training at decentralised venues which are fit for purpose	<b>PPM 208</b> Number of educators trained in Literacy/Language content and Methodology	2 587	4 000	4 263	263	Target exceeded. The Department planned to train 4 000 educators in Literacy/Language. The Department could not turn away any additional educators requesting to be trained in Literacy/Language.
<b>SO 1.1</b> To develop and enhance the professional, technical capacity and performance of educators through demand-driven training at decentralised venues which are fit for purpose	<b>PPM 209</b> Number of educators trained in Numeracy/Mathematics content and Methodology	3 609	3 800	3 746	-54	The Department planned to train 3 800 educators in Numeracy/Mathematics, but not all educators enrolled as expected. The educators that were trained included SGB employed educators who were not included in the actual reported.

**Programme 2: Public Ordinary Schools**

**Non-Standardised Programme Performance Measures**

Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
<b>SO 1.4</b> To increase access to education in public ordinary and independent schools	<b>PPM 210</b> The average hours per year spent by teachers on professional development activities	N/A	30	36	6	Target exceeded. The norm for educator training is 30 hours, however one course offered by an external Service Provider exceeded the norm.
<b>SO 1.4</b> To increase access to education in public ordinary and independent schools	<b>PPM 211</b> Number of teachers who have written the Self-Diagnostic Assessments	N/A	200	129	-71	The Self Diagnostic Assessment is voluntary. The Department planned to administer 200 Self Diagnostic Assessments, however only 129 educators volunteered to participate in the process.
<b>SO 1.4</b> To increase access to education in public ordinary and independent schools	<b>PPM 212</b> Percentage of teachers meeting required content knowledge levels after support	N/A	50%	17.5%	-32.5%	Fewer educators met the required 80% pass rate (this was set by DBE) for the post training assessment than expected by the Provincial Department. Pre- and post-tests were formally administered for the first time during the last quarter of 2017/18 and were applicable to courses offered by Provincial Institutes for Languages and Mathematics.
<b>SO 1.4</b> To increase access to education in public ordinary and independent schools	<b>PPM 213</b> Percentage of learners in school with at least one educator with specialist training on inclusion	N/A	1%	3%	2%	Target exceeded. Increased focus on the recruitment, employment and training of educators with Specialist training on inclusion (See APP).
<b>SO 1.4</b> To increase access to education in public ordinary and independent schools	<b>PPM 214</b> Number and percentage of Fundza Lushaka Bursary holders placed in schools within six months upon completion of studies or	N/A	459	697	238	Target exceeded due to stronger advocacy amongst Districts and schools to appoint bursary holders.



**Programme 2: Public Ordinary Schools**

**Non-Standardised Programme Performance Measures**

Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
	upon confirmation that the bursar has completed studies					
<b>SO 1.4</b> To increase access to education in public ordinary and independent schools	<b>PPM 215</b> Number of qualified Grade R – 12 teachers aged 30 and below, entering the public service as teachers for the first time during the financial year	N/A	3 000	1 034	-1 966	The historical data on the appointment of educators under 30 years of age in the Eastern Cape suggests that the target was set too high. This will be corrected for 2018/19.
<b>SO 6.2</b> To improve the quality of monitoring and support provided to schools by the Department	<b>PPM 216</b> Percentage of learners who are in classes with no more than 45 learners	N/A	63%	67%	4%	Target exceeded. There are more learners in smaller classes
<b>SO 1.4</b> To increase access to education in public ordinary and independent schools	<b>PPM 217</b> Percentage of schools where allocated teaching posts are filled	N/A	100%	56.7%	-43.3%	The recruitment and selection of educators with the required skillset to fill the advertised educator posts - particularly in rural areas is taking longer than planned. Educators are not always willing to relocate to the rural areas.
<b>SO 3.1</b> Provide texts, stationery, assessment exemplars, furniture and Norms and Standards funding to all schools in sufficient numbers and on time through data-driven planning and provisioning	<b>PPM 218</b> Percentage of learners provided with required textbooks in all grades and in all subjects per annum	N/A	90%	90%	-	Target met. Schools have started implementing the Provincial guidelines on retrieval and retention of textbooks resulting in less top-up textbooks being requisitioned.

**Programme 2: Public Ordinary Schools**

**Non-Standardised Programme Performance Measures**

Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
<b>SO 4.5</b> To improve systems for monitoring of learner performance, administration of assessments and utilisation of examination question banks across the system	<b>PPM 219</b> Number and percentage of learners who complete the whole curriculum each year	N/A	1 508 226* (85%)	470 870** (95%)	10%	Target exceeded. This is the first year of reporting on this PPM. During the planning period, there was no baseline for Curriculum Coverage. As a result, the Department took into consideration the Annual Teaching plan and possible disruptions and the estimated outcome for curriculum coverage was 85%.
<b>SO 6.3</b> To improve systems for effective management and administration of schools	<b>PPM 220</b> Percentage of schools producing a minimum set of management documents at a required standard	N/A	80%	50%	-30%	Some schools experience difficulties in developing the basic management documents
<b>SO 6.3</b> To improve systems for effective management and administration of schools	<b>PPM 221</b> Number and percentage of SGBs in sampled schools that meet minimum criteria in terms of effectiveness every year	N/A	10%	12%	2%	Target exceeded. Circuit Managers are administering the tool in all schools hence the increase in sampled schools
<b>SO 6.3</b> To improve systems for effective management and administration of schools	<b>PPM 222</b> Percentage of schools with more than one financial responsibility on the basis of assessment	N/A	98%	98%	-	Target met
<b>SO 6.3</b> To improve systems for effective management and administration of schools	<b>PPM 223</b> Percentage of learners in schools that are funded at a minimum level	N/A	100%	0%	-100%	The Department could not fund learners at a minimum level due to budget constraints. This will be considered from 2018/19 onwards

\*\* PPM 219 target is based on whole curriculum coverage

\*\* PPM 219 actual reported is based on the number of assessment tasks completed for Grades 3, 6, 9 and 12 for Mathematics and English First Additional Language as the definition of the PPM changed

### Strategy to overcome areas of under-performance

PPM	Strategy to overcome under-performance
<b>PPM 207</b> Number of learners in public ordinary schools benefiting from the “No Fee Schools” policy	The migration of learners into and out of the Province was the reason for under performance for this PPM. The learner numbers will be reviewed closely during the budget planning period
<b>PPM 211</b> Number of teachers who have written the Self-Diagnostic Assessments	Stronger advocacy of the benefits of completing the Self-Diagnostic Assessment will be conducted
<b>PPM 212</b> Percentage of teachers meeting required content knowledge levels after support	Revision of the pre and post-tests, to ensure that they align with course content
<b>PPM 215</b> Number of qualified Grade R – 12 teachers aged 30 and below, entering the public service as teachers for the first time during the financial year	Advocacy at Districts and schools will be conducted to promote the teaching profession
<b>PPM 217</b> Percentage of schools where allocated teaching posts are filled	Finalise the Organisational Structure
<b>PPM 220</b> Percentage of schools producing a minimum set of management documents at a required standard	Support to schools where the minimum set of management documents is not at the required standard
<b>PPM 223</b> Percentage of learners in schools that are funded at a minimum level	Make provision to fund learners at a minimum level during the budget planning period

### Changes to planned targets

n/a

### Linking performance with budgets

The information outlined below, provides a summary of the financial performance linked to the allocated budget for the year under review.

Sub-Programmes	(Over)/ Under Expenditure as per Adjusted Budget 2017/18 R'000
Public Primary Schools	(59 700)
Public Secondary Schools	85 492
Human Resource Development	(36 422)
School Sport, Culture and Media Services	4 997
Conditional Grants	29 508
<b>Total expenditure</b>	<b>23 875</b>

The budget increase under this programme was mainly in sub-programme 2.1 (Public Primary Schools) and Public Secondary Schools to provide for the Educators, LTSM and School Furniture.

**Sub-Programme Expenditure**

Sub-Programme Name	2017/18			2017/18		
	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
Public Primary Schools	8 616 703	8 628 838	(12 135)	8 733 698	8 793 398	(59 700)
Public Secondary Schools	14 965 230	15 189 231	(224 001)	16 499 243	16 413 751	85 492
Human Resource Development	102 850	81 586	21 264	113 279	149 701	(36 422)
School sport, culture and media services	47 269	43 723	3 546	56 002	51 005	4 997
Conditional Grant: School	1 156 849	1 068 871	87 978	1 217 934	1 188 426	29 508
<b>Total</b>	<b>24 888 901</b>	<b>25 012 249</b>	<b>(123 348)</b>	<b>26 620 156</b>	<b>26 596 281</b>	<b>23 875</b>

The under expenditure of R23 875 million is mainly due to the outstanding invoices from suppliers in respect of batch 2 of LTSM which was delivered early January 2017 and School Furniture due to late submission of invoices by service providers which were expected in the first week of the 2017/18 academic year.

### 2.4.3. Programme 3: Independent School Subsidies

#### Purpose:

To support independent schools in accordance with the South African Schools Act

#### Sub-Programmes:

Sub-Programme	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

#### Strategic Goals and Objectives

STRATEGIC GOAL(SG)	STRATEGIC OBJECTIVES (SOs)
<b>Strategic Goal 6</b> Improve school functionality through effective governance, management and monitoring	<b>SO 6.2:</b> To improve the quality of monitoring and support provided to schools by the Department

#### Key Policy Priorities

- Implementation of reviewed Regulations on registration in line with National Guidelines
- Strengthen monitoring to registered and subsidised schools for improved performance and compliance.
- Closing down of unregistered schools

#### Key Achievements

- 113 (99%) schools received subsidies which resulted in 37 754 learners benefitting, thus, R122 630 622 (99%) of the allocated budget was spent
- Out of 209 registered independent schools, visits for monitoring and support purposes were conducted at 75 (36%) of subsidized independent schools.
- Out of 25 applications received for registration as independent schools in 2017, 20 (80%) were granted provisional registration to operate as independent schools, with effect from 01 January 2018.
- The NCS results in independent schools improved with an overall 89% pass rate in 2017 compared to 79% in 2016.

**Strategic Objectives and Programme Performance Measures**

Programme 3: Independent School Subsidies						
Standardised Programme Performance Measures						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
<b>SO 6.2</b> To improve the quality of monitoring and support provided to schools by the Department	<b>PPM 301</b> Percentage of registered independent schools receiving subsidies	57%	59% (116)	56% (115)	-3%	Target not met due to one (1) school not paid due to non - performance in Grade 12, thus non - compliance with policy prescripts
	<b>PPM 302</b> Number of learners at subsidized registered independent schools	36 382	40 410	43 068	2 689	Target exceeded
	<b>PPM 303</b> Percentage of registered independent schools visited for monitoring and support	58%	59% (116)	36% (75)	-23% (41)	Target not met due to limited resources

**Strategy to overcome areas of under-performance**

PPM	Strategy to overcome under-performance
<b>PPM 301</b> Percentage of registered independent schools receiving subsidies	Close monitoring and support to underperforming Schools
<b>PPM 303</b> Percentage of registered independent schools visited for monitoring and support	Utilise officials from other Directorates and Districts for visits.

**Changes to planned targets**

n/a

**Linking performance with budgets**

The information outlined below, provides a summary of the financial performance linked to the allocated budget for the year under review.

Sub-Programmes	(Over)/ Under Expenditure as per Adjusted Budget 2017/18
3.1 Primary Phase	46
3.2 Secondary Phase	97
<b>Total expenditure</b>	<b>143</b>

**Sub-Programme Expenditure**

Sub-Programme Name	2017/18			2017/18		
	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
3.1 Primary Phase	70 801	63 244	7,557	89 786	89 740	46
3.2 Secondary Phase	49 199	56 741	(7,542)	33 256	33 159	97
<b>Total</b>	<b>120 000</b>	<b>119 985</b>	<b>15</b>	<b>123 042</b>	<b>122 899</b>	<b>143</b>

The adjusted budget is R123 042 million and R122 899 million was spent at year end. The under expenditure is due to schools that did not comply with the Norms and Standards requirements.

#### 2.4.4. Programme 4: Public Special School Education

##### Purpose:

To provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on Special Needs Education: Building an Inclusive Education and Training System

##### Sub-Programmes:

Sub-Programme	Sub-Programme purpose
4.1. Special schools	Provides specific public special schools with resources
4.2. Human Resource Development	Provides Departmental services for the professional and other development of educators and non-educators in public special schools.
4.3. School sport, culture and media services	Provides additional and Departmentally managed sporting, cultural and reading activities in public special schools.
4.4. Conditional Grants for OSD Therapists	Is responsible for projects specified by the DBE and funded through conditional grants.

##### Strategic Goals and Objectives:

STRATEGIC GOAL(SG)	STRATEGIC OBJECTIVES (SOs)
<b>Strategic Goal 1</b> Improved quality of teaching and learning through timeous supply and effective utilisation and development of teachers	<b>SO 1.4:</b> To increase access to education in public ordinary and independent schools
<b>Strategic Goal 2</b> Adequate quality infrastructure provided on the basis of a data-driven infrastructure plan	<b>SO 2.1:</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools

##### Key Policy Priorities

- Resourcing of schools through procurement of LTSM, assistive devices and school transport
- Filling of vacant posts in Public Special Schools
- Conversion of 3 special schools into Resource Centres
- Operationalisation of 6 newly established special schools
- Implementation of South African Sign Language (SASL) CAPS in the Senior Phase and grade 11 to enhance participation of Deaf learners in teaching and learning and to improve their retention and quality of learning outcomes
- Participation in the National pilot programmes for purposes of implementation of new curriculum for Severely Intellectually Disabled (SID) and Profound Intellectual Disabilities (PID)
- Technical and Vocational skills curriculum was developed and implemented
- Training of teachers in Grades 1 and 2 Braille literacy, Braille Maths and Braille production, SASL, Autism Alternative and Augmentative Communication (AAC)

##### Key Achievements:

- 1 935 learners were assessed in schools using the Screening, Identification, Assessment and Support Tool
- 69 District based therapists and psychologists were appointed. This increased the coverage at schools for the implementation of the Screening, Identification, Assessment and Support Policy (SIAS)
- Remedial support was initiated in 30 Full Service schools
- PPN for 2018 increased provision to 1 100 educators in special schools and 900 educators in Public Ordinary Schools to resource inclusion
- 36 social worker interns were appointed to support vulnerable learners



- 50 teacher assistants appointed in full service schools and trained on technical skills programmes (building) for the occupational curriculum
- Two of six newly established special schools were operationalized and educators appointed. The special schools are King Ndlovuyezwe Special Schools at OR Tambo Coastal and Lingomsiolethu Special School at Amathole East
- 40 Educators from schools for the Deaf were trained in the South African Sign Language (SASL) from the 5 -8 March 20-18: 1<sup>st</sup>group of 50 educators trained on Sign Language on the 5-8 March 2018 and the 2<sup>nd</sup> group of 50 educators was also trained on SASL.
- Eight special schools received school buses.

**Strategic Objectives and Performance Measures**

Programme 4: Public Special Schools						
Standardised Programme Performance Measures						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/2018		
<b>SO 2.1</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plan for all schools	<b>PPM 401</b> Percentage of special schools serving as Resource Centres	12% (5)	12% (5)	12% (5)	-	Target met
<b>SO 1.4</b> To increase access to education in public ordinary and independent schools	<b>PPM 402</b> Number of learners in public special schools	9 763	10 000	9 901	-99	Quarter 4 falls within the first term of the new academic year. In the first term there are usually more learners with ID related issues. Placement takes place quarterly which results in varying numbers
<b>SO 1.4</b> To increase access to education in public ordinary and independent schools	<b>PPM 403</b> Number of therapists/specialist staff in special schools	29	79	30	-49	The variance is due to 49 posts where letters of appointment have been issued to recommended candidates.

### Strategy to Overcome Areas of Under Performance

PPM	Strategy to overcome under-performance
<b>PPM 402</b> Number of learners in public special schools	The establishment of District Screening Committees and Provincial Placement Committees to monitor the placement of learners at Special Schools.
<b>PPM 403</b> Number of therapists/specialist staff in special schools	Centralisation of the recruitment process for therapists to ensure fast tracking of appointments of all therapists at Special Schools.

### Changes to Planned Targets

n/a

### Linking Performance with Budgets

The information outlined below, provides a summary of the financial performance linked to the allocated budget for the year under review.

Sub-Programmes	(Over)/ Under Expenditure as per Adjusted Budget 2017/18
4.1. Special Schools	8 114
4.2. Human Resource Development	910
4.3. School sport, culture and media services	1 087
4.4. Conditional Grants for OSD Therapists	2 809
<b>Total expenditure</b>	<b>12 920</b>

To be included in Second Draft 2017/18 Annual Report

### Sub-Programme Expenditure

Sub-Programme Name	2017/18			2017/18		
	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. Special Schools	641 009	638 116	2 893	683 441	675 327	8 114
4.2. Human Resource Development	2 570	1 969	601	2 699	1 789	910
4.3. School sport, culture and media services	5 787	3 593	2 194	6 077	4 990	1 087
4.4. Conditional Grants for OSD Therapists	-	27	(27)	3 537	728	2 809
<b>Total</b>	<b>649 366</b>	<b>643 705</b>	<b>5 661</b>	<b>695 754</b>	<b>682 834</b>	<b>12 920</b>

The under expenditure of R12 920 million is due to cost containment measures applied in respect of catering as well as non-provision of LTSM and Assistive devices due to delays in bids specifications.

## 2.4.5. Programme 5: Early Childhood Development

### Purpose

To provide Early Childhood Development (ECD) at the Grade R and Pre-Grade R in accordance with Whitepaper 5.

### Sub-Programmes

Sub-Programme	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 Development Centres	To support Grade R 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/educators and non-educators in Grade R at public schools and ECD centres.
5.5. Conditional Grants	To provide for projects under programme 5 specified by the Department of Basic Education and funded by conditional grants.

### Strategic Goals and Objectives

STRATEGIC GOAL(SG)	STRATEGIC OBJECTIVES (SOs)
<b>Strategic Goal 5</b> Improved quality of Grade R teaching and learning through training of teachers and provision of readers	<b>SO 5.1:</b> To improve access of children to quality Early Child Development (ECD)

### Key Policy Priorities

- Universalise access to Grade R in accordance with the NDP goal of 2019.
- Improve the quality of teaching and learning in Grade R.
- Training of Pre - Grade R practitioners within the EPWP Framework.
- Strengthen inter-sectoral collaboration on the implementation of the integrated ECD Strategy.

### Key Achievements

- A bulletin for recruitment of professionally qualified Grade R educators was advertised in February 2018.
- 46 Grade R practitioners who are in possession of a Diploma in Grade R Teaching wrote and passed aptitude the test for B.Ed. Degree in Foundation Phase with Rhodes University and will start their first contact session on 03 April 2018.
- 69 Grade R practitioners wrote their last examination in Diploma in Grade R Teaching, and 129 others who repeated one module from the previous intake.
- 94 Grade R practitioners successfully completed all the modules and will be graduating on 3 May 2018.
- Delivery of Educational Toys, in the form of Literacy, Numeracy, Music, Construction, Creative / Fantasy and Outdoor kits, was completed to all quintiles 1 to 3 public primary schools with Grade R.
- Graded Readers have been distributed to all schools with Grade R.
- Service Level Agreements for the supply, delivery and installation of jungle gyms to quintiles 1-3 schools have been signed with three contracted service providers and delivery will commence in April 2018.

**Strategic Objectives and Performance Measures**

<b>Programme 5: Early Childhood Development</b>						
<b>Standardised Programme Performance Measures</b>						
<b>Strategic Objective</b>	<b>Programme Performance Measure (PPM)</b>	<b>Baseline (Actual Output 2016/17)</b>	<b>Actual Performance against Target</b>		<b>Variance</b>	<b>Reason for Variance</b>
			<b>Planned Target 2017/18</b>	<b>Actual Achievement 2017/18</b>		
SO 5.1: To improve access of children to quality Early Child Development (ECD)	<b>PPM 501</b> Number of public schools that offer Grade R	4 299	4 000	4 371	371	Target exceeded. The planned target was based on the consideration that schools would close due to the rationalisation process. The rationalisation of schools is taking longer than anticipated. The baseline took into consideration the 503 schools unofficially closed.
SO 5.1: To improve access of children to quality Early Child Development (ECD)	<b>PPM 502</b> Percentage of Grade 1 learners who have received formal Grade R education in public ordinary and/or special schools and registered independent schools/ECD sites	80%	67%	86%	19%	The Department's effort to assist learners to acquire valid ID numbers yielded positive results. 86% of learners were tracked to have been in Grade R in the previous academic year as compared to the baseline of the previous financial year.

<b>Programme 5: Early Childhood Development</b>						
<b>Non-Standardised Programme Performance Measures</b>						
<b>Strategic Objective</b>	<b>Programme Performance Measure (PPM)</b>	<b>Baseline (Actual Output 2016/17)</b>	<b>Actual Performance against Target</b>		<b>Variance</b>	<b>Reason for Variance</b>
			<b>Planned Target 2017/18</b>	<b>Actual Achievement 2017/18</b>		
SO 5.1: To improve access of children to quality Early Child Development (ECD)	<b>PPM 503</b> Number and percentage of Grade R practitioners with NQF level 6 and above qualification each year	N/A	959 (19.4%)	878 (17.8%)	-81 (1.6%)	The variance is due to Grade R practitioners who did not successfully complete all the modules for a Diploma in Grade R teaching as well as a few students who dropped out of the course.

### Strategy to overcome areas of under-performance

PPM	Strategy to overcome under-performance
<b>PPM 503</b> Number and percentage of Grade R practitioners with NQF level 6 and above qualification each year	Appoint newly qualified graduates as Grade R practitioners

### Changes to planned targets

n/a

### Linking performance with budgets

Sub-Programmes	Over/ Under Expenditure as per Adjusted Budget 2017/18
5.1. Grade R in Public Schools	72 796
5.2. Grade R in Early Childhood Development Centres	-
5.3. Pre Grade R training	19 423
5.4. Human Resource Development	590
5.5. Conditional Grants	-
<b>Total expenditure</b>	<b>92 809</b>

### Sub-Programme Expenditure

Sub- Programme Name	2017/18			2017/18		
	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	557 031	447 340	109 691	560 361	487 565	72 796
5.2. Grade R in Early Childhood Development Centres	-	-	-	-	-	-
5.3. Pre Grade R training	21 246	1 217	20 029	25 782	6 359	19 423
5.4. Human Resource Development	2 207	1 428	779	2 317	1 727	590
5.5. Conditional Grants	-	-	-	-	-	-
<b>Total</b>	<b>580 484</b>	<b>449 985</b>	<b>130 499</b>	<b>588 460</b>	<b>495 651</b>	<b>92 809</b>

The under expenditure of R92 809 million is attributed to the appointment of professionally qualified practitioners into mainstream schooling; leaving vacancies in Grade R as well as a proposed 4% increment which was not paid to some of the practitioners. The under expenditure of R59 065 million reflected relates to LTSM and Training.

## 2.4.6. 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

### Strategic Goals and Objectives

STRATEGIC GOAL(SG)	STRATEGIC OBJECTIVES (SOs)
<b>Strategic Goal 2</b> Adequate quality infrastructure provided on the basis of a data-driven infrastructure plan	<ul style="list-style-type: none"> <li>• <b>SO 2.1:</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools</li> </ul>

### Key Policy Priorities

Based on these strategic goals, the Department has developed a number of strategic objectives:

- Progressively eradicate schools constructed of inappropriate infrastructure in line with Norms and Standards for Infrastructure from 1465 to 0 by 2023.
- Ensure that all schools have basic services and meet basic safety requirements in line with the Norms and Standards.
- Progressively provide appropriate Grade R classrooms in line with the Norms and Standards for Grade R
- Provide intervention in cases of disasters and emergencies together with chronic facility shortages brought about by rapid migration.
- Monitor the minor maintenance required at schools.
- Provide infrastructure in respect of the realigned schools and optimise existing infrastructure in rationalised schools.
- Provide and upgrade existing infrastructure to facilitate universal access for disabled children and youths.

### Key Achievements

- The completion and submission of the 10-year User Asset Management Plan (UAMP) as well as the 3-year outlook Infrastructure Programme Management Plan (IPMP).
- Completion and submission of the (IPMP) 2018/19 to both Provincial and National Treasuries.
- The consolidation of HR capacity.
- A data exercise to determine the total project count of all projects underway by Implementing Agents, and the successful loading of such projects on the Education Facilities Management System (EFMS).
- The submission of the budget adjustment with a full complement of projects.
- Successful loading of the adjustment budget on the Treasury Infrastructure Reporting Module (IRM).
- Securing R22m from the Cooperative Governance and Traditional Affairs Department (COGTA) for disaster expenditure to offset expenditure incurred.

- Successful transition from the Eastern Cape Development Corporation (ECDC) PMO to the newly established Programme Support Unit (PSU).
- Full utilisation of the Equitable Share and Education Infrastructure Grant budget.
- 1 902 smaller schools in the Province were identified as unviable and have officially been gazetted for rationalisation or re-alignment. These identified schools have been issued with Section 33 letters explaining the Department's intentions for closure and requesting compelling reasons for maintaining the school.
- The school landscape planning exercise undertaken by the Department in collaboration with National Treasury, developed and completed the Circuit Schools Landscape Plans (CSLPS) which provides a scientific case and schedule for rationalisation and realignment of the schools. This process has already seen 616 schools supporting their closure whilst the rest of the identified schools will undergo the consultative process of public participation led by the Executive Officer.



**Status of Current Projects:**

PROJECT	PROJECTS STAGE										Total Projects
	In Planning	Tender Stages	Construction			Practical completion (100%)	Final Account	Projects On Hold	PROJECTS STAGE		
			1-50% Completed	51 - 75% Completed	76 - 99% Completed				Final Account	Projects On Hold	
Number of New Schools	3	0	0	0	0	0	0	0	0	0	3
Replacement schools	722	43	46	5	4	20	34	3	877		
Full Service Schools	1	0	1	0	11	4	0	0	17		
Provision/replacement of Sanitation	139	58	37	4	16	137	112	9	512		
Provision/upgrade of Water	140	58	37	4	16	137	112	9	513		
Provision/upgrade of Electricity	3	17	3	1	1	0	0	0	25		
Maintenance Projects	173	1	2	4	5	10	24	0	219		
Libraries Project	0	0	0	0	0	0	0	0	0		
Laboratories Projects	631	40	43	4	4	20	34	3	779		
School Halls	0	0	0	0	0	0	0	0	0		
Technical Workshops	2	0	0	1	0	4	0	0	7		
Nutrition Centres	0	0	0	0	0	0	0	0	0		
Additional Classrooms	101	0	0	1	5	75	25	2	209		
Grade R Classrooms	81	12	10	4	2	15	60	2	186		
Administration Blocks	0	0	0	0	0	0	0	0	0		
Provision/upgrade of fence	83	65	44	74	15	177	128	3	589		
Provision/upgrade of sport field	0	0	0	0	0	0	0	0	0		
Special Schools	5	2	3	0	0	2	1	1	14		
Natural Disasters Projects	318	11	28	22	39	114	96	1	629		
Guard House	0	0	0	0	0	0	0	0	0		
Boarding Schools	7	0	0	1	1	0	0	37	46		
<b>TOTAL</b>	<b>2 409</b>	<b>307</b>	<b>254</b>	<b>125</b>	<b>119</b>	<b>715</b>	<b>626</b>	<b>70</b>	<b>4 625</b>		

### **Reasons for variance between the planned infrastructure targets and actual achievements**

Below are factors affecting all projects leading in some cases to delayed projects:

- Cash-flow projections and Infrastructure Programme Implementation Plans (IPIP's) found generally to be inadequate
- Failed in concluding full project plans for each project according to project management doctrine and specifically the Infrastructure Delivery Management System (IDMS).
- Capacity of IA's to fulfil project objectives.
- Inadequate contract administration at Portfolio Management level.
- On site supervision of projects by Implementing Agents (IA's) inadequate due to professional skills gap.
- Low supervision of project design processes due to scarcity of critical skills in IA's.
- Stakeholder engagement challenges.
- The construction industry lacks competent contractors at critical Construction Industry Development Board (CIDB) grades in the province.
- Contractors struggle to keep up with their projected cash-flows.
- Late-payment of invoices submitted to both IA's and the DoE.
- Capacity constraints within the Infrastructure Directorate to supervise IA's
- Non-population of information on the EFMS system by IA's to fully substantiate expenditure

**Strategic Objectives and Performance Measures**

Programme 6: Infrastructure Development						
Standardised Programme Performance Measures						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
<b>SO 2.1</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools	<b>PPM 601</b> Number of public ordinary schools provided with water supply	77	161	129	-32	<ul style="list-style-type: none"> <li>During the period 254 projects were progressing through various stages and part payments were honoured while 249 were at completion stages when final claims were settled.</li> <li>32 projects could not be completed due to project delays.</li> </ul>
<b>SO 2.1</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools	<b>PPM 602</b> Number of public ordinary schools provided with electricity supply	10	32	13	-19	<ul style="list-style-type: none"> <li>The balance of 19 schools could not be completed due to project delays.</li> <li>During the period 25 projects were progressing through various stages and part payments were honoured and 54 were at completion stages where final claims were settled.</li> </ul>
<b>SO 2.1</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools	<b>PPM 603</b> Number of public ordinary schools supplied with sanitation facilities	88	161	86	-75	<ul style="list-style-type: none"> <li>75 schools could not be completed due to project delays.</li> <li>During the period 255 projects were progressing through various stages and part payments were honoured while 249 were at completion stages when final claims were settled.</li> </ul>

Programme 6: Infrastructure Development						
Standardised Programme Performance Measures						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
<b>SO 2.1</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools	<b>PPM 604</b> Number of additional classrooms built in, or provided for, existing public ordinary schools	88	242	474	232	The target has been exceeded by 232 classrooms delivered. This is as a result of unexpected enrolments in certain schools at the beginning of the 2017 calendar year as well as disaster projects that were addressed.
<b>SO 2.1</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools	<b>PPM 605</b> Number of additional specialist rooms built in public ordinary schools (includes replacement schools)	25	25	16	-9	During the period, 820 projects were progressing through various stages of development and part payments were honoured while 54 were at completion stages when final claims were settled.
<b>SO 2.1</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools	<b>PPM 606</b> Number of new schools completed and ready for occupation (includes replacement schools)	10	4	7	3	The target has been exceeded by 3 schools as a result of project roll overs from previous years for contractual reasons.

Programme 6: Infrastructure Development						
Standardised Programme Performance Measures						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
<b>SO 2.1</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools	<b>PPM 607</b> Number of new schools under construction (includes replacement schools)	19	7	19	12	The target has been exceeded by 12 schools as a result of the department accelerating its delivery processes in a bid to get all learners accommodated. There were 823 projects in various stages of the IDMS with 44 being in construction.
<b>SO 2.1</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools	<b>PPM 608</b> Number of new or additional Grade R classrooms built (includes those in replacement schools)	17	12	15	3	The target has been exceeded by 3 schools as a result of project roll overs from previous years for contractual reasons.
<b>SO 2.1</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools	<b>PPM 609</b> Number of hostels built	1	1	1	-	Target met. There are however 9 hostel projects at various stages of the Infrastructure Delivery Management System (IDMS).

Programme 6: Infrastructure Development						
Standardised Programme Performance Measures						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
<p><b>SO 2.1</b> To develop and implement a data driven infrastructure plan which includes new schools, extensions to existing schools and maintenance plans for all schools</p>	<p><b>PPM 610</b> Number of schools in which scheduled maintenance projects were completed</p>	23	16	4	-12	<ul style="list-style-type: none"> <li>The target has been under-achieved by 12 schools as a result of late contract awards by the implementing agent and the subsequent consequences of the department's payment process which led to cash flow problems on the side of contractors as well as contractual complications owing to some terminations for underperformance.</li> <li>There are 185 projects at various development stages as well as 34 projects at the post completion stages.</li> </ul>

### Strategy to overcome areas of under-performance

PPM	Strategy to overcome under-performance
<b>PPM 601</b> Number of public ordinary schools provided with water supply	The Department is vigorously pursuing the facilitation of information by IA's in order to account for expenditure and as such IA's have been placed on terms with closer interaction by top management.
<b>PPM 602</b> Number of public ordinary schools provided with electricity supply	The Department is vigorously pursuing the facilitation of information by IA's in order to account for expenditure and as such IA's have been placed on terms with a closer interaction by top management. Submissions have been made to Eskom seeking their intervention on those places with projects that are off grid.
<b>PPM 603</b> Number of public ordinary schools supplied with sanitation facilities	The Department is vigorously pursuing the facilitation of information by IA's in order to account for expenditure and as such IA's have been placed on terms with a closer interaction by top management.
<b>PPM 605</b> Number of additional specialist rooms built in public ordinary schools (includes replacement schools)	The Department is vigorously pursuing the facilitation of information by IA's in order to account for expenditure and as such IA's have been placed on terms with a closer interaction not only by the responsible unit but support from top management has persistently been received.
<b>PPM 610</b> Number of schools in which scheduled maintenance projects were completed	The implementing agent has been reprimanded in various engagements in order to accelerate delivery the Department is vigorously pursuing the facilitation of information by IA's in order to account for expenditure and as such IA's have been placed on terms with a closer interaction by top management. 90 projects that are on design are being accelerated for Tender

### Changes to planned targets

n/a

### Linking performance with budgets

Sub-Programmes	(Over)/ Under Expenditure as per Adjusted Budget 2017/18
6.1. Administration	17 780
6.2. Public Ordinary Schools	(259 271)
6.3. Special Schools	47 871
6.4. Early Childhood Development	193 620
<b>Total (over)/under expenditure</b>	<b>-</b>

### Sub-Programme Expenditure

Sub-Programme Name	2016/17			2017/18		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Adjusted Appropriation	Estimated Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
6.1. Administration	30,967	14,158	16,809	48,999	31,219	17,780
6.2. Public Ordinary Schools	1,352,136	1,460,749	(108,613)	1,197,377	1,456,648	(259,271)
6.3. Special Schools	75,435	69,419	6,016	115,277	67,406	47,871
6.4. Early Childhood Development	220,955	85,314	135,641	297,965	104,345	193,620
<b>Total</b>	<b>1,679,493</b>	<b>1,629,640</b>	<b>49,853</b>	<b>1,659,618</b>	<b>1,659,618</b>	<b>-</b>

Underspending of R13 088 million for COE, is due to difficulties in acquiring the appropriate skills as required by the grant. The over expenditure of R91 269 million in Goods and Services is due to invoices paid for emergency disaster interventions in Public schools.



## 2.4.7. Programme 7: Examinations and Education Related Services

### Purpose

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

### Sub-Programmes

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

### Strategic Goals and Objectives

STRATEGIC GOAL(SG)	STRATEGIC OBJECTIVES (SOs)
<p><b>Strategic Goal 4</b> Improved assessment for learning</p>	<ul style="list-style-type: none"> <li><b>SO 4.2:</b> To increase the number of Grade 12 learners who become eligible for a Bachelors Programme at a university</li> <li><b>SO 4.3:</b> To increase the number of Grade 12 learners who pass Mathematics and Physical Sciences</li> <li><b>SO 4.4:</b> To increase the number of Grade 12 learner who passed the National Senior certificate.</li> </ul>

### Key Policy Priorities

- Strengthening the implementation of CAPS from Grade R to 12.
- Strengthening the implementation of Literacy and Numeracy Strategy.
- Strengthening the implementation of Mathematics and Science Strategy in GET and FET.
- Strengthening the implementation of efficient assessment and examination systems and School Based Assessments (SBA) as strategic levers to drive teaching and learning.
- Implementation of Learner and Teacher Support Programmes to improve learning outcomes from Grade R to 12.
- Implementation of Care and Support for Teaching and Learning Framework and Integrated School Health Programme.

