



Province of the
EASTERN CAPE
EDUCATION

Annual Report 2013 / 2014

Building
Blocks
for Growth



Province of the
EASTERN CAPE
EDUCATION

**DEPARTMENT OF EDUCATION
PROVINCE OF THE EASTERN CAPE
VOTE NO. 06
ANNUAL REPORT
2013/2014 FINANCIAL YEAR**



Our Pledge

As an official of the Department and servant of the public I pledge to serve with **Empathy** and at all times endeavour to treat learners, my colleagues and all other stakeholders with **Dignity** and courtesy, always ensure in the spirit of “all hands on deck” to continuously strive for **Unity** as I demonstrate focus, passion for all I undertake so as to inspire **Confidence** in government service and fulfill the fundamental principles of **Access** and equity as enshrined in the Constitution of the Republic whilst **Trust** and *honesty* are the essence of my being when called upon to display a high level of **Integrity** and *accountability* in my daily operations instilling all round me a culture of **Ownership** and *humility* as I make my contribution in moulding the future leaders of our beloved **Nation** in doing so making the Eastern Cape a compelling place to live, work and invest in.

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PART A: GENERAL INFORMATION



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1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AAC	Augmentative Alternative Communication
ABET	Adult Education and Training
AET	Adult Education and Training
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AIDS	Acquired Immunodeficiency Syndrome
ANA	Annual National Assessments
APP	Annual Performance Plan
BBBEE	Broad-Based Black Economic Empowerment
CAPS	Curriculum and Assessment Policy Statement
CBO	Community Based Organisations
CFO	Chief Financial Officer
CoE	Compensation of Employees
CSTL	Care and Support for Teaching and Learning
DBE	Department of Basic Education
DBST	District Based Support Team
DHET	Department of Higher Education and Training
DoL	Department of Labour
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DRPW	Department of Roads and Public Works
ECAC	Eastern Cape Aids Council
ECD	Early Childhood Development
ECDoE	Eastern Cape Department of Education
ECG	Eastern Cape Government
EDO	Education Development Officer
EFMS	Electronic Facilities Management System
EIG	Education Infrastructure Grant
ELI	Education Leadership Institute
EMIS	Education Management Information System
EPWP	Expanded Public Works Programme
FAL	First Additional Language
FET	Further Education and Training
FETC	Further Education and Training Certificate (at Grade 12)
FINCOM	Financial Management Committee
GET	General Education and Training
GHS	General Household Survey
GIAMA	Government Immovable Asset Management Act
GTAC	Government Technical Advisory Centre

HDI	Historically Disadvantaged Individuals
HEDCOM	Head of Education Department Committee
HIV	Human Immunodeficiency Virus
HOA	Home Owner Allowance
HoD	Head of Department
HR	Human Resource
ICES	Integrated Computer Examinations System
ICT	Information Communication Technology
IEC	Independent Electoral Commission
IECS	Integrated Examinations Computerised System
ILP	Inclusive Learning Programme
IQMS	Integrated Quality Management System
LAIS	Learner Attainment and Improvement Strategy
LCR	Learner Classroom Ratio
LOGIS	Logistics Information System
LoLT	Language of Learning and Teaching
LSEN	Learners with Special Educational Needs
LTSM	Learning and Teaching Support Material
LURITS	Learner Unit Record Information Tracking System
MCS	Modified Cash Standards
MEC	Member of the Executive Council
MDGs	Millenium Development Goals
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NCS	National Curriculum Statement
NCV	National Curriculum Vocation
NDP	National Development Plan
NEHAWU	National Education and Health Allied Workers Union
NEPA	National Education Policy Act
NETC	National Education and Training Council
NETF	National Education and Training Framework
NGO	Non-Governmental Organization
NMMU	Nelson Mandela Metropolitan University
NNSSF	National Norms and Standards for School Funding
NQF	National Qualification Framework
NSC	National Senior Certificate
NSMSTE	National Strategy for Mathematics, Science and Technology Education
NSNP	National School Nutrition Programme
OD	Organisational Development

OTP	Office of the Premier
OVC	Orphans and Vulnerable Children
PAT	Practical Assessment Test
PELRC	Provincial Education Labour Relations Council
PERSAL	Personnel and Salary System
PFMA	Public Finance Management Act
PGT	Peer Group Trainers
PILIR	Policy on Leave and Ill-Health Retirement
QIDS-UP	Quality Improvement Development Support and Upliftment
QLTC	Quality Learning and Teaching Campaign
SACE	South African Council for Educators Act
SADC	Southern African Development Community
SADTU	South Africa Democratic Teachers Union
SAMUN	South African Model United Nations
SASA	South African Schools Act
SASAMS	South African School Administration and Management System
SBA	School Based Assessment
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SETA	Sector Education and Training Authority
SG	Superintendent-General
SGB	School Governing Body
SID	Severely Intellectually Disabled
SIP	School Improvement Plan
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SMT	School Management Team
SSS	Senior Secondary School
TADA	Teenagers Against Drug Abuse
TAP	Turnaround Plan
TRs	Treasury Regulations

3. FOREWORD BY THE MEMBER OF THE EXECUTIVE COUNCIL FOR EDUCATION



Name: Honorable M Makupula MPL
Title: MEC: Education, Eastern Cape

Warm greetings to the people of Eastern Cape and a word of gratitude for the opportunity to present the 2013/2014 Annual Report of the Eastern Cape Department of Education! Once again, time has come to account for the financial and non-financial performance of the Department. I am undoubtedly grateful for the opportunity to reflect on the progress we have made thus far, lessons learnt in implementing complex government policies, as well as challenges of consolidating education institutions that should be responsive to the socio-economic challenges of the Eastern Cape.

The primary mandate of the Department is to provide quality education to all citizens of the Province, and ensure that education is accessible to all children eligible for basic education services. This is a fundamental right enshrined in our constitution, and it is equally a significant commitment we have made to various international conventions on agreed development targets as enshrined in Education for All and the Millennium Development Goals.

The National Development Plan also demands an education system that responds to the pertinent twin challenge of poverty and unemployment. I am glad to declare that the Department has embraced this challenge with both hands, fully conscious of the magnitude of the task at hand, but determined to accelerate the pace of progress towards a more equitable, efficient and high quality education for all.

The year under review is the last financial year of the fourth term of government and I am happy to announce that the department has made tremendous progress in the key strategic Turnaround Projects of improved learning outcomes and improved audit outcomes. The Matric Class of 2013 improved results from 59,1% to 64,9%, our highest overall pass rate from a low base of 48,5% in 1994, and 50,6% of 2008. Of the 23 Districts that presented in 2013, 16 performed above 60%, with no District performing below 50%. Performance by Quintiles 1 to 3 also improved by average 4% from 55% in 2012 to 60% in 2013. The number of Bachelors passes, which represents learners eligible for university entry, increased from 15% in 2011 to 19% in 2013.

Access to education has improved impressively, with the Eastern Cape recording an impressive increase in Grade R enrolments to 98%, thus improving universal access of Grade R. Equally important is a myriad of significant achievements in other access indicators that were prioritised in the financial year under reporting, and these include:

1. 100% delivery of LTSM before the start of the 2014 academic year
2. 1 562 129 that are now benefiting from No Fee school policy
3. 55 537 learners that have access to scholar transport services
4. 1 646 142 learners that are receiving a nutritious meal on every schooling day
5. 27 514 learners are now able to access special and specialised education services
6. 80 276 Orphan and Vulnerable Children (OVC) with access to support

Resourcing of schools in general has made good progress and expenditure on school infrastructure in particular has improved year on year, closing at 98% by the end of the financial. The ASIDI program, in partnership with the Department of Basic Education has also paid off well in eradication of mud and inappropriate structures and its achievements are more pronounced in the north eastern regions of the Province. However, the Department has noted a steady decline in infrastructure standards of the western regions due to poor maintenance budgets and long periods of neglect, and these will be receiving attention over the MTEF.

The Audit Outcomes of the Department also improved from a chronic Disclaimer Audit Outcome to a Qualified Audit outcome in the last two financial years of 2012/13 and 2013/14. To put this into perspective, the

Department has never before achieved anything but a Disclaimer or Adverse Opinion since 1994.

To sustain this positive development, the Department has adopted a Turnaround Plan to manage a basket of objectives that include:

1. Organisational stability and sustainable improvements
2. Clean, effective and efficient administration
3. Improved Audit Reports
4. Efficient service delivery model for Education
5. Improvement in Learner Performance

To that effect, the Department has put in place requisite institutional mechanisms to deliver on this turnaround plan. Worth mentioning are efforts aimed at strengthened documents management, improved financial management capabilities, as well as general system improvement through an Internal Control Unit. In the year under review, the department continued to be confronted by challenges that are structural and systemic in nature, which are in turn compounded by broader challenges of historical underdevelopment and the legacy of Apartheid political economy. The negative effects of population migration patterns continue to create instability of learner numbers in our schools, hence problems of imbalance between Post Provisioning Norms and budgets for the compensation of employees.

In conclusion, a very sincere and deep word of appreciation is extended to the role played by the management and staff of the Department, as well as our social partners. We are determined to sustain the stability this has created in our province. Education remains a major factor in breaking the cycle of poverty and underdevelopment, and the task of building skills and human resource base, therefore strengthening education system remain our critical priority going forward. The African National Congress led government has an obligation to liberate South Africans in general, and the historically downtrodden in particular. The Department has resolved to do it for the sake of Madiba and future generations.



M Makupula, MPL

Honorable MEC: Education, Eastern Cape

Date: 30 September 2014

4. REPORT OF THE ACCOUNTING OFFICER



Name: R Tywakadi

Title: Acting Head: Education, Eastern Cape

The 2013/14 Annual Report of the Eastern Cape Department of Education accounts for the administration and management of expenditure on education for the 2013/2014 financial year. The Basic Education Sector performance indicators for the year under review included the following priorities:

1. Quality improvement in basic education as measured by the improvement of the pass rates for literacy and numeracy in Grades 3, 6 and 9 to 60% by 2014
2. Access to quality education through provisioning of learner-teacher support material (LTSM)
3. Increased focus on Mathematics and Science and Dinaledi schools
4. Extending the School Nutrition Programme to learners in all poor primary and secondary schools
5. Capacitating institutions and people (Districts, Teacher Development, School Management and Leadership)
6. Focusing on learner nutrition, Physical Education and Health
7. School Infrastructure that must deal with all backlogs through innovative funding modalities if necessary

In seeking to achieve these priorities and addressing the objective of “improving the quality of basic education”, the Department registered a number of significant achievements, and these include.

1. A continuous improvement of matric results to 64,9%, which marked a significant improvement since the 50,6% in 2008 and 48,5% in 1994. Improvements include a quality dimension that point to improved bachelor passes and the number of distinctions per subject
2. A drastic reduction in the number of institutions achieving below the required performance levels, as a result there were no district in 2013 that achieved below a 50% pass rate
3. A successful implementation of the new national CAPS curriculum, the Curriculum and Assessment Policy Statement. This is a single, comprehensive, and concise curriculum policy covering grades R-12 since 1994. The rollout began in 2011 and completed in 2014, and CAPS training reached to over 50 000 educators for both GET and FET
4. An improved institutional and service delivery arrangements that include strategic partnerships with private sector organisations, HEIs, teacher unions and civil society organisations. The current portfolio includes important organisations such as the GM Foundation, Fort Hare University and the Ilima Ministers Fraternal
5. An emergent number of learners bringing national and international honours to the Province, and that includes, Maluti learners who won the *International Science Fair Competition in Beijing in 2013*. Their

project was based on “generating electricity from the atmosphere”

6. 2013 ANA results that showed better performance in lower grades, with more learners attaining acceptable achievement levels than in higher grades. Significant achievements were recorded in Languages than in Mathematics. In First Additional Languages learners did not perform as well as in their Home Language; Learners in special schools achieved at about the same level as learners in mainstream schools
7. Improved access to and timeous delivery of Learner Teacher Support Material (LTSM for the 2014 academic year). This was achieved through:
 - 7.1 Various decisions taken to increasingly centralise various procurement processes mainly related to LTSM
 - 7.2 The province has again worked with DBE to ensure increasingly timeous and correct delivery of DBE workbooks

EARLY CHILDHOOD DEVELOPMENT (ECD) SERVICES:

1. The incremental accessing of a Grade R class by young children has further improved and 4 477 schools have now a Grade R Class attached, and this has improved ECD coverage in public schools to 98% in the Eastern Cape. The Norms and Standards for Funding Grade R is in its fourth year of implementation as a result the provincial per learner funding has improved from 34% cost of a Grade 1 learner in 2012/13 financial year to 60% in 2013/14. This is however low compared to the 70% advocated by the Norms and Standards.
2. In addressing universal access to Grade R, the Department makes provision for a monthly stipend towards remuneration of Grade R practitioners. Currently, 5 378 practitioners receive a monthly stipend of R5 300 towards managing the Grade R class in 4 477 schools. The Department is targeting to create 178 Grade R posts that will be available in January 2015. The Department intends to professionalize Grade R and 1 150 Grade R practitioners have been enrolled in ECD NQF Level 6 qualification (1050 in Grade R Teaching Diploma and 100 on B.Ed. Foundation Phase)

NATIONAL SCHOOL NUTRITION PROGRAM

1. Improved management and delivery of School Nutrition Programme has reached the target of 100% coverage in Quintiles 1- 3 primary and secondary schools, and targeted Special Schools with 1,6m learners benefiting. The change of the provisioning model to a decentralised framework worked commendably and many of the systemic challenges that previously hampered effective provision of school nutrition were overcome
2. The impact of the program on local citizenry has recorded a number of meaningful economic spin-offs, with employment creation opportunities reaching just over 11 147 meal servers at school level
3. The program is now experimenting with innovative designs that will see to the provision of a second meal where possible. This includes a pilot on provisioning of a breakfast snack in partnership with Tiger Brands.. An audit is currently underway to assess the value of a decentralized model