## Key Achievements

### Overall

- Centralised Content and Methodology training of Subject Advisors and Lead Teachers was conducted for Intermediate Phase Mathematics and Science. Parallel sessions for Learning Programmes for Mathematics and Language Subject Advisors and Lead Teachers in the Foundation Phase (FP) took place. The same Learning Programme was conducted for Inter-Sen Languages for Subject Advisors and Lead Teachers.
- Training of Foundation Subject Advisors on the Early Grade Reading Assessment (EGRA) was conducted by both DBE and the ECDoE.
- Trained 133 lead teachers and subject advisors of EFAL Grades 4-9 on content and Methodology. 4 567 teachers were trained in districts on EFAL Grades 4-6 content and methodology as part of the NECT programmes. 90 Lead teachers (Grades 1-3) and subject Advisors were trained on Languages Learning Programme. 1900 teachers were trained in districts during roll out trainings to teachers (Grades 1-3) on Languages Learning Programme.
- The infusion of Information and Communication Technology (ICT) and e Learning in improving teaching, learning and assessment was implemented as a strategic lever to drive the improvement of learner outcomes.
- Some commendable strides were also made in the area of e- learning implementation. The Department established 126 Telematic Centres in 2018. 2334 educators were trained on ICT integration in teaching and learning and 1 021 946 documents were viewed / downloaded 1 Jan – 31 Mar 2018 from the Curriculum and Exams websites.
- A FET Curriculum Year Planner was finalised and distributed to all stakeholders. This outlines all the teaching, learning and support programmes and activities planned for 2018/19.
- 9 Curriculum Instructions were issued providing guidance to curriculum officials and teachers on School Based Assessment, Curriculum Coverage, Telematics Broadcasts, and the changes in policy for the assessment of Business Studies, Accounting and Economics.
- A FET Subject Advisors Indaba was held in January 2018 where targets for each subject were set.
- Subject planners conducted district visits to under-performing districts to conduct SBA verification and to monitor and support the implementation of the CAPS. A new school monitoring tool was developed and piloted during this period.
- A 3 day induction programme for subject advisors was conducted. Interviewing and shortlisting for an additional 44 subject advisors posts commenced in February 2018.

### National Senior Certificate (NSC)

- The 2017 matric results improved performance by 5,7% compared to 2016.
- Two strategic levers of the NSC 2017 Improvement Plan impacted in the final outcome of the 2017 matric results. These included ensuring basic requirements for teaching and learning are in place and special interventions aimed at learning and teaching enrichment.
- The Department provided supplementary materials such as Study Tips for Success, Mind the Gap Study Guides, and Past Examination papers, contact sessions such as Saturday and afternoon Classes, Winter and Spring Schools to support Grade 12 learners.
- The number of Bachelor passes increased from 19% in 2016 to 23% in 2017, representing a 4% increase.
- The number of progressed learners who were registered for examination in 2017 was 10 937; 2 853 wrote and out of those 1 373 passed which is 48,1% pass rate.
- Commendable improvements were registered in the big enrolment subjects:

Enrolment Subject	Improvement
Agriculture	from 71.5% to 72.5%
Economics	from 54.5% to 60.1%
Geography	from 69.3% to 69.8%
History	from 74.8% to 79.4%
Mathematics	from 37.5% to 42.3%
Physical Science	from 49.6% to 57.3%
Life Sciences	from 61.7% to 68.5%

- The number of candidates obtaining distinctions improved in 2017. Overall percentage improvement moved from 2.1% in 2016 to 2.7% in 2017.
- Nelson Mandela Bay had the highest percentage at 4.5% of Distinctions, Buffalo City was second at 3.9% and OR Tambo Inland was third at 3.4%.

#### **Assessment**

- In the absence of the Annual National Assessment (ANA), the quarterly School Based Assessment results of Grade 3, 6 and 9 on SA-SAMS were used to benchmark the performance of learners in Mathematics and Languages in these grades.
- Common Tests/Tasks for grades 3, 6, 7 and 9 for Language and Mathematics.
- In order to develop and disseminate to Districts an Improvement Framework for each of the subjects a sample of the learners' responses from each District were analysed.

#### **Teacher Development**

- Language and Mathematics from Grades R-12 were supported by a strong focus on teacher development, effective monitoring and support given to teachers and ensuring that learners have the necessary resources they need to learn and that teaching time is protected.

Strategic Objectives						
Programme 7: Examinations and Education Related Services						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18		
<b>SO 4.4</b> To increase the number of Grade 12 learner who passed the National Senior certificate	<b>PPM 701</b> Percentage of learners who passed National Senior Certificate (NSC)	59.3%	62%	65%	3%	Target exceeded. The increase was the result of the focused implementation of the Department's Education Transformation Plan and close monitoring of implementation. The Plan included: <ul style="list-style-type: none"> <li>additional material, such as Mind the Gap, previous question papers, memoranda, model answers, Study Tip booklet</li> <li>weekend, afternoon and vacation classes and camps</li> </ul>
<b>SO 4.2</b> To increase the number of Grade 12 learners who become eligible for a Bachelors Programme at a university	<b>PPM 702</b> Percentage of Grade 12 learners passing at bachelor level	18.3%	19.5%	22.7%	3.2%	Target exceeded. The increase was the result of the focused implementation of the Department's Education Transformation Plan and close monitoring of implementation. The Plan included: <ul style="list-style-type: none"> <li>additional material, such as Mind the Gap, previous question papers, memoranda, model answers, Study Tip booklet</li> <li>weekend, afternoon and vacation classes and camps</li> </ul>
<b>SO 4.3</b> To increase the number of Grade 12 learners who pass Mathematics and Physical Sciences	<b>PPM 703</b> Percentage of Grade 12 learners achieving 50% or more in Mathematics	12.8%	16%	15.4%	0.6%	The scarcity of qualified Mathematics teachers, especially to deploy in high enrolment schools is a persistent challenge.

Programme 7: Examinations and Education Related Services					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2016/17)	Actual Performance against Target		Reason for Variance
			Planned Target 2017/18	Actual Achievement 2017/18	
<b>SO 4.3</b> To increase the number of Grade 12 learners who pass Mathematics and Physical Sciences	<b>PPM 704</b> Percentage of Grade 12 learners achieving 50% or more in Physical Sciences	15.9%	19%	19.9%	Target exceeded. The increase was the result of the focused implementation of the Department's Education Transformation Plan and close monitoring of implementation. The Plan included: <ul style="list-style-type: none"> <li>• additional material, such as Mind the Gap, previous question papers, memoranda, model answers, Study Tip booklet</li> <li>• weekend, afternoon and vacation classes and camps</li> </ul>
<b>SO 4.4</b> To increase the number of Grade 12 learner who passed the National Senior certificate	<b>PPM 705</b> Number of secondary schools with National Senior Certificate (NSC) pass rate of 60% and above	N/A	545 (59%)	523 (57.3%)	The shortage of teachers in some schools, especially in Mathematics and Science hampers the progress in some schools. Poor management in other schools is still a challenge leading to underperformance.

### Strategy to overcome areas of under-performance

In order to address the identified challenges, the following strategies will be implemented:

PPM	Strategy to overcome under-performance
The teaching of Mathematics and Science subjects is still of major concern. The improvements are very lethargic.	Strengthening of international partnerships to deal with Mathematics, Science and Technology teacher development initiatives. Continuous engagement with Universities and Training SETAs to also forge training partnerships. The roll out of the three stream model which will encourage learners to pursue careers in the schools of skill.
The slow improvement of the reading, writing and numeracy levels in the Foundation, Intermediate and Senior Phases is still one of the areas that require intensive interventions.	The intensive implementation of NECT programmes shall enforce continuous teaching and learning in all schools
Limited budget allocation for FET Curriculum Programmes continues to provide challenges in terms on the number of schools, teachers and learners that can be supported	Budget allocation for curriculum to be reviewed. DBE programmes to be timeously sent to Provinces so that proper preparations can be made to ensure that provincial deliverables are not compromised.
The frequency of school monitoring visits to ascertain curriculum coverage and the implementation of the Annual Teaching Plan continues to provide challenges to verify accuracy of data. Budgetary constraints hamper the speedy roll out of e-learning programmes.	A new monitoring tool for school visits has been developed, tested and is being implemented across all grades. Also, Subject Planners and Subject Advisors have undergone systematic training on the DDD programme.

### Changes to planned targets

### Linking performance with budgets

Sub-Programmes	Over/ Under Expenditure as per Adjusted Budget 2017/18
7.1. Payments to SETA	-
7.2. Professional Services	5 064
7.3. Special Projects	244
7.4. External Examinations	(5 385)
7.5. Conditional grant	433
<b>Total expenditure</b>	<b>356</b>

### Sub-Programme Expenditure

The Sub-programme expenditure is found in the table below:

Sub-Programme Name	2016/17			2017/18		
	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	59 662	59 662	-	64 052	64 052	-
7.2. Professional Services	39 773	35 976	3 797	39 103	34 039	5 064
7.3. Special Projects	1 783	1 961	(178)	1 506	1 262	244
7.4. External Examinations	310 831	366 561	(55 730)	386 398	391 783	(5 385)
7.5. Conditional grant	39 591	38 703	888	41 936	41 503	433
<b>Total</b>	<b>451 640</b>	<b>502 863</b>	<b>(51 223)</b>	<b>532 995</b>	<b>532 639</b>	<b>356</b>

The under expenditure of R356 million is in respect of payment of exam assistants.

## 2.5. Transfer Payments

The table below indicates transfers made to other entities in 2017/18, together with the services rendered and achievements.

Entity/Group Name	Services rendered	Amount transferred (R'000)	Amount spent (R'000)	Achievements and Challenges
Section 20 & 21 Schools	Norms and Standards for No Fee Schools Policy and National School Nutrition Programme	1 879 860	2 071 130	<p><b>Achievements:</b></p> <ul style="list-style-type: none"> <li>Provision of Nutritious Meals to learners benefitting from the National School Nutrition Programme</li> <li>Non-personnel allocation towards the resourcing and/or operational costs in Public Ordinary Schools</li> </ul> <p><b>Challenges:</b></p> <ul style="list-style-type: none"> <li>National School Nutrition Programme. Non-validated learners in the systems due to unavailability of IDs and non-filling of posts for monitors</li> </ul>
Independent Schools	To support independent schools in the Grades 1 to 12 levels.	123 042	122 868	<p><b>Achievements:</b></p> <ul style="list-style-type: none"> <li>Provided funds to qualifying independent schools according to Norms and Standards for school funding to support the provisioning of goods and services required for education in those schools.</li> </ul> <p><b>Challenges:</b></p> <ul style="list-style-type: none"> <li>Not all schools adhere to the policy prescripts</li> </ul>
Special schools	To provide specific public special schools with resources. (Including E-learning and inclusive education)	75 143	76 948	<p><b>Achievements:</b></p> <ul style="list-style-type: none"> <li>Funds transferred to assist disabled learners to access curriculum.</li> <li>The provision of welfare of disabled learners in the hostel.</li> <li>Assisted in the provision of welfare of disabled learners in hostels.</li> <li>Payment of municipal bills.</li> <li>Funds transferred to make provision for contingencies with regard to facilities for learners in need of care</li> </ul> <p><b>Challenges:</b></p> <ul style="list-style-type: none"> <li>Learners with invalid IDs or no IDs</li> </ul>
ECD sites	Training of Pre-Grade R ECD Practitioners	20 534	9 043	<p><b>Achievements:</b></p> <ul style="list-style-type: none"> <li>Qualified and skilled Pre Grade R ECD Practitioners</li> </ul>



Entity/Group Name	Services rendered	Amount transferred (R'000)	Amount spent (R'000)	Achievements and Challenges
Donations & Gifts	MECs Discretionary Funds	137	90	<b>Achievements:</b> All activities implemented. The amount remaining is regarded as savings
Marking Centres	Marking of Examinations	22 438	31 700	<b>Achievements:</b> <ul style="list-style-type: none"> <li>Provision of funds to the selected Section 21 schools that will be used as marking venues and provide accommodation, meals and administrative support to the marking process of National Senior Certificate (NSC).</li> </ul>
SETA payments	Skills Development Levy	64 052	64 052	<b>Achievements:</b> <ul style="list-style-type: none"> <li>Provision of employee HRD in accordance with the Skills Development Act</li> </ul>
<b>Total</b>		<b>2 451 782</b>	<b>2 619 689</b>	

## 2.6. Conditional Grants

The tables below, describes each of the conditional grants and earmarked funds.

### 2.6.1. Conditional Grant 1: Mathematics, Science and Technology (MST) Conditional Grant

Department/ Municipality to whom the grant has been transferred	Mathematics, Science and Technology (MST) Conditional Grant
<b>Purpose of the grant</b>	<ul style="list-style-type: none"> <li>To provide support and resources to schools, teachers and learners for the improvement of MST teaching and learning at selected public schools</li> <li>To improve the achievement of learner participation and success rates, teacher demand, supply, utilisation, development and support, school resourcing and partnerships, consistent with targets set in the Action Plan 2019 and the NDP</li> </ul>
<b>Expected outputs of the grant</b>	<p>The grant seeks to achieve its purpose by providing the following outputs during the financial period under review:</p> <ul style="list-style-type: none"> <li>Information, Communication and Technology (ICT) resources</li> <li>Workshop Equipment, Machinery and Tools</li> <li>Laboratories and workshop equipment, apparatus and consumables</li> <li>Learner Support</li> <li>Teacher Support</li> </ul>
<b>Actual outputs achieved</b>	<ul style="list-style-type: none"> <li>15 Technical schools were supplied with high - tech Machinery for practical workshops.</li> <li>25 schools supplied with CAT/ICT laboratories with 30 computers, a server, data projector and a high-resolution printer.</li> <li>15 Technical high schools received Technical Science laboratory equipment.</li> <li>163 Technical High School teachers trained in July and September 2017 on CAPS orientation and practical skills for EGD, Mechanical, Electrical and Woodwork.</li> <li>43 Technical school teachers received a tool box and a dumpy level for Electrical, Mechanical technology and wood work laboratories during the training.</li> <li>87 Tech Maths and Technical Science teachers attended training workshops on two occasions.</li> <li>Telematics Centres installed in 100 FET high schools and learners are viewing them during broadcast lessons.</li> <li>35 FET schools received 100 scientific calculators (FX82ZA Plus) for Maths and Sciences learners.</li> <li>80 schools (39 GET and 41 Gr 8 – 9 FET schools) received Technology Kits and 106 teachers trained on the use of this equipment.</li> <li>43 GET MST grant schools supplied with mobile Science laboratory equipment.</li> <li>69 GET MST grant schools supplied with Maths kits, 100 calculators and 100 instrument boxes.</li> <li>41 GET Maths Lead Teachers and SES's trained on JAICA teaching model.</li> <li>182 GET and FET Mathematics teachers and Subject Specialists attended "How I teach session" and Association for Mathematics Education of South Africa (AMESA) Provincial conference.</li> <li>103 MST GET and FET subject advisors attended an MST Strategy Provincial Consultative Workshop.</li> <li>4 349 learners participated in the National Science Week activities.</li> <li>34 of the MST grant schools visited by the province.</li> <li>1493 Mathematics and Physical Sciences learners participated in learner camp sessions done quarterly.</li> <li>2137 learners for Mathematics &amp; Sciences registered for Olympiads and competitions (SAMO, Horizon Maths, Minquiz and SAASTA).</li> </ul>
<b>Amount per amended DoRA (R'000)</b>	R46 685
<b>Amount transferred (R'000)</b>	R46 685
<b>Reasons if amount as per DoRA not</b>	N/A

<b>Amount spent by the department/ municipality (R'000)</b>	R34 526 578.68 which equates to 73.96% plus commitments of R12 084 412.68 = R46 610 991.36 equating to 99.84%
<b>Reasons for the funds unspent by the entity</b>	R74 008.64 balance was also spent but wrongly journalised during capturing. The R12 084 412.68 was committed already but the service provider could not finish on time for payments, hence a rollover was requested.
<b>Monitoring mechanism by the transferring department</b>	<p>The following monitoring mechanisms were carried out by the Department:</p> <ul style="list-style-type: none"> <li>• Monthly FINCOM reports</li> <li>• Quarterly reports</li> <li>• Annual Performance Evaluation reports</li> <li>• School support visits to monitor and support implementation of the MST Conditional Grant</li> <li>• Principals' meetings</li> <li>• Regular management meetings with the Chief Director: Curriculum Management and planners to track spending of grant funds</li> </ul>

## 2.6.2. Conditional Grant 2: National School Nutrition

<b>Department/ Municipality to whom the grant has been transferred</b>	<b>Eastern Cape Department of Education – National School Nutrition</b>
<b>Purpose of the grant</b>	To provide nutritious meals and Deworm targeted learners
<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>• Number of learners benefitting from NSNP including the Deworming of learners</li> <li>• Number of Meal Servers trained on Meal Planning, Food Handling and Hygiene as well as Gas Safety</li> <li>• Improving conditions of service for Meal Servers through the introduction of Unemployment Insurance Fund</li> <li>• Monitoring and support to NSNP beneficiary schools</li> </ul>
<b>Actual outputs achieved</b>	<ul style="list-style-type: none"> <li>• Nutritious meals were provided to 1 611 300 learners on all school days and 654 589 learners benefitted from deworming</li> <li>• 13 082 Meal Servers trained on Meal Planning, Food Handling, Hygiene and Gas Safety</li> <li>• Fifty-eight (58) Master Trainers from District officials have been trained on School Hygiene</li> <li>• Transferred R 3,091 524m to the Department of Labour towards UIF for contracted Meal Servers</li> <li>• Resourced schools with 236 Water Harvesting Tanks, 1 931 Gas Stoves, 3016 Fire extinguishers, and 46 Mobile Units for Meal Preparation.</li> <li>• 3 366 schools were visited for Monitoring and Support.</li> </ul>
<b>Amount per amended DoRA (R'000)</b>	R 1 163 816
<b>Amount transferred (R'000)</b>	R 1 163 816
<b>Reasons if amount as per DoRA not transferred</b>	n/a
<b>Amount spent by the Department/ municipality (R'000)</b>	R1 146 466
<b>Reasons for the funds unspent by the entity</b>	<p>Roll over amount of R14 463 000 was received late in the year. Underspend was due to vacant posts advertised for:</p> <ul style="list-style-type: none"> <li>• 8 monitors</li> <li>• SESs</li> <li>• 1 Dietitian</li> <li>• 2 Food Service Managers</li> </ul> <p>Being at various stages of the recruitment process at year end.</p>
<b>Monitoring mechanism by the transferring department</b>	Physical visits to Districts and Schools through Blitz Monitoring as well as convening of Accountability Meetings with Districts on a quarterly basis

### 2.6.3. Conditional Grant 3: Infrastructure Grant

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education – Infrastructure Grant
<b>Purpose of the grant</b>	<p>To provide goods and services required for:</p> <ul style="list-style-type: none"> <li>• Public Ordinary schools (mainstream and full service) infrastructure development</li> <li>• Special schools infrastructure development and maintenance</li> <li>• ECD infrastructure development and maintenance</li> <li>• Provide adequate basic services such as water, sanitation and electricity</li> <li>• Systematically eliminate the backlog in classroom accommodation</li> <li>• Development of infrastructure for the re-alignment and rationalisation of public ordinary schools</li> <li>• Intensify efforts towards providing infrastructure facilities that ensure all schools have safe environments for all children</li> <li>• Intensify efforts towards eradication of inappropriate schools</li> </ul>
<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>• Provision of water supply for the targeted 161 public ordinary schools</li> <li>• Provision of electricity supply for the targeted 32 public ordinary schools</li> <li>• Provision of sanitation facilities for the targeted 161 public ordinary schools</li> <li>• Provision of classrooms for the targeted 242 public ordinary schools</li> <li>• Provision of specialist room for the targeted 25 public ordinary schools</li> <li>• Provision of 4 new schools completed and ready for occupation (includes replacement schools)</li> <li>• Provision of 12 Grade R classrooms for targeted public ordinary schools</li> <li>• Provision of 1 Hostel to public ordinary schools</li> <li>• Maintenance to a targeted 16 public ordinary schools</li> </ul>
<b>Actual outputs achieved</b>	<ul style="list-style-type: none"> <li>• 129 public ordinary schools were supplied with water</li> <li>• 32 public ordinary schools were supplied with electricity</li> <li>• 86 public ordinary schools were supplied with adequate sanitation</li> <li>• 242 classrooms were built at public ordinary schools</li> <li>• 16 specialist rooms were built in public ordinary schools</li> <li>• 7 new schools were completed and ready for occupation in Public Ordinary schools including replacement schools</li> <li>• 30 new schools were under construction in public ordinary schools including replacement schools</li> <li>• 15 Grade R classrooms built in public ordinary schools</li> <li>• 1 Hostel was built in public ordinary schools</li> <li>• 4 public ordinary schools received scheduled maintenance</li> </ul>
<b>Amount per amended DoRA (R'000)</b>	R 1 581 750
<b>Amount transferred (R'000)</b>	R 1 581 750
<b>Reasons if amount as per DoRA not transferred</b>	N/A
<b>Amount spent by the department/ municipality (R'000)</b>	R1 582 835
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Monitoring mechanism by the transferring department</b>	<ul style="list-style-type: none"> <li>• Monthly submission of Infrastructure Reporting Module (IRM)</li> <li>• Population of data on EFMS and compliance checking prior to payment</li> <li>• Implementation of programme governance mechanisms fully</li> <li>• Dedicated programme managers acquired through the HR capacitation of the grant</li> </ul>

#### 2.6.4. Conditional Grant 4: HIV/AIDS Grant

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education – HIV/AIDS Grant
<b>Purpose of the grant</b>	<ul style="list-style-type: none"> <li>To support South Africa's HIV prevention strategy by increasing sexual and reproductive knowledge, skills and appropriate decision-making amongst learners and educators.</li> <li>To mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators.</li> <li>To ensure the provision of a safe, rights-based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse.</li> <li>To reduce the vulnerability of children to HIV, TB and STI infection, with a particular focus on orphaned and vulnerable children.</li> </ul>
<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>Number of schools receiving support through implementation of CSTL</li> <li>Number of schools with functional Peer Education Programme.</li> <li>Number of teachers to be trained in Sexual and Reproductive Health.</li> <li>Number of learners and school community members reached through advocacy events on HIV &amp; AIDS, TB Prevention and Peer Education Programmes.</li> <li>Number of schools to receive appropriate HIV and AIDS, TB and Life skills LTSM in the planned financial year.</li> </ul>
<b>Actual Outputs</b>	<ul style="list-style-type: none"> <li>As part of strengthening psycho-social support in the 825 CSTL schools, 825 LSAs were appointed in schools and 46 Social Worker Interns</li> <li>Two hundred and one (201) LSA and LSA Supervisors were trained on DBE Peer Education Manual and EC Peer Education Resource Manual (201 schools with functional Peer Education programme)</li> <li>Three hundred and ninety-three (393) Educators were trained on the online Comprehensive Sexuality Education from nine (9) districts- Lady Frere, Sterkspruit, Port Elizabeth, East London, King Williamstown, Dutywa, Cofimvaba, Queenstown and Ngcobo</li> <li>Also, two hundred and fifty (250) educators were trained on First Aid Level 1 for the benefit of the learners in their schools.</li> <li>One hundred and forty-five (145) Educators were trained on facilitation of Soul Buddyz clubs</li> <li>A dialogue with six hundred and ninety-nine (699) learners from all over the Province was held from the 7<sup>th</sup> to 10<sup>th</sup> July 2017 through the Youth Conference where learners were addressed on Safety in Schools (by SAPS), Learner Pregnancy (DoH) Substance Use (DSD) and HIV and AIDS Prevention (ECAC).</li> <li>A Provincial Indaba was held on the National Policy on HIV, STIs and TB for Learners Educators, School Support Staff and Officials in all Primary and Secondary Schools in the Basic Education Sector on 1<sup>st</sup> to 2<sup>nd</sup> March 2018 at the East London Industrial Development Zone (IDZ) wherein all critical stakeholders in this Sector were engaged.</li> <li>150 Soul Buddyz materials were delivered to 16 sub-districts.</li> <li>All Districts received copies of DBE Policy on HIV, STIs and TB as well as field guides.</li> </ul>
<b>Amount per amended DORA (R'000)</b>	R41 936
<b>Amount transferred (R'000)</b>	R41 936
<b>Reasons if amount as per DORA not transferred</b>	N/A
<b>Amount spent by the department/ municipality (R'000)</b>	R41 936
<b>Transfers made as scheduled?</b>	Yes – transfers made as scheduled

<b>Was any portion of the grant retained?</b>	No
<b>Monitoring mechanism by the transferring department</b>	Submission of monthly and quarterly reports to the transferring department and Annual Evaluations are done by the transferring department in 3 districts.

**2.6.5.1. Conditional Grant 5.1: EPWP Grants - Integrated Incentive Grant**

<b>Department/ Municipality to whom the grant has been transferred</b>	<b>Eastern Cape Department of Education - EPWP Grants – Integrated Incentive Grant</b>
<b>Purpose of the grant</b>	Aims to support national building through involving young people in delivery of crucial government services and through this to 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.
<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>• To develop the skills, knowledge and ability of young people to enable them to transition to adulthood.</li> <li>• To improve youth employment through opportunities for work experience, skills development and support to gain access to economic and further learning opportunities.</li> </ul>
<b>Actual outputs achieved</b>	128 work opportunities created
<b>Amount per amended DoRA (R'000)</b>	R2 411
<b>Amount transferred (R'000)</b>	R2 411
<b>Reasons if amount as per DoRA not transferred</b>	N/A
<b>Amount spent by the department/ municipality (R'000)</b>	R2 411
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Monitoring mechanism by the transferring department</b>	<p>The following was carried out by the department:</p> <ul style="list-style-type: none"> <li>• Fincom reports</li> <li>• Narrative and Quarterly reports</li> <li>• Evaluation Report</li> </ul>



**2.6.5.2. Conditional Grant 5.2: EPWP Grants - Social Sector Incentive Grant**

<b>Department/ Municipality to whom the grant has been transferred</b>	<b>Eastern Cape Department of Education - EPWP Grants - Social Sector Incentive Grant</b>
<b>Purpose of the grant</b>	To incentivise Provincial Social Sector Department identified in 2014 Social Sector EPWP log frame. To increase work opportunities by focusing on the strengthening and expansion of Social Sector programmes that have employment potential.
<b>Expected outputs of the grant</b>	Increased number of EPWP Participants receiving stipends from the Grant.
<b>Actual outputs achieved</b>	269 work opportunities created
<b>Amount per amended DoRA (R'000)</b>	R5 022
<b>Amount transferred (R'000)</b>	R5 022
<b>Reasons if amount as per DoRA not transferred</b>	N/A
<b>Amount spent by the department/ municipality (R'000)</b>	R5 022
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Monitoring mechanism by the transferring department</b>	The following was carried out by the department: <ul style="list-style-type: none"> <li>• Fincom reports</li> <li>• Narrative and Quarterly reports</li> <li>• Evaluation reports</li> </ul>

## 2.7. Donor Funds

### Donor Funds Received

Name of donor	Amount donated	Reason for donation
N/A		
Name of donor	N/A	
Full amount of the funding	N/A	
Period of the commitment	N/A	
Purpose of the funding	N/A	
Expected outputs	N/A	
Actual outputs achieved	N/A	
Amount received in current period (R'000)	N/A	
Amount spent by the department (R'000)	N/A	
Reasons for the funds unspent	N/A	
Monitoring mechanism by the donor	N/A	

No donor funding was recorded for the period under review.

## 2.8. Capital Investment

### Capital Investment Maintenance and Asset Management Plan

#### Introduction

The infrastructure programme supports the department to ensure proper infrastructure for quality teaching and learning. This entails planning, delivery and monitoring of construction and maintenance projects in all the schools in the Eastern Cape Province.

The primary objective of the programme is to provide facilities in such a manner that the delivery process is consistent with these goals and in accordance with the Infrastructure Delivery Management System (IDMS).

The Department's performance during the 2017/18 financial year was characterised by the following:

- Efforts to re-align schools with the primary and secondary streams. There are still 1 769 Combined Schools in the Province, mainly in the former Transkei region.
- Managing projects, and expediting final accounts and close out processes.
- Pursuance of the achievement of the targets set for the deadline of 29th November 2016 for the Norms and Standards for public school infrastructure especially the backlog in basic services at schools.
- Construction of targeted hostels.

#### Achievements

- Instituting a culture of progressive programme and project management by Implementing Agents.
- Completion of the 10-year User Asset Management Plan (UAMP) as well as the 3-year outlook Infrastructure Programme Management Plan (IPMP).
- Supplementary fencing and mobile classroom provision commenced in earnest with the Office of the Premier (OTP) allocating 181 classroom projects while Coega Development Corporation (CDC) entered into a framework contract, which commenced the delivery of 288 classrooms (108 schools) for relief on water, sanitation and classrooms for small unviable schools that have been earmarked for closure, as well as those schools that were inundated with requests for additional enrolment during the January school opening.
- The completion of 19 projects within the major maintenance programme.
- The completion of 147 of the targeted fencing programmes, that saw the employment of 70 uncertified artisans and 574 non-skilled labour earning in excess of R 5 000 per month, specifically within the Meslani component of the programme.
- Completion of assessments for 82 water and sanitation projects by DRPW with plans to complete these in the first half of the 2017/18 financial year.

#### Capital investment

The adjusted budget made provision for 4 600 projects. This comprised of one-line budget items for clustered projects entailing the following categories and projects:

Project	Number of Projects
Early Childhood Development	23 schools
Emergency maintenance and disasters	557
Fencing	79 schools
Major maintenance projects	23

During the financial year the Honourable MEC resolved to gazette 1 902 schools that have been earmarked for closure. While consultations ensue for such closure, the imperative for quality teaching and learning continues. As a result of this, the programme was requested to erect mobile classrooms, sanitation and fencing in 107 such schools which had been found to be operating in facilities that do not comply with the minimum standards.

## Maintenance

The programme continues to fund school-based day-to-day maintenance as well as planned maintenance. The following is an account of each category.

### *School-based maintenance*

The recruitment of works inspectors ensured that the day-to-day maintenance of Section 21 schools and head office was completed. School-based maintenance for Section 20 schools has commenced. An amount of R235 per learner was transferred to each school (20% of the per capita R1177 or R314m apportioned to all schools). The Department also further implemented project monitoring tools to ensure that value for money was obtained.

### *Water and Sanitation Maintenance*

The deadline for water and sanitation compliance with the Minimum Uniform Norms and Standards for Public School Infrastructure was November 2016. Absolute compliance was not obtainable within 2016/17. There are 7 schools without water or sanitation, 810 schools have pit latrines and 30 require electricity.

However, since the identification of schools lacking basic services, 199 schools were closed, or are pending closure, due to their enrolment numbers having dwindled. This has been done in agreement with local communities. Such schools understandably are no longer targeted for intervention.

The Water Research Commission (WRC) was contracted as a specialist parastatal organization to partner with the Department for all dry sanitation operations and maintenance.

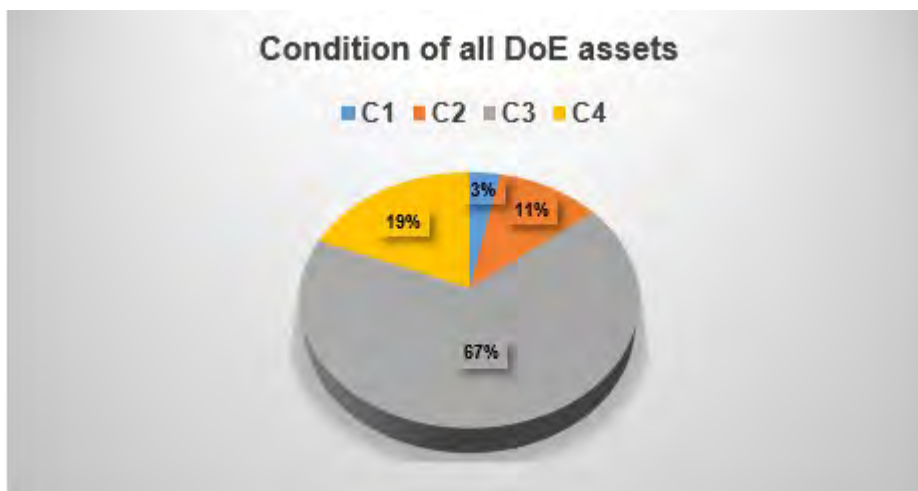
The Amatola Water Board (AWB) continued to partner with the Department with respect to bulk water supply and sanitation. The AWB addressed the critical non-compliance cited by the Department of Waters Affairs in most bulk sanitation installations as well as ensuring the normalization of potable water supply in large institutions which had been neglected for a very long while. They continue to pursue operations and hence forth maintenance protocols will ensure training in aspects of restored installations.

## Major Maintenance

### Asset Management

State of capital stock

The cycle of condition assessments for schools is conducted in compliance with the Government Immoveable Asset Management Plan (GIAMA). The diagram below depicts the current condition of Departmental assets



The Condition Based Maintenance index (CBM) is the ratio of repair cost to replacement cost.

The condition ratings referred to in the diagram are defined as follows:

C1	Very poor	(CBM > 30%)
C2	Poor	(CBM 18% - 30%)
C3	Fair	(CBM 4% - 18%)
C4	Good	(CBM < 4%)

The condition of the Departmental assets in 2017/18 is as follows:

Condition rating		% of Departmental assets
C1	Very poor	3%
C2	Poor	11%
C3	Fair	67%
C4	Good	19%

### Schools closure

Many of the smaller schools in the Province are unviable and are being targeted for rationalisation or re-alignment. A total of 1 902 schools have been identified for rationalisation. These have been issued with letters explaining the Department's intentions and requesting a response as to compelling reasons for maintaining the school. Based on such responses and subsequent interactions, decisions will be made regarding the future of the schools.

The process of closure requires very close monitoring in order for such assets to be declared to the custodian for future reallocation. The recent appointment of a Property Manager will see closer monitoring and control of this function.

# PART C GOVERNANCE



### **3.1. Introduction**

The Department is committed to upholding the principles of good governance in pursuing its mandate of providing quality education to the learners of the Province. Given that education is a societal issue, the Department promotes community participation and consensus in the provincial education system through stakeholder engagement spear-headed by the Department's political head and senior management. 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.

The routine reporting systems and quarterly/annual and other reports developed and published by the Department are in line with policy prescripts and aim to ensure transparency and accountability.

The Department is in the process of implementing a New Service Delivery Model to, amongst other things, address issues of good governance such as segregation of duties to ensure effective monitoring of performance and efficiency from within.

Risk management, prevention of fraud and corruption and measures to minimise conflict of interest are constantly reviewed to promote clean governance, effectiveness and efficiency within the organisation.

### **3.2. Risk Management**

The Department has established a Risk Management Committee that meets quarterly and provides oversight for risk management and fraud prevention.

The Department has an approved Risk Management Policy Framework which is reviewed annually. Risk assessments are conducted annually and the strategic risk register and the operational risk registers are updated accordingly.

The Audit Committee advises the department on risk management and independently monitors the effectiveness of the system of risk management. The Director Risk Management presents quarterly reports to the Audit Committee. Furthermore, the Chairperson of the Risk Committee is also a member of the Audit Committee.

### **3.3. Fraud and Corruption**

The Department has an approved Fraud Prevention and Anti-Corruption Policy which is reviewed annually. The Risk Management Committee also oversees the management of matters relating to fraud and corruption. Allegations reported to the National Anti-Corruption Hotline are directed to the Risk Management Unit for review and investigation. Completed and approved investigation reports are forwarded to the Labour Relations Directorate for further disciplinary processes.

### **3.4. Minimising Conflict of Interest**

The Department complies with the requirements of the Public Service Commission which requires Senior Management Service members to disclose their financial interests annually.

All SMS members comply by disclosing financial interests annually, and those members who do not comply are summoned by the MEC to account for their conduct. Where material conflict of interest is identified, the relevant departmental official is requested in writing to disclose the nature of the conflict and the extent of the conflict in a register of conflict of interest which is forwarded to the Office of the Public Service Commission for their records.

In respect of staff members performing Supply Chain Management functions, the Treasury Regulations prescribe the following regarding compliance with ethical standards and avoiding abuse of the supply chain management system.

In instances where a supply chain management official or other role player, or any close family member, partner or associate of such official or other role players, has any private or business interest in any contract to be awarded, that official or other role player must:

- (a) disclose that interest; and
- (b) withdraw from participating in any manner whatsoever in the process relating to that contract.

An official in the Supply Chain Management Unit who becomes aware of a breach of or failure to comply with any aspect of the supply chain management system must immediately report the breach or failure to the Accounting Officer in writing.

To give effect to the above, the National Treasury issued a standard bidding document (SBD 4) “*Declaration of Interest*” on 5 December 2003 as part of Supply Chain Management (SCM) Practice Note Number SCM 1 of 2003. In terms of this document, Accounting Officers are required to customize and utilize the form as part of their bidding documents so that bidders or their authorized representatives can declare their position in relation to any person employed by the principal institution.

### 3.5. Code of Conduct

The Director Risk Management has been appointed as the Ethics Officer for the Department. An Ethics Committee was established during the 2017/18 financial year and is fully functional guided by an approved Ethics Committee Charter and an Ethics Policy Framework. The purpose of this committee is to help drive employee conduct in a positive direction.

This is done through an ongoing programme of ethical advocacy campaigns. However, any breach of conduct by any employee, in whatever form, is dealt with in terms of the relevant disciplinary proceedings as contained in the Public Service Regulations Act, the Labour Relations Act, the South African Schools Act, Employment of Educators Act, the Employment Equity Act and or any other similar legislation.

### 3.6. Health, Safety and Environmental Issues

The Occupational Health and Safety Act 85 of 1993 outlines the Department’s responsibilities.

Accordingly, the Department is required to ensure that:

- A qualified Health and Safety consultant forms part of the Infrastructure team and produces all health and safety requirements.
- Infrastructure contractors submit a Health and Safety Plan that responds to all requirements specified. All risks associated with construction sites are covered in this manner.

Environmental issues are governed by environmental prescripts that impose requirements on the Department whenever such laws are to be observed. New sites may require an Environmental Impact Assessment (EIA). In these cases, the Department acquires the services of appropriate Environment Assessment Practitioners (EAPs) to comply with such requirements as guided by the Environment Management Act (107/1998).

Existing schools are given a budget annually to deal with the maintenance of school facilities to render them safe until the next scheduled maintenance. When disaster strikes a school, assessment is done to ascertain the extent of damage and the safety risks involved. Thereafter action is immediately taken to render the site safe by either cordoning off the area posing danger or closing the site temporarily whilst restoration of the facility is undertaken.

During the period, no fatalities on the various construction sites were recorded. Neither were any notices of non-compliance by the Department of Labour OHS inspectors registered.

The Department, in an attempt to improve safety in schools, will engage the expertise of the Public Works Department in an effort to comply with minimum standards required.



### 3.7. Portfolio Committees

The Portfolio Committee exercises oversight over the service delivery performance of Departments.

The following dates were set aside for Portfolio Committee meetings:

Budget Vote dates	Annual Report dates
28 March 2017 – Budget Consideration	31 October 2017 – Consideration
30 March 2017 – Budget Consideration	2 November 2017 – Consideration
18 April 2017 – Budget Consideration	10 November 2017 – Consideration and adoption
17 May 2017 – Tabling of Budget	

### 3.8. SCOPA Resolutions

SCOPA resolutions below made on 20 February 2018:

Resolution No.	Subject	Details	Response by the Department	Resolved (Y/N)
1	Annual Financial Statements	The Accounting Officer must ensure that there are adequate systems in place to record goods and services received. In addition Accounting Officer must ensure that accurate financial statements are prepared and submitted to the Auditor General for audit, with full and proper records of the financial affairs of the department as required by section 40 (1 ) (a) and (b) of the PFMA. Disciplinary action must be taken against officers who contravenes the provisions of the PFMA as required by section 38 (1) (h) of the PFMA.	In recognition of the comments of SCOPA the Department implemented an effective document management deals with HR documents (EL) and payments vouchers (Zwelitsha). Systems have been put in place to ensure all payment batches are collected and archived at the document management centre, easily accessible upon request by the AG or any other stakeholders. The audit control section has been reviewing the collection of documents as part of audit readiness.	Y
2	Commitments, Reconciliation of Commitment Schedules	The Accounting Officer must ensure that systems are improved for identification and recognition of commitments, reconciliation of commitment schedules by the CFO in order to have reliable financial commitments of the department.	The commitments qualification reported related to the recognition and recording of infrastructure commitments. Physical Resource Management (PRM), together with the Finance Directorate, has engaged both the Provincial Treasury and the Office of the Auditor General with regards to securing a consistent opinion on the disclosure of commitments which are "approved but not yet contracted". Once this final opinion has been provided, PRM will disclose accordingly and prevent the same finding from recurring. PRM is presently performing internal reviews of its reported commitments from its Implementing Agencies for integrity purposes in readiness for disclosure.	N

Resolution No.	Subject	Details	Response by the Department	Resolved (Y/N)
3	Leave Records	<p>The Accounting Officer must ensure that there are adequate systems in place to maintain accurate leave records that are monitored regularly. A concrete plan must be submitted to the Committee on how capped leave is going to be addressed, as it is a serious concern that internal audit has indicated that the department does not have a plan to address this finding. This plan must be submitted to the Committee within 30 days after the tabling of the report.</p>	<p>The Department has approved a capped leave project plan that will see the completion of the capped leave audit comprehended from Planning to Reporting. In addition, the Department has implemented an office manager's forum where leave management is reported upon and analysed for each Directorate, Chief Directorate and Branch at large.</p>	In Progress
4	Infrastructure	<p>A proper explanation must be afforded in writing to the Committee on how come the Department has this anomaly with regards to infrastructure projects expenditure which is 100% in contrast with 30% performance. The Accounting Officer must strengthen planning strategies of the Department as this is duly equal to poor planning and susceptible to fraud. Disciplinary action must be taken against officers responsible for this finding</p>	<p>The PRM portfolio of projects is multi-year in nature. Expenditure in any given year will be against the progress or completion of projects started in the current and previous 4-5 years. Infrastructure projects can take between 3-5 years from design to completion. Expenditure in a single year should rather be measured against the achievement of PRM objectives as detailed and reported against in the APP. PRM has however been focusing on improving its cash flow projections for projects to ensure that it effectively accounts for its current year budget allocations. The AO instituted disciplinary proceedings against the responsible official.</p>	In Progress
5	Financial Management	<p>The Accounting Officer must always ensure that there is sound financial management within the Department, Chief Financial Officer must be taken into task for this finding and a disciplinary action must be taken against him/her and any officer responsible for this finding. A proof that Treasury was informed and gave approval to the overdraft must be furnished to the Committee within 30 days after the tabling of the report.</p>	<p>The Department was allocated a budget of R30 982 billion and the spending registered was R30 967 billion that resulted to underspending of R15 685 million. The Department at year end had a positive bank balance, this bank overdraft is a book entry overdraft and is indicating that if the Department could be closed down at 31 March 2017 it could be at the red by R42.9 million. No approval</p>	Y

Resolution No.	Subject	Details	Response by the Department	Resolved (Y/N)
6	Procurement Regulations	<p>It is the responsibility of the Accounting Officer to ensure that there is compliance with legislation, non-compliance with procurement regulations is susceptible to fraud. Disciplinary action must be taken against officers, senior managers who continue to neglect their responsibilities and proof to that effect must be furnished to the Committee within a period of 30 days after tabling of the report.</p> <p>The Accounting Officer must ensure that disciplinary action is taken against officers responsible for contravening the provisions of the PFMA as required by section 38 (1) (h) of the same Act. The Accounting Officer must also provide reasons why the Committee should not recommend disciplinary action against the Accounting Officer for gross contravention of the provisions of the PFMA as required by section 81 of the PFMA.</p>	<p>from Provincial Treasury was sought as this was a paper overdraft not the bank account balance overdraft.</p> <p>The Department, did, after the tabling of the Auditor General report, reprimand the responsible official in writing, on the negative audit findings that were as a result of non-compliance with regulations.</p>	In Progress
7	Contravention of the PFMA Section 38 (1) (h)	<p>The Office of the Premier must facilitate that action is taken to address the leadership and administrative issues confronting the management of the Department.</p>	<p>The relevant Senior Managers were reprimanded for poor performance that led to negative audit outcomes.</p>	In Progress
8	Leadership and Oversight	<p>The Office of the Premier must facilitate that action is taken to address the leadership and administrative issues confronting the management of the Department.</p>	<p>The Department reports to the Office of the Premier very frequently on various components such as the New Service Delivery Model (which incorporates the organogram and the overall structure of the Department), Human Resources related matters such as the Annual Recruitment Plan to the PCMT as well as the Pillar Cases Project, and progress on Infrastructure related projects. The processes followed by OTP involve analysis of systems used by the Department to implement, monitor and report on matters that influence the achievement of the strategic goals of the Department.</p>	N

Resolution No.	Subject	Details	Response by the Department	Resolved (Y/N)
			<p>The Department also reports to OTP for consistency on issues related to Job Evaluation of posts. In addition to all of this, the Department complies with Treasury Regulations on monthly financial reports that ultimately forms part of the reports submitted to the Office of the Premier as Departmental financial performance. These financial reports detail the budget planning and expenditure of the department aligned to the Departmental performance measures.</p>	

**3.9. Prior Modifications to Audit Reports**

2016/17		
Nature of qualification, disclaimer, adverse opinion and matters of noncompliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
<b>Financial reporting</b>		
Goods and Services – Limitation	2016/17	The basis for the qualification was the unavailability of payments vouchers and other source documents during the audit. As part of the department's AIP, once the 2016/17 audit was completed, the Department started locating the outstanding documents and this entailed contacting the service providers for assistance where necessary. Consequently this qualification was cleared in the 2017/18 financial year due to improved record management which enabled timeously retrieval of needed documents.
Irregular Expenditure – Limitation	2012/13	Unavailability of a number of contracts resulted in a qualification for irregular expenditure. In addition, the location of the contracts and vouchers outstanding in the prior year for audit, the control breakdowns identified during a post-payment/award testing (detection exercise) formed the basis for strengthening the control environment in an attempt to prevent further irregular expenditure. Through this exercise the material non-compliance on expenditure management was addressed. Consequently, Irregular Expenditure was cleared.
Moveable Capital Assets – Completeness	2016/17	The qualification was due to treatment of computer equipment, which consequently made the Department's asset register incomplete in this regard. The Department engaged such stakeholders as Provincial Treasury as well as Auditor General of South Africa to assess the department's view of the treatment of the computer equipment in question. As a result of the shared views and assessment performed the department cleared this qualification in the current year.

2016/17		
Nature of qualification, disclaimer, adverse opinion and matters of noncompliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
<p><b>Financial Reporting</b></p> <p>Commitments – Disagreement</p>	2012/13	<p>The prior year's qualification was based on disagreement regarding the recognition of commitments in relation to contract award letters. Although the qualification area remained unchanged, the basis for the qualification did not re-occur in the 2017/18 financial year. For the 2018/19 financial year the department is engaging in strengthening the control environment by addressing and preventing the control breaks identified between performances and financial reporting.</p> <p>The basis for the qualification area remained unchanged from the prior year. Due to the enormity of the correction and restatement process, the impact of the 3-year plan will only become evident in the 2017/18 reporting period. The 3-year plan includes the following activities:</p>
<p>Employee Benefits - Disagreement</p>	2011/12	<ul style="list-style-type: none"> <li>• 2016/17 – A current state assessment on the PERSAL leave data using data analytics. This was done to confirm the typical exceptions within the leave data (i.e. incomplete information, incorrect appointment dates, leave accrued outside of the applicable legislative prescripts, etc.). This in turn formed the basis for the corrective measures to be included in the correction and restatement process for years 2 and 3.</li> <li>• 2017/18 – Perform a data clean up exercise and thereafter perform further data analytics to confirm valid exceptions and then stratify the population into high value items to be subjected to correction during this financial year. The process focused on performing DATA CAATs and analysis.</li> <li>• 2018/19 – Correct the remaining part of the leave population. The control deficiencies identified during this process will be used to inform process improvements to strengthen the leave management process going forward.</li> </ul>

2016/17		
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
<b>Compliance with laws and regulations</b>		
Annual financial statements	2011/12	This material compliance deviation can only be addressed once all individual audit qualification areas are cleared. As is evident from the narratives above, the Department has built momentum year on year - by either addressing a qualification area in its entirety, or through incremental movements that resulted in the basis of certain qualifications not being repeated. The Department anticipates to clear all the remaining qualification areas during the 2018/19 audit.
Consequence management	2015/16	To ensure the credibility and reliability of financial reporting, the Audit Improvement Plan includes initiatives aimed at promoting the importance of the basic accounting fundamentals Disciplinary processes and investigations were implemented where necessary.
Expenditure management	2011/12	Through addressing the irregular expenditure qualification, the Department enabled better reporting in this area, in that the expenditure was now quantifiable which was not possible in prior years. One of the three material compliance deviations relating to the prior year compliance focus area was not repeated in the audit report for 2017/18.
Procurement and contract management	2011/12	Eleven of the thirteen material compliance deviations relating to the 2016/17 financial year, were not repeated during the 2017/18 financial year. This was as a result of the process improvements implemented during the current financial year. The Department reduced the instances of material non-compliance.
Transfer payments	2011/12	Through the improved document management process, the Department was able to identify control weaknesses in the process. Consequently, this material compliance deviation was not repeated in the financial year 2017/18



### 3.10. Internal Control Unit

#### Objectives

The Internal Control Unit (ICU) within the CFO Branch has been established to provide governance and compliance services that are focused on preventative measures in respect of financial losses, unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure.

Through the appointment of the Acting Chief Director and six additional interns, the ICU had ensured that the Department complies with Treasury Regulations and Departmental policies and procedures.

The ICU offers the following services:

- Pre-order audit and Pre-payment audit services in respect of goods and services, transfers and compensation of employees for compliance with all procurement regulations and cost to employees. This is mainly a preventative exercise.
- Post-payment review for goods and services, and compensation of employees. This is mainly an audit preparatory and recovery exercise, in respect of fruitless expenditure, and reporting of irregular expenditure.
- Review activities for finance policies, procedures and administrative standards.
- Loss control and consequence management in respect of financial losses, unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure.

The ICU is embarking on expanding to the District Offices and appointing additional staff members to Provide support and ensure compliance with policies and procedures.

The ICU will continue to play a crucial role in providing assurance on the credibility for the performance of the Department through review of policies, addressing issues of internal control weaknesses in order to improve audit outcomes as well as financial and performance management.

#### Achievements

The ICU established a Fruitless and Wasteful Expenditure and Irregular Expenditure Committee that meets monthly and provides oversight for any irregular expenditure and non-compliance related issues. The ICU has reviewed all goods and services and cost to employee related payments at both pre-payment and post payment to ensure accuracy, completeness and validity of expenditure by the Department.

The Department will continue to assess internal controls to determine the effectiveness of their design and implementation in ensuring reliable financial and performance reporting and compliance with legislation.

### 3.11. Internal Audit and Audit Committees

#### Key Objectives and Activities of Internal Audit

The establishment, maintenance and functions of a system of internal audit are required in terms of the Public Finance Management Act and the related Treasury Regulations. Sections 3.2.11 and 3.2.12 of the Treasury Regulations state that:

“The internal audit function must assist the accounting officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following-

- (a) the information systems environment;
- (b) the reliability and integrity of financial and operational information;
- (c) the effectiveness of operations;
- (d) safeguarding of assets; and
- (e) compliance with laws, regulations and controls.

The internal audit function must assist the accounting officer in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which -

- (a) objectives and values are established and communicated;
- (b) the accomplishment of objectives is monitored;
- (c) accountability is ensured; and
- (d) corporate values are preserved.”

Of the 32 planned projects /tasks for the year, 17 were completed because of capacity challenges facing the Unit. Details of the planned reviews as per the Audit Plan are outlined in the table below:

NO	TASK NAME	COMPLETE	COMMENTS
1	Audit Committee Charter	Y	Complete
2	Internal Audit Charter	Y	Complete
3	Quality Assurance & Improvement Program	Y	Complete
4	Policies & Procedures	Y	Complete
5	Fraud and Corruption	Y	Complete
6	Annual Financial Statements	Y	Complete
7	Annual Report (including Q4 PI)	Y	Complete
8	Audit Intervention Plan	Y	Complete
9	Meeting with TIAS	Y	Complete
10	Rolling Three-Year Strategic Plan & Annual Internal Audit Plan 2016/2017	Y	Complete
11	Occupational Health & Safety	Y	Complete
12	Interim Financial Statements Q3	Y	Complete
13	SCOPA Follow Up	Y	Complete
14	Adhoc assignment -Finance Adhoc	Y	Complete
15	Database of Findings as a Continuous Follow-up Tool	Y	Complete
16	Risk Management	Y	Complete
17	MPAT	Y	Complete
18	Governance (including conflict of interest)	N	Draft Report Issued
19	Public Finance Management Act and Treasury Regulations Compliance	N	Draft Report Issued
20	Transfer Payments	N	Draft Report Issued
21	Supply Chain Management	N	Draft Report Issued
22	Performance Information Q1 and Q2	N	Draft Report Issued
23	In-Year Monitoring (Half yearly)	N	Draft Report Issued
24	Transfer Receipts	N	Draft Report Issued
25	Human Resources Development	N	Draft Report Issued
26	ICT Audit	N	Draft Report Issued
27	Implementing IIA QAR Report Recommendations	N	In progress
28	Review of 2018/2019 APP	N	In progress - 1st draft review
29	Financial Management Capability Maturity Model	N	Not done
30	Auditor-General Follow-up	N	Not done
31	Prior year Internal Audit Follow up - Tracking/Monitoring Tool	N	Not done
32	Prior year Internal Audit Follow up	N	Not done

The Department appointed an external Service Provider for a period of 3 years as co-sourced internal audit to capacitate the unit until the Department’s Organogram is approved. The Department also seconded 9 internal auditors from other Directorates for a period of 3 years.

### Key Objectives and Activities of 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 written terms of reference, which deal with membership, authority and responsibilities. These also ensure that its responsibilities in terms of the Act and the Regulations are met.

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
Mr. Harold Marsberg	B Comm	External	N/A	23 May 2011	30 January 2018	3
Ms. Lerato Mothae	CA(SA)	External	N/A	23 May 2011	30 January 2018	3
Mr. Sindile Faku	MSC	External	N/A	11 August 2014	30 January 2018	3
Mrs. Anna Badimo	MBA	External	N/A	11 August 2014	30 January 2018	3
Advocate Sakhelikaya Poswa	LLB	External	N/A	11 August 2014	N/A	3
Justin Emslie	CA(SA)	External	N/A	1 January 2018	N/A	3
Fungai Mushohwe	CA(SA)	External	N/A	1 January 2018	N/A	3
Gaehumelwe Diutlwileng (Ouma)	BComm	External	N/A	1 January 2018	N/A	3
Refiloe Khwela	CA(SA)	External	N/A	1 January 2018	N/A	3
Pumla Mzizi	CA(SA)	External	N/A	1 January 2018	N/A	3
Nombulelo Nxesi	MBL	External	N/A	1 January 2018	N/A	3

### **3.12. Audit Committee Report**

#### **Audit Committee Report**

**We are pleased to present our report for the financial year ended 31 March 2018.**

#### **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 current committee was appointed in January 2018, replacing the previous who term then ended.

#### **The Effectiveness of Internal Control**

Our review of the work of the Internal Audit revealed that the progress against the risk-based plan was not satisfactory. The number of vacancies within the unit and the vacant Chief Audit Executive (CAE) position contributed to this. The Department has undergone a process to recruit both own and outsourced resources to add capacity to this unit and to appoint a CAE.

Subsequent to year end the committee approved the Internal Audit plan for the 2018/2019 year based on outcomes of the risk assessment. This plan extends to the services brought in by the external service provider. The Audit Committee is satisfied that the unit now has capacity to execute the plan, and that the plan covers key risk and compliance areas.

Following a review on previous year internal audit findings and based on the current year audits conducted weaknesses were raised with the Department with commitment from management converted to action plans. These plans extend to:

- Financial and performance reporting;
- Human resource management issues including travel and subsistence;
- Risk and fraud management;
- Core Education business including School financial management; Management of poor performing schools and Teacher monitoring.

#### **In-Year Management and Monthly/Quarterly Report**

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

#### **Evaluation of Financial Statements and Performance reporting**

The committee reviewed the Annual Financial Statements and reporting on predetermined objectives prepared by the Department for the 2017/2018 year. Through this process the committee:

- Reviewed and discussed the Annual Financial Statements to be included in the Annual Report with management;
- Reviewed and discussed the information on pre-determined objectives to be included in the annual report with management;
- Reviewed for changes in accounting policies and practices;
- Reviewed the Department's compliance with legal and regulatory provisions;
- 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 may not be free from material misstatements at the time of presentation to the auditors. We note that certain key activities had bearing on this process:

- The Chief Financial Officer commenced duty a month prior to the year end, filling the vacant position;
- Internal audit co-sourced activity was appointed on or around year end;
- Certain projects in the Audit Improvement Plan extended beyond the financial year;
- The service provider contracted to support the finance function only commenced duty two weeks prior to submission deadline.

### **Auditor-General's Report**

We have reviewed the Department's implementation plan for audit issues raised in the previous year and we are satisfied that progress has been made against this plan. Leave management and infrastructure financial reporting matters that have not been adequately resolved and the Department in both instances have commenced processes to rectify this.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General. The committee notes and appreciates the circumstances that lead to the report being signed after the anticipated deadline.

### **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.



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Mr Justin Emslie CA (SA)  
Chairperson of the Audit Committee  
29 August 2018



# PART D

# HUMAN RESOURCE MANAGEMENT

#### **4.1. Overview of Human Resources**

The key cost driver for education remains the cost of employment of educators and non-educators. A total of 54 026 posts for 2018 was declared by the MEC in August 2017. The allocation of posts was communicated to schools in post allocation letters in September 2017.

The declared posts were distributed as follows:

- 177 posts were allocated for grade R
- 99 posts were allocated for Remedial educators in the Full Service Schools
- 1 826 posts were allocated to assist in the reduction of Foundation Phase class size and the rest were distributed to all schools as per the approved model.

As at 31 March 2018 the Department had a total staff complement of 67 666 of which 52 102 were educators and 6 190 were non-teaching staff. During this same period, the Department had 4 938 ECD Practitioners teaching Grade R Learners.

SMS, School Based Educators and Public Service Staff were appointed during this financial year following the approval of the Department's Annual Recruitment Plan.

#### **HR Priorities for 2017/18:**

- The implementation and management of the Post Provision Norms within budget.
- The approval of the Organisational Structure.
- Teacher profiling in order to determine skills gap and demand.
- Stabilising the labour relations environment.
- The Implementation of the four Pillars of the Employee Health and Wellness Policy
- Filling of vacancies in schools and offices.
- Capped leave Audit.
- Placement of Displaced Employees.

#### **Workforce Planning**

The major focus of the Department is to build a capable education workforce through a service delivery model aimed at maximising support to schools and teachers. The main focus areas in 2017/18 were finalising the Head Office and District organograms, rationalisation of schools and post provisioning. The number of District offices has been reduced from twenty three to twelve in line with the approved service delivery model. District Directors have been placed temporally until the approval of the new organisational structure and middle managers have been appointed to support these District Directors.

#### **Employee Performance Management**

The Department of Education was required to develop a performance management system in order to manage performance in a consultative, supportive and non-discriminatory manner. This should result in enhanced organizational efficiency and effectiveness, accountability for the use of resources and the achievement of results. The system focuses on participation in performance management by the supervisor and the employee.

#### **Employee Health and Wellness Programme**

The Departmental approach to employee health and wellness programme recognises the importance of individual health, wellness and safety and its linkages to organisational wellness and productivity.

To achieve the set objectives the Department focussed on the following pillars:

- HIV and AIDS and TB Management
- Health and Productivity Management
- Safety, Health, Environment, Risk and Quality Management (SHERQ)
- Wellness Management

### **HR Achievements for 2017/18:**

- Approval of the Service Delivery Model
- Development of the Organisational Structure
- Implementation of Post Provisioning Norms
- Draft Employment Equity Plan
- Filling of SMS posts (Chief Financial Officer, Chief Director: ESSS, Chief Director: Curriculum, Chief Director: Teacher Development, Chief Director: Institutional Development Management and Governance (IDMG), Director: Asset Management, Director: Inclusive Education, Labour Relations and Director: Human Resource Administration.
- Draft policy on recruitment and selection
- Draft policy on resettlement
- Filling of teacher vacancies (Appointed 570 Fundza Lushaka Bursary Holders, issued twelve Bulletins)
- Turnaround times for filling of posts have been reduced to 7 months, but there is still room for improvement.
- Vacancy rate has been reduced
- Grievance and Disputes are resolved timeously
- One collective agreement was concluded (CA 1 of 2017)
- Labour relations forum has been established and is fully functional
- Workplace Skills Plan was submitted to PSETA on time and training needs have been addressed.
- Learnership and internship programme has been fully implemented
- Reduced and addressed Human Resource Management and Development (HRM and D) queries referred by Presidency, DBE, Public Service Commission and the Public in general. This has been acknowledged by DBE
- Reduction of PILIR cases
- Appointment of a dedicated Senior Manager to manage the implementation of the Employee Health and Wellness Policy.
- Appointment of three practitioners to coordinate the implementation of the four Pillars of Employee Health and Wellness Programme across the Province
- Establishment of the Employee Health and Wellness Committee and the formal appointment of its members. The Committee will assume office on 1<sup>st</sup> April 2018 and will be in office until 30 March 2021.
- Introduction of Team Building Programme to mobilise employees to focus and improve productivity. The focus was on Head Office based employees
- Reaching out to a total of 5820 employees with health and productivity enhancing programmes (personal financial management workshops, screening for communicable and non-communicable diseases, assessment for psychological stressors and referral for counselling including debt counselling, and participation in recreation and sporting activities).

### **Challenges:**

- Finalisation of job grading
- Staff shortages
- Shortages of educators for scarce skills subjects
- Absenteeism Management at schools
- Standard Operating procedures
- Implementation of Occupational Specific Dispensation (OSD) for therapists and psychologists
- HRM monitoring tool
- Absence of integrated document tracking system
- Timeous payment of salaries.
- Availability of transport to transport appointment documents to Head Office
- Infrastructural challenges (IT i.e. PERSAL for some Districts)
- Delays when submitting and capturing of PMDS documents (Performance Agreement. Performance Reviews & Annual assessment)
- Backlog on financial manual for special schools (Night shift, Sunday hours and Public holidays)
- Non-compliance with implementation of arbitration awards and court orders



- Non-responsiveness from line function on HRM&D matters
- Lack of appropriately qualified personnel to implement the Employee Health and Wellness programme
- Lack of confidentiality enhancing physical spaces in which to attend to employees who need counselling
- Lack of the appropriate tools to help with the implementation of planned programmes (computers, printers and access to the network.)

**2018/19 Planned Interventions:**

- Approval of Organisational Structure
- Migration of Staff to the new organogram
- Implementation of the HR Plan
- Facilitate approval of recruitment and selection policy for the Department
- Filling of vacancies within prescribed timeframes as determined by DPSA
- Development of Standard Operating Procedures for Human Resource Management and Development
- Launch database for unemployed educators in the Province and market it
- Declaration of Post Provisioning Norms for 2019 academic year
- Facilitate signing of multi term agreement for PPN declaration
- Strengthen labour harmony in the workplace
- Embark on roadshows to Districts on new legislative requirements
- Build capacity in Districts
- 100% Compliance with PMDS policy
- Provide support and monitoring of bursary holders
- PERSAL clean-up and auditing of capped leave
- Develop and implement risk register
- Strengthen governance
- Hold quarterly Human Resource Labour Forums (HRLF) to share information, drive business processes and improve communication and assess performance of HR inclusive of Clusters and Districts.
- Capacitate the Internal Control Unit in Districts as per Provincial Treasury instruction to ensure compliance with HR legislation
- Implementation of the 4 Pillars of the Employee Health and Wellness Policy
- Conduct exit interviews to inform HR Planning processes.

## 4.2. Human Resource Oversight Statistics

The tables below provide the Department's Human Resources statistics for 2017/18.

### 4.3 Personnel Related Expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. In particular, the tables provide an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

**Table 4.3.1. Personnel expenditure by programme for the period 1 April 2017 and 31 March 2018**

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)
1. Administration	2 715 720	2 031 731	26 993	-	74.83%	28
2. Public Ordinary School Education	26 596 281	22 622 613	43 167	-	85.06%	310
3. Independent School Subsidies	122 899	-	-	-	0%	-
4. Public Special School Education	682 834	583 796	2 169	-	85.50%	8
5. Early Childhood Development	495 651	381 704	5 416	-	77.01%	5
6. Infrastructure Development	1 659 618	13 841	-	-	0.83%	-
7. Examination and Education related Services	532 639	197 812	2 378	34 039	37.14%	3
<b>Total</b>	<b>32 805 642</b>	<b>25 831 497</b>	<b>80 123</b>	<b>34 039</b>	<b>78.74%</b>	<b>354</b>

**Table 4.3.2. Personnel costs by salary band for the period 1 April 2017 and 31 March 2018**

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R)
Lower skilled (Levels 1-2)	40 878	0.16%	229	178 507
Skilled (Levels 3-5)	1 286 664	4.98%	6 722	191 411
Highly skilled production (Levels 6-8)	16 625 165	64.36%	43 335	383 643
Highly skilled supervision (Levels 9-12)	7 377 405	28.56%	13 013	566 926
Senior management (Levels 13-16)	66 711	0.26%	57	1 170 368
Other Contracts	381 017	1.47%	4 801	79 362
Periodical Remuneration	30 358	0.12%	3 610	8 409
Abnormal Appointments	25 277	0.10%	1 223	20 668
<b>Total</b>	<b>25 831 497</b>	<b>100%</b>	<b>72 990</b>	<b>353 932</b>

**Table 4.3.3 Salaries, Overtime, Home Owners' Allowance and Medical Aid by programme for the period 1 April 2017 and 31 March 2018**

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
Programme 1 - Administration	1 698 806	92.03%	4 942	0.27%	56 565	3.06%	85 694	4.64%
Programme 2 - Public Ordinary School Education	18 764 966	91.58%	7	0.00%	693 512	3.38%	1 032 123	5.04%
Programme 4 - Public Special School Education	473 014	89.11%	0	0%	23 815	4.49%	33 974	6.40%
Programme 5 - Early Childhood Development	382 736	99.96%	0	0%	25	0.01%	140	0.04%
Programme 6 - Infrastructure Development	12 275	96.91%	0	0%	156	1.23%	236	1.86%
Programme 7 - Examination and Education related Services	48 225	77.74%	9 928	16.01%	1 782	2.87%	2 095	3.38%
<b>Total</b>	<b>21 380 022</b>	<b>91.66%</b>	<b>14 877</b>	<b>0.06%</b>	<b>775 855</b>	<b>3.33%</b>	<b>1 154 262</b>	<b>4.95%</b>

**Table 4.3.4 Salaries, Overtime, Home Owners' Allowance and Medical Aid by salary band for the period 1 April 2017 and 31 March 2018**

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
Lower skilled (Levels 1-2)	33 493	93.25%	0	0%	1 485	4.13%	939	2.61%
Skilled (Levels 3-5)	1 049 266	89.92%	3 815	0.33%	55 508	4.76%	58 305	5%
Highly skilled production (Levels 6-8)	13 668 086	90.72%	6 789	0.05%	552 299	3.67%	838 529	5.57%
Highly skilled supervision (Levels 9-12)	6 135 151	93.51%	4 257	0.06%	165 692	2.53%	255 910	3.90%
Senior management (Levels 13-16)	58 054	97.68%	16	0.03%	871	1.47%	490	0.82%
Other Contracts	380 440	99.98%	0	0%	0	0%	89	0.02%
Periodical Remuneration	30 358	100%	0	0%	0	0%	0	0%
Abnormal Appointments	25 175	100%	0	0%	0	0%	0	0%
<b>Total</b>	<b>21 380 022</b>	<b>91.66%</b>	<b>14 877</b>	<b>0.06%</b>	<b>775 855</b>	<b>3.33%</b>	<b>1 154 262</b>	<b>4.95%</b>

#### 4.4. Employment and Vacancies

The tables in this section summarise the position with regard to 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 4.4.1 Employment and vacancies by programme as on 31 March 20178**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	7 186	4 238	41.00	423
Programme 2: Public Ordinary Schools Education	69 454	56 990	17.90	4 142
Programme 4: Public Special School Education	2 729	1 973	27.70	87
Programme 5: Early Childhood Development	4 915	4 796	2.40	4 776
Programme 6: Infrastructure	27	19	29.60	14
Programme 7: Examination and Education Related Services	144	141	2.10	141
<b>Total</b>	<b>84 455</b>	<b>68 157</b>	<b>19.30</b>	<b>9 583</b>

**Table 4.4.2 Employment and vacancies by salary band as on 31 March 2018**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	470	229	51.30	32
Skilled (Levels 3-5)	15 168	6 722	55.70	801
Highly skilled production (Levels 6-8)	48 975	43 335	11.50	3 271
Highly skilled supervision (Levels 9-12)	14 953	13 013	13.00	686
Senior management (Levels 13-16)	85	57	32.90	9
Other Contracts	4 804	4 801	0.10	4 784
<b>TOTAL</b>	<b>84 455</b>	<b>68 157</b>	<b>19.30</b>	<b>9 583</b>

**Table 4.4.3 Employment and vacancies by critical occupations as on 31 March 2018**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate %	Number of employees additional to the establishment
Administrative	175	97	44.60	14
Artisans in building, metal and machinery	17	12	29.40	0
Architects, Town and Traffic Planners	51	6	88.20	4
Archivists, Curators and Related Professionals	2	0	100.00	0
Artisans, Project and Related Superintendents	3	2	33.30	0
Auxiliary and related workers	46	29	37.00	0
Building and Other Property Caretakers	59	32	45.80	2
Bus and Heavy Vehicle Drivers	15	10	33.30	1
Cleaners in Offices, Workshops, etc.	3 431	2 209	35.60	337
Client Information Clerks (Switchboard, Reception, Information Clerks)	29	8	72.40	0
Communication and Information Related	1	1	0.00	0
Community Development Workers	1	1	0.00	1

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate %	Number of employees additional to the establishment
Compositors, Typesetters and Related Printing Workers	2	1	50.00	0
Computer Programmers	2	2	0.00	1
Computer System Designers and Analysts.	1	1	0.00	1
Conservation Labourers	3	3	0.00	0
Custodian Personnel	1	1	0.00	0
Diplomats	1	1	0.00	0
Earth Moving and Related Plant Operators	1	1	0.00	0
Engineers and Related Professionals	5	0	100.00	0
Farm Hands and Labourers	4	3	25.00	0
Farming, Forestry Advisors and Farm Managers	30	25	16.70	1
Finance and Economics Related	146	82	43.80	6
Financial and Related Professionals	121	68	43.80	7
Financial Clerks and Credit Controllers	574	429	25.30	18
Fire Fighting and Related Workers	2	2	0.00	0
Food Services Aids and Waiters	252	164	34.90	9
General Legal Administration and Related Professionals	1	1	0.00	1
Geologists, Geophysicists, Hydrologists and Related Professions	2	1	50.00	0
Head of Departments/Chief Executive Officer	9	5	44.40	0
Household and Laundry Workers	777	468	39.80	24
Household, Food and Laundry Services	1	1	0.00	0
Housekeepers, Laundry and Related Workers	3	3	0.00	0
Human Resources and Organisational Development and Related Professions	110	54	50.90	0
Human Resources Clerks	615	503	18.20	13
Human Resources Related	156	69	55.80	2
Inspectors of Apprentices Works and Vehicles	69	31	55.10	6
Legal Related	5	4	20.00	0
Library, Mail and Related Clerks	215	102	52.60	1
Light Vehicle Drivers	137	83	39.40	7
Logistical Support Personnel	101	60	40.60	1
Material-Recording and Transport Clerks	633	520	17.90	35
Messengers, Porters and Deliverers	44	24	45.50	2
Motor Vehicle Drivers	4	4	0.00	1
Nursing Assistants	10	9	10.00	0
Occupational Therapy	13	4	69.20	1
Other Administrative and Related Clerks and Organisers	4 461	3 353	24.80	276
Other Administrative, Policy and Related Officers	578	259	55.20	25
Other Information Technology Personnel	29	16	44.80	4
Other Occupations	69 827	58 745	15.90	8 743
Physiotherapy	1	1	0.00	1
Professional Nurse	5	1	80.00	0
Quantity Surveyors and Related Professionals Not Classed Elsewhere	3	1	66.70	1

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate %	Number of employees additional to the establishment
Departmental Head	129	0	100.00	0
Deputy Principal	26	0	100.00	0
Principal P1	10	0	100.00	0
Principal P2	22	0	100.00	0
Principal P3	3	0	100.00	0
Principal S1	4	0	100.00	0
Teacher	399	0	100.00	0
Risk Management and Security Services	2	2	0.00	1
Secretaries and Other Keyboard Operating Clerks	249	100	59.80	11
Security Guards	395	303	23.30	7
Security Officers	242	153	36.80	9
Senior Managers	81	52	35.80	7
Social Work and Related Professionals	1	0	100.00	0
Speech Therapy and Audiology	6	0	100.00	0
Trade Labourers	5	3	40.00	0
Trade/Industry Advisers and Other Related Professions	1	0	100.00	0
Youth Workers	96	32	66.70	2
<b>Total</b>	<b>84 455</b>	<b>68 157</b>	<b>19.30</b>	<b>9 583</b>

#### 4.5. 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. The tables also provide information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

**Table 4.5.1 SMS post information as on 31 March 2018**

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
Director-General/ Head of Department	2	2	100	0	<b>0</b>
Salary Level 15	3	3	100	0	<b>0</b>
Salary Level 14	17	11	64.7	6	<b>35.3</b>
Salary Level 13	65	41	63	24	<b>37</b>
<b>Total</b>	<b>87</b>	<b>57</b>	<b>65.5</b>	<b>30</b>	<b>34.5</b>

**Table 4.5.2 SMS post information as on 30 September 2017**

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
Director-General/ Head of Department	2	2	100	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	17	11	64.7	6	35.3
Salary Level 13	65	41	63	24	37
<b>Total</b>	<b>87</b>	<b>57</b>	<b>65.5</b>	<b>30</b>	<b>34.5</b>

**Table 4.5.3 Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled / appointed	% of SMS posts filled / appointed	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 15	1	0	0	1	100
Salary Level 14	2	0	0	2	100
Salary Level 13	7	1	14.3	6	85.7
<b>Total</b>	<b>10</b>	<b>1</b>	<b>10</b>	<b>9</b>	<b>90</b>

The Department implemented the approved service delivery model in line with municipal demarcation during 2017/18, thereby reducing the number of district offices from twenty-three (23) to twelve (12). This had an enormous impact on the filling of SMS posts, especially those former districts which were either amalgamated or abolished. Furthermore, the Department is waiting for the Department of Public Service Administration (DPSA) to approve its revised organisational structure to support the service delivery model. Thus, delays were experienced in the filling of some SMS posts. In addition to the above, the proposed organogram does not make provision for some of the existing posts thereby filling them could lead to excess and bloating of the Departmental Organisational Structure.