SCHOOL AND DISTRICT FUNCTIONALITY

Improving schools and District functionality received a focussed attention, and activities of the year included:

1. Capacitation of new School Governing Bodies elected in 2012 with special attention to functionality of SGBs and functionality of schools
2. To the effect the Department signed a two year Memorandum of Agreement with the University of Fort Hare to train 497 SMTs of underperforming schools
3. Improved and timeous transfer of funds for norms and standards despite challenges of late submission of AFSs by some schools

SCHOLAR TRANSPORT

The scholar transport service has stabilised since the transfer of the service to the Department of Transport(DoT). The service is currently being accessed by 56 000 learners in Quintiles 1 to 3 who qualify in terms of policy, even though demand is escalating

NO FEE SCHOOLS

93% of learners are currently benefiting from the No Fee policy as compared to 80.5% learners in 2009. Although there has been a challenge in funding at National targets in terms of School Funding Norms, national targets were however met in 2013

SOCIAL COHESION

The values in education program made commendable strides with programs on promotion of values of the South African society, building social cohesion in schools, eliminating racial discrimination and enhanced unity across nations. Key flagships for the year included Youth Citizen Action Program, NHC Education Outreach Program, Indoni Cultural Schools, Moot Court, and Drama Competitions for Human Rights

ORGANISATIONAL STABILITY

The organisation is stabilising well with noteworthy improvements in the following:

1. Stable Budgets and reliable expenditure targets over the last three years
2. Filling of critical SMS vacancies that include appointments of DDG: Institutional Operations Management, a number of Senior Managers and Professional staff at district and head office level
3. Eradication of disciplinary cases backlogs from 282 cases in 2011, to 54 in 2013. All 18 SMS member cases were finalised by close of the financial year
4. Improved management of appeal cases from 207 appeal backlog in 2011, to 24 outstanding appeals by close of the financial year. Of finalized appeal cases, just under 30 resulted in confirmation of dismissals, and these were fraud and corruption, gross negligence of duty, gross absenteeism, sexual contact with learners and alcohol abuse

Significant progress was made with regards to the Education Turnaround Plan adopted by the Executive Council in February 2011. The same applies for progress made in terms of the Section 100 (1)(b) national intervention, which is still in effect. Since the Department is labour-intensive and its biggest cost driver is personnel, the Department is implementing a comprehensive turnaround strategy of the management of human resources (from 2013/14 and again in the 2014/15 financial year dealing with:

1. HR baseline (learner and educator verification)
2. HR process reengineering and implementation in recruitment, leave, the Policy on Leave and Ill-Health Retirement (PILIR), training and retirement
3. a revised Service Delivery Model
4. Performance Management Development System compliance
5. integrated HR planning – particularly on deploying the right number of teachers, with the right skills to the right schools and classrooms)
6. Persal Clean-up, including developing processes for updating and maintaining electronic records) and
7. Developing and implementing Culture Change Programmes will drive a culture of high performance and continuous improvement to drive the Department's objectives

The implementation of these various key aspects are being prioritized and varying levels of progress has been made so far. The Department is getting assistance through the Office of the Premier as well as National Treasury's Technical Assistance Unit (now known as Government Technical Advisory Centre (GTAC)).

TURNAROUND OF SUPPLY CHAIN MANAGEMENT (SCM)

The turnaround of SCM is also underway, with aspects that include poor compliance with PFMA and SCM procedures, poor management of SCM, poor capacity of SCM staff, key vacancies within SCM management posts. The roll-out thereof will commence more fully in the 2014/15 financial year at head office and piloted in the Grahamstown district. The Department is getting assistance through the Provincial Planning and Treasury and National Treasury's Technical Assistance Unit (now known as Government Technical Advisory Centre (GTAC)).

Despite the above achievements, the Department is still dealing with a number of challenges that must still be resolved, and they include:

1. Poor ANA results in the senior phases of the GET Band, where the achievement seems to have remained at low levels
2. The establishment of a fully functional Mathematics, Science and Technology Academy has not yet been operationalised. However, there are critical programmes like learner incubation, teacher development and science exhibition programmes that are already taking in the premises of the academy
3. Capacity challenges facing SGBs, including the low levels of literacy of parents resulting in poor participation and engagement, the limitation of financial resources to resource activities of SGB's and the absence of effective organs of mass participation in communities to influence societal participation in schooling
4. High a level of outstanding accruals and departmental debt to service providers for services rendered in prior financial years
5. Slow filling of substantive vacant posts and movement of additional educators
6. Slow rate of dealing with pressure points like school furniture and infrastructure backlogs
7. Slow levels of turning around HR and the SCM units at head office and in the majority of the 23 districts, resulting in the slow and non-finalisation of recruitment, leave management, as well as cases of Policy on Leave and Ill-Health Retirement
8. Under resourced and incapacitated legal services of the Department that impact on our capacity to respond to litigations and comply with legislation and court orders

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

Departmental receipts

Departmental receipts	2012/2013			2013/2014		
	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	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	39 302	44 643	(5 341)	41 269	48 335	(7 066)
Transfers received	37	41	(4)	38	151	(113)
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	154	180	(26)	162	34	128
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	17 076	0	17 076	18 098	20 479	(2 381)
Total	56 569	44 864	11 705	59 567	68 998	(9 431)

1. The Department of Education Eastern Cape collected revenue in the following manner from hostels, districts and debtors. The hostels collected hostel fees, the districts collected examination fees, remarking of examination scripts, debts etc. and Head office collected commission on garnishees and insurance, tenders, debt etc. At the hostels it is the hostel staff collecting the revenue and each has a formally appointed cashier as well as Head office. All revenue collected, gets paid into the Paymaster General Account according to Treasury Regulations. And the banking gets reconciled daily
2. The department has accepted a new hostel policy that clearly indicates how revenue collection will be dealt with as well as the new applicable tariffs. Tariffs are determined in the following categories and different entities within the department, determine the policy directives. These are:
 - 2.1 Examination fees: Nationally and gets approved by both National and Provincial departments
 - 2.2 Hostel Fees: Determined by the Provincial department of Education and is subject to Provincial Treasury approval
 - 2.3 Tenders: Determined by SCM (Department of Education) and is subject to Provincial Treasury approval

- 2.4 Domestic Fines: Determined by Provincial Department (Labour Relations office according to the nature of the offence)
- 2.5 Commission of Insurance and Garnishee: Determined by the Treasury National Treasury Regulations Chapter 23.3.4
3. The registration of entities as service providers on the Departmental Database of suppliers is a free service. The applications is for free as well as capturing on the database of suppliers where the department could have raised a nominal fee as the production of the form and capturing has cost implications for the department
4. The Department of Education collected slightly more Revenue in 2013/2014 than what they anticipated e.g. more officials made use of the deduction facility in respect of Insurance and Garnishees. Some Departmental hostels were upgraded

Programme Expenditure

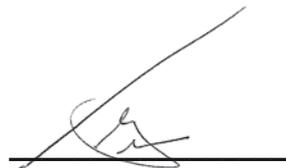
Programme Name	2012/13			2013/14		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	2 032 822	1 984 463	48 359	2 061 473	2 068 528	(7 055)
Public Ordinary School Education	21 430 032	21 041 844	388 188	21 788 118	21 843 849	(55 731)
Independent School Subsidies	59 492	58 856	636	100 145	99 558	587
Public Special School Education	494 217	444 911	49 306	494 631	468 948	25 683
Further Education And Training	704 488	688 760	15 728	297 816	293 159	4 657
Adult Basic Education and Training	352 423	346 397	6 026	378 555	378 228	327
Early Childhood Developments	385 554	363 357	22 197	447 808	429 090	18 718
Infrastructure Development	1 003 041	999 154	3 887	1 656 101	1 559 094	97 007
Auxilliary and Associated Services	290 998	291 195	(197)	312 498	308 563	3 935
Total	26 753 067	26 218 937	534 130	27 537 145	27 449 017	88 128

The achievements and gains again made, are not as a result of isolated, individual actions. Much of the credit must go to all staff who are continually sacrificing their free time to remove backlogs, deliver services more efficiently and effectively, help and assist learners to achieve a better life. A word of appreciation must also be extended to numerous stakeholders, including business, organized labour, and various communities across the length and breadth of the province for their significant contributions to improve learner outcomes and help turnaround the Department. I applaud them all for putting the needs of learners first.

The Department is aware that the progress being made is not uniform across all districts and seen and fully felt by all stakeholders, learners, educators, staff. Change/ transformation brings with it resistance/ additional and new challenges/ risks. Recent results and improvements over last 2 years, however, signal that change is underway and momentum is building.

Improvement of basic education also requires higher levels of co-operation and teamwork at all levels in society and across the education sector (nationally and provincially). These levels take time to filter through completely.

The challenge now is to sustain recent achievements and accelerate the level and extent of improvements made so that more learners/ stakeholders see, feel and experience more positive outcomes. It's now up to all us to do more to make 'Education truly a societal matter' to realise the respective short, medium and long term sector visions.



MR RAY TYWAKADI

ACTING HEAD Education, Eastern Cape

Date: 26 September 2014

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

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury

The Annual Financial Statements (Part 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 2014

Yours faithfully



MR RAY TYWAKADI
ACTING HEAD Education, Eastern Cape
Date: 26 September 2014

6 STRATEGIC OVERVIEW

6.1 Vision

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

6.2 Mission

To achieve the vision we will:

- 6.2.1 Implement appropriate and relevant educational programmes through quality teaching and learning
- 6.2.2 Mobilize community and stakeholder support through participation
- 6.2.3 Institutionalizing a culture of accountability at all levels of the department

6.3 Values

The Vision and Mission are supported by values, based on 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:

- 6.3.1 Serve with **Empathy** and
- 6.3.2 Endeavour at all times to treat learners, colleagues and all other stakeholders with **Dignity** and courtesy
- 6.3.3 Ensure in the spirit of teamwork, to continuously strive for **Unity** as we demonstrate focus, passion for all

We also undertake:

- 6.3.4 To inspire **Confidence** in government service and
- 6.3.5 Fulfill the fundamental principles of **Access** and equity as enshrined in the Constitution of the Republic
- 6.3.6 While **Trust** and honesty are the essence of being called upon to display a high level of **Integrity** and accountability in our daily operations
- 6.3.7 Instilling all around us a culture of **Ownership** and humility as we make our contribution in molding 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**.

7. LEGISLATIVE AND OTHER MANDATES

Since 1994, a number of policies have been implemented to ensure access for all to quality education. The strategic objectives are based on the following constitutional and other legislative mandates and a brief description is given for ease of reference:

The Constitution of South Africa, 1996 (Act No. 108 of 1996) 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 access to basic education for all with the provision that everyone has the right to basic education, including Adult Education. The fundamental policy framework of the Ministry of Education is stated in the White Paper: Education and Training in a Democratic South Africa: First Steps to Develop a New System (February 1995).

Legislative Mandates

The South African Schools Act (SASA), 1996 (Act No. 84 of 1996) as amended

Subject to the National Constitution, it is the highest law in Provinces. It provides a uniform system for the organisation, governance and funding of schools. It promotes access, quality and democratic governance in the schooling system. It ensures that all learners have right of access to quality education without discrimination, and makes schooling compulsory for children aged 7 to 14. It provides for two types of schools — independent schools and public schools. The provision in the Act for democratic school governance through school governing bodies is now in place in public schools countrywide. The school funding norms, outlined in SASA, prioritise redress and target poverty with regard to the allocation of funds for the public schooling system.

The National Education Policy Act, 1996 (Act No. 27 of 1996)

It is the determinant of national policy for education, including the determination of policy on salaries and conditions of employment of educators. It was designed to inscribe in law policies, as well as the legislative and monitoring responsibilities of the Minister of Education, and to formalise relations between national and provincial authorities. It laid the foundation for the establishment of the Council of Education Ministers (CEM), as well as the Heads of Education Departments Committee (HEDCOM), as inter-governmental forums to collaborate in developing a new education system. As such, it provides for the formulation of national policies in general and further education and training for, *inter alia*, curriculum, assessment, language policy, as well as quality assurance. NEPA embodies the principle of co-operative governance, elaborated upon in Schedule 3 of the Constitution. The NETF required that a National Education and Training Council (NETC) be established. This Council was established through Regulations dated 9 October 2009.

The General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001)

It makes provision for the establishment, composition and functioning of the General and Further Education and Training Quality Assurance Council, to provide for quality assurance in general and further education and training, to provide for control over norms and standards of curriculum and assessment, to provide for the issue of certificates at the exit points, to provide for the conduct of assessment and to repeal the South African Certification Council Act, 1986.

The Employment of Educators Act, 1998 (Act No. 76 of 1998)

It provides for the employment of educators by the State and for the regulation of the conditions of service, discipline, retirement and discharge of educators. It regulates the professional, moral and ethical responsibilities of educators, as well as competency requirements for teachers. One Act of Parliament and one professional council, the South African Council of Educators (SACE), now govern the historically divided teaching force.

The Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended

This Act regulates financial management in the national government and provincial governments, to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively and to provide for the responsibilities of persons entrusted with financial management in those governments.

The Annual Division of Revenue Acts

It provides for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the respective financial years, to provide for reporting requirements for allocations pursuant to such division, to provide for the withholding and delaying of payments and to provide for the liability for costs incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations.