**Table 4.5.4 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 2017 and 31 March 2018**

**Reasons for vacancies not advertised within six months**

All posts which were presented to the PCMT and approved on the 2017/18 ARP were advertised within the prescribed time frames.

**Table 4.5.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2017 and 31 March 2018**

**Reasons for vacancies not advertised within six months**

None

#### 4.6. Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, an executing authority 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. This was supported by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

**Table 4.6.1 Job Evaluation by Salary band, 1 April 2017 to 31 March 2018**

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)	470	0	0	0	0	0	0
Skilled (Levels 3-5)	15 168	0	0	0	0	0	0
Highly Skilled Production (Levels 6-8)	48 975	7	0.01	4	0	0	0
Highly Skilled Supervision (Levels 9-12)	14 953	167	1.11	0	0	0	0
Senior Management Service Band A	64	50	78.12	0	0	0	0
Senior Management Service Band B	16	17	106.25	0	0	0	0
Senior Management Service Band C	2	4	200	0	0	0	0
Senior Management Service Band D	3	1	33.33	0	0	0	0
Other	4 804	0	0	0	0	0	0
<b>Total</b>	<b>84 455</b>	<b>246</b>	<b>0.29</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 4.6.2 Profile of employees whose positions were upgraded due to their posts being upgraded, 1 April 2017 to 31 March 2018**

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with a disability</b>					<b>0</b>

**Table 4.6.3 Employees with salary levels higher than those determined by job evaluation by occupation, 1<sup>st</sup> April 2017 to 31 March 2018 (in terms of PSR 1.v.c.3)**

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	0	0	0	0
<b>Percentage of total employed</b>				<b>0</b>

Table 4.6.4 below summarises the beneficiaries of the above in terms of race, gender, and disability.



**Table 4.6.4 Profile of employees who have salary levels higher than those determined by job evaluation, 1 April 2017 to 31 March 2018**

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability	0	0	0	0	0

#### 4.7. 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.

**Table 4.7.1 Annual turnover rates by salary band for the period 1 April 2017 to 31 March 2018**

Salary Band	Number of employees at beginning of period-April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate (%)
Lower Skilled (Levels 1-2)	1 148	10	7	0.60
Skilled (Levels 3-5)	1	0	0	0.00
Highly Skilled Production (Levels 6-8)	6 724	1 320	586	8.70
Highly Skilled Supervision (Levels 9-12)	46 558	2 058	3 669	7.90
Senior Management Service Band A	14	0	1	7.10
Senior Management Service Band B	7 311	43	1 104	15.10
Senior Management Service Band C	43	0	4	9.30
Senior Management Service Band D	9	0	3	33.30
Other	1	0	0	0.00
<b>Total</b>	<b>66 738</b>	<b>3 487</b>	<b>5 744</b>	<b>8.60</b>

**Table 4.7.2 Annual turnover rates by critical occupation for the period 1 April 2017 to 31 March 2018**

Salary Band	Employment at Beginning of Period (April 2017)	Appointments	Terminations	Turnover rate (%)
Administrative	96	6	6	6.30
Artisans in building, metal machinery	13	0	1	7.70
Architects, town and traffic planners	6	0	0	0.00
Artisans, project and related superintendents	2	0	0	0.00
Auxiliary and related workers	21	9	0	0.00
Building and other property caretakers	21	11	0	0.00
Bus and heavy vehicle drivers	10	0	0	0.00
Cleaners in offices, workshops, etc.	2 174	160	173	8.00
Client Information Clerks (switchboard, reception, information clerks)	8	0	0	0.00
Communication and information related	1	0	0	0.00
Community development workers	1	0	0	0.00
Compositors, typesetters and related printing workers	1	0	0	0.00

Salary Band	Employment at Beginning of Period (April 2017)	Appointments	Terminations	Turnover rate (%)
Computer Programmers	2	0	0	0.00
Computer System Designers and Analysts	1	0	0	0.00
Conservation Labourers	3	0	0	0.00
Custodian Personnel	1	0	0	0.00
Diplomats	1	0	0	0.00
Farm Hands and Labourers	4	0	1	25.00
Farming, Forestry Advisors and Farm Managers	13	0	0	0.00
Finance and Economics related	82	1	2	2.40
Financial and related professionals	66	4	6	9.10
Financial Clerks and Credit Controllers	438	3	10	2.30
Firefighting and related workers	2	0	0	0.00
Food Services Aids and Waiters	152	19	7	4.60
General Legal Administration and related professionals	1	0	0	0.00
Geologists, Geophysicists, Hydrologists and related	1	0	0	0.00
Head of Department/Chief Executive Officer	5	0	0	0.00
Household and Laundry Workers	434	42	21	4.80
Household, Food and Laundry Services	1	0	0	0.00
Housekeepers, Laundry and Related Workers	2	1	0	0.00
Human resources and Organisational development and related professions	52	0	0	0.00
Human Resources Clerks	525	0	22	4.20
Human Resources Related	61	6	4	6.60
Inspectors of Apprentices, Works and Vehicles	34	0	2	5.90
Legal	4	0	0	0.00
Library, Mail and Related Clerks	107	0	2	1.90
Light Vehicle Drivers	79	6	6	7.60
Logistical Support Personnel	61	0	2	3.30
Material, Recording and Transport Clerks	535	2	17	3.20
Messengers, Porters and Deliverers	27	0	3	11.10
Motor Vehicle Drivers	4	0	0	0.00
Nursing Assistants	9	0	0	0.00
Occupational Therapy	4	0	0	0.00
Other Administrative and Related Clerks and Organisers	2 717	522	56	2.10
Other Administrative, Policy and Related Officers	269	3	14	5.20
Other Information Technology Personnel	16	0	0	0.00
Other Occupations	58 172	2 533	5 358	9.20
Physiotherapy	1	0	0	0.00
Professional Nurse	2	0	1	50.00
Quantity surveyors and related professionals not class elsewhere	1	0	0	0.00
Risk management and Security Services	1	1	0	0.00
Secretaries and Other Keyboard Operating Clerks	108	0	6	5.60

Salary Band	Employment at Beginning of Period (April 2017)	Appointments	Terminations	Turnover rate (%)
Security Guards	191	102	7	3.70
Security Officers	106	54	9	8.50
Senior Managers	54	1	8	14.80
Trade Labourers	3	0	0	0.00
Youth Workers	32	0	0	0.00
<b>Total</b>	<b>66 738</b>	<b>3 487</b>	<b>5 744</b>	<b>8.60</b>

**Table 4.7.3 Reasons why staff left the Department**

Termination Type	Number	% of Total Resignations
Death	346	6.00
Resignation	998	17.40
Expiry of contract	2 737	47.60
Discharged due to ill health	103	1.80
Dismissal-misconduct	35	0.60
Retirement	1 523	26.51
Other	2	0.03
<b>Total</b>	<b>5 744</b>	<b>100</b>

**Table 4.7.4 Promotions by critical occupation**

Occupation	Employment at Beginning of Period (April 2017)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative	96	0	0.00	46	47.90
Artisans in building, metal and machinery	13	0	0.00	7	53.80
Architects, Town and Traffic Planners	6	0	0.00	0	0.00
Artisan, Project and Related Superintendents	2	0	0.00	0	0.00
Auxiliary and related workers	21	0	0.00	18	85.70
Building and Property Caretakers	21	0	0.00	17	81.00
Bus and Heavy Vehicle Drivers	10	0	0.00	6	60.00
Cleaners in Offices, Workshops, etc	2 174	0	0.00	1 287	59.20
Client Information Clerks (switchboard, reception, information)	8	0	0.00	6	75.00
Communication and Information related	1	0	0.00	1	100.00
Community Development Workers	1	0	0.00	1	100.00
Computer Programmers	1	0	0.00	0	0.00
Computer System Designers and Analysts	2	0	0.00	2	100.00
Conservation Labourers	1	0	0.00	1	100.00
Custodian Personnel	3	0	0.00	1	33.30
Diplomats	1	0	0.00	1	100.00

Occupation	Employment at Beginning of Period (April 2017)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Farm Hands and Labourers	1	0	0.00	1	100.00
Farming, Forestry Advisors and Farm Managers	4	0	0.00	1	25.00
Finance and Economics related	13	0	0.00	1	7.70
Financial and Related Professionals	82	1	1.20	50	61.00
Financial Clerks and Credit Controllers	66	4	6.10	23	34.80
Firefighting and related workers	438	1	0.20	296	67.60
Food Services Aids and Waiters	2	0	0.00	1	50.00
General, Legal Administration and related professionals	152	1	0.70	102	67.10
Head of Department/Chief Executive Officer	1	0	0.00	0	0.00
Household and Laundry Workers	1	0	0.00	0	0.00
Housekeepers, Laundry and related workers	5	0	0.00	1	20.00
Human Resources, Organisational Development and related professionals	434	1	0.20	254	58.50
Human Resources Clerks	1	0	0.00	0	0.00
Human Resources Related	2	0	0.00	1	50.00
Inspectors of Apprentices, Works and Vehicles	52	1	1.90	20	38.50
Library, Mail and related Clerks	525	3	0.60	349	66.50
Light Vehicle Drivers	61	7	11.50	38	62.30
Logistical Support Personnel	34	0	0.00	7	20.60
Material Recording and Transport Clerks	4	0	0.00	0	0.00
Messengers, Porters and Deliverers	107	0	0.00	81	75.70
Motor Vehicle Drivers	79	0	0.00	49	62.00
Nursing Assistants	61	0	0.00	8	13.10
Occupational Therapy	535	0	0.00	329	61.50
Other Administration and related Clerks and Organisers	27	0	0.00	17	63.00
Other Administrative, Policy and related Officers	4	0	0.00	1	25.00
Other Information Technology personnel	9	0	0.00	4	44.40
Other occupations	4	0	0.00	1	25.00
Physiotherapy	2 717	6	0.20	1 068	39.30
Printing and related Machine Operators	269	6	2.20	108	40.10
Professional Nurse	16	0	0.00	11	68.80
Quantity Surveyors and related professionals not classed elsewhere	58 172	1 784	3.10	43 953	75.60
Risk Management and Security Services	1	0	0.00	1	100.00
Secretaries and other Keyboard Operating Clerks	2	0	0.00	1	50.00
Security Guards	1	0	0.00	0	0.00
Security Officers	1	0	0.00	1	100.00
Senior Managers	108	0	0.00	74	68.50
Trade Labourers	191	0	0.00	72	37.70
Youth Workers	106	0	0.00	37	34.90
<b>Total</b>	<b>66 738</b>	<b>1 827</b>	<b>2.70</b>	<b>48 395</b>	<b>72.50</b>

**Table 4.7.5 Promotions by salary band**

Salary Band	Employment 01 April 2017	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within salary level	Notch progressions as a % of employees by salary bands
Lower Skilled (Levels 1-2)	1 151	0	0.00	5	0.40
Skilled (Levels 3-5)	6 726	6	0.10	2 455	36.50
Highly Skilled Production (Levels 6-8)	46 623	1 019	2.20	34 755	74.50
Highly Skilled Supervision (Levels 9-12)	7 326	797	10.90	11 141	152.10
Senior management (Levels 13-16)	60	5	8.30	39	65.00
Other	4 852	0	0.00	0	0.00
<b>TOTAL</b>	<b>66 738</b>	<b>1 827</b>	<b>2.70</b>	<b>48 395</b>	<b>72.50</b>

#### 4.8. Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

**Table 4.8.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2018**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	33	2	1	2	15	2	0	3	58
Professionals	13 156	1 302	87	748	33 373	2 254	160	2 414	53 494
Technicians and Associated Professionals	141	17	2	10	272	14	0	19	475
Clerks	1 151	40	0	6	3 423	228	4	164	5 016
Service and Sales workers	371	42	0	1	54	5	0	0	473
Craft and Related Trade Workers	27	3	0	0	16	0	0	0	46
Plant, Machine Operators and Assemblers	82	9	0	3	1	3	0	0	98
Elementary occupations	1 386	186	0	20	6 329	440	1	128	8 490
Unknown	2	0	0	1	3	0	0	1	7
<b>Total</b>	<b>16 349</b>	<b>1 601</b>	<b>90</b>	<b>791</b>	<b>43 486</b>	<b>2 946</b>	<b>165</b>	<b>2 729</b>	<b>68 157</b>
Employees with disabilities	66	11	0	8	83	7	0	12	187

**Table 4.8.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2018**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	1	0	0	0	1	5
Senior Management	31	2	1	2	12	2	0	2	52
Professionally qualified and experienced Specialists and Middle Management	4 470	650	59	387	6 120	503	67	757	13 013
Skilled Technical and Academically qualified Workers, Junior Management, Supervisors, Foremen	9 248	706	30	351	29 216	1 887	96	1 801	43 335
Semi-skilled	2 456	230	0	48	3 524	346	1	117	6 722
Unskilled	129	12	0	1	78	9	0	0	229
Not Available	12	1	0	1	4 536	199	1	51	4 801
<b>Total</b>	<b>16 349</b>	<b>1 601</b>	<b>90</b>	<b>791</b>	<b>43 486</b>	<b>2 946</b>	<b>165</b>	<b>2 729</b>	<b>68 157</b>
Employees with Disabilities	66	11	0	8	83	7	0	12	187

**Table 4.8.3 Recruitment for the period 1 April 2016 to 31 March 2018**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced Specialists and Middle Management	20	2	1	4	14	2	0	9	52
Skilled Technical and Academically qualified Workers, Junior Management, Supervisors, Foremen	567	57	1	28	1 087	172	4	148	2 064
Semi-Skilled	506	42	0	10	691	49	0	27	1 325
Unskilled	5	1	0	0	3	3	0	0	12
Not Available	1	0	0	0	32	0	0	1	34
<b>Total</b>	<b>1 099</b>	<b>102</b>	<b>2</b>	<b>42</b>	<b>1 827</b>	<b>226</b>	<b>4</b>	<b>185</b>	<b>3 487</b>
Employees with disabilities	2	0	0	0	3	0	0	0	5

**Table 4.8.4 Promotions for the period 1 April 2017 to 31 March 2018**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	1	0	0	0	0	2
Senior Management	27	3	0	0	9	3	0	0	42
Professionally qualified and experienced Specialists and Middle Management	3 879	580	55	367	5 771	494	66	726	11 938
Skilled Technical and Academically qualified Workers, Junior Management, Supervisors, Foremen	7 202	566	26	281	24 780	1 477	86	1 356	35 774
Semi-skilled	886	143	0	23	1 155	212	0	42	2 461
Unskilled	3	0	0	0	1	1	0	0	5
<b>Total</b>	<b>11 998</b>	<b>1 292</b>	<b>81</b>	<b>672</b>	<b>31 716</b>	<b>2 187</b>	<b>152</b>	<b>2 124</b>	<b>50 222</b>
Employees with disabilities	39	9	0	6	58	7	0	9	128

The promotion events for the above table are individually counted per employee and category of promotion. For example, (a) Promotions to another salary level and (b) Progression to another notch within the same salary level. It is possible that an employee can be reflected in more than one occupational band through these different promotion events and as such will be counted / reflected more than once.

**Table 4.8.5 Terminations for the period 1 April 2017 to 31 March 2018**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	6	1	0	0	1	0	0	0	8
Professionally qualified and experienced Specialists and Middle Management	294	52	8	38	573	41	11	95	1 112
Skilled Technical and Academically qualified Workers, Junior Management, Supervisors, Foremen	883	77	2	41	2 239	220	7	208	3 677
Semi-skilled and discretionary decision making	203	25	0	2	310	37	0	11	588
Unskilled and defined decision making	6	1	0	0	3	4	0	0	14
Not Available	2	0	0	0	318	18	0	7	345
<b>Total</b>	<b>1 394</b>	<b>156</b>	<b>10</b>	<b>81</b>	<b>3 444</b>	<b>320</b>	<b>18</b>	<b>321</b>	<b>5 744</b>
Employees with Disabilities	5	1	0	0	10	3	0	0	19

**Table 4.8.6 Disciplinary action**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary actions finalised	29	3	0	0	10	0	1	0	43

**Table 4.8.7 Skills development**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	470	57	8	49	187	28	5	30	834
Professionals	4 004	598	54	244	5 622	930	77	318	11 847
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0
Clerks	370	24	0	7	880	26	0	5	1 312
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	140	15	3	10	88	10	3	6	275
<b>Total</b>	<b>4 984</b>	<b>694</b>	<b>65</b>	<b>310</b>	<b>6 777</b>	<b>994</b>	<b>85</b>	<b>359</b>	<b>14 268</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

#### 4.9. 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 are presented here.

**Table 4.9.1. Signing of Performance Agreements by SMS members as on 31 May 2017**

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	2	2	2	100%
Salary Level 15	03	1	1	100%
Salary Level 14	17	13	13	100%
Salary Level 13	65	42	32	76%
<b>Total</b>	<b>87</b>	<b>58</b>	<b>48</b>	<b>83%</b>

**Table 4.9.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 March 2017**

Reasons
Newly established Teacher Development Institutes still conceptualising their roles and responsibilities in the organizational structure of the Department and the newly appointed to act in those positions still had three (3) months to develop and sign own contracts for the 2017/18 performance cycle.



**Table 4.9.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 March 2017**

Reasons
None

#### 4.10. Performance Rewards

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, and disability, salary bands and critical occupations.

**Table 4.10.1 Performance Rewards by race, gender and disability, 1 April 2017 to 31 March 2018**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average Cost per employee
African, Male	1 269	16 283	7.80	8 987	7 082.00
Asian, Male	2	90	2.20	47	23 727.00
Coloured, Male	172	1 590	10.80	1 171	6 810.00
White, Male	27	783	3.40	267	9 874.00
African, Female	3 083	43 403	7.10	24 334	7 893.00
Coloured, Female	321	2 939	10.90	2 356	7 340.00
Asian, Female	3	165	1.80	22	7 374.00
White, Female	184	2 717	6.80	1 536	8 350.00
Employees with disabilities	41	187	21.90	399	9 724.00
<b>Total</b>	<b>5 102</b>	<b>68 157</b>	<b>7.50</b>	<b>39 119</b>	<b>7 668.00</b>

**Table 4.10.2 Performance Rewards by salary band for personnel below Senior Management Service, 1<sup>st</sup> April 2017 to 31 March 2018**

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within group	Total Cost (R'000)	Average Cost per employee	Total cost as a % of total personnel expenditure
Lower skilled (Levels 1-2)	13	229	5.70	47.50	3 654.00	0.00001%
Skilled (Levels 3-5)	1 828	6 722	27.20	8 626.51	4 719.00	0.00002%
Highly skilled production (Levels 6-8)	3 091	43 335	7.10	27 638.03	8 942.00	0.00003%
Highly skilled supervision (Levels 9-12)	167	13 013	1.30	2 730.62	16 351.00	0.00006%
Other	0	4 801	0.00	0.00	0.00	0.00000%
<b>Total</b>	<b>5 099</b>	<b>68 100</b>	<b>7.50</b>	<b>39 042.66</b>	<b>7 657.00</b>	<b>0.00003%</b>

**Table 4.10.3 Performance Rewards by critical occupation, 1 April 2017 to 31 March 2018**

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	No. of employees	% of Total within Occupation	Total Cost (R'000)	Average Cost per employee (R)
Financial Clerks and Credit Controllers	353	429	82.30	3 080.57	8 727.00
Earth Moving and related Plant Operators	0	1	0.00	0.00	0.00
Household, Food and Laundry Services related	0	1	0.00	0.00	0.00
Human Resources Clerks	416	503	82.70	3 692.67	8 877.00
Security Officers	55	153	35.90	280.27	5 096.00
Household and Laundry Workers	237	468	50.60	1 175.72	4 961.00
Geologists, Geophysicists, Hydrologists and related professions	0	1	0.00	0.00	0.00
Messengers, Porters and Deliverers	17	24	70.80	75.49	4 441.00
Human Resources and Organisational Development and related professions	44	54	80.60	580.09	13 335.00
Artisans in Building, Metal and Machinery	7	12	58.30	41.78	5 969.00
Risk Management and Security Services	1	2	50.00	8.93	8 935.00
Logistical Support Personnel	55	60	91.70	769.70	13 994.00
Finance and Economics related	52	82	63.40	866.37	16 661.00
Other Administrative and related Clerks and Organisers	1 313	3 353	39.20	10 388.79	7 912.00
Housekeepers, Laundry and related workers	1	3	33.30	4.02	4 022.00
Auxiliary and related workers	13	29	44.80	57.64	4 434.00
Other occupations	279	58 745	0.50	2 098.51	7 522.00
Legal	0	4	0.00	0.00	0.00
Financial and related professionals	52	68	76.50	666.63	12 820.00
Building and other Property Caretakers	13	32	40.60	57.05	4 388.00
Occupational Therapy	1	4	25.00	4.33	4 333.00
Diplomats	1	1	100.00	10.77	10 770.00
Architects, Town and Traffic Planners	1	6	16.70	23.21	23 211.00
Administrative	57	97	58.80	894.33	15 690.00
Communication and Information related	0	1	0.00	0.00	0.00
Secretaries and Keyboard Operating Clerks	83	100	82.50	710.63	8 614.00
Cleaners in offices, workshops, etc	1 051	2 209	47.60	4 769.68	4 538.00
Library, Mail and related Clerks	81	102	79.40	639.95	7 901.00
Human Resources related	44	69	63.80	606.65	13 787.00
Head of Department/Chief Executive Officer	5	5	100.00	90.03	18 006.00
Computer Programmers	2	2	100.00	21.22	10 612.00
Trade Labourers	1	3	33.30	4.46	4 464.00
Physiotherapy	1	1	100.00	12.90	12 896.00
General Legal Administration and related Professionals	0	1	0.00	0.00	0.00
Material Recording and Transport Clerks	375	520	72.20	3 281.14	8 739.00
Youth Workers	24	32	75.00	231.43	9 647.00
Farm Hands and Labourers	1	3	33.30	4.33	4 333.00
Compositors, Typesetters and related Printing Workers	0	1	0.00	0.00	0.00

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	No. of employees	% of Total within Occupation	Total Cost (R'000)	Average Cost per employee (R)
Other Administrative, Policy and related Officers	222	259	85.90	2 598.26	11 679.00
Artisan, Project and related Superintendents	2	2	100.00	22.67	11 334.00
Firefighting and related workers	1	2	50.00	4.67	4 668.00
Inspectors of Apprentices, Works and Vehicles	15	31	48.40	155.49	10 366.00
Professional Nurse	1	1	100.00	10.15	10 147.00
Bus and Heavy Vehicle Drivers	7	10	70.00	36.48	5 211.00
Senior Managers	1	52	1.90	8.80	8 803.00
Farming, Forestry Advisors and Farm Managers	0	25	0.00	0.00	0.00
Client Information Clerks (switchboard, reception, information clerks)	6	8	75.00	45.34	7 557.00
Computer System Designers and Analysts	1	1	100.00	10.30	10 300.00
Other Information Technology Personnel	15	16	93.80	154.85	10 323.00
Light Vehicle Drivers	48	83	57.80	216.25	4 505.00
Custodian Personnel	1	1	100.00	24.54	24 544.00
Motor Vehicle Drivers	2	4	50.00	10.08	5 039.00
Security Guards	46	303	15.20	198.83	4 322.00
Food Services Aids and Waiters	93	164	56.70	441.44	4 747.00
Nursing Assistants	4	9	44.40	21.02	5 254.00
Conservation Labourers	0	3	0.00	0.00	0.00
Quantity Surveyors and related professionals not classified elsewhere	0	1	0.00	0.00	0.00
Community Development Workers	1	1	100.00	10.82	10 820.00
<b>TOTAL</b>	<b>5 102</b>	<b>68 157</b>	<b>7.50</b>	<b>39 119.27</b>	<b>7 668.00</b>

**Table 4.10.4 Performance related rewards (cash bonus), by salary band for Senior Management Service, 1 April 2017 – 31 March 2018**

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	3	41	7.30	76.62	25 539.10	0.20
Band B	0	11	0.00	0.00	0.00	0.00
Band C	0	2	0.00	0.00	0.00	0.00
Band D	0	3	0.00	0.00	0.00	0.00
<b>Total</b>	<b>3</b>	<b>57</b>	<b>5.30</b>	<b>76.62</b>	<b>25 539.10</b>	<b>0.10</b>

#### 4.11. Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by major occupation.

**Table 4.11.1 Foreign workers by salary band**

Salary Band	01-Apr-17		31-Mar-18		Change	
	Number	% of total	Number	% of total	Number	% Change
Skilled (Levels 3-5)	27	6.10	34	7.40	7	43.80
Highly skilled production (Levels 6-8)	300	67.40	306	66.30	6	34.40
Highly skilled supervision (Levels 9-12)	105	23.60	98	21.30	-7	- 43.80
Senior Management (Levels 13-16)	1	0.20	1	0.20	0	0.00
Other	12	2.70	23	4.90	11	65.60
<b>Total</b>	<b>445</b>	<b>100</b>	<b>461</b>	<b>100</b>	<b>16</b>	<b>100</b>

**Table 4.11.2 Foreign workers by major occupation**

Major Occupation	01-Apr-17		31-Mar-18		Change	
	Number	% of total	Number	% of total	Number	% Change
Other occupations	444	99.80	455	98.70	11	68.80
Professionals and managers	1	0.20	5	1.10	4	25.00
Technicians and associated professionals	0	0.00	1	0.20	1	6.30
<b>Total</b>	<b>445</b>	<b>100</b>	<b>461</b>	<b>100</b>	<b>16</b>	<b>100</b>

#### 4.12. 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 provided.

**Table 4.12.1 Sick leave, 1 January 2017 to 31 December 2017**

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)	366	87	69	0.30	15	185
Skilled (Levels 3-5)	14 423	83	2 315	8.50	10	10 155
Highly skilled production (Levels 6-8)	117 660	79	19 072	69.70	11	161 677
Highly skilled supervision (Levels 9-12)	35 689	80	5 845	21.30	12	78 832
Senior management (Levels 13-16)	103	86	28	0.10	7	396
Contract / Other	206	63	49	0.20	4	80
<b>Total</b>	<b>168 447</b>	<b>79</b>	<b>27 378</b>	<b>100</b>	<b>6</b>	<b>251 323</b>

**Table 4.12.2 Disability leave (temporary and permanent), 1 January 2017 to 31 December 2018**

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)	5	100.00	2	0.20	3	3
Skilled (Levels 3-5)	2 965	100.00	77	6.50	39	2 006
Highly skilled production (Levels 6-8)	51 481	100.00	840	71.30	61	72 275
Highly skilled supervision (Levels 9-12)	15 303	100.00	257	21.80	60	33 600
Senior management (Levels 13-16)	226	100.00	2	0.20	113	863
<b>TOTAL</b>	<b>69 980</b>	<b>100</b>	<b>1 178</b>	<b>100</b>	<b>59</b>	<b>108 747</b>

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

**Table 4.12.3 Annual Leave, 1 January 2017 to 31 December 2018**

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	1 278	146	9
Skilled (Levels 3-5)	34 894	2 218	16
Highly skilled production (Levels 6-8)	59 664	3 277	18
Highly skilled supervision (Levels 9-12)	36 379	1 767	21
Senior management (Levels 13-16)	718	52	14
Contract, other	48	25	2
<b>Total</b>	<b>132 981</b>	<b>7 485</b>	<b>18</b>

**Table 4.12.4 Capped leave, 1 January 2017 to 31 December 2018**

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 at 31 Dec
Lower skilled (Levels 1-2)	0	0	0	49
Skilled (Levels 3-5)	354	72	5	60
Highly skilled production (Levels 6-8)	1 000	283	4	57
Highly skilled supervision (Levels 9-12)	913	178	5	73
Senior management (Levels 13-16)	0	0	0	98
Contract, other	0	0	0	0
<b>Total</b>	<b>2 267</b>	<b>533</b>	<b>4</b>	<b>63</b>

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

**Table 4.12.5 Leave payouts, 1 April 2017 to 31 March 2018**

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R)
Capped leave payouts on termination of service for 2017/18	184 643.00	1 399.00	131 982.00
<b>Total</b>	<b>184 643.00</b>	<b>1 399.00</b>	<b>131 982.00</b>

#### 4.13. HIV/AIDS & Health Promotion Programmes

**Table 4.13.1 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"> <li>Field workers (Head Office and District Based Itinerant Employees) who work away from their work station and families while visiting districts and schools for a number of days in a week and sometimes for consecutive weeks</li> <li>The Departmental Drivers who travel within and sometimes outside the Province and are way from their families for days and sometimes for weeks.</li> <li>Educators who are forced by redeployment and the rationalisation of schools to move closer to their new worksites</li> </ul>	<ul style="list-style-type: none"> <li>Early detection of HIV infection through quarterly Health Testing Services to enable employees to have a regular check-up of their HIV.</li> <li>Facilitating access to treatment (where necessary), care and support for infected employees and affected families.</li> <li>Counselling to assist acceptance and adherence to treatment</li> <li>Intensifying education on managing HIV so that it does not impede employee productivity.</li> <li>Sensitising managers on reasonable accommodation (physically and emotionally) of employees who are infected.</li> </ul>

**Table 4.13.2 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		Ms Yolisa Bomela has been appointed to act in the position of a Director: Employee Health and Wellness until the position can be filled permanently.
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		<p>The Department has a Directorate: Employee Health and Wellness. The Directorate has 7 employees as follows:</p> <ul style="list-style-type: none"> <li>It is headed by a Director appointed in terms of the Department's new Service Delivery Model</li> <li>An Assistant Director employed permanently in terms of the 2006 Organisational Structure.</li> <li>A Chief Personnel Officer employed permanently in terms of the 2006 Organisational Structure</li> <li>Three Wellness Practitioners at SL 8 have been appointed to implement the 4 Pillars of Employee Health and Wellness.</li> </ul> <p>EHW does not have dedicated staff at District level. It is taken care of by officials employed as either Assistant Directors or Senior Admin Officers in HRD, PMDS and/or Labour Relations.</p> <p>The budget for the year under review was R4 412 000</p>
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		<p>Yes. The Department is implementing an Integrated Employee Health and Wellness Programme modelled along the DPSA Strategic Framework for Employee Health and Wellness.</p> <p>The key elements of this programme are the following:</p> <ul style="list-style-type: none"> <li>HIV, AIDS STI and TB Management</li> <li>Health and Productivity Management</li> <li>Safety, Health, Environment, Risk and Quality Management</li> <li>Wellness Management</li> </ul>
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 list follows hereunder.</p> <p>This committee's three-year term ended in March 2018. A new committee has been established and became effective in April 2018.</p>

Question	Yes	No	Details, if yes
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.			<p>Human Resource Policies and procedures that might have a bearing on the implementation of EH&amp;W programme have been reviewed. The purpose was to determine to what extent these either support or contradict the key principles for the effective implementation of an EH&amp;W Programme. The following HR policies and procedures were reviewed:</p> <ul style="list-style-type: none"> <li>• Service benefits</li> <li>• Leave</li> <li>• Medical Assistance</li> <li>• Compensation for occupational injuries and diseases</li> <li>• Employee Assistance Programme.</li> <li>• Training and Skills development</li> <li>• Performance management and development systems</li> <li>• Employment equity</li> <li>• Safety Health and Environment</li> </ul> <p>The reviewed policies revealed that none of the policies and procedures in the Department contradict key principles for the effective implementation of Employee Health and Wellness Programmes. The HR policies and procedures in the ECDoE are clearly articulated and compiled in a user friendly manner. Furthermore each policy contains additional tools necessary for the implementation of the policies, such as step by step procedures for implementation; templates; business process performance framework to aid monitoring and evaluation.</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		<ul style="list-style-type: none"> <li>• Upholding the confidentiality principle throughout the access to treatment, care and support process</li> <li>• Ensuring anonymity during HCT sessions</li> <li>• Identification of infected employees is protected during the referral process (names are kept strictly confidential by referring specialist only)</li> </ul>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		<ul style="list-style-type: none"> <li>• An increase in the number of Employees who participate in the HCT programme</li> <li>• An increase in the number of Employees who disclose their status and seek assistance through the Employee Health and Wellness programme</li> </ul>
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			<ul style="list-style-type: none"> <li>• Quarterly Statistics indicating new infections</li> <li>• Follow up the work attendance of employees who have disclosed.</li> </ul>

### Provincial Employee Health and Wellness Committee

NAME	TELEPHONE	CREDENTIALS	EMAIL
<b>DESIGNATED SENIOR MANAGER</b>			
Yolisa Bomela	040 608 4699	Acting Director : Employee Health and Wellness	<a href="mailto:yolisa.bomela@ecdoe.gov.za">yolisa.bomela@ecdoe.gov.za</a>
<b>EMPLOYEE HEALTH AND WELLNESS UNIT : PROVINCIAL OFFICE</b>			
CN Kunene	040 608 4617	ASS. MANAGER : EHW	<a href="mailto:nobukhosi.kunene@edu.ecprov.gov.za">nobukhosi.kunene@edu.ecprov.gov.za</a>
N Falo	040 608 4113	Wellness Practitioner	<a href="mailto:ntombizandile.falo@edu.ecprov.gov.za">ntombizandile.falo@edu.ecprov.gov.za</a>
SG Kiva	040 608 4507	SHERQ Practitioner	<a href="mailto:somila.kiva@edu.ecprov.gov.za">somila.kiva@edu.ecprov.gov.za</a>
B. Makhongolo	040 608 4699	HIV AIDS & TB Management Practitioner	<a href="mailto:bongiwe.godloza@edu.ecprov.gov.za">bongiwe.godloza@edu.ecprov.gov.za</a>
<b>SOCIAL PARTNERS</b>			
N Makayi	040 639 3229	SADTU	<a href="mailto:kngayeka@sadtu.co.za">kngayeka@sadtu.co.za</a>
J Lombard	041 364 0500	SAOU	<a href="mailto:saouok@saou.co.za">saouok@saou.co.za</a>
S Bunguza	043 743 2876	NEHAWU	<a href="mailto:ecadministrator@nehawu.org.za">ecadministrator@nehawu.org.za</a>
S Mtshongwane	041 5016800	PSA	<a href="mailto:sikhumbuzo.mtshongwane@edu.ecprov.gov.za">sikhumbuzo.mtshongwane@edu.ecprov.gov.za</a>
Z Makuleni	041 364 0399	NAPTOSA	<a href="mailto:peter@naptosa.org.za">peter@naptosa.org.za</a>

NAME	TELEPHONE	CREDENTIALS	EMAIL
ND Mtyongwe	043 705 3113	NAPWA	DollyM@buffalocity.gov.za
<b>OTHER DEPARTMENTAL UNITS</b>			
B Daimani	040 606 4222	FINANCE	bulelwa.davimani@edu.ecprov.gov.za
N Mawisa	040 608 4753	HRD	nompumelelo.mawisa@edu.ecprov.gov.za
B Somwahla	040 608 4210	LABOUR RELATIONS	bulelwa.somwahla@edu.ecprov.gov.za
B Fanta	040 608 4550	SPU	bukelwa.fanta@edu.ecprov.gov.za
A Mbambo	040 608 4298	HRA	andile.mbambo@edu.ecprov.gov.za
<b>DISTRICT REPRESENTATIVES</b>			
N Buso	047 4913056	Butterworth	mfundo.buso@gmail.com
N Sotomela	047 874 0313	Cofimvaba	nomonde.sotomela@edu.ecprov.gov.za
Swanepoel	048 801 8651	Cradock	
S Matomela	047 489 5043	Dutywa	siyasanga.matomela@edu.ecpro.gov.za
P Velethshona	043 708 6245	East London	
V Mandindi	046 645 7854	Fort Beaufort	vusumzi.mandindi@edu.ecprov.gov.za
MV Rensburg	049 807 2206	Graaf-reinet	marlene.vanRensburg@eduecprov.gov.za
SL Dyaloyi	046 603 3362	Grahamstown	-
NF Simelela	043 604 3215	KWT	ndwezasimelela@yahoo.com
L Tole	047 878 0009	Lady Frere	lulamatole589@gmail.com
PN Gqaleni	047 502 7434	Libode	pozisa.gqaleni@webmail.co.za
N Mdolo	039 253 6686	Lusikisiki	tobekasipambo@yahoo.com
NA Gqabiya	039 256 0111	Maluti	ndileka.gqabiya@edu.gov.za
K Mzwabantu	039 251 0063	Mbizana	
Z Nkomo	039 255 1714	Mount Frere	
N Sikithi	039 570 048	MT Fletcher	sikithi@webmail.co.za
Madyibi	047 502 4214	Mthatha	
Z Ntlemeza	047 548 1121	Ngcobo	
L. Walters	041 403 4400	Port Elizabeth	walters@edu.ecprov.gov.za
M. Feliti	045 858 8900	Queenstown	alushy@webmail.co.za
X Hlongwane	047 553 0157	Qumbu	
D Silele	051 611 0052	Sterkspruit	dumabezwe.silele@edu.ecprov.gov.za
TL Mgoduka	041 995 4054	Uitenhage	lucky.Mgoduka@eduecprov.gov.za

#### 4.14. Labour Relations

The following collective agreements were entered into with trade unions within the department.

**Table 4.14.1 Collective agreements**

Subject Matter	Date
Collective Agreement 1 of 2017: Conversion of educators on contract into employment on a permanent basis in the Eastern Cape Education Department	23 November 2017

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

**Table 4.14.2 Misconduct and disciplinary hearings finalised**

Outcome of disciplinary hearings	Number	% of total
Acquitted	3	6.98
Demotion	5	11.63
Demotion and a final written warning	1	2.33
Discharged	11	25.58
Employee Resigned	3	6.98
Final written warning	2	4.65
Fine of R10 000.00 and a final written warning	1	2.33
Fine of R 2 500.00 and a final written warning	1	2.33
Fine of R 2 000.00 and a final written warning	1	2.33
Fine of R 3 000.00, final written warning and counselling	1	2.33
Fine of R 8 000.00	1	2.33
Fine of R 8 000.00 and final written warning	1	2.33
One month suspension without pay	3	6.98
Three months suspension without pay	4	9.30



Outcome of disciplinary hearings	Number	% of total
Two months suspension without pay	3	6.98
Two months suspension without pay and a final written warning	1	2.33
Two months suspension without pay and counselling	1	2.33
<b>Grand Total</b>	<b>43</b>	<b>100</b>

**Table 4.14.3 Types of misconduct addressed at disciplinary hearings**

Type of misconduct	Number	% total
Absenteeism	8	18.60
Abusive language	1	2.33
Assaulted a learner	7	16.28
Committed a common law offence	1	2.33
Contravened the act	6	13.95
Dishonesty	1	2.33
Failed to carry out lawful instruction	4	9.30
Failed to comply with the Act	2	4.65
Failed to undertake professional management of the school	1	2.33
Financial mismanagement	3	6.98
Poor performance	1	2.33
Prejudice	3	6.98
Sexual harassment	1	2.33
Theft	1	2.33
Unbecoming behaviour	2	4.65
Under the influence of intoxicating substance	1	2.33
<b>Grand Total</b>	<b>43</b>	<b>100</b>

**Table 4.14.4 Grievances logged for the period 1 April 2017 to 31 March 2018**

Grievances	Number	% of Total
Closed	1	1
Finalized: Resolved	22	15
Finalized: Unresolved	76	54
Pending	41	29
Withdrawn	2	1
<b>Grand Total</b>	<b>142</b>	<b>100</b>

**Table 4.14.5 Disputes logged with Councils for the period 1 April 2017 to 31 March 2018**

Disputes	Number	% of Total
Arbitration hearing pending	90	49.2
Conciliation hearing pending	32	17.5
Dispute dismissed	5	2.7
Dispute settled	17	9.3
Dispute upheld	19	10.4
Dispute withdrawn	16	8.7
In limine hearing pending	1	0.5
No jurisdiction	3	1.6
<b>Grand Total</b>	<b>183</b>	<b>100</b>

**Table 4.14.6 Strike actions for the period 1 April 2017 to 31 March 2018**

Total number of person working days lost	0
Total cost of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

**Table 4.14.7 Precautionary suspensions for the period 1 April 2017 to 31 March 2018**

Number of people suspended	15
Number of people whose suspension exceeded 30 days	12
Average number of days suspended	187 days
Cost of suspension(R'000)	R

#### 4.15. Skills Development

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

**Table 4.15.1 Training needs identified**

Occupational Category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training*	Total
Legislators, Senior Officials and Managers	Male	44	0	380	0	380
	Female	14	0	254	0	254
Professionals	Male	15 303	0	4 380	529	4 909
	Female	38 563	0	10 218	1 233	11 451
Technicians and Associated Professionals	Male	157	0	14	0	14
	Female	308	0	32	0	32
Clerks	Male	1 038	14	91	416	507
	Female	3 400	34	213	972	1 185
Service and Sales Workers	Male	279	0	0	0	0
	Female	33	0	0	0	0
Skilled Agriculture and Fishery Workers	Male	0	0	0	0	0
	Female	0	0	0	0	0
Craft and related trades workers	Male	34	0	0	0	0
	Female	16	0	0	0	0
Plant and Machine Operators and Assemblers	Male	91	0	0	0	0
	Female	3	0	0	0	0
Elementary Occupations	Male	1 468	0	30	30	60
	Female	6 913	0	70	70	140
<b>Sub Total</b>	<b>Male</b>	<b>18 414</b>	<b>14</b>	<b>4 895</b>	<b>975</b>	<b>5 884</b>
	<b>Female</b>	<b>49 250</b>	<b>34</b>	<b>10 787</b>	<b>2 275</b>	<b>13 096</b>
<b>Total</b>		<b>67 664</b>	<b>48</b>	<b>15 682</b>	<b>3 250</b>	<b>18 980</b>

**Table 4.15.2 Training provided for the period**

Occupational Category	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, Senior Officials and Managers	Male	44	0	250	0	250
	Female	14	0	584	0	584
Professionals	Male	15 303	0	2 743	816	3 559
	Female	38 563	0	6 384	1 904	8 288
Technicians and Associated Professionals	Male	157	0	0	0	0
	Female	308	0	0	0	0
Clerks	Male	1 038	0	394	0	394
	Female	3 400	0	918	0	918
Service and Sales Workers	Male	279	0	0	0	0
	Female	33	0	0	0	0
Skilled Agriculture and Fishery Workers	Male	0	0	0	0	0
	Female	0	0	0	0	0
Craft and Related Trades Workers	Male	34	0	0	0	0
	Female	16	0	0	0	0
	Male	91	0	0	0	0

Occupational Category	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Plant and Machine Operators and Assemblers	Female	3	0	0	0	0
Elementary Occupations	Male	1 468	0	83	0	83
	Female	6 913	0	192	0	192
<b>Sub Total</b>	<b>Male</b>	<b>18 414</b>	<b>0</b>	<b>3 470</b>	<b>816</b>	<b>4 286</b>
	<b>Female</b>	<b>49 250</b>	<b>0</b>	<b>8 078</b>	<b>1 904</b>	<b>9 982</b>
<b>Total</b>		<b>67 664</b>	<b>0</b>	<b>11 548</b>	<b>2 720</b>	<b>14 268</b>

#### 4.16. Injury on duty

The following table provides basic information on injury on duty.

**Table 4.16.1 Injury on duty**

Nature of injury on duty	Number	% of total
Required basic medical attention only	180	98.4
Temporary Total Disablement	0	0
Permanent Disablement	1	0.5
Fatal	2	1.1
<b>Total</b>	<b>183</b>	<b>100</b>

#### 4.17. Utilisation of Consultants

**Table 4.17.1. Report on Consultant appointments using appropriated funds**

Directorate	Project Title	Total Number of consultants that worked on project	Duration	Contract value in Rand	End date
Office of the CFO	Provision of technical support to the CFO	Various project teams	24 months	19 095 000	August 2017
EMIS	To ensure that schools report on administrative matters to the Department.	Various project teams	12 months	20 400 000	
Infrastructure	Provide technical support in the implementation of EFMS	Various project teams	26 months	19 971 216.30	August 2018
Infrastructure	Provision of infrastructure programme management services	Various project teams	12 months	16 212 521.52	March 2019
Internal Audit	Provision of internal audit services and technical capacity in a co-sourced capacity	Various project teams	18 months	3 995 119.48	April 2017
Supply Chain Management	Provision of technical support to Supply Chain Management of the Department for a period of eighteen (18) months	Various project teams	12 months	8 859 084.10	May 2017
Office of the SG	Rationalisation and amalgamation of schools	Various project teams	12 months	23 149 362	March 2019
Office of the SG	Panel of Administrators to provide corporate support to the 12 Districts	Various project teams	24 months	19 887 934	May 2018

Directorate	Project Title	Total Number of consultants that worked on project	Duration	Contract value in Rand	End date
Office of the SG	Provisioning of Human Resources Management Project Management Support Office to the Eastern Cape of Education	Various project teams	12 months	19 719 946	February 2017
Office of the SG	Administration of PILIR Cases	Various project teams	12 months	5 192 000	March 2017

**Table 4.17.2. Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDI)**

Directorate	Project Title	Gender	Race	HDI Category
Office of the SG	HRM &D (Rationalisation)	Male	Black	Coloured
Office of the CFO	CFO (Audit Controller)	Male	White	n/a
Office of the CFO	Accounting Services (Technical support)	Male	Black	Black
Internal Control Unit	CFO (Internal Control Unit - ICU)	Male	Black	Black
Strategic Planning, Monitoring and Evaluation	EPEM (Technical support to Strategic, Annual and Operational Plans)	Female	Black	Coloured
Supply Chain Management	Document Management (Technical support)	Female	Black	Black

#### 4.18. Severance Packages

**Table 4.18.1. Granting of employee initiated severance packages for the period 1 April 2017 and 31 March 2018**

Category	No of applications received	No of applications referred to MPSA	No of applications supported by MPSA	No of Packages approved by Department
Lower Skilled (Salary Level 1-2)	0	0	0	0
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled Production (Salary Level 6-8)	0	0	0	0
Highly Skilled Production (Salary Level 9-12)	0	0	0	0
Senior Management (Salary Level 13 and higher)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

No employee severance packages were granted for 2017/2018.

# PART E

# FINANCIAL

# INFORMATION



## 5.1. Report of the Auditor General

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

#### Report on the audit of the financial statements

#### Qualified opinion

1. I have audited the financial statements of the Eastern Cape Department of Education set out on pages 160 to 242, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Department of Education as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa (Act No. 3 of 2017) (DoRA).

#### Basis for qualified opinion

##### Immoveable tangible capital assets

3. The department did not disclose all the work-in-progress at year-end, as required by the MCS, because it did not have appropriate processes and systems in place to account for all its work in progress in the financial statements. I was unable to confirm the amount of work-in-progress by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to work in progress of R 4,2 billion as disclosed in note 32.3 to the financial statements.

##### Commitments

4. I was unable to obtain sufficient appropriate audit evidence that commitments had been properly accounted for, due to the status of the accounting records. I was unable to confirm the commitments by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to commitments stated at R4,8 billion (2017: R2,7 billion) as disclosed in note 20 to the financial statements.

##### Employee benefits

5. The department did not maintain adequate and complete leave records and these were not reviewed for accuracy for the year under review as required by the MCS. Differences were identified between the leave schedules on file and the accounting system. Consequently, capped leave commitments is included in note 22 to the financial statements is overstated by R1,3 billion (2017: R340,6 million).

### Context for the opinion

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

### Emphasis of matters

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

### Irregular expenditure

10. Irregular expenditure is disclosed in note 24 to the financial statements at R2,1 billion (2016/17: R2 billion). Included in this note is irregular expenditure under investigation of R1,6 billion which is comprised of the following spend areas:
  - Goods and services of R511,4 million
  - Infrastructure of R1 billion
  - Transfer payments of R32 million
  - Human resources of R268 000

### Prior period error

11. As disclosed in note 24.7 to the financial statements, the department effected a prior period error correction relating to irregular expenditure of R724,1 million (2016/17: R1,1 billion).

### Underspending of conditional grants

12. As disclosed in note 35 to the financial statements, the department has underspent on conditional grants by R30,2 million (2016/17: R77,7 million).

### Bank overdraft

13. The department was in an overdraft position of R10,1 million (2016/17: R42,9 million) as disclosed in note 15 to the financial statements.

### Other matter

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

## Unaudited supplementary schedules

15. The supplementary annexures set out on pages 245 to 252 do not form part of the financial statements and are presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

### **Responsibilities of accounting officer for the financial statements**

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the financial statements, the accounting officer is responsible for assessing the Eastern Cape Department of Education'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 accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

18. 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.
19. 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

### **Introduction and scope**

20. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be
21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be

Included as part of the reported performance information. Accordingly, my findings do not extend to these matters.



22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

<b>Programmes</b>	<b>Pages in the annual performance report</b>
Programme 2 – Public ordinary schools	50 - 59
Programme 5 – Early childhood development	67 - 69
Programme 6 – Infrastructure	70 - 79
Programme 7 – Examinations and Education Related Services	80 - 86

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

24. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

### **Programme 2 – Public ordinary schools programme**

#### **Reliability of the reported performance**

#### **Various Indicators**

25 I was unable to obtain sufficient appropriate audit evidence for the reported achievements of 2 of the 13 material indicators relating to this programme. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator number	Indicator description	Planned Target	Reported Achievement
PPM 218	Percentage of learners provided with required textbooks in all grades and in all subjects per annum	90%	90%
PPM 219	Number and percentage of learners who complete the whole curriculum each year	1 508 226(85%)	470 870(95%)

### Various indicators

26. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Indicator description	Reported achievement	Audited value
PPM 208: Number of educators trained in Literacy/Language content and methodology	4263	3316
PPM 209: Number of educators trained in Numeracy/Mathematics content and methodology	3746	1665
PPM 205 – learner absenteeism rate	2%	2.5%
PPM 206 - Teacher absenteeism rate	2.7%	2.45%

## Programme 6: Infrastructure Development

### Reliability of the reported performance

#### Various Indicators

27. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of 3 of the 10 indicators relating to this programme. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator number	Indicator description	Planned Target	Reported Achievement
PPM 604	Number of classrooms to be built in public ordinary schools	242	474
PPM 605	Number of specialist rooms to be built in public ordinary schools	25	16
PPM 608	Number of Grade R classrooms to be built	12	15

### **PPM 607: Number of new schools under construction (includes replacement schools)**

28. The reported achievement against the target of 7 new schools under construction was 19 schools under construction. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 34 schools.

### **Usefulness of the reported performance**

#### **Various Indicators**

29. The reasons for variances do not agree with the evidence provided for the indicators listed below:

- PPM 601: Number of public ordinary schools provided with water supply
- PPM 602: Number of public ordinary schools provided with electricity supply
- PPM 603: Number of public ordinary schools to be supplied with sanitation facilities
- PPM 604: Number of additional classrooms built in, or provided for, existing public ordinary schools.
- PPM 605: Number of new schools completed and ready for occupation (includes replacement schools)
- PPM 606: Number of new schools completed and ready for occupation (includes replacement schools)
- PPM 607: Number of new schools under construction (includes replacement schools)
- PPM 608: Number of Grade R classrooms to be built
- PPM 610: Number of schools undergoing scheduled maintenance completed

### **Other matters**

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

## Achievement of planned targets

31. Refer to the annual performance report on pages 49 to 88 for information on the achievement of planned targets for the year and explanations provided for the under achievement of a number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 25 to 28 of this report.

## Adjustment of material misstatements

32. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2: public ordinary schools and programme 5: early childhood development. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information for programme 2: public ordinary schools.

## Report on the audit of compliance with legislation

### Introduction and scope

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

### Annual financial statements

35. 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 misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

### Strategic planning

36. Specific information systems were not established 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).

### Consequence management

37. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against the officials who had incurred and/or permitted irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA.
38. 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.
39. 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.

40. 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.
41. I was unable to obtain sufficient appropriate audit evidence that allegations of theft / fraud / extortion / forgery / uttering a forged document which exceeded R100 000 were reported to the SAPS, as required by section 34(1) of the PRECCA.
42. I was unable to obtain sufficient appropriate audit evidence that confirmed cases of improper conduct in the supply chain management system that constituted a crime were reported to the SAPS, as required by treasury regulation 16A9.1(b)(ii).

#### **Expenditure management**

43. Effective and appropriate steps were not taken to prevent unauthorised expenditure amounting to R 57, 6 million as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.
44. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R97,1 million as disclosed in note 24 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 chain management processes.
45. Money owed by the department were not settled within 30 days, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

#### **Procurement and contract management**

46. Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting officer but it was practical to invite competitive bids, as required by treasury regulations 16A6.1 and 16A6.4. Similar non-compliance was also reported in the prior year.
47. Persons in service of the department who had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by treasury regulation 16A8.4 and the public service regulations 18(1).

#### **Other information**

48. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information 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 in this auditor's report.
49. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
50. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

51. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, 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

52. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

- Leadership had not institutionalised all the disciplines necessary to enable oversight and monitoring to promote efficiency and effectiveness in financial management, performance information and compliance with legislation.
- Leadership had not institutionalised all the disciplines necessary to enable oversight and monitoring to promote efficiency and effectiveness in financial management, performance information and compliance with legislation.
- Leadership must prioritise and recognise the internal audit unit as a key partner in the accountability chain and risk management function. This unit needs to be appropriately resourced and the work performed by the unit utilised by implementing their recommendations.
- The audit committee held engagements with the department to review the annual financial statements and annual performance report prior to submission. The department's state of readiness was assessed in these sessions to determine the reliability, completeness and accuracy within these reports prior to submission thereof to the auditors. The committee concluded that areas of financial reporting was not reliable, complete and accurate at the time of presentation and that areas identified would require adjustment during the audit due to such information not being available at time of submission. Management agreed to follow an approach of remedying these areas subsequent to submission with consultation through to the committee. Misstatements identified at the time of the committee review and during the audit indicate that improvement is required over the timeliness of preparation, internal assurance and review of these reports.

#### Other reports

53. I draw attention to the following engagements conducted by various parties that 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.

### Investigations

54. External investigations are underway relating to SCM processes and delivery of goods and services.

AUDITOR - GENERAL

East London

15 August 2018



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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## Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

### Financial statements

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

### Communication with those charged with governance

3. I communicate with the 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.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



**5.2. Annual Financial Statements**

**PROVINCE OF THE EASTERN CAPE  
DEPARTMENT OF EDUCATION (ECDOE)**

**VOTE 6  
ANNUAL FINANCIAL STATEMENTS (AFS)  
FOR THE YEAR ENDED 31 MARCH 2018**

<b>Preparer:</b>	<b>First level reviewer:</b>	<b>Second level reviewer:</b>
<b>Acting Director Accounting services</b>	<b>Chief Director Financial Management</b>	<b>Chief Financial Officer</b>

**EASTERN CAPE DEPARTMENT OF EDUCATION  
VOTE 6  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

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**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
for the year ended 31 March 2018

Appropriation per programme										
Programme	2017/18					2016/17				
	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	
1. Administration	3 037 443	-	(238 402)	2 799 041	2 715 720	83 321	97.0%	2 610 850	2 606 622	
2. Public Ordinary School Education	26 289 869	-	330 287	26 620 156	26 596 281	23 875	99.9%	24 888 902	25 012 249	
3. Independent School Subsidies	123 042	-	-	123 042	122 899	143	99.9%	120 000	119 985	
4. Public Special Schools	745 942	-	(50 188)	695 754	682 834	12 920	98.1%	649 366	643 705	
5. Early Childhood Development	639 630	-	(51 170)	588 460	495 651	92 809	84.2%	580 484	449 985	
6. Infrastructure Development	1 658 750	-	868	1 659 618	1 659 618	-	100.0%	1 679 492	1 629 640	
7. Examination and Education Related services	524 389	-	8 605	532 994	532 639	355	99.9%	451 640	502 863	
<b>Subtotal</b>	<b>33 019 066</b>	<b>-</b>	<b>-</b>	<b>33 019 066</b>	<b>32 805 642</b>	<b>213 424</b>	<b>99.4%</b>	<b>30 980 734</b>	<b>30 965 049</b>	
<b>Statutory Appropriation</b>	<b>1 978</b>	<b>-</b>	<b>-</b>	<b>1 978</b>	<b>1 978</b>	<b>-</b>	<b>100.0%</b>	<b>1 902</b>	<b>1 902</b>	
Members' remuneration	1 978	-	-	1 978	1 978	-	100.0%	1 902	1 902	
<b>TOTAL</b>	<b>33 021 044</b>	<b>-</b>	<b>-</b>	<b>33 021 044</b>	<b>32 807 620</b>	<b>213 424</b>	<b>99.4%</b>	<b>30 982 636</b>	<b>30 966 951</b>	
<b>Reconciliation with statement of financial performance</b>										
<b>Add</b>										
Departmental receipts				5 661				-		
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>33 026 705</b>				<b>30 982 636</b>		
<b>Add</b>										
Prior year unauthorised expenditure approved without funding					174 570				-	
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>32 982 190</b>				<b>30 966 951</b>	

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
for the year ended 31 March 2018

	Appropriation per economic classification							2016/17	
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>28 807 864</b>	<b>(21 934)</b>	<b>(128 621)</b>	<b>28 657 309</b>	<b>28 647 915</b>	<b>9 394</b>	<b>100.0%</b>	<b>26 458 021</b>	<b>26 640 766</b>
Compensation of employees	25 894 880	-	(24 420)	25 870 460	25 833 475	36 985	99.9%	23 880 888	23 871 773
Salaries and wages	22 423 509	-	16 494	22 440 003	22 325 936	114 067	99.5%	20 560 227	20 541 274
Social contributions	3 471 371	-	(40 914)	3 430 457	3 507 539	(77 082)	102.2%	3 320 661	3 330 499
Goods and services	2 912 983	(21 934)	(104 201)	2 786 848	2 814 208	(27 360)	101.0%	2 577 133	2 765 867
Administrative fees	1 480	-	-	1 480	595	885	40.2%	1 011	1 001
Advertising	11 461	-	-	11 461	19 154	(7 693)	167.1%	11 097	9 170
Minor assets	33 973	(21 461)	-	12 512	9 679	2 833	77.4%	31 482	16 309
Audit costs: External	28 343	(4 321)	-	24 022	24 022	-	100.0%	20 263	18 118
Bursaries: Employees	125 971	19 142	(21 284)	123 829	92 979	30 850	75.1%	64 367	47 904
Catering: Departmental activities	63 276	(1 567)	-	61 709	63 287	(1 578)	102.6%	50 000	40 262
Communication	107 046	(35 640)	-	71 406	71 214	192	99.7%	30 161	28 900
Computer services	81 405	(7 344)	-	74 061	65 362	8 699	88.3%	64 332	57 761
Consultants: Business and advisory services	102 103	185 667	(28 131)	259 639	268 011	(8 372)	103.2%	281 043	252 743
Legal services	48 213	(5 816)	-	42 397	42 397	-	100.0%	33 197	33 105
Contractors	66 339	(28 165)	-	38 174	36 959	1 215	96.8%	143 056	156 080
Agency and support / outsourced services	225 141	16 274	(9 925)	231 490	212 468	19 022	91.8%	153 992	127 764
Entertainment	51	(28)	-	23	-	23	-	735	593
Fleet services	388	-	-	388	-	388	-	369	38

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
**for the year ended 31 March 2018**

Appropriation per economic classification									
2017/18					2016/17				
	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
Inventory: Clothing material and supplies	698	-	-	698	262	436	37.5%	3 302	1 208
Inventory: Farming supplies	-	-	-	-	-	-	-	1 928	1 171
Inventory: Fuel, oil and gas	6 778	8 717	-	15 495	15 059	436	97.2%	28	3 002
Inventory: Learner and teacher support material	600 547	(32 653)	(9 445)	558 449	584 593	(26 144)	104.7%	709 272	1 059 237
Inventory: Materials and supplies	-	-	-	-	-	-	-	89	2 290
Inventory: Other supplies	221 981	17 472	(33 386)	206 067	214 591	(8 524)	104.1%	206 137	230 486
Consumable supplies	14 853	21	-	14 874	10 778	4 096	72.5%	6 283	14 701
Consumable: Stationery, printing and office supplies	166 007	35 369	-	201 376	197 229	4 147	97.9%	196 768	186 265
Operating leases	36 319	(1 556)	-	34 763	26 852	7 911	77.2%	34 533	32 515
Property payments	460 145	(144 852)	-	315 293	390 032	(74 739)	123.7%	52 023	48 037
Transport provided: Departmental activity	7 724	-	-	7 724	8 656	(932)	112.1%	2 152	1 726
Travel and subsistence	281 256	(3 642)	-	277 614	294 320	(16 706)	106.0%	267 531	259 785
Training and development	126 970	1 592	(2 030)	126 532	80 126	46 406	63.3%	156 925	87 459
Operating payments	71 401	(22 537)	-	48 864	61 146	(12 282)	125.1%	48 368	45 340
Venues and facilities	23 105	3 394	-	26 499	24 378	2 121	92.0%	6 689	2 897
Rental and hiring	10	-	-	10	59	(49)	590%	-	-
Interest and rent on land	-	-	-	-	232	(232)	-	-	3 126
Interest	-	-	-	-	232	(232)	-	-	3 126

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
**for the year ended 31 March 2018**

Appropriation per economic classification										
	2017/18					2016/17				
	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	
<b>Transfers and subsidies</b>	<b>2 451 781</b>	<b>29 254</b>	<b>128 621</b>	<b>2 609 656</b>	<b>2 619 689</b>	<b>(10 033)</b>	<b>100.4%</b>	<b>2 638 155</b>	<b>2 561 550</b>	
Departmental agencies and accounts	64 052	-	-	64 052	64 052	-	100.0%	59 662	59 662	
Departmental agencies and accounts	64 052	-	-	64 052	64 052	-	100.0%	59 662	59 662	
Higher education institutions	-	-	-	-	90	(90)	-	-	-	
Non-profit institutions	2 121 153	47 041	133 551	2 301 745	2 311 688	(9 943)	100.4%	2 259 511	2 257 635	
Households	266 576	(17 787)	(4 930)	243 859	243 859	-	100.0%	318 982	244 253	
Social benefits	-	-	-	-	210 030	(210 030)	-	1 850	241 802	
Other transfers to households	266 576	(17 787)	(4 930)	243 859	33 829	210 030	13.9%	317 132	2 451	
<b>Payments for capital assets</b>	<b>1 761 399</b>	<b>(7 320)</b>	<b>-</b>	<b>1 754 079</b>	<b>1 540 017</b>	<b>214 062</b>	<b>87.8%</b>	<b>1 886 461</b>	<b>1 764 635</b>	
Buildings and other fixed structures	1 524 354	(7 320)	-	1 517 034	1 431 323	85 711	94.4%	1 520 260	1 473 297	
Buildings	-	-	-	-	66 046	(66 046)	-	-	-	
Other fixed structures	1 524 354	(7 320)	-	1 517 034	1 365 277	151 757	90.0%	1 520 260	1 473 297	
Machinery and equipment	227 610	-	-	227 610	100 182	127 428	44.0%	364 984	290 926	
Transport equipment	8 135	-	-	8 135	58 304	(50 169)	716.7%	46 776	29 743	
Other machinery and equipment	219 475	-	-	219 475	41 878	177 597	19.1%	318 208	261 183	
Intangible assets	9 435	-	-	9 435	8 512	923	90.2%	1 217	412	
Payments for financial assets	-	-	-	-	(1)	1	-	-	-	
<b>Total</b>	<b>33 021 044</b>	<b>-</b>	<b>-</b>	<b>33 021 044</b>	<b>32 807 620</b>	<b>213 424</b>	<b>99.4%</b>	<b>30 982 636</b>	<b>30 966 951</b>	

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
for the year ended 31 March 2018

Statutory Appropriation										
	2017/18					2016/17				
	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	
<b>Sub-programme</b>										
1. Member's remuneration	1 978	-	-	1 978	1 978	-	100.0%	1 902	1 902	
<b>Total for sub-programmes</b>	<b>1 978</b>	<b>-</b>	<b>-</b>	<b>1 978</b>	<b>1 978</b>	<b>-</b>	<b>100.0%</b>	<b>1 902</b>	<b>1 902</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>1 978</b>			<b>1 978</b>	<b>1 978</b>		<b>100.0%</b>	<b>1 902</b>	<b>1 902</b>	
Compensation of employees	1 978	-	-	1 978	1 978	-	100.0%	1 902	1 902	
Salaries and wages	1 978	-	-	1 978	1 978	-	100.0%	1 902	1 902	
<b>Total</b>	<b>1 978</b>	<b>-</b>	<b>-</b>	<b>1 978</b>	<b>1 978</b>	<b>-</b>	<b>100.0%</b>	<b>1 902</b>	<b>1 902</b>	

Sub-programme: Member's Remuneration										
	2017/18					2016/17				
	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	
<b>Economic classification</b>										
<b>Current payments</b>	<b>1 978</b>			<b>1 978</b>	<b>1 978</b>		<b>100.0%</b>	<b>1 902</b>	<b>1 902</b>	
Compensation of employees	1 978	-	-	1 978	1 978	-	100.0%	1 902	1 902	
<b>Total</b>	<b>1 978</b>	<b>-</b>	<b>-</b>	<b>1 978</b>	<b>1 978</b>	<b>-</b>	<b>100.0%</b>	<b>1 902</b>	<b>1 902</b>	

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
for the year ended 31 March 2018

Programme 1: Administration										
	2017/18					2016/17				
	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	
<b>Sub-programme</b>										
1. Office of the MEC	31 309	-	-	31 309	26 161	5 148	83.6%	9 821	7 386	
2. Corporate Services	1 620 633	33 593	(205 341)	1 448 885	1 406 472	42 413	97.1%	1 473 195	1 387 058	
3. Education Management	1 286 177	(33 593)	(33 061)	1 219 523	1 214 869	4 654	99.6%	1 068 916	1 159 061	
4. Human Resource Development	29 180	-	-	29 180	27 340	1 840	93.7%	13 831	12 756	
5. Education Management Information System (EMIS)	70 144	-	-	70 144	40 878	29 266	58.3%	45 087	40 361	
<b>Total for sub-programmes</b>	<b>3 037 443</b>	<b>-</b>	<b>(238 402)</b>	<b>2 799 041</b>	<b>2 715 720</b>	<b>83 321</b>	<b>97.0%</b>	<b>2 610 850</b>	<b>2 606 622</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>2 834 813</b>	<b>-</b>	<b>(233 472)</b>	<b>2 601 341</b>	<b>2 596 518</b>	<b>4 823</b>	<b>99.8%</b>	<b>2 459 980</b>	<b>2 520 564</b>	
Compensation of employees	2 241 824	-	(205 341)	2 036 483	2 031 731	4 752	99.8%	1 812 683	1 900 692	
Salaries and wages	1 999 772	-	(164 427)	1 835 345	1 756 289	79 056	95.7%	1 649 717	1 642 064	
Social contributions	242 052	-	(40 914)	201 138	275 442	(74 304)	136.9%	162 966	258 628	
Goods and services	592 989	-	(28 131)	564 858	564 613	245	100.0%	647 297	616 746	
Administrative fees	1 104	-	-	1 104	377	727	34.1%	630	978	
Advertising	10 561	-	-	10 561	16 480	(5 919)	156.0%	10 597	8 689	
Minor assets	9 225	(1 769)	-	7 456	4 276	3 180	57.3%	6 221	15 458	
Audit costs: External	28 343	(4 321)	-	24 022	24 022	-	100.0%	19 740	18 118	
Bursaries: Employees	2 250	-	-	2 250	1 702	548	75.6%	2 203	1 820	
Catering: Departmental activities	9 608	(495)	-	9 113	6 128	2 985	67.2%	6 832	4 879	



**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
**for the year ended 31 March 2018**

Programme 1: Administration										
	2017/18					2016/17				
	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	
Communication	22 280	(2 788)	-	19 492	19 359	133	99.3%	25 026	24 051	
Computer services	66 678	(7 344)	-	59 334	57 160	2 174	96.3%	57 907	55 045	
Consultants: Business and advisory services	67 624	94 462	(28 131)	133 955	142 327	(8 372)	106.2%	278 987	250 687	
Legal services	48 213	(5 816)	-	42 397	42 397	-	100.0%	33 197	33 105	
Contractors	58 115	(27 362)	-	30 753	29 681	1 072	96.5%	8 038	8 837	
Agency and support / outsourced services	13 276	(2 059)	-	11 217	11 217	-	100.0%	14 240	12 776	
Entertainment	51	(28)	-	23	-	23	-	115	108	
Fleet services	388	-	-	388	-	388	-	369	38	
Inventory: Clothing material and supplies	140	-	-	140	79	61	56.4%	1	1	
Inventory: Fuel, oil and gas	-	8 717	-	8 717	8 717	-	100.0%	12	2	
Inventory: Materials and supplies	-	-	-	-	-	-	-	44	184	
Inventory: Other supplies	42	-	-	42	70	(28)	166.7%	184	-	
Consumable supplies	3 553	(1 048)	-	2 505	2 615	(110)	104.4%	2 997	12 073	
Consumable: Stationery, printing and office supplies	14 783	(5 345)	-	9 438	9 109	329	96.5%	16 523	11 997	
Operating leases	9 012	-	-	9 012	8 655	357	96.0%	9 518	6 835	
Property payments	47 773	(10 608)	-	37 165	37 067	98	99.7%	38 893	39 969	
Transport provided: Departmental activity	76	-	-	76	77	(1)	101.3%	77	-	

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
for the year ended 31 March 2018

Programme 1: Administration										
	2017/18					2016/17				
	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	
Travel and subsistence	105 082	(6 349)	-	98 733	97 102	1 631	98.3%	86 865	85 165	
Training and development	27 376	-	-	27 376	26 993	383	98.6%	10 467	8 305	
Operating payments	45 334	(27 847)	-	17 487	17 463	24	99.9%	16 486	16 827	
Venues and facilities	2 092	-	-	2 092	1 520	572	72.7%	1 128	799	
Rental and hiring	10	-	-	10	20	(10)	200.0%	-	-	
Interest and rent on land	-	-	-	-	174	(174)	-	-	3 126	
Interest	-	-	-	-	174	(174)	-	-	3 126	
<b>Transfers and subsidies</b>	<b>71 682</b>	-	<b>(4 930)</b>	<b>66 752</b>	<b>28 733</b>	<b>38 019</b>	<b>43.0%</b>	<b>55 174</b>	<b>38 679</b>	
Higher education institutions	-	-	-	-	90	(90)	-	-	-	
Non-profit institutions	137	-	-	137	40	97	29.2%	131	115	
Households	71 545	-	(4 930)	66 615	28 603	38 012	42.9%	55 043	38 564	
Social benefits	-	-	-	-	28 533	(28 533)	-	-	36 253	
Other transfers to households	71 545	-	(4 930)	66 615	70	66 545	0.1%	55 043	2 311	
<b>Payments for capital assets</b>	<b>130 948</b>	-	-	<b>130 948</b>	<b>90 470</b>	<b>40 478</b>	<b>69.1%</b>	<b>95 696</b>	<b>47 379</b>	
Machinery and equipment	121 845	-	-	121 845	81 958	39 887	67.3%	94 795	46 967	
Transport equipment	8 135	-	-	8 135	45 465	(37 330)	558.9%	27 267	27 217	
Other machinery and equipment	113 710	-	-	113 710	36 493	77 217	32.1%	67 528	19 750	
Intangible assets	9 103	-	-	9 103	8 512	591	93.5%	901	412	
<b>Payments for financial assets</b>	-	-	-	-	<b>(1)</b>	<b>1</b>	-	-	-	
<b>Total</b>	<b>3 037 443</b>	-	<b>(238 402)</b>	<b>2 799 041</b>	<b>2 715 720</b>	<b>83 321</b>	<b>97.0%</b>	<b>2 610 850</b>	<b>2 606 622</b>	