The Public Service Act, 1994 as amended [Proclamation No 103 of 1994]

It 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.

The South African Qualifications Authority Act, 1995 (Act No. 58 of 1995)

This Act provides for the development and implementation of a National Qualifications Framework and for this purpose to establish the South African Qualifications Authority. The NQF is an essential expression, as well as a guarantor of a national learning system where education and training are of equal importance as complementing facets of human competence. The joint launch of the Human Resources Development Strategy by the Minister of Labour and the Minister of Education on 23 April 2001 reinforces the resolve to establish an integrated education, training and development strategy that will harness the potential of our young and adult learners.

The Adult Education and Training Act, 2000 (Act No. 52 of 2000)

This Act regulates Adult Education and training; to provide for the establishment, governance and funding of public adult learning centres; to provide for the registration of private adult learning centres; and to provide for quality assurance and quality promotion in Adult Education and training.

The Further Education and Training Colleges Act, 2006 (Act No. 16 of 2006)

This Act provides for the regulation of further education and training, the establishment of governance and funding of public further education and training colleges, the establishment of governance and funding of public further education and training colleges, the registration of private further education and training colleges, and the promotion of quality in further education and training.

The Skills Development Act, 1998 (Act No. 97 of 1998)

This Act allows the Department to provide an institutional framework to devise and implement national, sectoral and workplace strategies to develop and improve the skills of its employees. These strategies must be integrated into the National Qualifications Framework (NQF) of the South African Qualifications Authority Act, 1995. The Department has formulated a skills development plan and continuously upgrades employee skills.

The Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)

This Act compels the Department to provide access to information that it possesses when required by anyone to exercise or protect any of his/her rights. The Act is in line with the provision of Section 32 (1) of the Constitution, which states that everyone has the right of access to any information held by the State, and Section 32 (1) (b), which provides for the horizontal application of the right of access to information held by another person when required for the exercise or protection of any rights. The Shared Legal Services and the Legal Directorate deals with queries related to requests for information.

Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)

The Department recognises that everyone has the right to administrative action that is lawful, reasonable and procedurally fair, as is provided for in this Act.

Provincial Legislation

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

This provincial Act within the ECDoE provides for a uniform education system for the organisation, governance and funding of all 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.

Eastern Cape Schools Education Amendment Act, 2004 (Act No. 5 of 2004)

Through this Act the Eastern Cape Schools Education Act, 1999 is amended to rename the Eastern Cape Education and Training Council, to reflect the Provincial demarcation into Districts and to provide for matters incidental thereto.

Education Law Amendment Act No.4 of 1995

This Act regulates the conducting of matriculation examinations.

Matriculation Examinations Regulations

Eastern Cape Government (ECG) Gazette 350 of 1998

Regulations on Misconduct

Eastern Cape Government (ECG) Gazette 415 of 1999

Regulations relating to the Governing Bodies of ELSEN Schools

Eastern Cape Government (ECG) Gazette 416 of 1999

Regulations relating to independent schools.

Eastern Cape Government (ECG) Gazette 766 of 2001

Regulations Relating to Behaviour of Learners in Public Schools

Eastern Cape Government (ECG) Gazette 766 of 2001

Determination in respect of Councils, Academic Boards and Student Representative Councils at Public Further Education and Training Institutions

Eastern Cape Government Gazette 875 of 2002

Adult Education and Training Regulations

Eastern Cape Government Gazette 2 Eastern Cape Government (ECG) Gazette 917 of 2002.

Regulations on Misconduct

Eastern Cape Government Gazette 978 of 2003.

Regulations relating to the Governing Bodies of Public Schools (Excluding Schools for learners with Special Education Needs)

Eastern Cape Government Gazette 1072 of 2003

Determination of policy relating to scholar transport.

Eastern Cape Government Gazette 1010 of 2003

Determination of Policy relating to the Framework for Provincial, District and School-based Educators ie Professional Development INSET policy

Eastern Cape Government Gazette 1015 of 2003.

Regulations on the Eastern Cape Education Advisory Council

Gazette 2096 of 2009

Strategy for Provincial Legislation in Education.

The Member of the Executive Council is envisaging a review of all Provincial legislation

Policy Mandate

The Education White Paper 6 on Inclusive Education, 2001

The White Paper on Inclusive Education explains the intention of the Department of Education to implement inclusive education at all levels in the system by 2020. Such a system will allow for the inclusion of vulnerable learners and reduce the barriers to learning by means of targeted support structures and mechanisms. This, in turn, will improve the participation and retention levels of learners in the education system, particularly with regard to those learners who are prone to dropping out

The National Curriculum Statement (Grades R- 12)

This document embodies the vision for general education to move away from a racist, apartheid, rote model of learning and teaching, to a liberating, nation-building and learner-centred outcomes-based initiative. In line with training strategies, the reformulation is intended to allow greater mobility between different levels and between institutional sites as well as to promote the integration of knowledge and skills through learning pathways. Its assessment, qualifications, competency and skills-based framework encourage the development of curriculum models that are aligned to the NQF in theory and practice

The Education White Paper on Early Childhood Development, (2000)

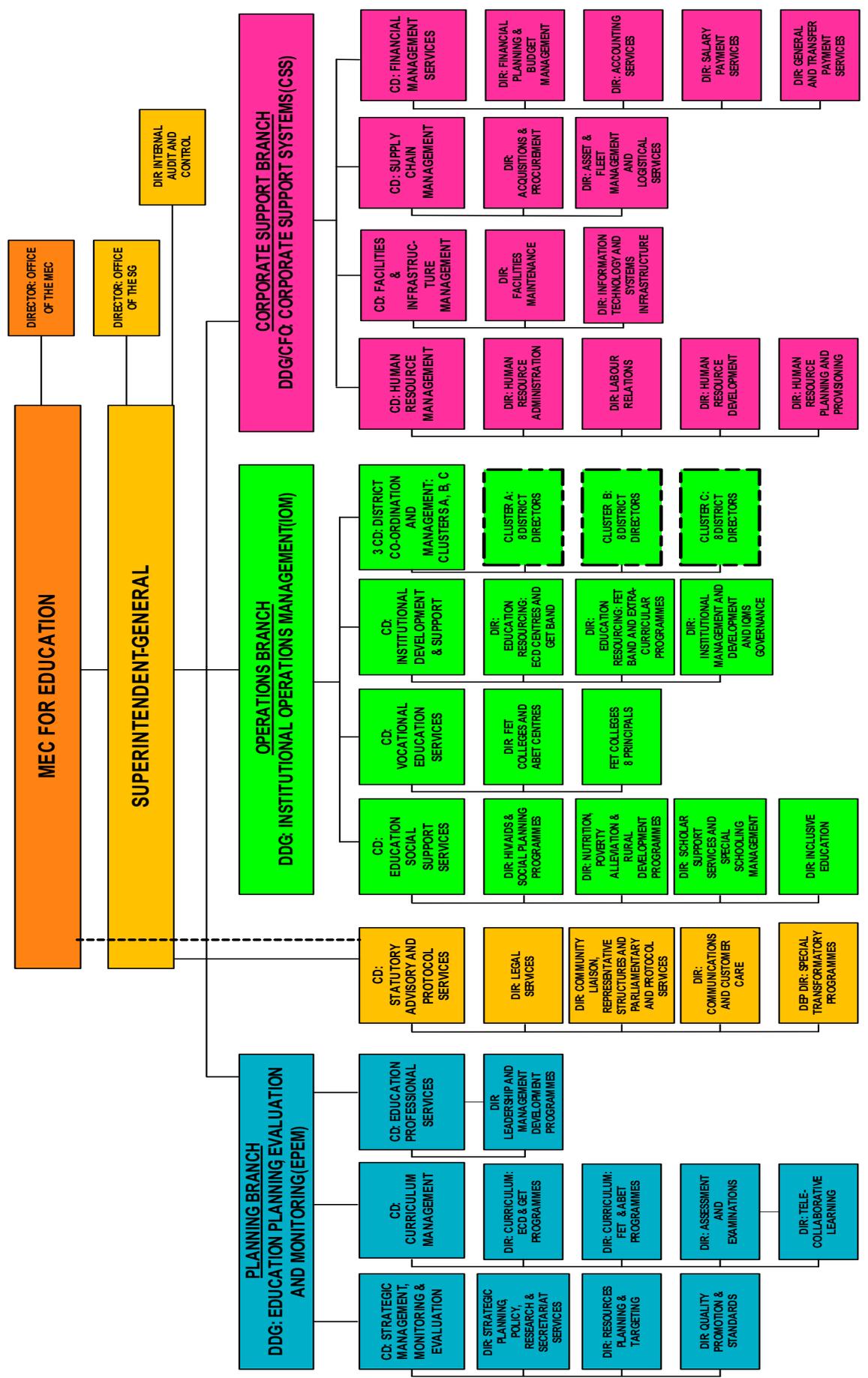
It provides for the expansion and full participation of 5-year olds in pre-school reception grade education by 2010, as well as for an improvement in the quality programme, curricula and teacher development for 0 – 4 year olds, and 6 to 9 year olds

The Transforming Public Service Delivery (*Batho Pele*) White Paper

This paper is based on eight transformation principles. The Department has recognized that transforming its service delivery is key to guaranteeing that the basic needs of citizens in the Eastern Cape Province are met, and, as such, the Department has set out to be more effective in improving its service delivery by doing a public opinion survey. Programmes in the Department are aligned to the principle of redirecting resources to previously under-resourced groups, defining service standards by using outputs, targets and performance indicators, human resource development and organisational capacity to support service delivery needs, seeking partnerships with the private sector, non-governmental organisations and community based organisations and the development of customer care that is sensitive to issues of race, gender and disability

8. ORGANISATIONAL STRUCTURE

FINAL ORGANISATIONAL DESIGN FOR THE ECDoE APPROVED 26 JANUARY 2006



9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC



PART B: PERFORMANCE INFORMATION



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Refer to page 189 to 191 paragraphs 25 to 39 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Department continued in 2013/14 with the focused orientation of the previous financial year, and with Government's apex or number one national outcome, **IMPROVEMENT OF THE QUALITY OF BASIC EDUCATION** in mind, it has further simplified the conceptualisation of its performance into the following six focal points in order to accelerate the implementation of the Learner Attainment Improvement Strategy Support (LAIS) in schools and Districts with an increased focus on Teacher Development for those teachers in schools and Districts that performed below 60% in the 2012 and 2013 NSC examinations:

- 2.1.1 Curriculum Management and Delivery;
- 2.1.2 Resourcing Schooling;
- 2.1.3 Financing Education;
- 2.1.4 Human Resource Demand, Supply and Utilisation;
- 2.1.5 Infrastructure Management and Delivery; and
- 2.1.6 Leadership, Management and Administration of Education.

These six (6) priorities also reinforce the basic education sector's 'Schooling 2025' / 'Action Plan to 2014' and the Ministerial Delivery Agreement. The priorities mentioned above will drive Management's efforts to continue turning around the Department to deliver on quality teaching and learning, and to ensure that the Minister of Basic Education's injunction of increasing the provincial National Senior Certificate examinations results to 70% in 2013 is realised, against the backdrop of the 64.9% was achieved in 2013

In addition, the LAIS is taking into consideration all those schools where teachers have not been in front of classrooms and where teaching and learning had therefore not taken place since the reopening of schools in January 2013 and 2014. Every effort is being made to ensure that the syllabus was covered and these learners are afforded the opportunity to catch up before the Trial Examinations which commenced before the end of August 2013. The Trial Examination results formed the basis for strengthening revision before the end of year examinations which occurred mainly in October 2013