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
for the year ended 31 March 2018

Sub-programme 1.1: Office of the MEC										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>29 386</b>	-	-	<b>29 386</b>	<b>24 169</b>	<b>5 217</b>	<b>82.2%</b>	<b>9 583</b>	<b>7 240</b>	
Compensation of employees	3 854	-	-	3 854	3 563	291	92.4%	5 381	3 370	
Goods and services	25 532	-	-	25 532	20 606	4 926	80.7%	4 202	3 870	
<b>Transfers and subsidies</b>	<b>137</b>	-	-	<b>137</b>	<b>130</b>	<b>7</b>	<b>94.9%</b>	<b>131</b>	<b>115</b>	
Higher education institutions	-	-	-	-	90	(90)	-	-	-	
Non-profit institutions	137	-	-	137	40	97	29.2%	131	115	
<b>Payments for capital assets</b>	<b>1 786</b>	-	-	<b>1 786</b>	<b>1 862</b>	<b>(76)</b>	<b>104.3%</b>	<b>107</b>	<b>31</b>	
Machinery and equipment	1 786	-	-	1 786	1 862	(76)	104.3%	107	31	
<b>Total</b>	<b>31 309</b>	-	-	<b>31 309</b>	<b>26 161</b>	<b>5 148</b>	<b>83.6%</b>	<b>9 821</b>	<b>7 386</b>	

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
for the year ended 31 March 2018

Economic classification	2017/18						2016/17		
	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
<b>Current payments</b>	<b>1 476 543</b>	<b>33 593</b>	<b>(205 341)</b>	<b>1 304 795</b>	<b>1 305 841</b>	<b>(1 046)</b>	<b>100.1%</b>	<b>1 361 713</b>	<b>1 326 402</b>
Compensation of employees	1 087 632	-	(205 341)	882 291	881 818	473	99.9%	817 860	806 541
Goods and services	388 911	33 593	-	422 504	423 849	(1 345)	100.3%	543 853	516 735
Interest and rent on land	-	-	-	-	174	(174)	-	-	3 126
<b>Transfers and subsidies</b>	<b>47 669</b>	<b>-</b>	<b>-</b>	<b>47 669</b>	<b>12 137</b>	<b>35 532</b>	<b>25.5%</b>	<b>19 304</b>	<b>14 879</b>
Households	47 669	-	-	47 669	12 137	35 532	25.5%	19 304	14 879
<b>Payments for capital assets</b>	<b>96 421</b>	<b>-</b>	<b>-</b>	<b>96 421</b>	<b>88 495</b>	<b>7 926</b>	<b>91.8%</b>	<b>92 178</b>	<b>45 777</b>
Machinery and equipment	88 080	-	-	88 080	79 999	8 081	90.8%	92 003	45 627
Intangible assets	8 341	-	-	8 341	8 496	(155)	101.9%	175	150
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 620 633</b>	<b>33 593</b>	<b>(205 341)</b>	<b>1 448 885</b>	<b>1 406 472</b>	<b>42 413</b>	<b>97.1%</b>	<b>1 473 195</b>	<b>1 387 058</b>

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
for the year ended 31 March 2018

Sub-programme 1.3: Education Management										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>1 262 301</b>	<b>(33 593)</b>	<b>(28 131)</b>	<b>1 200 577</b>	<b>1 198 306</b>	<b>2 271</b>	<b>99.8%</b>	<b>1 031 566</b>	<b>1 134 577</b>	
Compensation of employees	1 126 526	-	-	1 126 526	1 125 053	1 473	99.9%	967 466	1 070 850	
Goods and services	135 775	(33 593)	(28 131)	74 051	73 253	798	98.9%	64 100	63 727	
<b>Transfers and subsidies</b>	<b>23 876</b>	<b>-</b>	<b>(4 930)</b>	<b>18 946</b>	<b>16 466</b>	<b>2 480</b>	<b>86.9%</b>	<b>34 739</b>	<b>23 175</b>	
Households	23 876	-	(4 930)	18 946	16 466	2 480	86.9%	34 739	23 175	
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97</b>	<b>(97)</b>	<b>-</b>	<b>2 611</b>	<b>1 309</b>	
Machinery and equipment	-	-	-	-	97	(97)	-	2 611	1 309	
<b>Total</b>	<b>1 286 177</b>	<b>(33 593)</b>	<b>(33 061)</b>	<b>1 219 523</b>	<b>1 214 869</b>	<b>4 654</b>	<b>99.6%</b>	<b>1 068 916</b>	<b>1 159 061</b>	

Sub-programme 1.4: Human Resource Development										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>29 180</b>	<b>-</b>	<b>-</b>	<b>29 180</b>	<b>27 340</b>	<b>1 840</b>	<b>93.7%</b>	<b>13 831</b>	<b>12 756</b>	
Goods and services	29 180	-	-	29 180	27 340	1 840	93.7%	13 831	12 756	
<b>Total</b>	<b>29 180</b>	<b>-</b>	<b>-</b>	<b>29 180</b>	<b>27 340</b>	<b>1 840</b>	<b>93.7%</b>	<b>13 831</b>	<b>12 756</b>	

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
for the year ended 31 March 2018

Sub-programme 1.5: Education Management Information System (EMIS)										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>37 403</b>	-	-	<b>37 403</b>	<b>40 862</b>	<b>(3 459)</b>	<b>109.2%</b>	<b>43 287</b>	<b>39 589</b>	
Compensation of employees	23 812	-	-	23 812	21 297	2 515	89.4%	21 976	19 931	
Goods and services	13 591	-	-	13 591	19 565	(5 974)	144.0%	21 311	19 658	
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>1 000</b>	<b>510</b>	
Households	-	-	-	-	-	-	-	1 000	510	
<b>Payments for capital assets</b>	<b>32 741</b>	-	-	<b>32 741</b>	<b>16</b>	<b>32 725</b>	<b>0.0%</b>	<b>800</b>	<b>262</b>	
Machinery and equipment	31 979	-	-	31 979	-	31 979	-	74	-	
Intangible assets	762	-	-	762	16	746	2.1%	726	262	
<b>Total</b>	<b>70 144</b>	-	-	<b>70 144</b>	<b>40 878</b>	<b>29 266</b>	<b>58.3%</b>	<b>45 087</b>	<b>40 361</b>	

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
for the year ended 31 March 2018

Programme 2: Public Ordinary School Education										
	2017/18					2016/17				
	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	
<b>Sub-programme</b>										
1. Public Primary Schools	8 715 703	(77 101)	95 096	8 733 698	8 793 398	(59 700)	100.7%	8 616 704	8 628 838	
2. Public Secondary Schools	16 210 880	53 172	235 191	16 499 243	16 413 751	85 492	99.5%	14 965 230	15 189 231	
3. Human Resource Development	89 350	23 929	-	113 279	149 701	(36 422)	132.2%	102 850	81 586	
4. School Sport, Culture and Media Services	56 002	-	-	56 002	51 005	4 997	91.1%	47 269	43 723	
5. Conditional Grants	1 217 934	-	-	1 217 934	1 188 426	29 508	97.6%	1 156 849	1 068 871	
<b>Total for sub-programmes</b>	<b>26 289 869</b>	-	<b>330 287</b>	<b>26 620 156</b>	<b>26 596 281</b>	<b>23 875</b>	<b>99.9%</b>	<b>24 888 902</b>	<b>25 012 249</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>24 132 503</b>	<b>(29 254)</b>	<b>196 736</b>	<b>24 299 985</b>	<b>24 305 260</b>	<b>(5 276)</b>	<b>100.0%</b>	<b>22 346 720</b>	<b>22 539 051</b>	
Compensation of employees	22 420 602	-	196 736	22 617 338	22 622 613	(5 275)	100.0%	20 978 358	20 844 366	
Salaries and wages	19 295 968	-	196 736	19 492 704	19 485 595	7 109	100.0%	17 967 084	17 862 217	
Social contributions	3 124 634	-	-	3 124 634	3 137 018	(12 384)	100.4%	3 011 274	2 982 149	
Goods and services	1 711 901	(29 254)	-	1 682 647	1 682 647	(1)	100.0%	1 368 362	1 694 685	
Administrative fees	376	-	-	376	218	158	58.0%	368	11	
Advertising	900	-	-	900	2 674	(1 774)	297.1%	500	481	
Minor assets	23 173	(19 692)	-	3 481	5 082	(1 601)	146.0%	23 957	581	
Audit costs: External	-	-	-	-	-	-	-	523	-	
Bursaries: Employees	33 421	19 142	-	52 563	52 717	(154)	100.3%	62 164	46 084	

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
**for the year ended 31 March 2018**

Programme 2: Public Ordinary School Education										
	2017/18					2016/17				
	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	
Catering: Departmental activities	42 653	(1 072)	-	41 581	47 255	(5 674)	113.6%	34 127	28 332	
Communication	84 766	(32 852)	-	51 914	51 855	59	99.9%	4 935	4 849	
Computer services	7 804	-	-	7 804	5 420	2 384	69.5%	784	-	
Consultants: Business and advisory services	34 479	91 205	-	125 684	125 684	-	100.0%	2 056	2 056	
Contractors	8 212	(803)	-	7 409	7 251	158	97.9%	6 265	3 880	
Agency and support / outsourced services	180 437	18 333	-	198 770	180 715	18 055	90.9%	121 120	96 265	
Entertainment	-	-	-	-	-	-	-	155	25	
Inventory: Clothing material and supplies	258	-	-	258	183	75	70.9%	1 721	1 200	
Inventory: Farming supplies	-	-	-	-	-	-	-	1 928	1 171	
Inventory: Fuel, oil and gas	6 778	-	-	6 778	4 518	2 260	66.7%	16	3 000	
Inventory: Learner and teacher support material	552 501	(32 653)	-	519 848	550 878	(31 030)	106.0%	667 858	1 050 052	
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	2 066	
Inventory: Other supplies	188 352	17 472	-	205 824	214 319	(8 496)	104.1%	200 945	225 514	
Consumable supplies	10 420	1 069	-	11 489	7 367	4 122	64.1%	2 451	1 881	
Consumable: Stationery, printing and office supplies	24 392	40 714	-	65 106	62 965	2 141	96.7%	42 444	42 990	
Operating leases	26 247	(1 556)	-	24 691	17 849	6 842	72.3%	23 737	24 664	
Property payments	285 131	(141 564)	-	143 567	131 128	12 439	91.3%	7 659	4 925	



**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**APPROPRIATION STATEMENTS**  
for the year ended 31 March 2018

Programme 2: Public Ordinary School Education										
	2017/18					2016/17				
	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	
Transport provided: Departmental activity	7 648	-	-	7 648	8 575	(927)	112.1%	1 791	1 523	
Travel and subsistence	104 470	2 707	-	107 177	128 861	(21 684)	120.2%	108 803	105 279	
Training and development	61 660	1 592	-	63 252	43 168	20 084	68.2%	34 699	32 904	
Operating payments	8 914	5 310	-	14 224	12 673	1 551	89.1%	13 042	13 864	
Venues and facilities	18 909	3 394	-	22 303	21 292	1 011	95.5%	4 314	1 088	
<b>Transfers and subsidies</b>	<b>2 072 949</b>	<b>29 254</b>	<b>133 551</b>	<b>2 235 754</b>	<b>2 283 685</b>	<b>(47 931)</b>	<b>102.1%</b>	<b>2 282 014</b>	<b>2 229 733</b>	
Non-profit institutions	1 879 860	47 041	133 551	2 060 452	2 072 863	(12 411)	100.6%	2 019 925	2 028 386	
Households	193 089	(17 787)	-	175 302	210 822	(35 520)	120.3%	262 089	201 347	
Social benefits	-	-	-	-	177 099	(177 099)	-	-	201 222	
Other transfers to households	193 089	(17 787)	-	175 302	33 723	141 579	19.2%	262 089	125	
<b>Payments for capital assets</b>	<b>84 418</b>	<b>-</b>	<b>-</b>	<b>84 418</b>	<b>7 336</b>	<b>77 082</b>	<b>8.7%</b>	<b>260 168</b>	<b>243 465</b>	
Buildings and other fixed structures	600	-	-	600	1 262	(662)	210.3%	-	-	
Buildings	-	-	-	-	1 262	(1 262)	-	-	-	
Other fixed structures	600	-	-	600	-	600	-	-	-	
Machinery and equipment	83 486	-	-	83 486	6 074	77 412	7.3%	259 852	243 465	
Transport equipment	-	-	-	-	3 941	(3 941)	-	13 009	2 526	
Other machinery and equipment	83 486	-	-	83 486	2 133	81 353	2.6%	246 843	240 939	
Intangible assets	332	-	-	332	-	332	-	316	-	
<b>Total</b>	<b>26 289 869</b>	<b>-</b>	<b>330 287</b>	<b>26 620 156</b>	<b>26 596 281</b>	<b>23 875</b>	<b>99.9%</b>	<b>24 888 902</b>	<b>25 012 249</b>	

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Sub-programme 2.1: Public Primary Schools										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>8 374 340</b>	<b>(77 101)</b>	<b>37 615</b>	<b>8 334 854</b>	<b>8 319 888</b>	<b>14 966</b>	<b>99.8%</b>	<b>8 158 773</b>	<b>8 043 379</b>	
Compensation of employees	7 921 402	-	37 615	7 959 017	7 959 017	-	100.0%	7 769 664	7 455 567	
Goods and services	452 938	(77 101)	-	375 837	360 871	14 966	96.0%	389 109	587 812	
<b>Transfers and subsidies</b>	<b>334 673</b>	<b>-</b>	<b>57 481</b>	<b>392 154</b>	<b>471 696</b>	<b>(79 542)</b>	<b>120.3%</b>	<b>455 201</b>	<b>583 586</b>	
Non-profit institutions	310 462	17 787	57 481	385 730	393 352	(7 622)	102.0%	347 196	504 616	
Households	24 211	(17 787)	-	6 424	78 344	(71 920)	1219.6%	108 005	78 970	
<b>Payments for capital assets</b>	<b>6 690</b>	<b>-</b>	<b>-</b>	<b>6 690</b>	<b>1 814</b>	<b>4 876</b>	<b>27.1%</b>	<b>2 730</b>	<b>1 873</b>	
Machinery and equipment	6 690	-	-	6 690	1 814	4 876	27.1%	2 730	1 873	
<b>Total</b>	<b>8 715 703</b>	<b>(77 101)</b>	<b>95 096</b>	<b>8 733 698</b>	<b>8 793 398</b>	<b>(59 700)</b>	<b>100.7%</b>	<b>8 616 704</b>	<b>8 628 838</b>	

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Economic classification	2017/18						2016/17		
	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
<b>Current payments</b>	<b>15 488 198</b>	<b>23 918</b>	<b>159 121</b>	<b>15 671 237</b>	<b>15 724 013</b>	<b>(52 777)</b>	<b>100.3%</b>	<b>13 935 755</b>	<b>14 275 817</b>
Compensation of employees	14 474 042	-	159 121	14 633 163	14 641 668	(8 505)	100.1%	13 177 926	13 365 525
Goods and services	1 014 156	23 918	-	1 038 074	1 082 345	(44 272)	104.3%	757 829	910 292
<b>Transfers and subsidies</b>	<b>648 181</b>	<b>29 254</b>	<b>76 070</b>	<b>753 505</b>	<b>686 604</b>	<b>66 901</b>	<b>91.1%</b>	<b>782 618</b>	<b>675 050</b>
Non-profit institutions	479 303	29 254	76 070	584 627	587 522	(2 895)	100.5%	628 534	552 673
Households	168 878	-	-	168 878	99 082	69 796	58.7%	154 084	122 377
<b>Payments for capital assets</b>	<b>74 502</b>	<b>-</b>	<b>-</b>	<b>74 502</b>	<b>3 134</b>	<b>71 368</b>	<b>4.2%</b>	<b>246 857</b>	<b>238 364</b>
Buildings and other fixed structures	600	-	-	600	1 262	(662)	210.3%	-	-
Machinery and equipment	73 570	-	-	73 570	1 872	71 698	2.5%	246 541	238 364
Intangible assets	332	-	-	332	-	332	-	316	-
<b>Total</b>	<b>16 210 880</b>	<b>53 172</b>	<b>235 191</b>	<b>16 499 243</b>	<b>16 413 751</b>	<b>85 492</b>	<b>99.5%</b>	<b>14 965 230</b>	<b>15 189 231</b>

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Sub-programme 2.3: Human Resources Development										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>89 350</b>	<b>23 929</b>	-	<b>113 279</b>	<b>114 411</b>	<b>(1 132)</b>	<b>101.0%</b>	<b>102 850</b>	<b>81 579</b>	
Goods and services	89 350	23 929	-	113 279	114 411	(1 132)	101.0%	102 850	81 579	
<b>Transfers and subsidies</b>	-	-	-	-	<b>35 290</b>	<b>(35 290)</b>	-	-	-	
Non-profit institutions	-	-	-	-	1 894	(1 894)	-	-	-	
Households	-	-	-	-	33 396	(33 396)	-	-	-	
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	<b>7</b>	
Machinery and equipment	-	-	-	-	-	-	-	-	<b>7</b>	
<b>Total</b>	<b>89 350</b>	<b>23 929</b>	-	<b>113 279</b>	<b>149 701</b>	<b>(36 422)</b>	<b>132.2%</b>	<b>102 850</b>	<b>81 586</b>	

Sub-programme 2.4: School Sport, Culture and Media Services										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>55 746</b>	-	-	<b>55 746</b>	<b>51 005</b>	<b>4 741</b>	<b>91.5%</b>	<b>46 975</b>	<b>43 534</b>	
Goods and services	55 746	-	-	55 746	51 005	4 741	91.5%	46 975	43 534	
<b>Payments for capital assets</b>	<b>256</b>	-	-	<b>256</b>	-	<b>256</b>	-	<b>294</b>	<b>189</b>	
Machinery and equipment	256	-	-	256	-	256	-	294	189	
<b>Total</b>	<b>56 002</b>	-	-	<b>56 002</b>	<b>51 005</b>	<b>4 997</b>	<b>91.1%</b>	<b>47 269</b>	<b>43 723</b>	

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Sub-programme 2.5: Conditional Grants									
Economic classification	2017/18					2016/17			
	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
<b>Current payments</b>	<b>124 869</b>	-	-	<b>124 869</b>	<b>95 943</b>	<b>28 926</b>	<b>76.8%</b>	<b>102 367</b>	<b>94 742</b>
Compensation of employees	25 158	-	-	25 158	21 928	3 230	87.2%	30 768	23 274
Goods and services	99 711	-	-	99 711	74 015	25 696	74.2%	71 599	71 468
<b>Transfers and subsidies</b>	<b>1 090 095</b>	-	-	<b>1 090 095</b>	<b>1 090 095</b>	-	<b>100.0%</b>	<b>1 044 195</b>	<b>971 097</b>
Non-profit institutions	1 090 095	-	-	1 090 095	1 090 095	-	100.0%	1 044 195	971 097
<b>Payments for capital assets</b>	<b>2 970</b>	-	-	<b>2 970</b>	<b>2 388</b>	<b>582</b>	<b>80.4%</b>	<b>10 287</b>	<b>3 032</b>
Machinery and equipment	2 970	-	-	2 970	2 388	582	80.4%	10 287	3 032
<b>Total</b>	<b>1 217 934</b>	-	-	<b>1 217 934</b>	<b>1 188 426</b>	<b>29 508</b>	<b>97.6%</b>	<b>1 156 849</b>	<b>1 068 871</b>

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Programme 3: Independent Schools										
2017/18						2016/17				
Sub-programme	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	R'000
1. Primary Phase	71 393	18 393	-	89 786	89 740	46	99.9%	70 801	63 244	
2. Secondary Phase	51 649	(18 393)	-	33 256	33 159	97	99.7%	49 199	56 741	
<b>Total for sub-programmes</b>	<b>123 042</b>	<b>-</b>	<b>-</b>	<b>123 042</b>	<b>122 899</b>	<b>143</b>	<b>99.9%</b>	<b>120 000</b>	<b>119 985</b>	
<b>Economic classification</b>										
<b>Transfers and subsidies</b>	<b>123 042</b>	<b>-</b>	<b>-</b>	<b>123 042</b>	<b>122 899</b>	<b>143</b>	<b>99.9%</b>	<b>120 000</b>	<b>119 985</b>	
Non-profit institutions	123 042	-	-	123 042	122 899	143	99.9%	120 000	119 985	
<b>Total</b>	<b>123 042</b>	<b>-</b>	<b>-</b>	<b>123 042</b>	<b>122 899</b>	<b>143</b>	<b>99.9%</b>	<b>120 000</b>	<b>119 985</b>	

Sub-programme 3.1: Primary Phase										
2017/18						2016/17				
Economic classification	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	R'000
<b>Transfers and subsidies</b>	<b>71 393</b>	<b>18 393</b>	<b>-</b>	<b>89 786</b>	<b>89 740</b>	<b>46</b>	<b>99.9%</b>	<b>70 801</b>	<b>63 244</b>	
Non-profit institutions	71 393	18 393	-	89 786	89 740	46	99.9%	70 801	63 244	
<b>Total</b>	<b>71 393</b>	<b>18 393</b>	<b>-</b>	<b>89 786</b>	<b>89 740</b>	<b>46</b>	<b>99.9%</b>	<b>70 801</b>	<b>63 244</b>	

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Sub-programme 3.2: Secondary Phase										
Economic classification	2017/18					2016/17				
	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	
Transfers and subsidies	51 649	(18 393)	-	33 256	33 159	97	99.7%	49 199	56 741	
Non-profit institutions	51 649	(18 393)	-	33 256	33 159	97	99.7%	49 199	56 741	
<b>Total</b>	<b>51 649</b>	<b>(18 393)</b>	<b>-</b>	<b>33 256</b>	<b>33 159</b>	<b>97</b>	<b>99.7%</b>	<b>49 199</b>	<b>56 741</b>	

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Programme 4: Public Special Schools										
	2017/18					2016/17				
	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	
<b>Sub-programme</b>										
1. Schools	733 629	-	(50 188)	683 441	675 327	8 114	98.8%	641 009	638 116	
2. Human Resource Development	2 699	-	-	2 699	1 789	910	66.3%	2 570	1 969	
3. School Sport, Culture and Media Services	6 077	-	-	6 077	4 990	1 087	82.1%	5 787	3 593	
4. Conditional Grants for OSD Therapist	3 537	-	-	3 537	728	2 809	20.6%	-	27	
<b>Total for sub-programmes</b>	<b>745 942</b>	<b>-</b>	<b>(50 188)</b>	<b>695 754</b>	<b>682 834</b>	<b>12 920</b>	<b>98.1%</b>	<b>649 366</b>	<b>643 705</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>652 007</b>	<b>-</b>	<b>(49 320)</b>	<b>602 687</b>	<b>597 953</b>	<b>4 734</b>	<b>99.2%</b>	<b>579 947</b>	<b>577 082</b>	
Compensation of employees	6'10 255	-	(24 420)	585 835	583 796	2 039	99.7%	555 899	555 926	
Salaries and wages	526 387	-	(24 420)	501 967	495 652	6 315	98.7%	478 298	472 001	
Social contributions	83 868	-	-	83 868	88 144	(4 276)	105.1%	77 601	83 925	



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Programme 4: Public Special Schools										
	2017/18					2016/17				
	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	
Goods and services	41 752	-	(24 900)	16 852	14 157	2 695	84.0%	24 048	21 156	
Administrative fees	-	-	-	-	-	-	-	1	-	
Minor assets	1 514	-	-	1 514	133	1 381	8.8%	455	166	
Bursaries: Employees	300	-	-	300	-	300	-	-	-	
Catering: Departmental activities	1 810	-	-	1 810	1 724	86	95.2%	2 146	1 314	
Agency and support / outsourced services	9 925	-	(9 925)	-	-	-	-	-	-	
Entertainment	-	-	-	-	-	-	-	465	460	
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	70	-	
Inventory: Learner and teacher support material	9 585	-	(9 445)	140	-	140	-	3 036	3 036	
Inventory: Other supplies	3 500	-	(3 500)	-	-	-	-	4 420	4 418	
Consumable supplies	-	-	-	-	56	(56)	-	-	-	
Consumable: Stationery, printing and office supplies	500	-	-	500	167	333	33.4%	-	-	
Property payments	1 155	-	-	1 155	-	1 155	-	604	604	
Transport provided: Departmental activity	-	-	-	-	4	(4)	-	284	203	
Travel and subsistence	6 290	-	-	6 290	9 903	(3 613)	157.4%	8 397	7 413	
Training and development	7 039	-	(2 030)	5 009	2 170	2 839	43.3%	4 170	3 542	
Venues and facilities	134	-	-	134	-	134	-	-	-	

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Programme 4: Public Special Schools										
	2017/18					2016/17				
	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	
<b>Transfers and subsidies</b>	<b>77 085</b>	-	-	<b>77 085</b>	<b>79 541</b>	<b>(2 456)</b>	<b>103.2%</b>	<b>69 419</b>	<b>66 623</b>	
Non-profit institutions	75 143	-	-	75 143	75 143	-	100.0%	67 569	62 282	
Households	1 942	-	-	1 942	4 398	(2 456)	226.5%	1 850	4 341	
Social benefits	-	-	-	-	4 398	(4 398)	-	1 850	4 326	
Other transfers to households	1 942	-	-	1 942	-	1 942	-	-	15	
<b>Payments for capital assets</b>	<b>16 850</b>	-	<b>(868)</b>	<b>15 982</b>	<b>5 340</b>	<b>10 642</b>	<b>33.4%</b>	-	-	
Buildings and other fixed structures	9 060	-	(868)	8 192	-	8 192	-	-	-	
Other fixed structures	9 060	-	(868)	8 192	-	8 192	-	-	-	
Machinery and equipment	7 790	-	-	7 790	5 340	2 450	68.5%	-	-	
Transport equipment	-	-	-	-	5 297	(5 297)	-	6 500	-	
Other machinery and equipment	7 790	-	-	7 790	43	7 747	0.6%	(6 500)	-	
<b>Total</b>	<b>745 942</b>	-	<b>(50 188)</b>	<b>695 754</b>	<b>682 834</b>	<b>12 920</b>	<b>98.1%</b>	<b>649 366</b>	<b>643 705</b>	

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Sub-programme 4.1: Schools										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>640 094</b>	-	<b>(49 320)</b>	<b>590 774</b>	<b>590 774</b>	-	<b>100.0%</b>	<b>571 590</b>	<b>571 493</b>	
Compensation of employees	607 830	-	(24 420)	583 410	583 410	-	100.0%	555 899	555 899	
Goods and services	32 264	-	(24 900)	7 364	7 364	-	100.0%	15 691	15 594	
<b>Transfers and subsidies</b>	<b>77 085</b>	-	-	<b>77 085</b>	<b>79 541</b>	<b>(2 456)</b>	<b>103.2%</b>	<b>69 419</b>	<b>66 623</b>	
Non-profit institutions	75 143	-	-	75 143	75 143	-	100.0%	67 569	62 282	
Households	1 942	-	-	1 942	4 398	(2 456)	226.5%	1 850	4 341	
<b>Payments for capital assets</b>	<b>16 450</b>	-	<b>(868)</b>	<b>15 582</b>	<b>5 012</b>	<b>10 570</b>	<b>32.2%</b>	-	-	
Buildings and other fixed structures	9 060	-	(868)	8 192	-	8 192	-	-	-	
Machinery and equipment	7 390	-	-	7 390	5 012	2 378	67.8%	-	-	
<b>Total</b>	<b>733 629</b>	-	<b>(50 188)</b>	<b>683 441</b>	<b>675 327</b>	<b>8 114</b>	<b>98.8%</b>	<b>641 009</b>	<b>638 116</b>	

Sub-programme 4.2: Human Resource Development										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>2 699</b>	-	-	<b>2 699</b>	<b>1 789</b>	<b>910</b>	<b>66.3%</b>	<b>2 570</b>	<b>1 969</b>	
Compensation of employees	-	-	-	-	4	(4)	-	-	-	
Goods and services	2 699	-	-	2 699	1 785	914	66.1%	2 570	1 969	
<b>Total</b>	<b>2 699</b>	-	-	<b>2 699</b>	<b>1 789</b>	<b>910</b>	<b>66.3%</b>	<b>2 570</b>	<b>1 969</b>	

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Sub-programme 4.3: School Sport, Culture and Media Services										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	6 077	-	-	6 077	4 990	1 087	82.1%	5 787	3 593	
Goods and services	6 077	-	-	6 077	4 990	1 087	82.1%	5 787	3 593	
<b>Total</b>	<b>6 077</b>	<b>-</b>	<b>-</b>	<b>6 077</b>	<b>4 990</b>	<b>1 087</b>	<b>82.1%</b>	<b>5 787</b>	<b>3 593</b>	

Sub-programme 4.4: Conditional Grants for OSD Therapists										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	3 137	-	-	3 137	400	2 737	12.8%	-	27	
Compensation of employees	2 425	-	-	2 425	382	2 043	15.8%	-	27	
Goods and services	712	-	-	712	18	694	2.5%	-	-	
<b>Payments for capital assets</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>328</b>	<b>72</b>	<b>82.0%</b>	<b>-</b>	<b>-</b>	
Machinery and equipment	400	-	-	400	328	72	82.0%	-	-	
<b>Total</b>	<b>3 537</b>	<b>-</b>	<b>-</b>	<b>3 537</b>	<b>728</b>	<b>2 809</b>	<b>20.6%</b>	<b>-</b>	<b>27</b>	

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Programme 5: Early Childhood Development										
2017/18										2016/17
Sub-programme	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	R'000
1. Grade R in Public Schools	611 531	-	(51 170)	560 361	487 566	72 795	87.0%	557 031	447 340	
2. Pre-Grade R Training	25 782	-	-	25 782	6 358	19 424	24.7%	21 246	1 217	
3. Human Resource Development	2 317	-	-	2 317	1 727	590	74.5%	2 207	1 428	
<b>Total for sub-programmes</b>	<b>639 630</b>	<b>-</b>	<b>(51 170)</b>	<b>588 460</b>	<b>495 651</b>	<b>92 809</b>	<b>84.2%</b>	<b>580 484</b>	<b>449 985</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>619 096</b>	<b>-</b>	<b>(51 170)</b>	<b>567 926</b>	<b>486 597</b>	<b>81 329</b>	<b>85.7%</b>	<b>561 967</b>	<b>436 711</b>	
Compensation of employees	403 968	-	-	403 968	381 704	22 264	94.5%	384 731	361 877	
Salaries and wages	403 387	-	-	403 387	380 944	22 443	94.4%	334 716	361 346	
Social contributions	581	-	-	581	760	(179)	130.8%	50 015	531	
Goods and services	215 128	-	(51 170)	163 958	104 893	59 065	64.0%	177 236	74 834	
Bursaries: Employees	90 000	-	(21 284)	68 716	38 560	30 156	56.1%	-	-	
Catering: Departmental activities	650	-	-	650	619	31	95.2%	344	127	
Inventory: Learner and teacher support material	37 783	-	-	37 783	33 366	4 417	88.3%	38 103	6 033	
Inventory: Other supplies	29 952	-	(29 886)	66	66	-	100.0%	-	-	
Consumable: Stationery, printing and office supplies	26 870	-	-	26 870	24 874	1 996	92.6%	31 036	26 659	
Travel and subsistence	1 837	-	-	1 837	1 992	(155)	108.4%	1 098	635	

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<b>Programme 5: Early Childhood Development</b>									
2017/18					2016/17				
Economic classification	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
Training and development	28 036	-	-	28 036	5 416	22 620	19.3%	106 633	41 358
Venues and facilities	-	-	-	-	-	-	-	22	22
<b>Transfers and subsidies</b>	<b>20 534</b>	-	-	<b>20 534</b>	<b>9 054</b>	<b>11 480</b>	<b>44.1%</b>	<b>18 517</b>	<b>13 274</b>
Non-profit institutions	20 534	-	-	20 534	9 043	11 491	44.0%	18 517	13 274
Households	-	-	-	-	11	(11)	-	-	-
Other transfers to households	-	-	-	-	11	(11)	-	-	-
<b>Total</b>	<b>639 630</b>	-	<b>(51 170)</b>	<b>588 460</b>	<b>495 651</b>	<b>92 809</b>	<b>84.2%</b>	<b>580 484</b>	<b>449 985</b>

<b>Sub-programme 5.1: Grade R in Public Schools</b>									
2017/18					2016/17				
Economic classification	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
<b>Current payments</b>	<b>599 424</b>	-	<b>(51 170)</b>	<b>548 254</b>	<b>478 512</b>	<b>69 742</b>	<b>87.3%</b>	<b>543 735</b>	<b>434 372</b>
Compensation of employees	403 968	-	-	403 968	381 704	22 264	94.5%	384 731	361 877
Goods and services	195 456	-	(51 170)	144 286	96 808	47 478	67.1%	159 004	72 495
<b>Transfers and subsidies</b>	<b>12 107</b>	-	-	<b>12 107</b>	<b>9 054</b>	<b>3 053</b>	<b>74.8%</b>	<b>13 296</b>	<b>12 968</b>
Non-profit institutions	12 107	-	-	12 107	9 043	3 064	74.7%	13 296	12 968
Households	-	-	-	-	11	(11)	-	-	-
<b>Total</b>	<b>611 531</b>	-	<b>(51 170)</b>	<b>560 361</b>	<b>487 566</b>	<b>72 795</b>	<b>87.0%</b>	<b>557 031</b>	<b>447 340</b>

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**Sub-programme 5.2: Pre-Grade R Training**

Economic classification	2017/18						2016/17		
	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
<b>Current payments</b>	17 355	-	-	17 355	6 358	10 997	36.6%	16 025	911
Goods and services	17 355	-	-	17 355	6 358	10 997	36.6%	16 025	911
<b>Transfers and subsidies</b>	8 427	-	-	8 427	-	8 427	-	5 221	306
Non-profit institutions	8 427	-	-	8 427	-	8 427	-	5 221	306
<b>Total</b>	<b>25 782</b>	-	-	<b>25 782</b>	<b>6 358</b>	<b>19 424</b>	<b>24.7%</b>	<b>21 246</b>	<b>1 217</b>

**Sub-programme 5.3: Human Resource Development**

Economic classification	2017/18						2016/17		
	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
<b>Current payments</b>	2 317	-	-	2 317	1 727	590	74.5%	2 207	1 428
Goods and services	2 317	-	-	2 317	1 727	590	74.5%	2 207	1 428
<b>Total</b>	<b>2 317</b>	-	-	<b>2 317</b>	<b>1 727</b>	<b>590</b>	<b>74.5%</b>	<b>2 207</b>	<b>1 428</b>

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Programme 6: Infrastructure Development										
	2017/18					2016/17				
	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	
<b>Sub-programme</b>										
1. Administration	28 679	20 320	-	48 999	31 219	17 780	63.7%	30 967	14 158	
2. Public Ordinary Schools	1 204 697	(7 320)	-	1 197 377	1 456 648	(259 271)	121.7%	1 352 136	1 460 749	
3. Special Schools	114 409	-	868	115 277	67 406	47 871	58.5%	75 435	69 419	
4. Early Childhood Development	310 965	(13 000)	-	297 965	104 345	193 620	35.0%	220 955	85 314	
<b>Total for sub-programmes</b>	<b>1 658 750</b>	<b>-</b>	<b>868</b>	<b>1 659 618</b>	<b>1 659 618</b>	<b>-</b>	<b>100.0%</b>	<b>1 679 493</b>	<b>1 629 640</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>144 056</b>	<b>7 320</b>	<b>-</b>	<b>151 376</b>	<b>229 557</b>	<b>(78 181)</b>	<b>151.6%</b>	<b>159 066</b>	<b>156 343</b>	
Compensation of employees	26 929	-	-	26 929	13 841	13 088	51.4%	25 646	12 112	
Salaries and wages	23 428	-	-	23 428	12 432	10 996	53.1%	22 312	10 883	
Social contributions	3 501	-	-	3 501	1 409	2 092	40.2%	3 334	1 229	
Goods and services	117 127	7 320	-	124 447	215 716	(91 269)	173.3%	133 420	144 231	
Minor assets	-	-	-	-	-	-	-	633	-	
Communication	-	-	-	-	-	-	-	200	-	
Contractors	-	-	-	-	-	-	-	128 517	143 200	
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	1 500	-	
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	42	
Property payments	115 377	7 320	-	122 697	214 359	(91 662)	174.7%	-	-	



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Programme 6: Infrastructure Development									
2017/18					2016/17				
	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
Travel and subsistence	1 750	-	-	1 750	1 323	427	75.6%	2 510	860
Training and development	-	-	-	-	-	-	-	60	107
Operating payments	-	-	-	-	34	(34)	-	-	22
<b>Payments for capital assets</b>	<b>1 514 694</b>	<b>(7 320)</b>	<b>868</b>	<b>1 508 242</b>	<b>1 430 061</b>	<b>78 181</b>	<b>94.8%</b>	<b>1 520 427</b>	<b>1 473 297</b>
Buildings and other fixed structures	1 514 694	(7 320)	868	1 508 242	1 430 061	78 181	94.8%	1 520 260	1 473 297
Buildings	-	-	-	-	64 784	(64 784)	-	-	-
Other fixed structures	1 514 694	(7 320)	868	1 508 242	1 365 277	142 965	90.5%	1 520 260	1 473 297
Machinery and equipment	-	-	-	-	-	-	-	167	-
Other machinery and equipment	-	-	-	-	-	-	-	167	-
<b>Total</b>	<b>1 658 750</b>	<b>-</b>	<b>868</b>	<b>1 659 618</b>	<b>1 659 618</b>	<b>-</b>	<b>100.0%</b>	<b>1 679 493</b>	<b>1 629 640</b>

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**Sub-programme 6.1: Administration**

Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>28 679</b>	<b>7 320</b>	-	<b>35 999</b>	<b>18 219</b>	<b>17 780</b>	<b>50.6%</b>	<b>30 644</b>	<b>14 158</b>	
Compensation of employees	26 929	-	-	26 929	13 841	13 088	51.4%	25 646	12 112	
Goods and services	1 750	7 320	-	9 070	4 378	4 692	48.3%	4 998	2 046	
<b>Payments for capital assets</b>	<b>-</b>	<b>13 000</b>	-	<b>13 000</b>	<b>13 000</b>	<b>-</b>	<b>100.0%</b>	<b>323</b>	<b>-</b>	
Buildings and other fixed structures	-	13 000	-	13 000	13 000	-	100.0%	156	-	
Machinery and equipment	-	-	-	-	-	-	-	167	-	
<b>Total</b>	<b>28 679</b>	<b>20 320</b>	<b>-</b>	<b>48 999</b>	<b>31 219</b>	<b>17 780</b>	<b>63.7%</b>	<b>30 967</b>	<b>14 158</b>	

**Sub-programme 6.2: Public Ordinary Schools**

Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>97 076</b>	<b>-</b>	<b>-</b>	<b>97 076</b>	<b>208 574</b>	<b>(111 498)</b>	<b>214.9%</b>	<b>121 516</b>	<b>141 685</b>	
Goods and services	97 076	-	-	97 076	208 574	(111 498)	214.9%	121 516	141 685	
<b>Payments for capital assets</b>	<b>1 107 621</b>	<b>(7 320)</b>	<b>-</b>	<b>1 100 301</b>	<b>1 248 074</b>	<b>(147 773)</b>	<b>113.4%</b>	<b>1 230 620</b>	<b>1 319 064</b>	
Buildings and other fixed structures	1 107 621	(7 320)	-	1 100 301	1 248 074	(147 773)	113.4%	1 230 620	1 319 064	
<b>Total</b>	<b>1 204 697</b>	<b>(7 320)</b>	<b>-</b>	<b>1 197 377</b>	<b>1 456 648</b>	<b>(259 271)</b>	<b>121.7%</b>	<b>1 352 136</b>	<b>1 460 749</b>	

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Sub-programme 6.3: Special Schools										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	18 301	-	-	18 301	2 622	15 679	14.3%	6 906	500	
Goods and services	18 301	-	-	18 301	2 622	15 679	14.3%	6 906	500	
<b>Payments for capital assets</b>	96 108	-	868	96 976	64 784	32 192	66.8%	68 529	68 919	
Buildings and other fixed structures	96 108	-	868	96 976	64 784	32 192	66.8%	68 529	68 919	
<b>Total</b>	114 409	-	868	115 277	67 406	47 871	58.5%	75 435	69 419	

Sub-programme 6.4: Early Childhood Development										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	-	-	-	-	142	(142)	-	-	-	
Goods and services	-	-	-	-	142	(142)	-	-	-	
<b>Payments for capital assets</b>	310 965	(13 000)	-	297 965	104 203	193 762	35.0%	220 955	85 314	
Buildings and other fixed structures	310 965	(13 000)	-	297 965	104 203	193 762	35.0%	220 955	85 314	
<b>Total</b>	310 965	(13 000)	-	297 965	104 345	193 620	35.0%	220 955	85 314	

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Programme 7: Examination and Education Related Services									
2017/18					2016/17				
	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
<b>Sub-programme</b>									
1. Payments to SETA	64 052	-	-	64 052	64 052	-	100.0%	59 662	59 662
2. Professional Services	39 103	-	-	39 103	34 039	5 064	87.0%	39 773	35 976
3. Special Projects	1 506	-	-	1 506	1 262	244	83.8%	1 783	1 961
4. External Examinations	377 793	-	8 605	386 398	391 783	(5 386)	101.4%	310 831	366 561
5. Conditional Grants	41 936	-	-	41 936	41 503	433	99.0%	39 591	38 703
<b>Total for sub-programmes</b>	<b>524 389</b>	<b>-</b>	<b>8 605</b>	<b>532 994</b>	<b>532 639</b>	<b>355</b>	<b>99.9%</b>	<b>451 640</b>	<b>502 863</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>423 410</b>	<b>-</b>	<b>8 605</b>	<b>432 015</b>	<b>430 052</b>	<b>1 963</b>	<b>99.5%</b>	<b>348 439</b>	<b>409 113</b>
Compensation of employees	189 324	-	8 605	197 929	197 812	117	99.9%	121 669	194 898
Salaries and wages	172 589	-	8 605	181 194	193 046	(11 852)	106.5%	106 198	190 861
Social contributions	16 735	-	-	16 735	4 766	11 969	28.5%	15 471	4 037
Goods and services	234 086	-	-	234 086	232 182	1 943	99.2%	226 770	214 215
Administrative fees	-	-	-	-	-	-	-	12	12
Minor assets	61	-	-	61	188	(127)	308.2%	216	104
Catering: Departmental activities	8 555	-	-	8 555	7 561	994	88.4%	6 551	5 610
Computer services	6 923	-	-	6 923	2 782	4 141	40.2%	5 641	2 716
Contractors	12	-	-	12	27	(15)	225.0%	236	163

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Programme 7: Examination and Education Related Services										
	2017/18					2016/17				
	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	
Agency and support / outsourced services	21 503	-	-	21 503	20 536	967	95.5%	18 632	18 723	
Inventory: Clothing material and supplies	300	-	-	300	-	300	-	10	7	
Inventory: Fuel, oil and gas	-	-	-	-	1 824	(1 824)	-	-	-	
Inventory: Learner and teacher support material	678	-	-	678	349	329	51.5%	275	116	
Inventory: Materials and supplies	-	-	-	-	-	-	-	45	40	
Inventory: Other supplies	136	-	-	136	136	(0)	100.3%	588	554	
Consumable supplies	880	-	-	880	740	140	84.1%	835	747	
Consumable: Stationery, printing and office supplies	99 462	-	-	99 462	100 114	(652)	100.7%	106 765	104 577	
Operating leases	1 060	-	-	1 060	348	712	32.8%	1 278	1 016	
Property payments	10 709	-	-	10 709	7 478	3 231	69.8%	4 867	2 539	
Travel and subsistence	61 827	-	-	61 827	55 139	6 688	89.2%	59 858	60 433	
Training and development	2 859	-	-	2 859	2 379	480	83.2%	896	1 243	
Operating payments	17 153	-	-	17 153	30 976	(13 823)	180.6%	18 840	14 627	
Venues and facilities	1 970	-	-	1 970	1 566	404	79.5%	1 225	988	
Rental and hiring	-	-	-	-	39	(39)	-	-	-	
Interest and rent on land	-	-	-	-	58	(58)	-	-	-	
Interest	-	-	-	-	58	(58)	-	-	-	
<b>Transfers and subsidies</b>	<b>86 489</b>	-	-	<b>86 489</b>	<b>95 777</b>	<b>(9 288)</b>	<b>110.7%</b>	<b>93 031</b>	<b>93 256</b>	
Departmental agencies and accounts	64 052	-	-	64 052	64 052	-	100.0%	59 662	59 662	

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Programme 7: Examination and Education Related Services										
	2017/18					2016/17				
	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	
Departmental agencies	64 052	-	-	64 052	64 052	-	100.0%	59 662	59 662	
Non-profit institutions	22 437	-	-	22 437	31 700	(9 263)	141.3%	33 369	33 593	
<b>Households</b>	-	-	-	-	<b>25</b>	<b>(25)</b>	-	-	<b>1</b>	
Social benefits	-	-	-	-	-	-	-	-	<b>1</b>	
Other transfers to households	-	-	-	-	25	(25)	-	-	-	
<b>Payments for capital assets</b>	<b>14 490</b>	-	-	<b>14 490</b>	<b>6 810</b>	<b>7 680</b>	<b>47.0%</b>	<b>10 170</b>	<b>494</b>	
Machinery and equipment	14 490	-	-	14 490	6 810	7 680	47.0%	10 170	494	
Transport equipment	-	-	-	-	3 601	(3 601)	-	-	-	
Other machinery and equipment	14 490	-	-	14 490	3 209	11 281	22.1%	10 170	494	
<b>Total</b>	<b>524 389</b>	-	<b>8 605</b>	<b>532 994</b>	<b>532 639</b>	<b>355</b>	<b>99.9%</b>	<b>451 640</b>	<b>502 863</b>	

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Sub-programme 7.1: Payments to SETA									
Economic classification	2017/18					2016/17			
	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
<b>Transfers and subsidies</b>	<b>64 052</b>	-	-	<b>64 052</b>	<b>64 052</b>	-	<b>100.0%</b>	<b>59 662</b>	<b>59 662</b>
Departmental agencies and accounts	64 052	-	-	64 052	64 052	-	100.0%	59 662	59 662
<b>Total</b>	<b>64 052</b>	-	-	<b>64 052</b>	<b>64 052</b>	-	<b>100.0%</b>	<b>59 662</b>	<b>59 662</b>

Sub-programme 7.2: Professional Services									
Economic classification	2017/18					2016/17			
	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
<b>Current payments</b>	<b>35 105</b>	-	-	<b>35 105</b>	<b>33 028</b>	<b>2 077</b>	<b>94.1%</b>	<b>38 779</b>	<b>35 634</b>
Goods and services	35 105	-	-	35 105	33 028	2 077	94.1%	38 779	35 634
<b>Transfers and subsidies</b>	-	-	-	-	<b>25</b>	<b>(25)</b>	-	-	<b>1</b>
Households	-	-	-	-	25	(25)	-	-	1
<b>Payments for capital assets</b>	<b>3 998</b>	-	-	<b>3 998</b>	<b>986</b>	<b>3 012</b>	<b>24.7%</b>	<b>994</b>	<b>341</b>
Machinery and equipment	3 998	-	-	3 998	986	3 012	24.7%	994	341
<b>Total</b>	<b>39 103</b>	-	-	<b>39 103</b>	<b>34 039</b>	<b>5 064</b>	<b>87.0%</b>	<b>39 773</b>	<b>35 976</b>

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
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Sub-programme 7.3: Special Projects										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	1 506	-	-	1 506	1 262	244	83.8%	1 783	1 961	
Goods and services	1 506	-	-	1 506	1 262	244	83.8%	1 783	1 961	
<b>Total</b>	<b>1 506</b>	<b>-</b>	<b>-</b>	<b>1 506</b>	<b>1 262</b>	<b>244</b>	<b>83.8%</b>	<b>1 783</b>	<b>1 961</b>	
Sub-programme 7.4: External Examination										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	345 064	-	8 605	353 669	357 965	(4 297)	101.2%	268 586	332 968	
Compensation of employees	186 735	-	8 605	195 340	195 340	-	100.0%	118 810	192 477	
Goods and services	158 329	-	-	158 329	162 609	(4 281)	102.7%	149 776	140 491	
Interest and rent on land	-	-	-	-	16	(16)	-	-	-	
<b>Transfers and subsidies</b>	<b>22 437</b>	<b>-</b>	<b>-</b>	<b>22 437</b>	<b>31 700</b>	<b>(9 263)</b>	<b>141.3%</b>	<b>33 369</b>	<b>33 593</b>	
Non-profit institutions	22 437	-	-	22 437	31 700	(9 263)	141.3%	33 369	33 593	
<b>Payments for capital assets</b>	<b>10 292</b>	<b>-</b>	<b>-</b>	<b>10 292</b>	<b>2 118</b>	<b>8 174</b>	<b>20.6%</b>	<b>8 876</b>	<b>-</b>	
Machinery and equipment	10 292	-	-	10 292	2 118	8 174	20.6%	8 876	-	
<b>Total</b>	<b>377 793</b>	<b>-</b>	<b>8 605</b>	<b>386 398</b>	<b>391 783</b>	<b>(5 386)</b>	<b>101.4%</b>	<b>310 831</b>	<b>366 561</b>	



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Sub-programme 7.5: Conditional Grants										
Economic classification	2017/18					2016/17				
	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	
<b>Current payments</b>	<b>41 736</b>	-	-	<b>41 736</b>	<b>37 797</b>	<b>3 939</b>	<b>90.6%</b>	<b>39 291</b>	<b>38 550</b>	
Compensation of employees	2 589	-	-	2 589	2 472	117	95.5%	2 859	2 421	
Goods and services	39 147	-	-	39 147	35 283	3 864	90.1%	36 432	36 129	
<b>Payments for capital assets</b>	<b>200</b>	-	-	<b>200</b>	<b>3 706</b>	<b>(3 506)</b>	<b>1853.0%</b>	<b>300</b>	<b>153</b>	
Machinery and equipment	200	-	-	200	3 706	(3 506)	1853.0%	300	153	
<b>Total</b>	<b>41 936</b>	-	-	<b>41 936</b>	<b>41 503</b>	<b>433</b>	<b>99.0%</b>	<b>39 591</b>	<b>38 703</b>	

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**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-C) 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 R'000	Variance as a % of Final Appropriation
	Programme 1: Administration	2 799 041	2 715 720	83 321	3%
	Programme 4: Public Special School Education	695 754	682 834	12 920	2%
	Programme 5: Early Childhood Development	588 460	495 651	92 809	16%

**Programme 1: Administration**

**Explanation of variance:**

The Final budget for the programme amounts to **R2,799** billion and spent **R2,716** billion recording underspending of **3%** which is **R83,321** million at year end. The programme has underspent its budget by **R83,321** million and the underspending is largely on two sub-programmes (that is Corporate Services underspending by **R42,413** million and Education Management Information System (EMIS) underspending by **R29,266** million). The underspending was due to amounts unspent under Household (Leave Gratuity) and Capital Expenditure due to leave gratuity claims that were being verified for payment at year end and amount not able to be paid on SASAMS contract.

**Programme 4: Public Special School Education**

**Explanation of variance:**

The programme has a final budget of **R695,754** million and has spent **R682,834** million. This programme registered underspending of **R12,920** million which represent **2%** underspending of the programmes final budget. The underspending is registered under Goods and Services **R2,695** million, **R2,039** million Compensation of Employees and **R10,642** million for Capital Expenditure. The underspending is due to appointments that could not be finalised at year end and due to late submission of invoices from suppliers.

**Programme 5: Early Childhood Development**

**Explanation of variance:**

The Final budget for the programme amounts to **R588,460** million and spent **R495,651** million recording underspending of **16%** which is **R92,809** million at year end. . The underspending is due to amounts unspent under Compensation of Employees of **R22,264** million, Goods & Services amounting to **R59,065** million and Transfers and Subsidies amounting to **R11,491** million. This underspending was mainly due to contracted training institutions to offer National Qualification Framework (NQF) qualification training for Early Childhood Practitioners (ECD's) that delayed in signing the Memorandum of Understanding (MOU) to facilitate implementation of the training and payment of tuition fees for trainees.

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4.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
<b>Current payments</b>				
Compensation of employees	25 870 460	25 833 475	36 985	0.1%
Goods and services	2 786 848	2 814 208	(27 360)	-1.0%
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	64 052	64 052	-	0.0%
Non-profit institutions	2 301 745	2 311 688	(9 943)	-0.4%
Households	243 859	243 859	-	0.0%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	1 517 034	1 431 323	85 711	5.6%
Machinery and equipment	227 610	100 182	127 428	56.0%
Intangible assets	9 435	8 512	923	9.8%
<b>Payments for financial assets</b>	-	(1)	1	-

**Explanation of variance:**

**Compensation of Employees:** The department underspent on this economic classification by **R36,985** million due to posts that could not be finalised at year end for 49 therapists and ECD practitioners budgeted for but absorbed under programme 2 primary schools.

**Payment of Capital Assets:** Machinery and Equipment underspending of **R127,428** million is attributed to the slow implementation of the service delivery model, which affected the procurement of office furniture for District and Head Office. The acquisition of vehicles could not be paid at year end, however deliveries were done and satisfactorily received by the department at year end. Non-Profit Institutions (NPIs), the overspending on this item is due to the department utilising verified learner numbers for the original planning (budget) for transfers to schools (i.e. learners valid Identity Documents (ID's)) whilst the actual amount of transfers made to schools included all learners with valid IDs including those verified after the planning period.

**EASTERN CAPE DEPARTMENT OF EDUCATION  
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NOTES TO THE APPROPRIATION STATEMENT  
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<b>4.3 Per conditional grant</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>
Maths, science and technology grant	46 685	34 527	12 158	26.0%
Education infrastructure grant	1 581 750	1 582 835	(1 085)	-0.1%
HIV and AIDS grant	41 936	41 936	-	0.0%
National school nutrition programme	1 163 816	1 146 466	17 350	1.5%
Extended public works incentive programme (social sector)	5 022	5 022	-	0.0%
Extended public works integrated programme	2 411	2 411	-	0.0%
Learner Profound intel dis grant	2 549	728	1 821	71.4%
<b>Total</b>	<b>2 844 169</b>	<b>2 813 925</b>	<b>30 244</b>	<b>1.1%</b>

**Explanation of variance:**

Maths, Science and Technology Grant: The grant underspent amounted to **R12,158** million which is **26%** of the final appropriation due to invoices that were received late for the training programme, and procurement and installation of CAT and IT Computer Laboratories in 25 Schools.

National School Nutrition Programme underspent its budget by **R17,350** million which is **1,5%** of the final budget Underspensing by **R17,350** million is due to appointments that were not finalised of eight vacant posts for monitors as well as four vacant posts for SESs which were at a stage of issuing appointment letters or assumption of duty. One Dietician post, and two posts for Food Service Managers were advertised and panels were set up to expedite shortlisting and interviewing process.

Learners with Profound Intellectual Disability Grant underspending was due to late start of the implementation of the grant.

**EASTERN CAPE DEPARTMENT OF EDUCATION**  
**VOTE 6**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
as at 31 March 2018

	Note	2017/18	2016/17 Restated
<b>REVENUE</b>			
Annual appropriation	1	33 019 066	30 980 734
Statutory appropriation	2	1 978	1 902
Departmental revenue	3	5 661	-
<b>TOTAL REVENUE</b>		<b>33 026 705</b>	<b>30 982 636</b>
<b>Current expenditure</b>			
Compensation of employees	4	25 833 474	23 871 773
Goods and services	5	2 829 863	2 988 129
Interest and rent on land	6	232	3 125
<b>Total current expenditure</b>		<b>28 663 569</b>	<b>26 863 027</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	8	2 619 695	2 561 550
<b>Total transfers and subsidies</b>		<b>2 619 695</b>	<b>2 561 550</b>
<b>Expenditure for capital assets</b>			
Tangible assets	9	1 516 290	1 540 416
Intangible assets	9	8 067	1 958
<b>Total expenditure for capital assets</b>		<b>1 524 357</b>	<b>1 542 374</b>
Unauthorised expenditure approved without funding	10	174 570	-
<b>Payments for financial assets</b>	7	<b>(1)</b>	-
<b>TOTAL EXPENDITURE</b>		<b>32 982 190</b>	<b>30 966 951</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>44 515</b>	<b>15 685</b>

**EASTERN CAPE DEPARTMENT OF EDUCATION  
VOTE 6  
STATEMENT OF FINANCIAL PERFORMANCE  
as at 31 March 2018**

	Note	2017/18 R'000	2016/17 Restated R'000
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		38 854	15 685
Annual appropriation		7 622	(62 037)
Conditional grants		31 232	77 722
Departmental revenue and NRF Receipts	14	5 661	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>44 515</b>	<b>15 685</b>

**EASTERN CAPE DEPARTMENT OF EDUCATION  
VOTE 6  
STATEMENT OF FINANCIAL POSITION  
as at 31 March 2018**

	Note	2017/18 R'000	2016/17 Restated R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>7 672</b>	<b>181 657</b>
Unauthorised expenditure	10	-	174 570
Prepayments and advances	11	373	746
Receivables	12	7 299	6 341
<b>Non-current assets</b>		<b>98 122</b>	<b>95 853</b>
Receivables	12	98 122	95 853
<b>TOTAL ASSETS</b>		<b>105 794</b>	<b>277 510</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>86 670</b>	<b>258 596</b>
Voted funds to be surrendered to the Revenue Fund	13	38 854	190 255
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	21 920	5 773
Bank overdraft	15	10 073	42 928
Payables	16	15 823	19 640
<b>TOTAL LIABILITIES</b>		<b>86 670</b>	<b>258 596</b>
<b>NET ASSETS</b>		<b>19 124</b>	<b>18 914</b>
<b>Represented by:</b>			
Recoverable revenue		19 124	18 914
<b>TOTAL</b>		<b>19 124</b>	<b>18 914</b>

**EASTERN CAPE DEPARTMENT OF EDUCATION  
VOTE 6  
STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 Restated R'000
<b>Recoverable revenue</b>			
Opening balance		18 914	18 357
Transfers:		210	557
Debts revised		(1 627)	(771)
Debts recovered (included in departmental receipts)		(10 042)	(6 958)
Debts raised		11 879	8 286
Closing balance		<u>19 124</u>	<u>18 914</u>
<b>TOTAL</b>		<u><u>19 124</u></u>	<u><u>18 914</u></u>



**EASTERN CAPE DEPARTMENT OF  
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CASH FLOW STATEMENT  
for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 Restated R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>33 099 451</b>	<b>31 046 198</b>
Annual appropriated funds received	1.1	33 019 066	30 980 734
Statutory appropriated funds received	2	1 978	1 902
Departmental revenue received	3	78 255	63 508
Interest received	3.3	152	54
Net (increase)/decrease in working capital		167 899	(186 172)
Surrendered to Revenue Fund		(252 515)	(796 926)
Current payments		(28 837 907)	(26 685 332)
Interest paid	6	(232)	(3 125)
Payments for financial assets		1	-
Transfers and subsidies paid		(2 619 695)	(2 561 550)
<b>Net cash flow available from operating activities</b>	17	<b>1 557 002</b>	<b>813 093</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	9	(1 524 357)	(1 542 374)
<b>Net cash flows from investing activities</b>		<b>(1 524 357)</b>	<b>(1 542 374)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		210	557
<b>Net cash flows from financing activities</b>		<b>210</b>	<b>557</b>
Net increase/(decrease) in cash and cash equivalents		32 855	(728 724)
Cash and cash equivalents at beginning of period		(42 928)	685 796
<b>Cash and cash equivalents at end of period</b>	18	<b>(10 073)</b>	<b>(42 928)</b>

**EASTERN CAPE DEPARTMENT OF EDUCATION  
VOTE 6  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

**ACCOUNTING POLICIES**

<b>Summary of significant accounting policies</b>	
<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>	
<b>1</b>	<p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
<b>2</b>	<p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b></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>
<b>4</b>	<p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Comparative information</b></p>
<b>5.1</b>	<p><b>Prior period comparative information</b></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>
<b>5.2</b>	<p><b>Current year comparison with budget</b></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>
<b>6</b>	<p><b>Revenue</b></p>
<b>6.1</b>	<p><b>Appropriated funds</b></p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <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>
<b>6.2</b>	<p><b>Departmental revenue</b></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>
<b>6.3</b>	<p><b>Accrued departmental revenue</b></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"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p>

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	<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>
<b>7</b>	<b>Expenditure</b>
<b>7.1</b>	<b>Compensation of employees</b>
<b>7.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>7.1.2</b>	<p><b>Social contributions</b></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>
<b>7.2</b>	<p><b>Other expenditure</b></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>
<b>7.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
<b>7.4</b>	<b>Leases</b>
<b>7.4.1</b>	<p><b>Operating leases</b></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>
<b>7.4.2</b>	<p><b>Finance leases</b></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"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
<b>8</b>	<p><b>Cash and cash equivalents</b></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>
<b>9</b>	<p><b>Prepayments and advances</b></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>
<b>10</b>	<p><b>Loans and receivables</b></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>
<b>11</b>	<b>Financial assets</b>
<b>11.1</b>	<p><b>Financial assets (not covered elsewhere)</b></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>

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	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.
<b>11.2</b>	<b>Impairment of financial assets</b> 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 benefits expected to be received from that asset, is recorded in the notes to the financial statements.
<b>12</b>	<b>Payables</b> Payables recognised in the statement of financial position are recognised at cost.
<b>13</b>	<b>Capital Assets</b>
<b>13.1</b>	<b>Immovable capital assets</b> 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.
<b>13.2</b>	<b>Movable capital assets</b> 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.
<b>13.3</b>	<b>Intangible assets</b> 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. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
<b>13.4</b>	<b>Project Costs: Work-in-progress</b> Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. 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. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

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<b>14</b>	<b>Provisions and Contingents</b>
<b>14.1</b>	<p><b>Provisions</b></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>
<b>14.2</b>	<p><b>Contingent liabilities</b></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>
<b>14.3</b>	<p><b>Contingent assets</b></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>
<b>14.4</b>	<p><b>Commitments</b></p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
<b>15</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
<b>16</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>17</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>18</b>	<p><b>Changes in accounting policies, accounting estimates and errors</b></p> <p>Changes in accounting policies that are effected by management have been applied retrospectively 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 change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</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</p>

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	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.
<b>19</b>	<p><b>Events after the reporting date</b></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>
<b>20</b>	<p><b>Principal-Agent arrangements</b></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 Roads and Public Works to undertake transactions relating to infrastructure requirements through the Memorandum of Understanding. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
<b>21</b>	<p><b>Capitalisation reserve</b></p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
<b>22</b>	<p><b>Recoverable revenue</b></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>
<b>23</b>	<p><b>Related party transactions</b></p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. 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>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
<b>24</b>	<p><b>Inventories (Not yet effective and will be effective from date determined in a Treasury Instruction)</b></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance. 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>
<b>25</b>	<p><b>Public-Private Partnerships</b></p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
<b>26</b>	<p><b>Employee benefits</b></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>

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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:

	2017/18			2016/17	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	2 799 041	2 799 041	-	2 610 850	2 610 850
Public Ordinary Schools	26 620 156	26 620 156	-	24 888 902	24 888 902
Education Independent Schools	123 042	123 042	-	120 000	120 000
Subsidies Public Special School	695 754	695 754	-	649 366	649 366
Education Early Childhood Development	588 460	588 460	-	580 484	580 484
Infrastructure Development	1 659 618	1 659 618	-	1 679 492	1 679 492
Examination and Education Related Services	532 994	532 994	-	451 640	451 640
<b>Total</b>	<b>33 019 066</b>	<b>33 019 066</b>	<b>-</b>	<b>30 980 734</b>	<b>30 980 734</b>

<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
	<b>R'000</b>	<b>R'000</b>

**1.2 Conditional grants**

<b>Total grants received</b>	35	<u>2 844 169</u>	<u>2 701 508</u>
Provincial grants included in Total Grants received		<u>2 844 169</u>	<u>2 701 508</u>

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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>2. Statutory Appropriation</b>			
Members' remuneration		1 978	1 902
<b>Total</b>		<b>1 978</b>	<b>1 902</b>
Actual Statutory Appropriation received		<b>1 978</b>	<b>1 902</b>
<b>3. Departmental revenue</b>			
Sales of goods and services other than capital assets	3.1	53 289	50 029
Fines, penalties and forfeits	3.2	13	2
Interest, dividends and rent on land	3.3	152	54
Transactions in financial assets and liabilities	3.4	24 953	13 477
Total revenue collected		<b>78 407</b>	<b>63 562</b>
Less: Own revenue included in appropriation	14	72 746	63 562
<b>Departmental revenue collected</b>		<b>5 661</b>	<b>-</b>
<b>3.1 Sales of goods and services other than capital assets</b>			
Sales of goods and services produced by the department		<b>53 289</b>	<b>50 029</b>
Sales by market establishment		22	49
Other sales		53 267	49 980
<b>Total</b>		<b>53 289</b>	<b>50 029</b>
<b>3.2 Fines, penalties and forfeits</b>			
Fines		13	2
<b>Total</b>		<b>13</b>	<b>2</b>



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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>3.3 Interest, dividends and rent on land</b>			
Interest		152	54
<b>Total</b>		<b>152</b>	<b>54</b>
<b>3.4 Transactions in financial assets and liabilities</b>			
Other Receipts including Recoverable Revenue		24 953	13 477
<b>Total</b>		<b>24 953</b>	<b>13 477</b>
<b>4. Compensation of employees</b>			
<b>4.1 Salaries and Wages</b>			
Basic salary		19 221 178	17 676 360
Performance award		51 162	43 354
Service Based		41 003	47 754
Compensative/circumstantial		442 726	405 864
Periodic payments		11 101	14 192
Other non-pensionable allowances		2 558 967	2 353 759
<b>Total</b>		<b>22 326 137</b>	<b>20 541 283</b>
<b>4.2 Social contributions</b>			
<b>Employer contributions</b>			
Pension		2 346 218	2 222 580
Medical		1 154 056	1 102 701
UIF		113	110
Bargaining council		2 035	1 812
Official unions and associations		4 915	3 287
<b>Total</b>		<b>3 507 337</b>	<b>3 330 490</b>
<b>Total compensation of employees</b>		<b>25 833 474</b>	<b>23 871 773</b>
Average number of employees		67 666	71 860

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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>5. Goods and services</b>			
Administrative fees		595	1 002
Advertising		19 155	9 170
Minor assets	5.1	6 707	3 836
Bursaries (employees)		92 980	47 904
Catering		63 283	40 309
Communication		71 216	28 900
Computer services	5.2	65 362	57 176
Consultants: Business and advisory services		268 010	252 744
Legal services		42 397	30 054
Contractors		37 121	156 395
Agency and support / outsourced services		212 467	127 739
Entertainment		-	592
Audit cost – external	5.3	24 022	18 118
Fleet services		10	38
Inventory	5.4	789 421	1 531 022
Consumables	5.5	250 986	204 647
Operating leases		26 854	33 167
Property payments	5.6	390 033	48 145
Rental and hiring		58	-
		8 656	2 748
Transport provided as part of the departmental activities			
Travel and subsistence	5.7	294 316	258 726
Venues and facilities		24 378	4 318
Training and development		80 688	86 147
Other operating expenditure	5.8	61 148	45 232
<b>Total</b>		<b><u>2 829 863</u></b>	<b><u>2 988 129</u></b>
<b>5.1 Minor assets</b>			
<b>Tangible assets</b>		<b>6 707</b>	<b>3 836</b>
Machinery and equipment		6 707	3 836
Transport assets		-	-
<b>Intangible assets</b>		<b>-</b>	<b>-</b>
Software		-	-
<b>Total</b>		<b><u>6 707</u></b>	<b><u>3 836</u></b>
<b>5.2 Computer services</b>			
SITA computer services		33 059	34 752
External computer service providers		32 303	22 424
<b>Total</b>		<b><u>65 362</u></b>	<b><u>57 176</u></b>

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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated</b>
			<b>R'000</b>
<b>5.3</b>			
<b>Audit cost – External</b>			
Regularity audits		21 941	16 833
Computer audits		2 081	1 285
<b>Total</b>		<b>24 022</b>	<b>18 118</b>
<b>5.4</b>			
<b>Inventory</b>			
Clothing material and accessories		-	1 182
Farming supplies		-	1 192
Learning, teaching and support material		584 595	1 059 310
Materials and supplies		286	2 468
Other supplies	5.4.1	204 540	466 870
<b>Total</b>		<b>789 421</b>	<b>1 531 022</b>
<b>5.4.1</b>			
<b>Other supplies</b>			
Assets for distribution		204 540	466 870
Machinery and equipment		8 309	236 383
School furniture		184 561	230 487
Other assets for distribution		11 670	-
<b>Total</b>		<b>204 540</b>	<b>466 870</b>
<b>5.5</b>			
<b>Consumables</b>			
Consumable supplies		<b>53 903</b>	<b>18 404</b>
Uniform and clothing		3 735	1 165
Household supplies		30 873	1 059
IT consumables		968	1 921
Other consumables		18 327	14 259
Stationery, printing and office supplies		197 083	186 243
<b>Total</b>		<b>250 986</b>	<b>204 647</b>
<b>5.6</b>			
<b>Property payments</b>			
Municipal services		131 990	3 163
Property maintenance and repairs		214 719	-
Other		43 324	44 982
<b>Total</b>		<b>390 033</b>	<b>48 145</b>

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		<b>R'000</b>	<b>Restated R'000</b>
<b>5.7 Travel and subsistence</b>			
Local		294 316	258 726
<b>Total</b>		<b>294 316</b>	<b>258 726</b>
<b>5.8 Other operating expenditure</b>			
Professional bodies, membership and subscription fees		69	-
Resettlement costs		12 579	-
Other		48 500	45 232
<b>Total</b>		<b>61 148</b>	<b>45 232</b>
<b>6. Interest and rent on land</b>			
Interest paid		232	3 125
<b>Total</b>		<b>232</b>	<b>3 125</b>
<b>7. Payments for financial assets</b>			
Material losses through criminal conduct		(1)	-
Other material losses	7.1	(1)	-
<b>Total</b>		<b>(1)</b>	<b>-</b>
<b>7.1 Other material losses</b>			
<b>Nature of other material losses</b>			
<b>Incident</b>			
	<b>Disciplinary Steps taken/ Criminal proceedings</b>		
Debtors written off.		(1)	-
<b>Total</b>		<b>(1)</b>	<b>-</b>

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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>8. Transfers and subsidies</b>			
Departmental agencies and accounts	<i>Annex 1A</i>	64 052	59 662
Non-profit institutions	<i>Annex 1B</i>	2 311 779	2 257 635
Households	<i>Annex 1C</i>	243 864	244 253
<b>Total</b>		<b><u>2 619 695</u></b>	<b><u>2 561 550</u></b>
<b>9. Expenditure for capital assets</b>			
<b>Tangible assets</b>		<b>1 516 290</b>	<b>1 540 416</b>
Buildings and other fixed structures	32.1	1 431 821	1 471 601
Machinery and equipment	30	84 469	68 815
<b>Intangible assets</b>		<b>8 067</b>	<b>1 958</b>
Software	31	8 067	1 958
<b>Total</b>		<b><u>1 524 357</u></b>	<b><u>1 542 374</u></b>

The department makes use of various implementing agents for all infrastructure related projects. There are no compensation of employees and goods and services costs capitalised by the department that are project related.