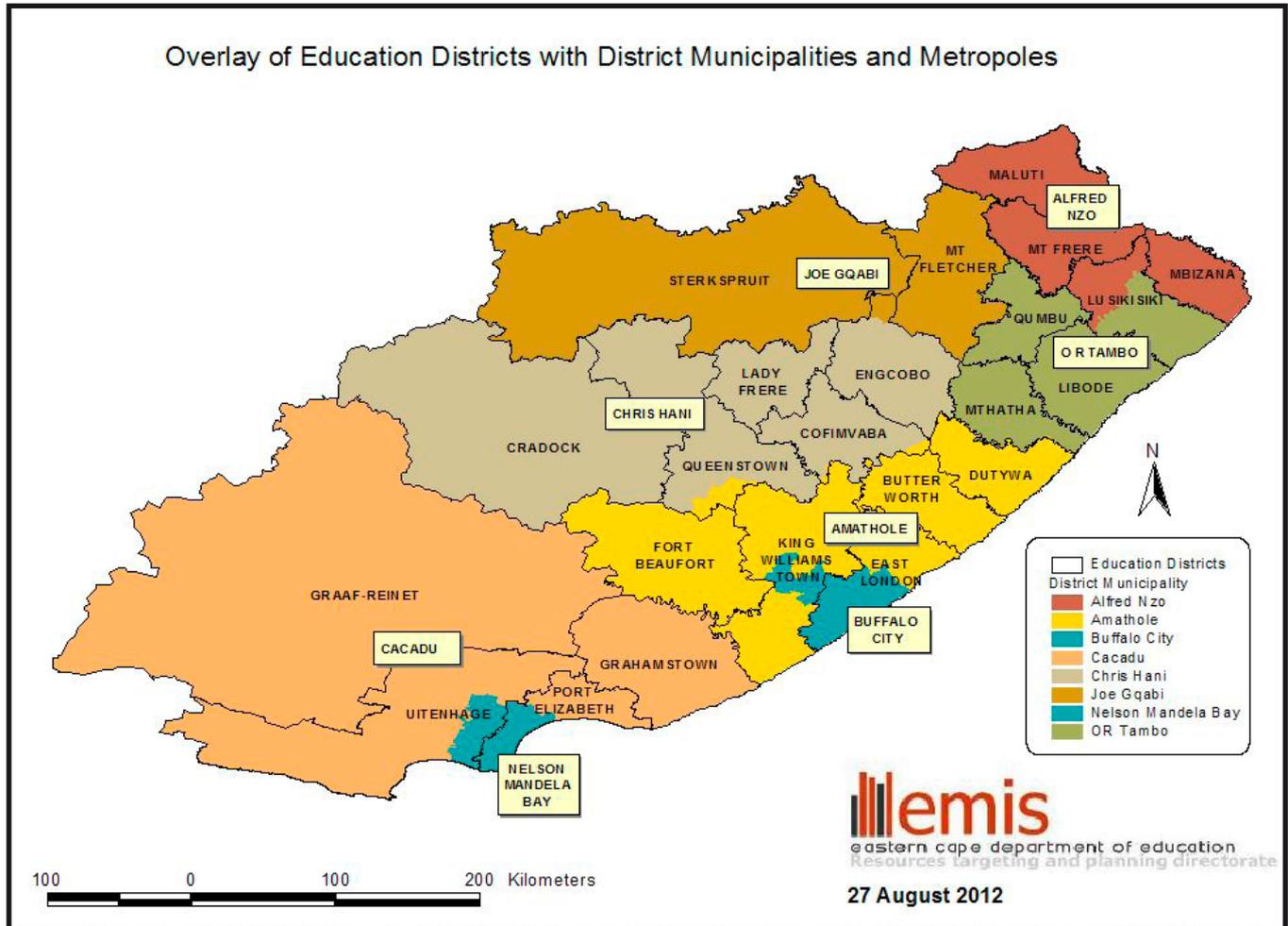
In line with the proxy indicators, set by the Department of Performance Monitoring and Evaluation in The Presidency, of achieving a pass rate of 60% in Literacy/Languages and Numeracy/Mathematics in Grades 3, 6 and 9 by 2014 for improving the quality of Basic Education, Annual National Assessments were again rolled out to all learners in these grades. Over the MTEF, the Department will continue improving learner performance in all subjects, focusing on Grades 3, 6 and 9s Languages and Mathematics in line with the LAIS

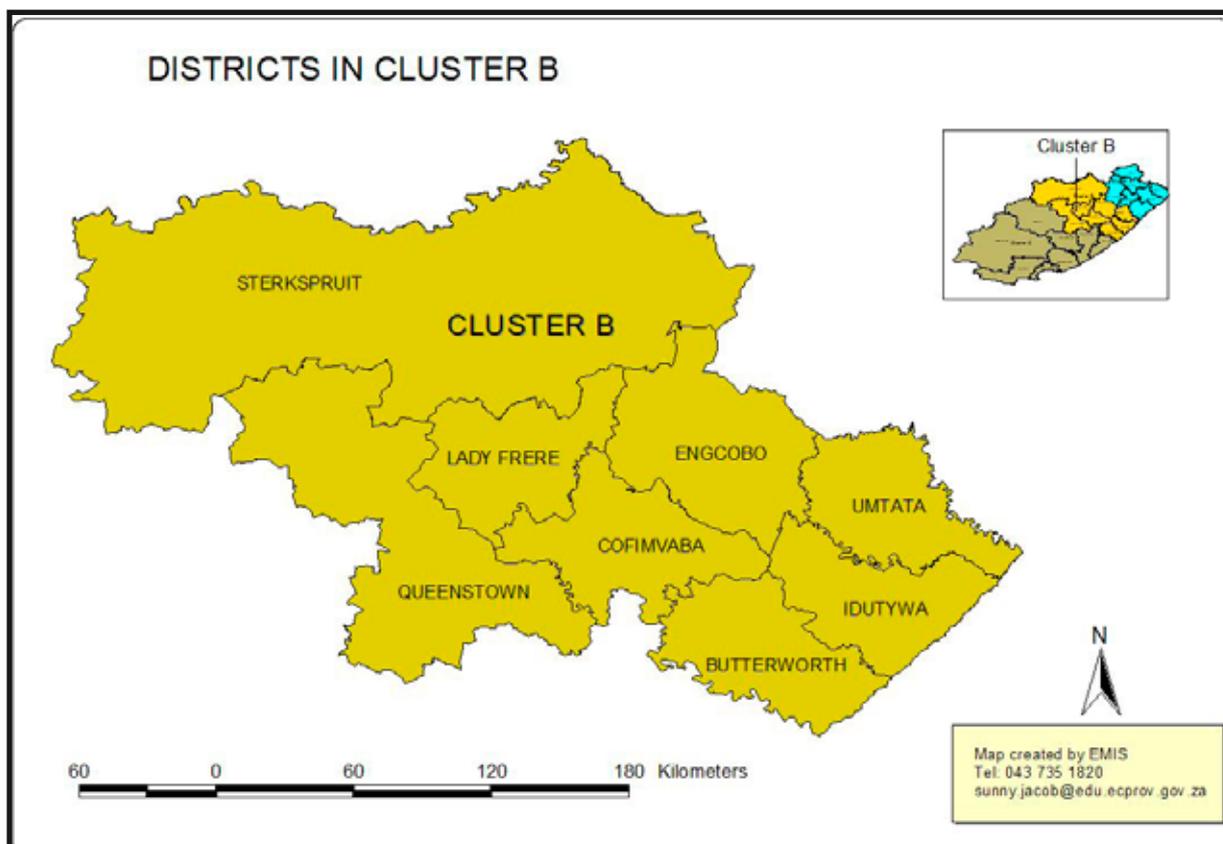
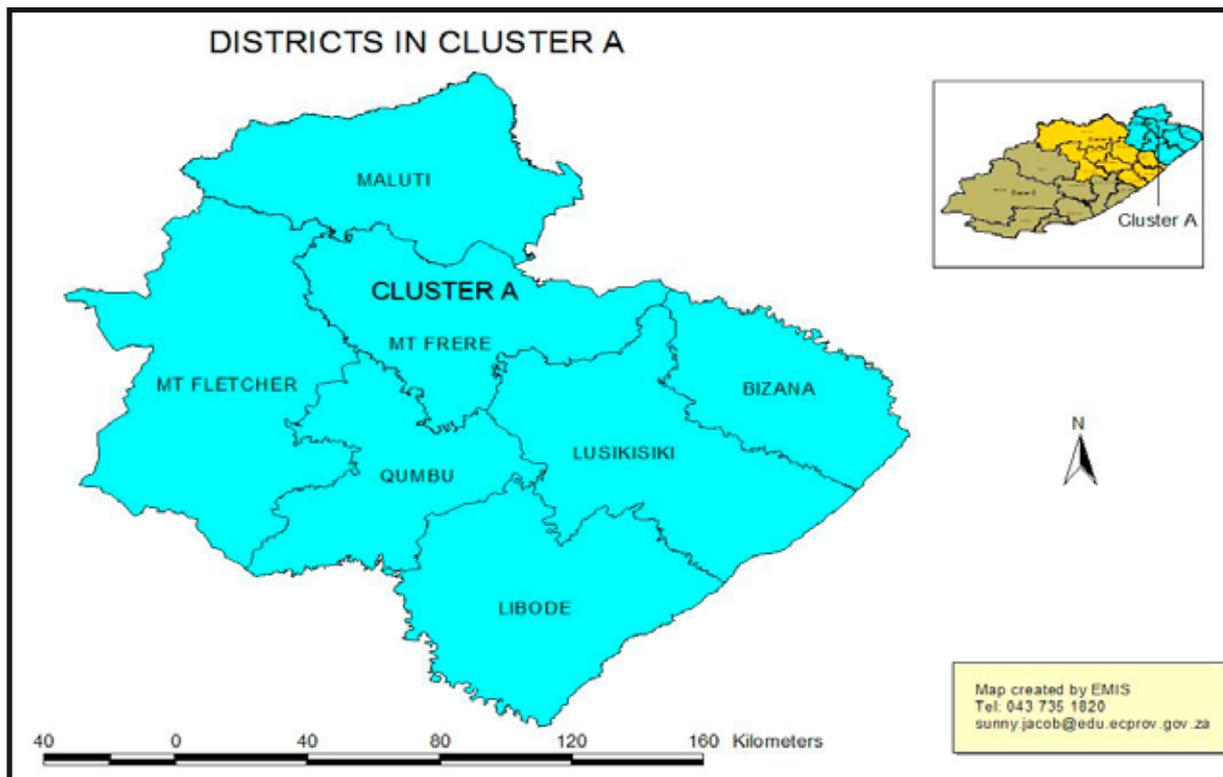
With a view to improving school functionality, all Districts developed District Improvement Plans for the 2013 academic year based on their School and Circuit Improvement Plans. This has again occurred in 2014. With the majority of schools having migrated to Section 21 status and thus receiving their school allocations directly, more is being done to enhance school management and governance, especially in under-performing schools.

The environment in which the Department has to deliver services during the planning period in question, based on the Education Management Information System Annual Survey of 2013, involves a total of 6, 523 institutions. This is made up of 901 Secondary Schools, 2 484 Combined or Junior Secondary Schools, 2 319

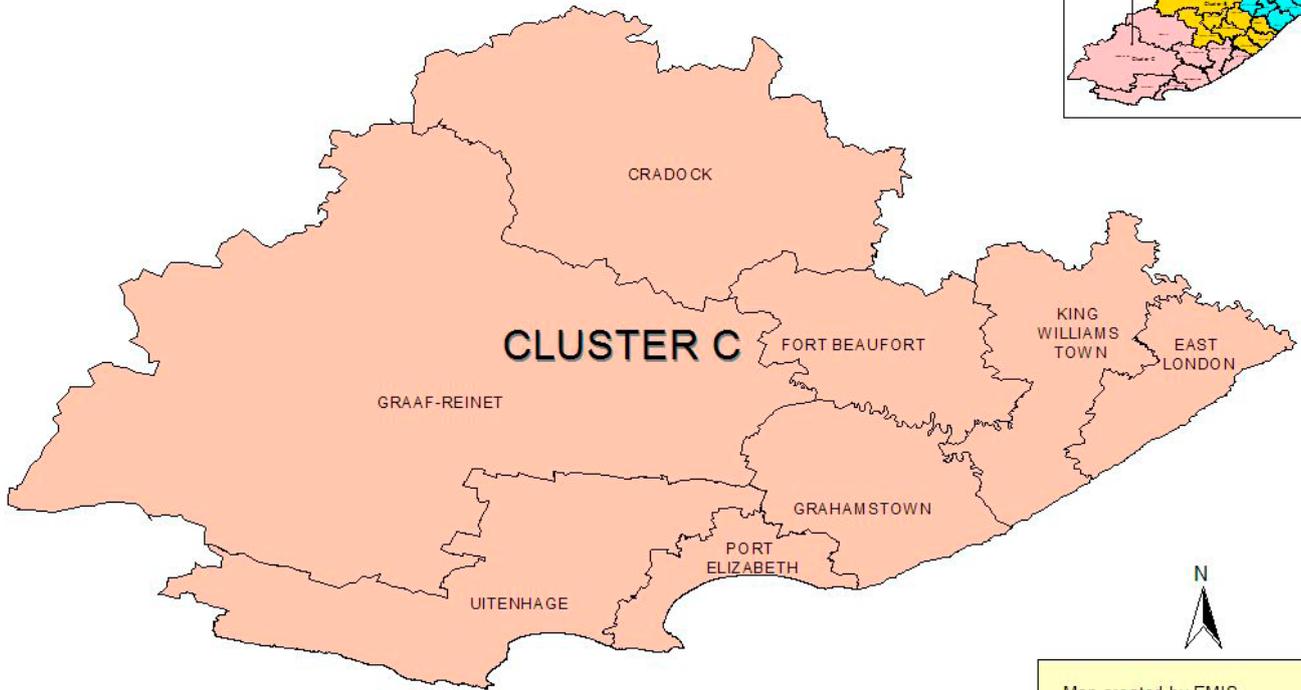
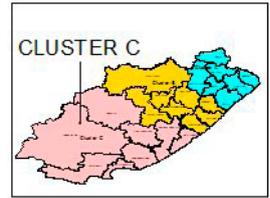
Primary Schools, 42 schools for Learners with Special Educational Needs, 473 Early Childhood Development (ECD) Centres, and 294 Adult Education and Training (AET) Centres.

The maps below depict the overlay between Education and District and Metropolitan Municipality boundaries and the demarcation of the 23 Education Districts into 3 Clusters.





DISTRICTS IN CLUSTER C



Map created by EMIS
Tel: 043 735 1820
sunny.jacob@edu.ecprov.gov.za

2.1.1 Public Ordinary Schools:

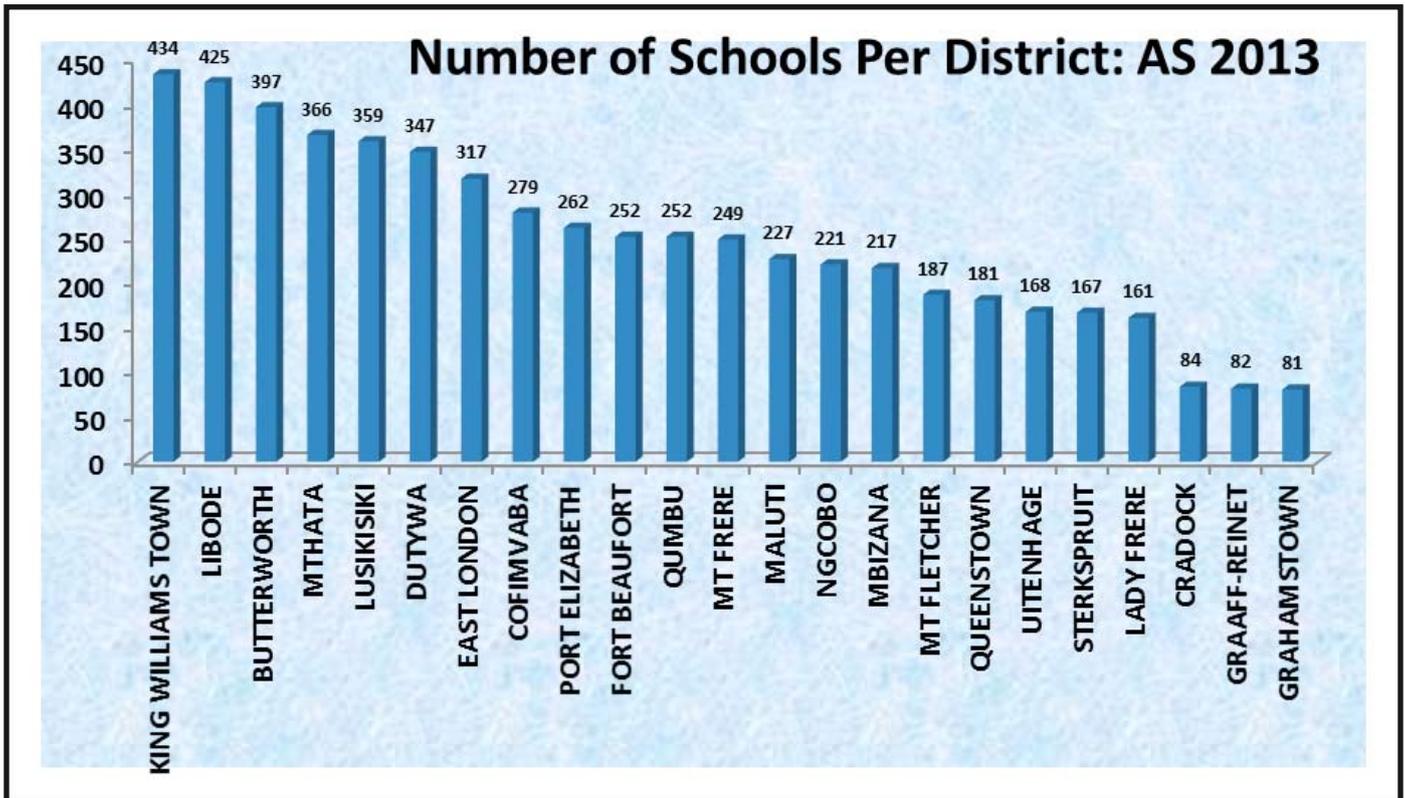


Figure 1: Number of operational Public Ordinary schools Per Education District for AS 2013 (Source: Annual Survey 2013)

King Williams Town has 434 Public Ordinary schools (inclusive of Special Schools (LSEN) which is the biggest number of schools in the ECDoE. Grahamstown has 81 schools and thus the smallest number of schools in the ECDoE.

2.1.1.1 School Categories:

Ordinary schools by size				
Category	Quantity	% of schools	Enrolment	% Enrolment
Very small school (< 100)	934	16%	54 330	3%
Small school (>100 and <250)	1 886	33%	327 174	17%
Medium school (>250 and <500)	1 671	29%	594 615	31%
Large school (>500 and <750)	670	12%	408 397	21%
Very large school (>750)	554	10%	559 240	29%

Figure 2: Enrolment by school size according to the AS 2013 (Source: Annual Survey 2013)

49% of the schools are either small or very small. 20% of learners are in small or very small schools and 22% of schools are large or very large and accommodates 50% of learners.

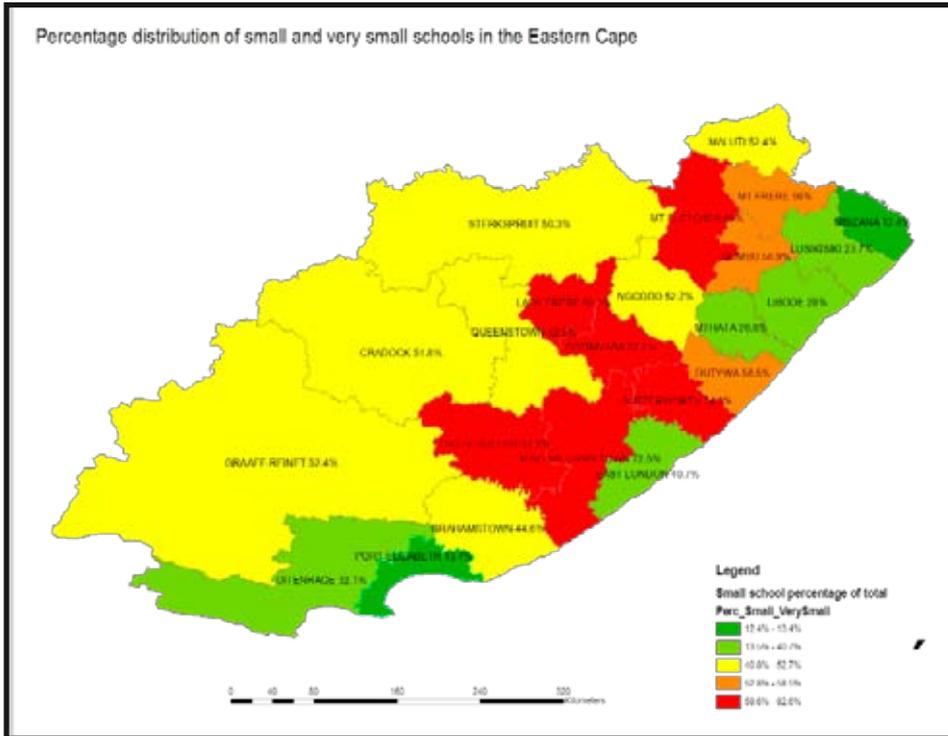


Figure 3: Percentage distribution of small and very small schools in the Eastern Cape Department of education

Figure 3 above refers to schools with less than 250 learners. Districts with the largest percentage (67,9% - 82, 9%) of small and very small schools are Fort Beaufort, King Williamstown, Lady Frere, Cofimvaba, Butterworth and Mt Fletcher. Districts with the smallest percentage (12,9%-13,4%) of small and very small schools are Port Elizabeth and Bizana.

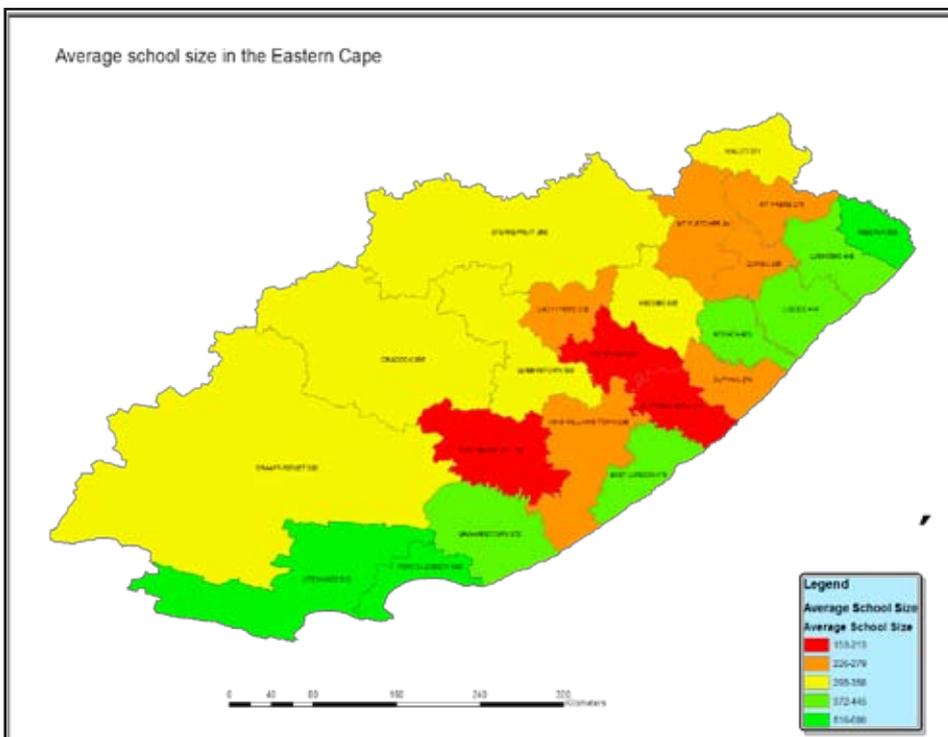


Figure 4: Average school size in the Eastern Cape Department of education

The districts with the largest school sizes on average (521-680 learners) are Uitenhage, Port Elizabeth and Bizana. The districts with the smallest school sizes on average (156-216 learners) are Fort Beaufort, Cofimvaba and Butterworth. Fort Beaufort has the smallest average school size with 156 learners.

2.1.1.2 Learner Enrolment:

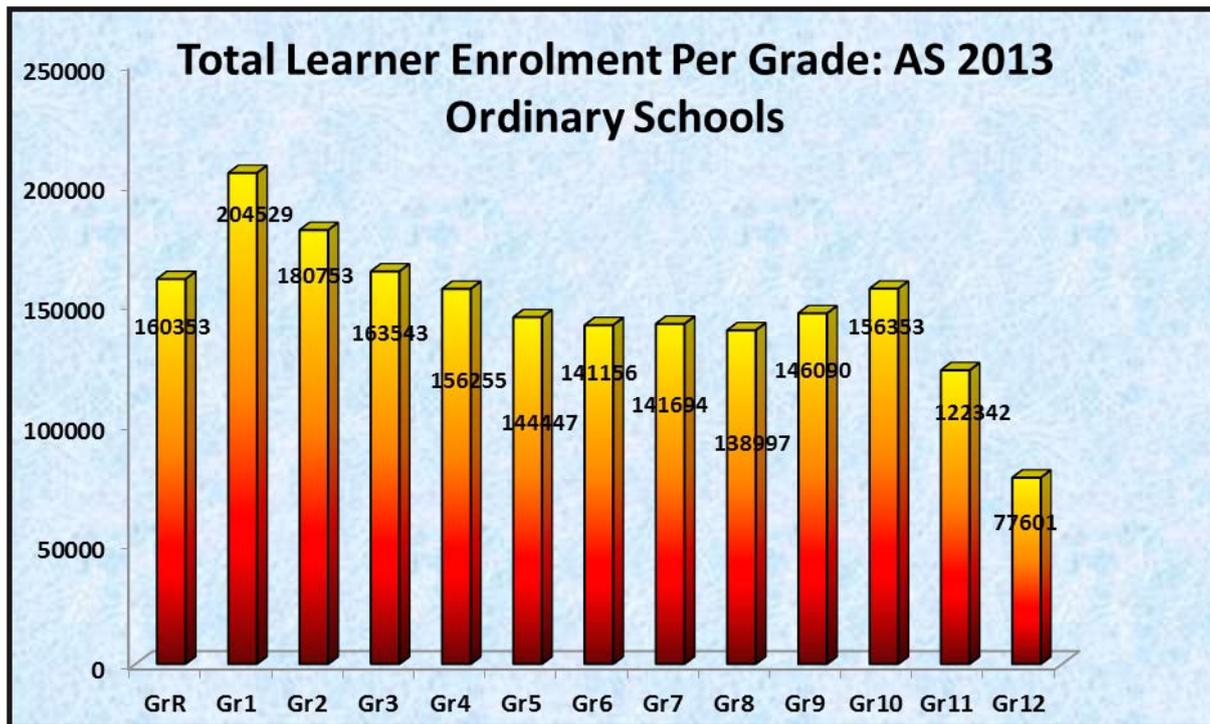


Figure 5: Total Learner Enrolment per Grade (Source: Annual Survey 2013)

The grade with the most learners enrolled for AS 2013 is Grade 1 with 204 529 learners and the grade with the least learners enrolled is Grade 12 with 77 601 learners. In the Foundation Phase there is a decrease from 204 529 in Grade 1 to 163 543 in Grade 3. It is a difference of 40 986 learners within the Phase. In FET the learner enrolment decreased from 156 353 in Grade 10 to 77 601 in Grade 12. It is a change of -78 752 which is -50%.