**9.1 Analysis of funds utilised to acquire capital assets – 2017/18**

	<b>Voted funds</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>	<b>1 516 290</b>	<b>1 516 290</b>
Buildings and other fixed structures	1 431 821	1 431 821
Machinery and equipment	84 469	84 469
<b>Intangible assets</b>	<b>8 067</b>	<b>8 067</b>
Software	8 067	8 067
<b>Total</b>	<b><u>1 524 357</u></b>	<b><u>1 524 357</u></b>

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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>9.2 Analysis of funds utilised to acquire capital assets – 2016/17</b>			
		<b>Voted funds</b>	<b>Total</b>
		<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>		<b>1 540 416</b>	<b>1 540 416</b>
Buildings and other fixed structures		1 471 601	1 471 601
Machinery and equipment		68 815	68 815
<b>Intangible assets</b>		<b>1 958</b>	<b>1 958</b>
Software		1 958	1 958
<b>Total</b>		<b>1 542 374</b>	<b>1 542 374</b>
<b>9.3 Finance lease expenditure included in Expenditure for capital assets</b>			
<b>Tangible assets</b>		<b>29 154</b>	<b>21 774</b>
Machinery and equipment		29 154	21 774
<b>Total</b>		<b>29 154</b>	<b>21 774</b>
<b>10. Unauthorised expenditure</b>			
<b>10.1 Reconciliation of unauthorised expenditure</b>			
Opening balance		174 570	-
Prior period error			-
As restated		174 570	-
Unauthorised expenditure – discovered in current year (as restated)		-	174 570
Less: Amounts approved by Parliament/Legislature without funding		(174 570)	-
Current		(174 570)	-
Less: Amounts transferred to receivables for recovery		-	-
<b>Closing balance</b>		<b>-</b>	<b>174 570</b>
<b>Analysis of closing balance</b>			
Unauthorised expenditure awaiting authorisation		-	174 570
Unauthorised expenditure approved without funding and not derecognised		-	-
<b>Total</b>		<b>-</b>	<b>174 570</b>

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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>10.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification</b>			
Current		-	174 570
<b>Total</b>		<b>-</b>	<b>174 570</b>

<b>10.3 Analysis of unauthorised expenditure awaiting authorisation per type</b>			
Unauthorised expenditure relating to overspending of the vote or a main division within a vote		-	174 570
<b>Total</b>		<b>-</b>	<b>174 570</b>

<b>11. Prepayments and advances</b>			
Prepayments (Not expensed)	11.1	373	746
<b>Total</b>		<b>373</b>	<b>746</b>

	<i>Note</i>	<b>Balance as at 1 April 2017</b>	<b>Less: Amount expensed in current year</b>	<b>Add: Current Year prepayments</b>	<b>Balance as at 31 March 2018</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Goods and services	11	746	373		373
<b>Total</b>		<b>746</b>	<b>373</b>	<b>-</b>	<b>373</b>

		<b>2017/18</b>			<b>2016/17</b>		
	<i>Note</i>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Claims recoverable	12.1	341	-	341	-	-	-
Staff debt	12.2	6 605	98 122	104 727	1 462	95 853	97 315
Other debtors	12.3	353	-	353	4 879	-	4 879
<b>Total</b>		<b>7 299</b>	<b>98 122</b>	<b>105 421</b>	<b>6 341</b>	<b>95 853</b>	<b>102 194</b>

<b>12.1 Claims recoverable</b>			
	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
Provincial departments	Annex 4	332	-
Private enterprises	Annex 4	9	-
<b>Total</b>		<b>341</b>	<b>-</b>

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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>12.2 Staff debt</b>			
Debt account		31 319	32 295
Medical aid		7	74
Sal: Reversal		58 272	49 123
Sal: Recoverable		14	14
Pension recoverable		3 548	3 548
Deduction disallowance		1 629	2 528
Tax debt		9 891	9 648
Sal: UIF		11	12
Insurance deductions		36	73
<b>Total</b>		<b>104 727</b>	<b>97 315</b>
<b>12.3 Other debtors</b>			
Disallowance fraud account		-	4 172
Receipt deposit		196	696
Receipt control		2	2
Receivable: Other debtors		-	9
UNP/RC BAS EBT control		155	-
<b>Total</b>		<b>353</b>	<b>4 879</b>
<b>12.4 Impairment of receivables</b>			
Estimate of impairment of receivables		-	2 864
<b>Total</b>		<b>-</b>	<b>2 864</b>
<b>13. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		190 255	735 580
Prior period error		-	-
As restated		190 255	735 580
Transfer from statement of financial performance (as restated)		38 854	15 685
Add: Unauthorised expenditure for current year	<i>10</i>	-	174 570
Paid during the year		(190 255)	(735 580)
<b>Closing balance</b>		<b>38 854</b>	<b>190 255</b>



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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Opening balance		5 773	3 557
Prior period error			-
As restated		<u>5 773</u>	<u>3 557</u>
Transfer from Statement of Financial Performance (as restated)		5 661	-
Own revenue included in appropriation		72 746	63 562
Paid during the year		(62 260)	(61 346)
<b>Closing balance</b>		<u><b>21 920</b></u>	<u><b>5 773</b></u>
<b>15. Bank Overdraft</b>			
Consolidated Paymaster General Account		<u>10 073</u>	<u>42 928</u>
<b>Total</b>		<u><b>10 073</b></u>	<u><b>42 928</b></u>
<b>16. Payables – current</b>			
Clearing accounts	16.1	15 823	19 526
Other payables	16.2	-	114
<b>Total</b>		<u><b>15 823</b></u>	<u><b>19 640</b></u>
<b>16.1 Clearing accounts</b>			
Sal: ACB		4 619	8 442
Sal: Garnishee		196	32
Sal: Pension fund		5	226
Sal: Income tax		8 032	9 178
Sal: Bargaining council		108	64
GEHS refunds		843	1 571
Pension debt		1 991	5
Official unions		29	8
<b>Total</b>		<u><b>15 823</b></u>	<u><b>19 526</b></u>
<b>16.2 Other payables</b>			
Debts in credit		-	114
		<u>-</u>	<u><b>114</b></u>

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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>17. Net cash flow available from operating activities</b>			
Net surplus/(deficit) as per Statement of Financial Performance		44 515	15 685
Add back non cash/cash movements not deemed operating activities		1 512 487	797 408
(Increase)/decrease in receivables – current		(3 227)	(15 869)
(Increase)/decrease in prepayments and advances		373	(746)
(Increase)/decrease in other current assets		174 570	-
Increase/(decrease) in payables – current		(3 817)	5 013
Expenditure on capital assets		1 524 357	1 542 374
Surrenders to Revenue Fund		(252 515)	(796 926)
Own revenue included in appropriation		72 746	63 562
<b>Net cash flow generated by operating activities</b>		<b><u>1 557 002</u></b>	<b><u>813 093</u></b>
<b>18. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		(10 073)	(42 928)
<b>Total</b>		<b><u>(10 073)</u></b>	<b><u>(42 928)</u></b>
<b>19. Contingent liabilities and contingent assets</b>			
<b>19.1 Contingent liabilities</b>			
<b>Liable to</b>	<b>Nature</b>		
Housing loan guarantees	Employees	43 903	44 046
Claims against the department		27 380	95 795
Intergovernmental payables (unconfirmed balances)		-	10 412
<b>Total</b>		<b><u>71 283</u></b>	<b><u>150 253</u></b>

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	<i>Note</i>	2017/18	2016/17
		R'000	Restated R'000
<b>19.2</b>			
<b>Contingent assets</b>			
<b>Nature of contingent asset</b>			
Unconfirmed claims receivable from other departments		3 261	3 900
<b>Total</b>		<b>3 261</b>	<b>3 900</b>
<b>20.</b>			
<b>Commitments</b>			
<b>Current expenditure</b>			
Approved and contracted		332 609	465 942
Approved but not yet contracted		-	-
		<b>332 609</b>	<b>465 942</b>
<b>Capital expenditure</b>			
Approved and contracted		4 088 564	1 967 996
Approved but not yet contracted		436 647	311 350
		<b>4 525 211</b>	<b>2 279 346</b>
<b>Total Commitments</b>		<b>4 857 820</b>	<b>2 745 288</b>

Due to the nature of the capital projects in the Department, the majority of the capital projects are multi-year commitments

**21. Accruals and payables not recognised**

**21.1 Accruals**

**Listed by economic classification**

	30 Days	30+ Days	Total	Total
Goods and services	30 360	9 838	40 198	16 980
Transfers and subsidies	-	188 279	188 279	144 791
Capital assets	386	218 950	219 336	206 996
<b>Total</b>	<b>30 746</b>	<b>417 067</b>	<b>447 813</b>	<b>368 767</b>

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	<i>Note</i>	2017/18	2016/17
		<b>R'000</b>	<b>Restated R'000</b>
<b>Listed by programme level</b>			
Administration		69 415	73 916
Public Ordinary School Education		159 304	120 415
Public Special School Education		74	737
Infrastructure Development		218 930	173 694
Examination and Education Related Services		90	5
<b>Total</b>		<b>447 813</b>	<b>368 767</b>

**21.2 Payables not recognised**

**Listed by economic classification**

	30 Days	30+ Days	Total	Total
Goods and services	136 117	-	136 117	161 676
Capital assets	60 137	30	60 167	26 958
<b>Total</b>	<b>196 254</b>	<b>30</b>	<b>196 284</b>	<b>188 634</b>

**Listed by programme level**

Administration		13 261	8 639
Public Ordinary School Education		118 329	179 129
Independent Schools		6	-
Public Special School Education		607	7
Early Childhood Development		-	6
Infrastructure Development		58 902	604
Examination and Education Related Services		5 179	249
<b>Total</b>		<b>196 284</b>	<b>188 634</b>

***Included in the above totals are the following:***

Confirmed balances with other departments	<i>Annex 5</i>	92 828	23 352
<b>Total</b>		<b>92 828</b>	<b>23 352</b>

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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>22. Employee benefits</b>			
Leave entitlement		285 276	254 584
Service bonus (Thirteenth cheque)		793 760	751 687
Performance awards		41 560	35 082
Capped leave commitments		2 520 616	2 573 479
Other		84 147	40 997
<b>Total</b>		<b>3 725 359</b>	<b>3 655 829</b>

Leave entitlement with a negative balance is R1. 565m (2016/17: R0.638). Other employee benefits relate to cost of employment related accruals of R82.883m (2016/17: 32.020m) and long service awards of R1.264m (2016/17: R8.977m).

**23. Lease commitments**

**23.1 Operating leases**

<b>2017/18</b>	<b>Buildings and other fixed structures</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	18 367	18 367
Later than 1 year and not later than 5 years	-	-
Later than five years	-	-
<b>Total lease commitments</b>	<b>18 367</b>	<b>18 367</b>
<b>2016/17</b>	<b>Buildings and other fixed structures</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	18 709	18 709
Later than 1 year and not later than 5 years	20 496	20 496
Later than five years	-	-
<b>Total lease commitments</b>	<b>39 205</b>	<b>39 205</b>

Operating leases consist of various lease agreements for premises leased for the department, districts as well as school use.

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**23.2 Finance leases**

<b>2017/18</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	228 705	228 705
Later than 1 year and not later than 5 years	250 447	250 447
Later than five years	-	-
<b>Total lease commitments</b>	<b>479 152</b>	<b>479 152</b>

<b>2016/17</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	82 648	82 648
Later than 1 year and not later than 5 years	80 843	80 843
Later than five years	-	-
	<b>163 491</b>	<b>163 491</b>

*Finance leases consist of the leasing of cell phones, photocopiers and fleet vehicles.*

**24. Irregular expenditure**

**24.1 Reconciliation of irregular expenditure**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17 Restated</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		2 049 759	1 645 479
Prior period error			(6 677)
As restated		2 049 759	1 638 802
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		97 138	414 495
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		-	-
Less: Amounts not condoned and recoverable		-	(3 538)
Less: Amounts not condoned and not recoverable		-	-
<b>Closing balance</b>		<b>2 146 897</b>	<b>2 049 759</b>
Analysis of awaiting condonation per age classification			
Current year		-	-
Prior years		140 254	140 254
<b>Total</b>		<b>140 254</b>	<b>140 254</b>

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<b>24.2</b>	<b>Details of irregular expenditure – added current year (relating to current and prior years)</b>	
	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2017/18 R'000</b>
	Incident	
	Goods and services	50 272
	Infrastructure	8 896
	Transfer payments	37 330
	Human Resources	640
	<b>Total</b>	<b><u>97 138</u></b>
<b>24.3</b>	<b>Details of irregular expenditure – per spend area (relating to current and prior years)</b>	
	<b>Spend area</b>	<b>2017/18 R'000</b>
	Goods and services	832 245
	Infrastructure	550 369
	Transfer payments	614 404
	Human resources	158 879
	<b>Total</b>	<b><u>2 146 897</u></b>
<b>24.4</b>	<b>Details of irregular expenditure – infrastructure spend area (relating to current and prior years)</b>	
	<b>Implementing agent</b>	<b>2017/18 R'000</b>
	Coega Development Corporation	271 391
	Amatola Water	8 896
	The Mvula Trust	38 204
	Independent Development Trust	202 447
	Eastern Cape Development Corporation	-
	Department of Roads and Public Works	29 431
	Development Bank of Southern Africa	-
	<b>Total</b>	<b><u>550 369</u></b>
<b>24.5</b>	<b>Details of irregular expenditures under investigation per spend area (not included in the main note)</b>	
	<b>Spend area</b>	<b>2017/18 R'000</b>
	Goods and services	512 170
	Infrastructure	1 038 919
	Transfer payments	31 669
	Human resources	268
	<b>Total</b>	<b><u>1 583 026</u></b>

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<b>24.6</b>	<b>Details of irregular expenditures under investigation (not included in the main note)</b>	
	<b>Incident</b>	<b>2017/18 R'000</b>
	Procurement process	1 392 663
	Bid invitation and receipt of bids	3 534
	Bid evaluation – points and functionality	44 791
	Variation orders	142 038
	<b>Total</b>	<b><u>1 583 026</u></b>

<b>24.7</b>	<b>Prior period error</b>	
		<b>2016/17 R'000</b>
	<b>Nature of prior period error</b>	
	Relating to 2015/16 (affecting opening balance)	(6 677)
	Irregular expenditure confirmed through investigations	<u>(6 677)</u>
	Relating to 2016/17	(369 783)
	Irregular expenditure confirmed through investigations	<u>(369 783)</u>
	<b>Total prior period errors</b>	<b><u>(376 460)</u></b>

A prior period error was corrected where irregular expenditure was confirmed through investigations.

<b>24.8</b>	<b>Details of the non-compliance where an institution was not represented in a bid committee for contracts arranged by other institutions</b>	
	<b>Incident</b>	<b>2017/18 R'000</b>
	Procurement for infrastructure projects - no representation on bid committee	8 896
	<b>Total</b>	<b><u>8 896</u></b>

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 Restated R'000</b>
<b>25. Fruitless and wasteful expenditure</b>			
<b>25.1 Reconciliation of fruitless and wasteful expenditure</b>			
Opening balance		161 887	152 279
Prior period error		<u>-</u>	<u>-</u>
As restated		161 887	152 279
Fruitless and wasteful expenditure – relating to prior year		2 800	-
Fruitless and wasteful expenditure – relating to current year		232	9 608
<b>Closing balance</b>		<b><u>164 919</u></b>	<b><u>161 887</u></b>



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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>25.2</b>	<b>Analysis of awaiting resolution per economic classification</b>		
Current		3 032	7 849
Transfers and subsidies		-	1 759
<b>Total</b>		<u><b>3 032</b></u>	<u><b>9 608</b></u>
<b>25.3</b>	<b>Analysis of Current year's fruitless and wasteful expenditure</b>		
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>		<b>2017/18 R'000</b>
Interest payment			232
<b>Total</b>			<u><b>232</b></u>
<b>25.4</b>	<b>Details of fruitless and wasteful expenditures under investigation (not included in the main note)</b>		
<b>Incident</b>			<b>2017/18 R'000</b>
Prior year COE overpayments and suspensions			27 115
Current year COE overpayments			740
<b>Total</b>			<u><b>27 855</b></u>
<b>26.</b>	<b>Related party transactions</b>		
	<b>Payments made</b>		
Goods and services		71 426	46 337
<b>Total</b>		<u><b>71 426</b></u>	<u><b>46 337</b></u>

**In kind goods and services provided/received**

The Department is utilising buildings paid for by the Department of Roads and Public Works:

Operating Leases	16 810
Municipal service payments	229
<b>Total</b>	<u><b>17 039</b></u>

The Department is trading with some companies directly owned or co-owned by its employees.  
The Department is utilising buildings currently paid by Eastern Cape Department of Road and Public Works.

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	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>Restated R'000</b>
<b>27. Key management personnel</b>			
	<b>No. of Individuals</b>		
Political office bearer	1	1 978	1 902
Officials:			
Level 15 to 16	4	4 717	6 111
Level 14 (incl. CFO if at a lower level)	20	23 157	12 472
Family members of key management personnel	20	8 028	9 625
<b>Total</b>		<b>37 880</b>	<b>30 110</b>

Political office bearer amount relates to the compensation of Member of the Executive Committee (MEC).
--

<b>28. Provisions</b>			
School nutrition programme (SNP)		1 444	1 444
Long service award		32 524	44 719
<b>Total</b>		<b>33 968</b>	<b>46 163</b>

**28.1 Reconciliation of movement in provisions – 2017/18**

	<b>School Nutrition Programme (SNP)</b>	<b>Long service award</b>	<b>Total provisions</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	1 444	44 719	46 163
Increase in provision	-	32 524	32 524
Settlement of provision	-	(44 719)	(44 719)
<b>Closing balance</b>	<b>1 444</b>	<b>32 524</b>	<b>33 968</b>

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**Reconciliation of movement in provisions – 2016/17**

	<b>School Nutrition Programme (SNP)</b>	<b>Long service award</b>	<b>Total provisions</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	1 444	59 846	61 290
Increase in provision	-	44 719	44 719
Settlement of provision	-	(59 846)	(59 846)
<b>Closing balance</b>	<b>1 444</b>	<b>44 719</b>	<b>46 163</b>

The provision for SNP relates to amounts that the Department expect to pay to service providers for food and catering services invoiced in prior years relating to orders not verified. The provision for long service award relates to cash awards due to employees in the ensuing financial year.

The uncertainty in these provisions relates to both the timing of when the department expects to pay the amounts and confirming the amounts.

**29. Non-adjusting events after reporting date**

There have been no non-adjusting events after the reporting date relating to the department.

**30. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	<b>Opening balance</b>	<b>Value adjustments</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing Balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>MACHINERY AND EQUIPMENT</b>	<b>228 143</b>	<b>-</b>	<b>36 048</b>	<b>3 227</b>	<b>260 964</b>
Transport assets	42 794	-	20 131	3 227	59 698
Computer equipment	136 815	-	3 521	-	140 336
Furniture and office equipment	40 545	-	8 115	-	48 660
Other machinery and equipment	7 989	-	4 281	-	12 270
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>228 143</b>	<b>-</b>	<b>36 048</b>	<b>3 227</b>	<b>260 964</b>

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**Movable Tangible Capital Assets under investigation**

	Number	Value R'000
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	4 952	76 874

These are assets that could not be found during the asset verification exercise and are recorded in a Loss Control Register. These assets are being investigated by the department. The outcome of the investigation will determine whether the asset has been lost, stolen, or possibly sold but asset register not updated. Where the asset has been lost or stolen the authorisation process should be followed to allow for the asset to be written off and the asset register updated.

**30.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>84 469</b>	-	<b>(29 251)</b>	<b>(19 170)</b>	<b>36 048</b>
Transport assets	44 539	-	(24 408)		20 131
Computer equipment	23 017	-		(19 496)	3 521
Furniture and office equipment	7 789	-	-	326	8 115
Other machinery and equipment	9 124	-	(4 843)	-	4 281
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>84 469</b>	-	<b>(29 251)</b>	<b>(19 170)</b>	<b>36 048</b>

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30.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	3 227	-	3 227	-
Transport assets	3 227	-	3 227	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>3 227</b>	<b>-</b>	<b>3 227</b>	<b>-</b>

30.3 Movement for 2016/17

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	168 628	(167 140)	281 727	55 072	228 143
Transport assets	35 761		7 033	-	42 794
Computer equipment	90 427	(167 140)	268 600	55 072	136 815
Furniture and office equipment	36 099		4 446	-	40 545
Other machinery and equipment	6 341		1 648	-	7 989
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>168 628</b>	<b>(167 140)</b>	<b>281 727</b>	<b>55 072</b>	<b>228 143</b>

30.3.1 Prior period error

	2016/17 R'000
<b>Nature of prior period error</b>	
<b>Relating to 2016/17</b>	<b>(167 140)</b>
Inventory incorrectly classified as computer equipment	(222 212)
Non-asset incorrectly disposed as assets	55 072
<b>Total prior period errors</b>	<b>(167 140)</b>

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30.4 Minor assets

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018**

	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>
Opening balance	78 941	78 941
Value adjustments	-	-
Additions	6 758	6 758
Disposals	-	-
<b>TOTAL MINOR ASSETS</b>	<b>85 699</b>	<b>85 699</b>

	<b>Machinery and equipment</b>	<b>Total</b>
Number of R1 minor assets	158	158
Number of minor assets at cost	-	-
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>158</b>	<b>158</b>

**Minor Capital Assets under investigation**

	<b>Number</b>	<b>Value R'000</b>
<b>Included in the above total of the minor capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	4 995	11 799

These are assets that could not be found during the asset verification exercise and are recorded in a Loss Control Register. These assets are being investigated by the department. The outcome of the investigation will determine whether the asset has been lost, stolen, or possibly sold but asset register not updated. Where the asset has been lost or stolen the authorisation process should be followed to allow for the asset to be written off and the asset register updated.

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**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017**

	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>
Opening balance	70 041	70 041
Prior period error	(9 885)	(9 885)
Additions	21 491	21 491
Disposals	2 706	2 706
<b>TOTAL MINOR ASSETS</b>	<b>78 941</b>	<b>78 941</b>

	<b>Machinery and equipment</b>	<b>Total</b>
Number of R1 minor assets	158	158
Number of minor assets at cost	57 011	57 011
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>57 169</b>	<b>57 169</b>

**30.4.1 Prior period error**

	<i>Note</i>	<b>2016/17 R'000</b>
<b>Nature of prior period error</b>		
<b>Relating to 2016/17</b>		<b>(9 885)</b>
Inventory incorrectly classified as computer equipment		(12 591)
Non-asset incorrectly disposed as assets		2 706
<b>Total prior period errors</b>		<b>(9 885)</b>

In the current year an error was detected where inventory items were classified as capital assets and non-asset items were disposed off as assets. This prior period error has been corrected where capital expenditure was overstated and goods and services understated.

**31. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	<b>Opening balance R'000</b>	<b>Value adjustments R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	<b>Closing Balance R'000</b>
<b>SOFTWARE</b>	3 357		8 067	-	11 424
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>3 357</b>	<b>-</b>	<b>8 067</b>	<b>-</b>	<b>11 424</b>

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31.1 Additions  
ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	8 067	-	-	-	8 067
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>8 067</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 067</b>

31.2 Movement for 2016/17  
MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 066	333	1 958	-	3 357
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>1 066</b>	<b>333</b>	<b>1 958</b>	<b>-</b>	<b>3 357</b>

31.2.1 Prior period error

	2016/17 R'000
<b>Nature of prior period error</b>	
<b>Relating to 2016/17</b>	<b>333</b>
Intangible asset incorrectly included in operating expenditure	333
<b>Total prior period errors</b>	<b>333</b>



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32. **Immovable Tangible Capital Assets**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	-	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	-	-	-

32.1 **Additions**

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Cash	Non- cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	1 431 821	-	(1 431 821)	-	-
Non-residential buildings	1 431 821	-	(1 431 821)	-	-
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	1 431 821	-	(1 431 821)	-	-

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32.2 **Immovable Tangible Capital Assets**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	-	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	-	-	-

32.3 **Capital Work-in-progress**

**CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018**

	Note	Opening balance 1 April 2017	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2018
		R'000	R'000	R'000	R'000
Buildings and other fixed structures	<i>Annex 7</i>	2 988 816	1 431 821	(235 154)	4 185 483
<b>TOTAL</b>		<b>2 988 816</b>	<b>1 431 821</b>	<b>(235 154)</b>	<b>4 185 483</b>

**Accruals and payables not recognised relating to  
Capital WIP**

	Note	2017/18	2016/17
		R'000	R'000
Accrual not recognised– Capital Assets	21.1	219 336	
Payables not recognised– Capital Assets	21.2	1 265	
<b>Total</b>		<b>220 601</b>	

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**CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2017**

Note	Opening balance 1 April 2016	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2017
	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures	3 951 214	(1 990 112)	1 471 601	(443 887)	2 988 816
<b>TOTAL</b>	<b>3 951 214</b>	<b>(1 990 112)</b>	<b>1 471 601</b>	<b>(443 887)</b>	<b>2 988 816</b>

**32.4 S42 Immovable assets**

**Assets subjected to transfer in terms of S42 of the PFMA – 2017/18**

	Number of assets	Value of assets R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>698</b>	<b>2 669 153</b>
Non-residential buildings	698	2 669 153
<b>TOTAL</b>	<b>698</b>	<b>2 669 153</b>

**Assets subjected to transfer in terms of S42 of the PFMA – 2016/17**

	Number of assets	Value of assets R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>587</b>	<b>2 433 999</b>
Non-residential buildings	587	2 433 999
<b>TOTAL</b>	<b>587</b>	<b>2 433 999</b>

**33. Principal-agent arrangements**

**33.1 Department acting as the principal**

	Fee paid	
	2017/18 R'000	2016/17 R'000
Eastern Cape Department of Roads and Public Works (DPW)	316 293	690 646
Development Bank of South Africa (DBSA)	204 801	-
Independent Development Trust (IDT)	155 126	-
Office of the Premier (OTP)	66 161	-
The Mvula Trust (TMT)	65 261	-
Coega Development Corporation (CDC)	408 519	-
Amatola Water (AW)	44 753	-
<b>Total</b>	<b>1 260 914</b>	<b>690 646</b>

The Department uses DPW, DBSA, IDT, TMT, OTP, CDC and AW as implementing agents for facilitation of the infrastructure related projects.

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34. Prior period errors

34.1 Correction of prior period errors

	Note	Amount before error correction 2016/17 R'000	Restated Amount 2016/17 R'000	Prior period error / Net Effect 2016/17 R'000
<b>Commitments</b>	20			
<b>Current expenditure</b>		<b>518 511</b>	<b>465 942</b>	<b>(52 569)</b>
Approved and contracted		465 942	465 942	-
Approved but not yet contracted		52 569	-	(52 569)
<b>Capital expenditure</b>		<b>3 769 228</b>	<b>2 279 346</b>	<b>(1 489 882)</b>
Approved and contracted		1 717 677	1 967 996	250 319
Approved but not yet contracted		2 051 551	311 350	(1 740 201)
<b>Total</b>		<b>4 287 739</b>	<b>2 745 288</b>	<b>(1 542 451)</b>

In the current year an error was noted relating to the correct basis of recognising approved and not yet contracted commitments.

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**35. STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	2017/18 GRANT ALLOCATION					2017/18 SPENT					2016/17	
	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 department	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	46 685	-	-	-	46 685	46 685	34 527	12 158	74%	59 341	58 241	
Education Infrastructure Grant	1 581 750	-	-	-	1 581 750	1 581 750	1 582 835	(1 085)	100%	1 505 088	1 505 088	
HIV and AIDS Grant	41 936	-	-	-	41 936	41 936	41 936	-	100%	39 591	38 703	
National School Nutrition Programme	1 149 353	14 463	-	-	1 163 816	1 163 816	1 146 466	17 350	99%	1 085 184	999 890	
Extended Public Works Incentive Programme (Social Sector)	5 022	-	-	-	5 022	5 022	5 022	-	100%	10 160	19 871	
Extended Public Works Integrated Programme	2 411	-	-	-	2 411	2 411	2 411	-	100%	2 144	1 993	
Learner Profound Intel Disability Grant	3 537	-	-	(988)	2 549	2 549	728	1 821	29%	-	-	
<b>TOTAL</b>	<b>2 830 694</b>	<b>14 463</b>	<b>-</b>	<b>(988)</b>	<b>2 844 169</b>	<b>2 844 169</b>	<b>2 813 925</b>	<b>30 244</b>		<b>2 701 508</b>	<b>2 623 786</b>	

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**ANNEXURE 1A**

**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ ACCOUNT	2017/18 TRANSFER ALLOCATION			2017/18 TRANSFER		2016/17	
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds Transferred %	Final Appropriation R'000
SETA	64 052	-	-	64 052	64 052	100%	59 662
<b>TOTAL</b>	<b>64 052</b>	<b>-</b>	<b>-</b>	<b>64 052</b>	<b>64 052</b>		<b>59 662</b>

**ANNEXURE 1B**

**STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	2017/18 TRANSFER ALLOCATION			2017/18 EXPENDITURE		2016/17	
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds transferred %	Final Appropriation R'000
<b>Transfers</b>							
Section 20 & 21 Schools	1 879 860	-	-	1 879 860	2 071 130	110%	1 989 323
Independent schools	120 000	-	3 042	123 042	122 868	100%	120 000
Special schools	69 022	-	6 121	75 143	76 948	102%	67 569
ECD sites	20 534	-	-	20 534	9 043	44%	18 517
HIV and AIDS (life skills)	22 438	-	-	22 438	31 700	141%	33 369
Donations to NPI	137	-	-	137	90	66%	131
<b>TOTAL</b>	<b>2 111 991</b>	<b>-</b>	<b>9 163</b>	<b>2 121 154</b>	<b>2 311 779</b>		<b>2 228 909</b>

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**ANNEXURE 1C  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	2017/18 TRANSFER ALLOCATION				2017/18 EXPENDITURE		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Leave gratuities	-	-	266 576	266 576	210 468	79%	318 982
Bursaries non-employees	-	-	-	-	33 396	-	
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>266 576</b>	<b>266 576</b>	<b>243 864</b>		<b>318 982</b>

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**ANNEXURE 2  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2018 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2017	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/ released during the year	Revaluations	Closing balance 31 March 2018	Guaranteed interest for year ended 31 March 2018	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
0001 STANDARD BANK	Housing	-	5 889	195	195	-	5 889	-	-
0002 NEDBANK		-	42	-	-	-	42	-	-
0003 NEDBANK LIMITED		-	7 687	244	360	-	7 571	-	-
0004 FIRSTRAND BANK		-	2 083	-	-	-	2 083	-	-
0010 NEDBANK		-	133	-	-	-	133	-	-
0013 MEEG BANK		-	75	-	-	-	75	-	-
0017 ABSA		-	15 280	124	111	-	15 293	-	-
0031 UNIQUE FINANCE		-	472	-	22	-	450	-	-
0052 PEOPLES BANK		-	3 292	21	120	-	3 193	-	-
0053 NEDBANK LTD		-	4 256	-	52	-	4 204	-	-
0054 FNB		-	725	-	-	-	725	-	-
0055 OLD MUTUAL		-	3 523	-	119	-	3 404	-	-
0056 UNITED		-	13	-	-	-	13	-	-
0071 GBS MUTUAL BANK		-	35	-	-	-	35	-	-
0076 TNBS MUTUAL BAN		-	353	-	24	-	329	-	-
0103 HLANO FIN SERVI		-	12	-	-	-	12	-	-
0104 ITHALA LIMITED		-	110	-	111	-	(1)	-	-
0279 HOUSING DEVELOPMENT BOARD, 0516 GREEN START		-	12	-	-	-	12	-	-
0444 BOE BANK LIMITED		-	48	-	-	-	48	-	-
512 SA HOME LOANS		-	6	387	-	-	393	-	-
<b>TOTAL</b>		-	<b>44 046</b>	<b>971</b>	<b>1 114</b>	-	<b>43 903</b>	-	-



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**ANNEXURE 3  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018**

Nature of Liability	Opening Balance 1 April 2017	Liabilities incurred during the year	Liabilities cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2018
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Various claims	95 795	5 897	74 312	-	27 380
<b>TOTAL</b>	<b>95 795</b>	<b>5 897</b>	<b>74 312</b>	<b>-</b>	<b>27 380</b>

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**ANNEXURE 4**  
**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	Amount
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>								
Education KZN	-	-	326	377	326	377	-	-
Education Northern Cape	-	-	41	41	41	41	-	-
Education Western Cape	-	-	332	332	332	332	-	-
Education Gauteng	-	-	68	280	68	280	-	-
Education National	-	-	37	37	37	37	-	-
Education Mpumalanga	-	-	142	142	142	142	-	-
Education Limpopo	-	-	157	126	157	126	-	-
Education Free State	-	-	331	331	331	331	-	-
Education North West	-	-	-	25	-	25	-	-
Higher Education	-	-	-	342	-	342	-	-
Public Works Eastern Cape	-	-	1 535	1 535	1 535	1 535	-	-
Public Works National	-	-	47	47	47	47	-	-
Justice	-	-	6	19	6	19	-	-
Correctional Services	-	-	34	34	34	34	-	-
Parliament SA	-	-	-	29	-	29	-	-
Transport Eastern Cape	332	-	-	-	-	-	-	-
	<b>332</b>	<b>-</b>	<b>3 056</b>	<b>3 695</b>	<b>3 388</b>	<b>3 695</b>	<b>-</b>	<b>-</b>
<b>Other Government Entities</b>								
SADTU	-	-	205	205	205	205	-	-
Vodacom	9	-	-	-	9	-	-	-
	<b>9</b>	<b>-</b>	<b>205</b>	<b>205</b>	<b>214</b>	<b>205</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>341</b>	<b>-</b>	<b>3 261</b>	<b>3 900</b>	<b>3 602</b>	<b>3 900</b>	<b>-</b>	<b>-</b>

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**ANNEXURE 5**  
**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2017/18
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	
	R'000	R'000	R'000	R'000	R'000	R'000	Amount
<b>DEPARTMENTS</b>							
<b>Current</b>							
National Departments	11	15 127	-	-	11	15 127	-
Social development Eastern Cape	538	29	-	83	538	112	-
Public Works Eastern Cape	58 902	7 874	-	-	58 902	7 874	-
Provincial Treasury Eastern Cape	-	82	-	-	-	82	-
Office of the Premier Eastern Cape	32 945	-	-	3 502	32 945	3 502	-
Dept. of Transport Eastern Cape	-	-	-	6 706	-	6 706	-
Education North West	-	47	-	-	-	47	-
Education Mpumalanga	-	135	-	-	-	135	-
Health Gauteng	-	58	-	-	-	58	-
Education Gauteng	77	-	-	-	77	-	-
Education KZN	103	-	-	121	103	121	-
Education Northern Cape	10	-	-	-	10	-	-
Education Limpopo	148	-	-	-	148	-	-
Dept. of Sport, Recreation, Art & Culture Eastern Cape	94	-	-	-	94	-	-
<b>TOTAL</b>	<b>92 828</b>	<b>23 352</b>	<b>-</b>	<b>10 412</b>	<b>92 828</b>	<b>33 764</b>	<b>-</b>

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**ANNEXURE 6**  
**INVENTORIES**

Inventories: Textbooks	Note	2017/18		2016/17	
		Quantity	R'000	Quantity	R'000
Opening balance		365 473	36 185	4 376	296
Add: Additions/Purchases - Cash		5 686 971	584 595	8 171 614	1 059 237
(Less): Issues		(5 717 462)	(602 895)	(7 810 517)	(1 023 348)
<b>Closing balance</b>		<b>334 982</b>	<b>17 885</b>	<b>365 473</b>	<b>36 185</b>

EASTERN CAPE DEPARTMENT OF EDUCATION  
VOTE 6  
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018

**ANNEXURE 7**

**MOVEMENT IN CAPITAL WORK IN PROGRESS**

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>2 988 816</b>	<b>1 431 821</b>	<b>(235 154)</b>	<b>4 185 483</b>
Non-residential buildings	2 988 816	1 431 821	(235 154)	4 185 483
<b>TOTAL</b>	<b>2 988 816</b>	<b>1 431 821</b>	<b>(235 154)</b>	<b>4 185 483</b>

Age analysis on ongoing projects	Number of projects		2017/18
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	922	16	59 642
1 to 3 Years	-	390	1 823 873
3 to 5 Years	-	178	905 388
Longer than 5 Years	-	154	1 396 581
<b>Total</b>	<b>922</b>	<b>738</b>	<b>4 185 483</b>

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>3 951 214</b>	<b>(1 990 112)</b>	<b>1 471 601</b>	<b>(443 887)</b>	<b>2 988 816</b>
Non-residential buildings	3 951 214	(1 990 112)	1 471 601	(443 887)	2 988 816
<b>TOTAL</b>	<b>3 951 214</b>	<b>(1 990 112)</b>	<b>1 471 601</b>	<b>(443 887)</b>	<b>2 988 816</b>













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## IMPORTANT CONTACTS

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