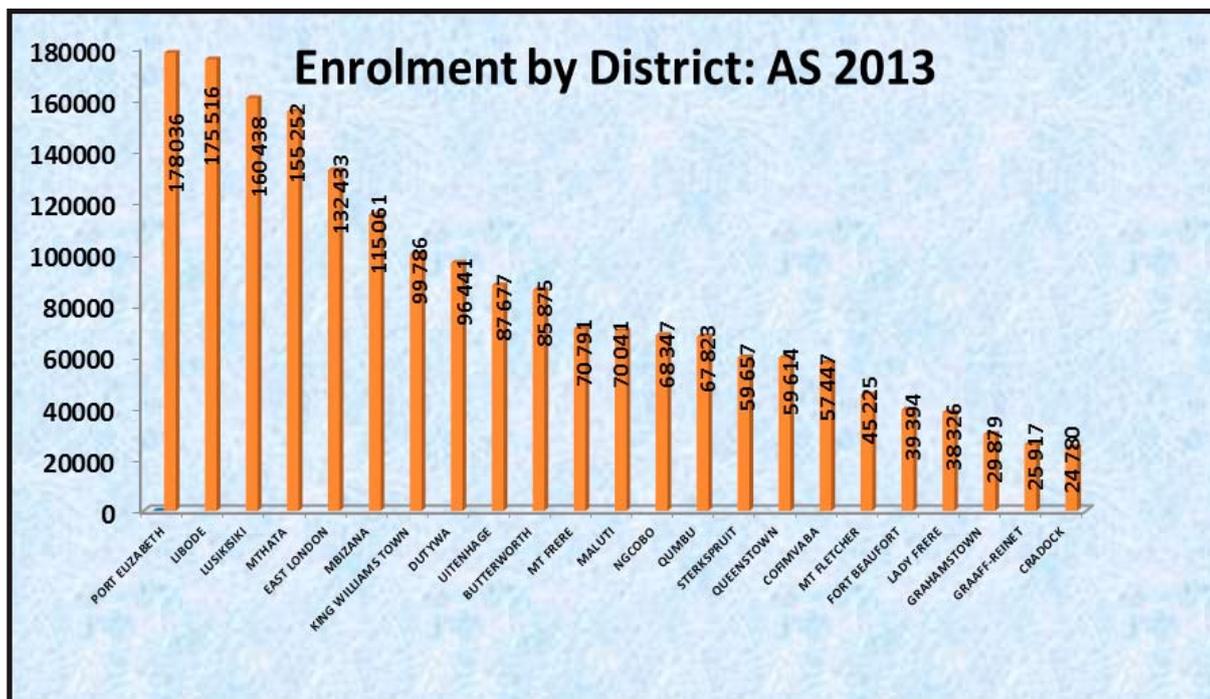


Figure 6: 2013 Enrolment by district (Source: Annual Survey 2013)

Port Elizabeth has the most learners (178 036) enrolled and Cradock the least (24 780).

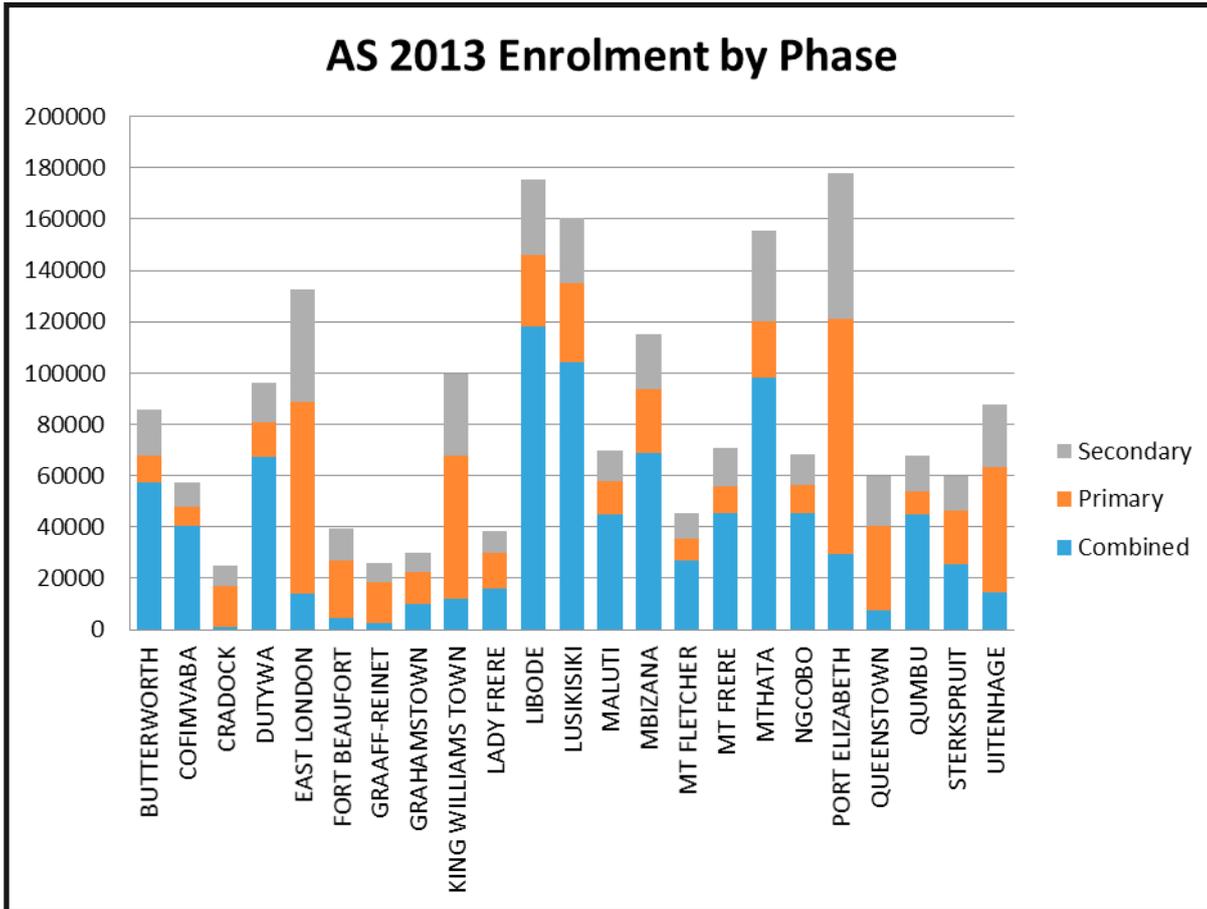


Figure 7: 2013 Enrolment by Phase (Source: Annual survey 2013)

Port Elizabeth has the enrolment by Phase just below 18 000 learners

Variation in Enrolment from 2009 to 2013

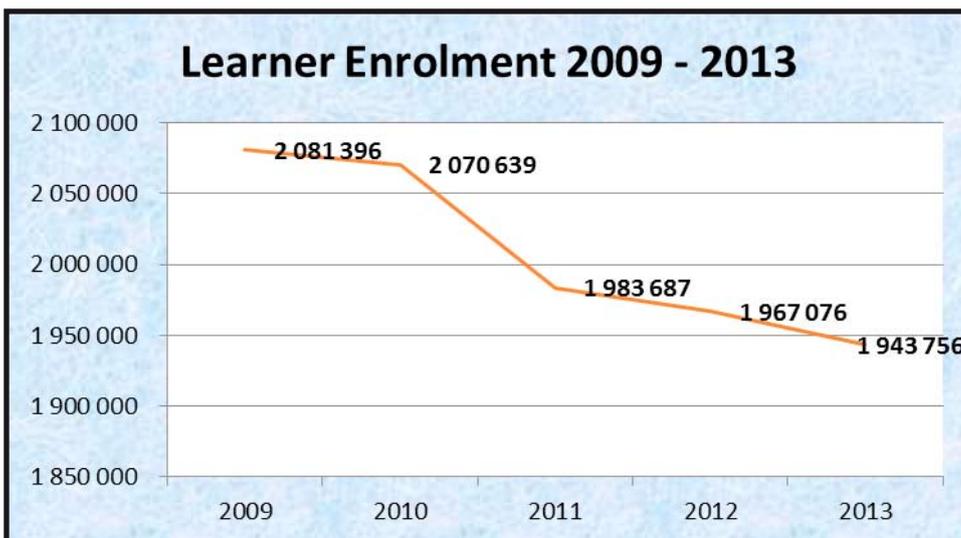


Figure 8: Learner Enrolment 2009 -2013

The graph shows the steady decrease of learner numbers from 2009 to 2013 (Pre-Grade R to Gr12). Learner numbers decreased from 2 081 396 in 2009 to 1 943 756 in 2013.

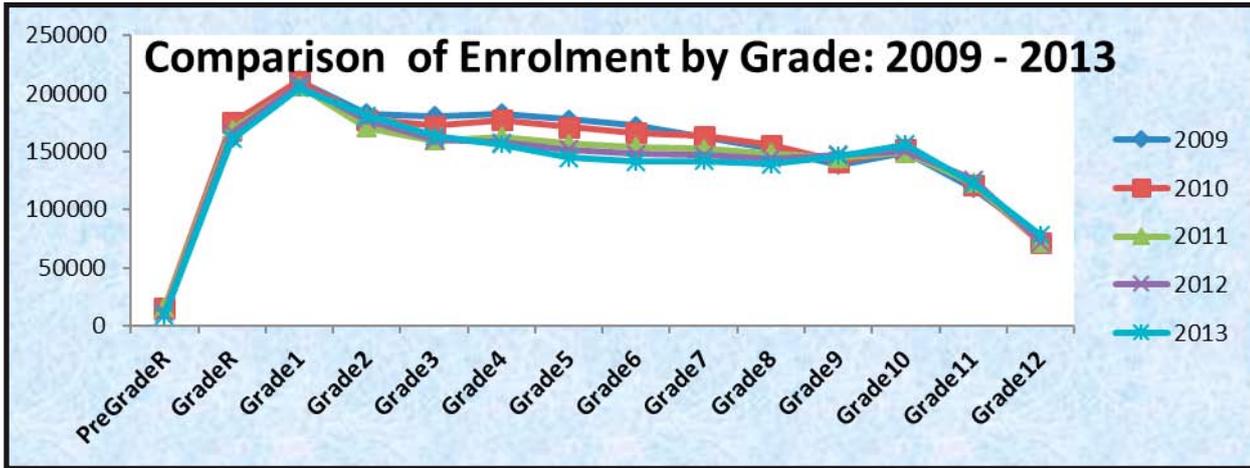


Figure 9: Comparison of Learner Enrolment by Grade 2009 -2013

The largest distribution of learners for the last five years have been in Grade 1 and the least in Grade 12 (excluding Pre-Grade R)

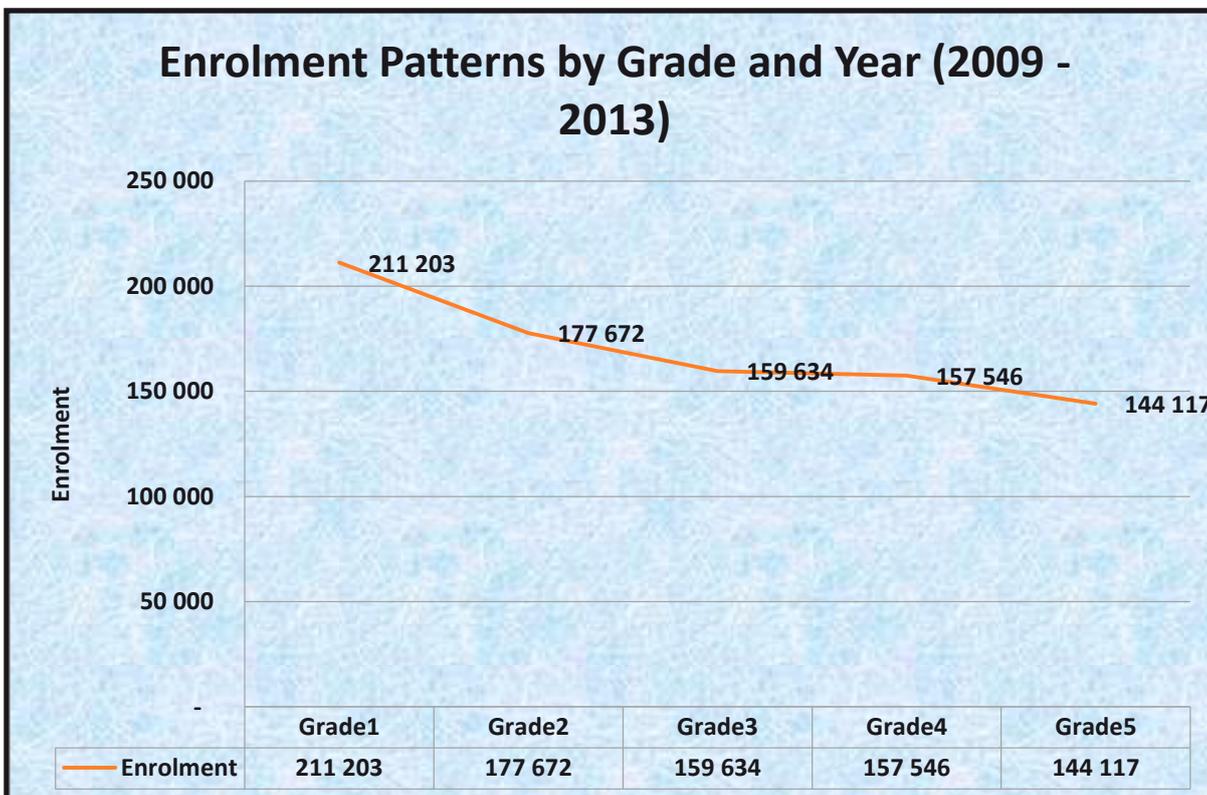
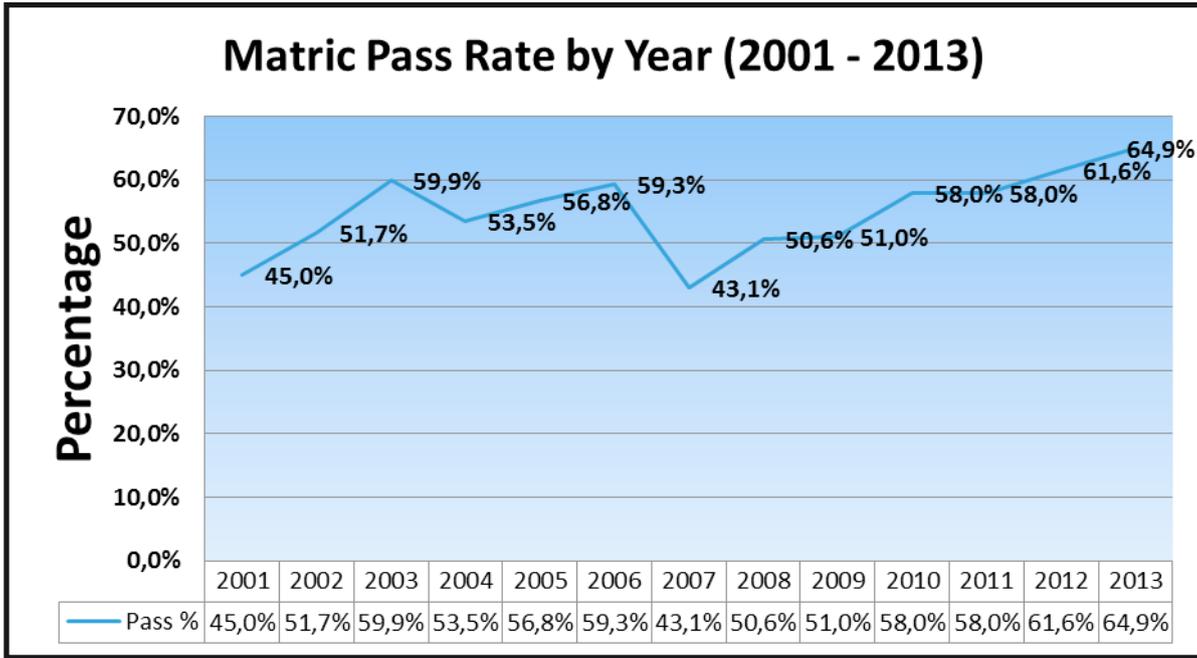


Figure 10: Enrolment Patterns by Grade and Year (2009 -2013)

The graph shows the enrolment of Grade 1 learners in 2009 and then the same learners in Grade 2 in 2010 until the learners were in Grade 5 in 2013. The learner numbers decreased from 211 203 in 2009 to 144 117 in 2013. The question is what has happened to the 67 086 learners that dropped out since 2009. This is just a sample of grades from 2009 to 2013 to show the decrease of learner numbers.



2.1.1.3 Independent schools:

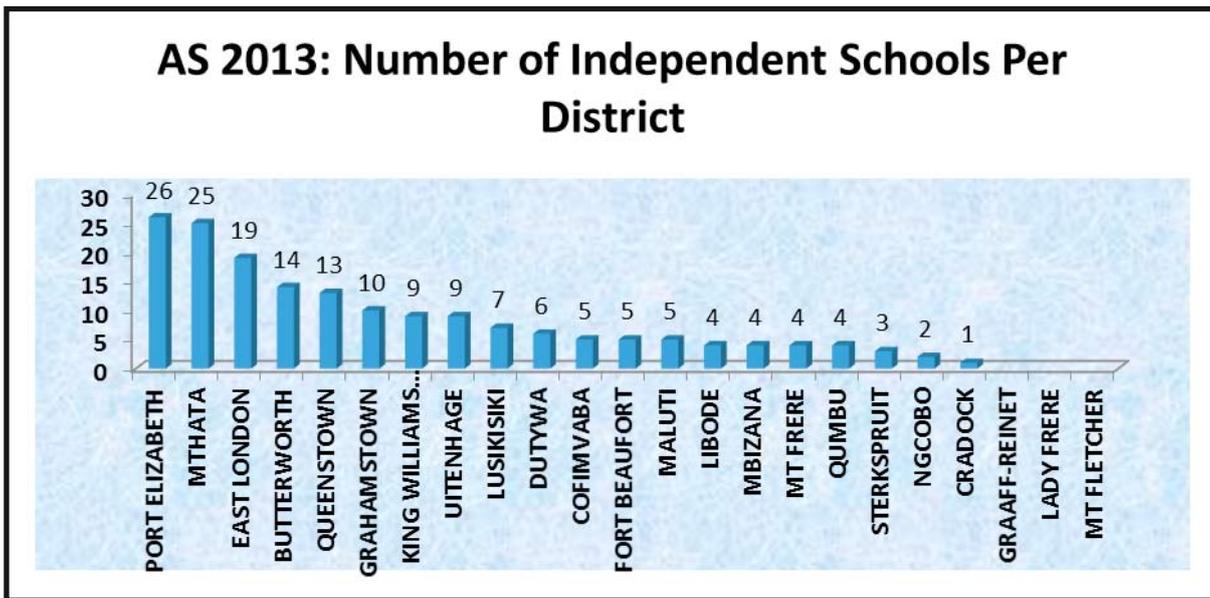


Figure 11: Number of Independent Schools per District

The total number of Independent schools in the province is 175. Mthata and Port Elizabeth are the districts with the highest number of Independent Schools. Districts with no Independent Schools are Graaff-Reinet, Lady Frere and Mt Fletcher.

2.1.1.4 Enrolment changes by Sector:

Sector	2013	2012	Change	% Change
Public	1 885 961	1 911 592	-25 631	-1%
Independent	57 795	55 484	2 311	4%
Grand Total	1 943 756	1 967 076	-23 320	-1%

The above table shows Annual Survey 2013 enrolment changes by Sector compared to Annual Survey 2012. Enrolment in Independent schools increased by 4 % from 2012. The enrolment in Public ordinary schools decreased by 1 % from 2012.

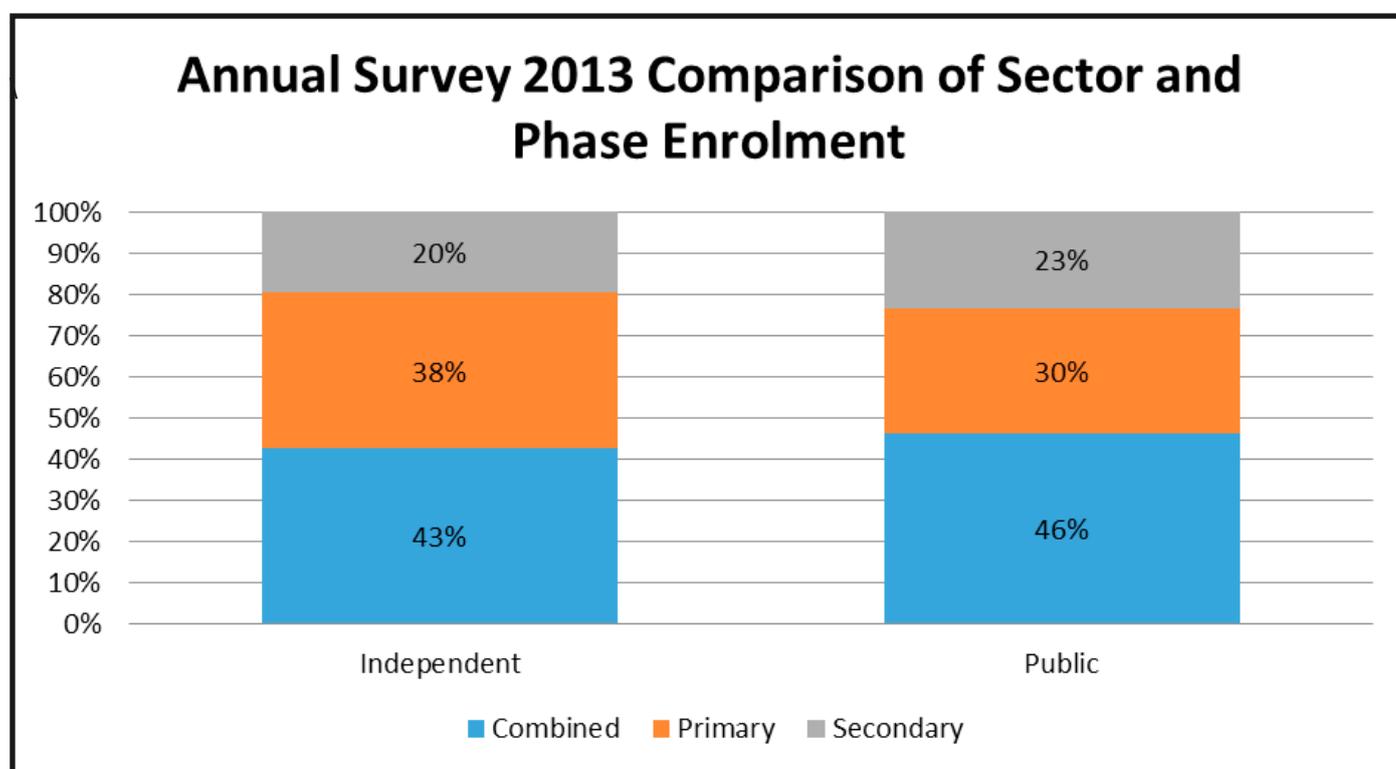


Figure 12: Comparison of sector and phase enrolment

The enrolment in public sector is high in the combined schools with 46% compared; in independent sector with 43%; 30% in primary phase and 38% in the primary phase whilst the secondary phase has 23% in public sector in contrast to 20% in independent sector

2.2 Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services provided and standards

Service delivery

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
To provide a nutritious balanced meal to all learners in Quintile 1 – 3 primary, secondary schools as well as special schools on each school day	1 704 000 Learners in all Quintile 1 to 3 primary, secondary and special schools to be fed in 2013/14. This is to include learners in farm schools.	Learners in all Quintile 1 to 3 primary, secondary, farm and special schools. Target for 2014 is 1 755 000 learners	Provision of a nutritious balanced meal to each learner in all Quintile 1 to 3 primary, secondary and special schools, including farm schools by 10h00 on each school day	1 646 142 Learners were fed in all targeted schools in 2013/14
1. Abolition and replacement of mud structures and other inappropriate structures (plankskole) 2. Providing appropriate buildings to enhance the process of teaching and learning	All public ordinary school communities where learners and staff are currently accommodated in mud or other inappropriate structures	In addition to the 50 structures replaced in 2011/12 another 50 were planned for replacement in 2013/14	All mud and inappropriate structures (plankskole) to be abolished by 2016/17	1. 55 Mud structures have so far been replaced as part of the national Accelerated School Infrastructure Delivery Initiative (ASIDI) programme in 2013/ 14 2. 19 mud schools were recently replaced in Eastern Cape Department of Education by 2013/14

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<p>The improvement of teaching and learning in Language and Mathematics in Grades 3, 6 and 9.</p>	<p>All learners in Public Ordinary, Special and farm schools.</p>	<p>All learners in Public Ordinary, Special and farm schools.</p>	<p>Increase the percentage of learners obtaining acceptable achievement in Language and Mathematics in Grades 3, 6 and 9 by 60% in 2014/15</p>	<p>ANA results for 2013:</p> <ol style="list-style-type: none"> 1. Gr 3 Mathematics National average 50,6%; E Cape average 47% (40,6% in 2012) : Curriculum Assessment Policy Statement Guideline for promotion in mathematics is level 3 (40 – 49%) 2. Gr 3 Language: Nat Average 52% in 2012 and in 2013 60%; E Cape Average in 2012 was 50,3%. In 2013 it was 50,2% . Curriculum Assessment Policy Statement guidelines for progression in Home Language in grade 3 is level 4 (50-59%) 3. Gr 6 Language National average in 2012 Home Language was 43%. In 2013 it was 59%; First Additional language National Average 36% and in 2013 it was 43,2%; E Cape HL average in 2012 was 38,4%. In 2013 it was 44,8%. 4. Gr 6 mathematics National average in 2012 was 24,9%. In 2013 it was 39%. E Cape mathematics average In 2012 was 24,9%. In 2013 it was 33%. 5. Gr 9 mathematics: Nat Average in 2012 was 13%. In 2013 it was 14%; E Cape average in 2012 was 14,6%. In 2013 it was 15,8%. 6. Gr 9 Language: National average HL in 2012 was 43%. In 2013 it was 43%. In 2012 the National Average for FAL was 35%. In 2013 it was 34% E Cape HL average in 2012 was 42,6%. In 2013 it was 35,2%

Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
<p>School nutrition service</p> <p>Consultation with all stakeholders is ongoing. It is done through workshops, meetings, advocacy sessions and memoranda.</p>	<p>1 704 000 Learners in all Quintile 1 to 3 primary, secondary and special schools to be fed in 20 12/13. This was to include learners in farm schools.</p>	<p>Learners in all Quintile 1 to 3 primary, secondary, farm and special schools as well as learners from poor households in Quintile 4 and 5 schools. In 2013/2014, 1 755 000 were initially learners targeted</p>	<p>The programme has been decentralized down to school level. Prior to this broad consultation down to school community level took place. This has resulted in more learners now benefiting from the NSNP programme.</p> <p>In 2012/13, 1 646 142 learners were fed.</p>
<p>Abolition of mud structures</p> <p>Consultation occurs across a broad range of stakeholders from the recipient schools, School SGB's, Community Forums, District Offices, relevant Directorates at the ECDoE, Local Authorities, Agencies such as Coega and the Independent Development Trust and Service Providers.</p>	<p>All public ordinary school communities where learners and staff are currently accommodated in mud or other inappropriate structures</p>	<p>In addition to the 50 structures replaced in 2011/12, another 50 were planned for replacement in 2012/13. In 2013/14, 55 mud schools were so far, replaced by ASIDI and 19 by the Eastern Cape Department of Education.</p>	<p>This area remains challenging as in 2006 a standard was set which stated that all mud structures must be removed by 2010.</p> <p>One of the challenges facing the abolition of mud structures is that a number of them are small non-viable schools in terms of learner numbers. Consultation processes are happening across communities with regard to the rationalization of schools which is slowing down the rate of mud structure abolition.</p>

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
<p>Providing learners in grades 3, 6 and 9 with the opportunity to be assessed through nationally determined tests to improve levels of literacy and numeracy on an annual basis (ANA – Annual National Assessments).</p> <p>Involvement of Inter- Departmental stakeholders, Unions, HEI's and NGO's in training identified content gaps in Curriculum and Assessment Policy Statement (CAPS) implementation.</p> <p>Sessions are held at provincial and District level where all information and results emanating from the ANA results are shared and interventions planned where necessary to improve learner performance</p>	<p>All learners in Public Ordinary, Special and farm schools.</p>	<p>All learners in Public Ordinary, Special and farm schools.</p>	<p>The fact that all learners across the province participated in the ANA assessment and that the assessment processes before the tests and after the tests ran without too many challenges is an indicator of the success of the consultation processes. All the averages in grades 3, 6 and 9 Mathematics and Languages improved between 2012 and 2013</p>

Table 1.3 Service delivery access strategy

Access Strategy	Actual achievements
<p>Access Strategy for Grade 3, 6 and 9 learners to the ANA programme</p> <p>All Grade 3,6 and 9 learners in the Province to benefit from initiatives such as ANA which is a national test with nationally determined standards</p>	<p>The fact that all learners in grades 3, 6 and 9 wrote the 2013 ANA assessment indicates that access had been increased to all learners whereas in 2007 when the national assessment was done based on a sample of schools and a sample of learners in each school.</p>
<p>Learner access to the School Nutrition Programme</p> <p>The purpose is to facilitate access to learners in Quintile 1-3 in public ordinary and farm schools, Through access to nutritious food it is intended that it enhances the teaching and learning process, Service to be extended to Special schools, farm schools and poor learners in Quintile 4 and 5 schools.</p>	<p>By 2012/13 this had increased to 1 571 580. In 2013/14, 1 1 646 142 learners benefitted from the NSNP.</p> <p>The learners also have access to improved menus and more nutritious meals.</p>
<p>Access strategy for schools with mud structures to be replaced</p> <p>The first step in access is the principals of schools with mud structures write letters to the District offices. The responsible EDO of the circuit also has to be part of promoting the need of the school, this process is enhanced by the involvement of EDO's. A priority needs list is then submitted to the Provincial Office</p>	<p>In 2006 a service standard was set which stated that all mud structures should be removed or replaced by 2010. By 2013/14 this has not been achieved hence the access strategy has not enabled the process to be completed. One of the challenges facing this process is that a number of the existing mud structures are not viable schools due to low learner numbers. The process of rationalisation which includes some mud structures is underway. The DBE has launched an Accelerated Schools Infrastructure Delivery Initiative (ASIDI) aimed at improving access to school communities with mud structures to new buildings</p>

Table 1.4 Service information tool

Types of information tool	Actual achievements
<p>Information about the Grade 3, 6 and 9 National Assessments</p> <p>Advocacy of the numeracy and literacy strategy through various media to all relevant stakeholders</p> <p>All schools informed timeously through the responsible district offices of the nature and time of assessments</p> <p>Sessions are held at provincial and District level where all information and results emanating from the ANA results are shared and interventions planned where necessary to improve learner performance</p>	<p>All schools were informed timeously about all the ANA processes pre and post assessment. The results of the ANA assessments came out timeously so that the Provincial Offices, the Districts and the schools could plan interventions early in the 2013 academic year so as to improve overall learner performance at grades 3,6 and 9 levels. Learner performance did improve in the 2013 ANA (Note 1.1 actual achievement against service standard).</p>
<p>Information about the School Nutrition Programme</p> <p>Reports, Information sheets, advocacy, monitoring, pamphlets, wall charts and circulars</p>	<p>The NSNP programme has proved successful in providing increasing number of learners with a nutritious meal each school day. With the programme now decentralized down to school level information sharing and programme improvements are directly in the hands of the beneficiaries being the schools, the communities who benefit from local procurement and the community members of the community employed to prepare the food.</p>
<p>Information about the abolition of mud structures</p> <p>Information supplied in the MEC Finance Budget Speech, MEC for Educations budget speech, SOPA speech, and the ECDoE Annual Performance Plan</p>	<p>55 Mud structures have so far been replaced as part of the national Accelerated School Infrastructure Delivery Initiative (ASIDI) programme by 2013/ 14. 19 mud schools were recently replaced by Eastern Cape Department of Education by 2013/14.</p> <p>Disaster interventions by the Eastern Cape Department of Education completed 139 schools which included some mud structures. The Disaster Management intervention involved the use of prefabricated structures.</p>

Complaints mechanism

Complaints Mechanism	Actual achievements/Challenges
Direct telephone complaints	An upgrade of the telephone system is due to be able keep up with the latest technological advances
Email complaints through the website page	This is increasingly gaining attraction especially among higher LSM grouping
Automated software response mechanisms through manual to complainant correspondence	This high level software is hampered by the low quality of the departmental internet connection
Walk-in complainants	Customer Care has since been ejected from its offices and currently exists in name only as they do not have office space at head office to field walk in clients

2.3 Organisational environment

The province's education system is characterized by a number of inefficiencies, including poor management of vacancies, lack of budget credibility, as well as over-expenditure on personnel and huge under-expenditure on infrastructure.

Inefficient management of vacancies reveals a trend that may pose a threat to organisational stability, *inter alia*:

- 2.3.1 Overall vacancy rates for Head Office and District Offices office based staff is 29,25%.
- 2.3.2 Senior management vacancy rate of 34,9%.
- 2.3.3 About 60% of schools with vacant posts in excess of 12 months.
- 2.3.4 Internal Audit, Finance and HR positions that are vacant for more than 12 months.

Budget credibility and stability has been a problem for more than 5 years, with significant challenges that include:

- 2.3.5 The ratio between personnel and non-personnel expenditure has deteriorated from 87:13 in 2004 to around 90:10 from 2011 onwards and this suffocates out providing appropriate budgets and expenditure for essential non personnel, service delivery expenditure,
- 2.3.6 Personnel over-expenditure,
- 2.3.7 A perennial problem of accruals in both personnel and non-personnel expenditure,
- 2.3.8 Poor annual audit outcomes which have not improved to a qualified or unqualified opinion.

The pervasive issues that affect the department include the following (with an indication of how they are being addressed:

- 2.3.9 Lack of continuity of administrative leadership; since December 2010 three persons acted as Head: Education and there was one permanent appointment. This situation necessarily promotes a short term focus although some of the solutions required are long term. This has been addressed at the top level. The current MEC has been in place since November 2010, a permanent Head of Department has been appointed in March 2013 after the resignation of the previous HOD in 2012, and a new Chief Financial Officer and Chief Directors: for Human Resources Management and Development and for Financial Management Services have been filled through permanent appointments. Other SMS posts and various DDGs are in place for each of the various branches of the Department.
- 2.3.10 High levels of vacancies; the vacancy rate for Head Office and District Offices office based staff is 29,25%. The consequence of this is that activities deemed as 'temporarily not important' ceased entirely to be performed and the systems become based on 'short cuts'. Increased incidence of acting

appointments. This issue of acting appointments is dealt with through the implementation of the 2012/13 and 2013/14 Annual Recruitment Plans of the Department. Other office based vacant posts such as subject advisors and EDOs had also been filled by end March 2014.

2.3.11 Highly distributed structure; there are 24 offices (23 districts and head office) responsible for Corporate Services and Teaching and Learning activities, each with varying levels of skills, facilities and infrastructure, there are also multiple reporting lines for the district offices. Some of the offices are geographically remote. Under such circumstances it is difficult to build and retain critical posts. This issue is dealt with through the development and implementation of the new Service Delivery Model, and new Organogram, which is being finalised in the 2014/15 financial year.

2.3.12 The Department has, understandably, focussed on funding for COE, Norms and Standards of Funding Schools, Learner Teacher Support Materials, etc., for a long period of time and has devoted its available resources almost entirely to that. The consequence is that basic computer systems, amongst other things, are outdated and unreliable which adversely affects work performance. There are current initiatives to collect a status quo of IT needs and then to develop a plan to resource offices from 2013/14 and beyond. This is also dependent on freeing up resources through increased efficiencies in various areas (learner number accuracy, rationalisation of schools, etc.).

2.3.13 A lack of understanding of basic issues and a preference for focussing on 'glamorous issues' and or to many deliverables, which results in outputs that appear to be reasonable or good but do not have substance and/ or are not (fully) achieved/ finalised. The revised Turnaround Plan developed at the end of the 2012/13 financial year, prioritised two key outcomes, an improvement in learner and audit outcomes.

2.3.14 An almost complete lack of accountability and performance management; resulting in poor staff utilisation and breakdown in controls and division of duty. As mentioned above, a revised Turnaround Plan was developed, which has a primary mandate of generating and mobilising resources around a basket of *key, prioritised turnaround goals/objectives/ outcomes*, objectives and targets to address decisively the administrative, management and systemic challenges of the Department in the next 1-2 years. This plan reinforces and drives the departmental philosophy and posture that ensures that the Department moves from "Policy to Practice", "Theory to Action", that there is a "Sense of Urgency" on key tasks/ deliverables to be achieved, that there is "Impatience with Non-Compliance/ Poor Performance" and "Consequence management. The current position of the provincial Department is that it faces two main challenges, which are: 1) poor learning outcomes, and 2) negative audit outcomes from the Auditor-General. These main challenges are being responded to in various ways, including: 1) Learner Attainment Improvement Strategy (specifically 2012 LAIS Summit resolutions) and 2) 2013/14 Audit Intervention Plan. This Plan's outcomes, *objectives* and deliverables/ targets are therefore within two key areas: 1) Improving Learning Outcomes and 2) Improving Audit Outcomes. More specifically, this Plan highlights various targets linked to the following goals/ objectives:

2.3.14.1 Improved compliance to relevant policy and instructions

2.3.14.2 Improved accountability and consequence management

2.3.14.3 Improved leadership, management, administration of the department

2.3.14.4 Transformed classrooms and adherence to the minimum required teaching time for educators

2.3.14.5 Improved Learner Performance

2.3.14.6 Increased provision of information and reporting

2.3.14.7 Improved mobilisation and community involvement at school level

This plan builds on lessons learnt from the implementation of previous turnaround plans. It reinforces gains made and existing departmental plans such as the yearly resolutions/ updates to the Learner Attainment Improvement Strategy, the 2013/14 Audit Improvement Plan, the current Back to Basics Campaign, and

various current turnaround initiatives for Human Resources, Supply Chain Management, Internal Audit and Risk Management, etc. Rather than list a plethora of key interventions (which are necessary, given the nature and extent of all the challenges facing the Department), this Plan highlights a limited number of key outputs and targets that are as a minimum, to be focused on in next 1-2 years by various key role-players within the Department from the MEC to school principals, who will be held accountable for its effective implementation. Expertise will also be brought in to assist in handling/ managing, if necessary, key turnaround tasks, including clearing backlogs. The primary responsibility to drive progress and implementation on this revised Turnaround Plan will rest mainly with the Department's HOD and Deputy Director Generals. Regular progress reports and quarterly monitoring meetings are to be held with various internal and external stakeholders such as the Audit Committee, relevant clusters/ Cabinet Committees, sec 100 (1)(b) structures, Provincial Executive Council as well quarterly to SCOPA and the Education Portfolio Committee.

There has been a much improved delivery in the various areas that initially gave rise to the need for the Section 100 (1)(b) national intervention. There has also been a drastic improvement in the governance structures of the department including the full restoration of decision-making and decision management in the Department as well as improved communication and participation in the management of the workload with all levels of staff, including with organized labour. Other head office and district governance structures relating to the work of each branch and for key internal administrative oversight structures for service delivery areas such as LTSM, HR, Labour Relations, and Infrastructure have also been put in place, which also meets weekly. Whilst much more attention is still needed to improve work relations, productivity, communications, customer care and work culture, a new hope is slowly arising in the Department, that will show a significant change to learners, parents and communities that it serves.

2.4 Key policy developments and legislative changes

No key policy developments and legislative changes were effected during the period under review.

3. STRATEGIC OUTCOME ORIENTED GOALS

The following were the 6 strategic goals of the Department

STRATEGIC GOAL 1	Equitable access to education and resources
STRATEGIC GOAL 2	Quality of teaching and learning improved at all educational institutions
STRATEGIC GOAL 3	School functionality improved for learner achievement at all levels
STRATEGIC GOAL 4	Organizational capacity enhanced through human resource development and talent management
STRATEGIC GOAL 5	Social cohesion promoted through cooperation with all stakeholders in education
STRATEGIC GOAL 6	Efficient administration through good corporate governance and management

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

Purpose:

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

Sub-Programmes:

Sub-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
1.2: Corporate Services	To provide management services that are not education specific for the education system and to make limited provision for, and maintenance of, accommodation
1.3: Education Management	To provide education management services for the education system
1.4: Human Resource Development	To provide human resource development for office-based staff
1.5: Education Management Information Systems	To provide reliable, accurate and relevant information in accordance with the National Education Information Policy

Strategic Objectives

1. To improve systems for effective management and administration of schools
2. To stabilize financial management across the organisation through proper budgeting, control and reporting

Key Policy Priorities

The following are key priorities of the programme:

1. Strengthening of the Internal Control and Human Resource Units
2. Continuation of the projects on learner verification, financial management support, Persal Clean-up, district development through the operationalisation of circuits and internal controls
3. Strengthening of Document Management in the Department
4. Skills development and improvement of PMDS implementation and monitoring
5. Strengthening of the leave management throughout the system
6. Implementation of the Turnaround Plan with special focus to the Audit Intervention and Fraud Prevention Plans
7. ICT roll-out and support in schools through partnerships with stake holders

8. Strengthening of the integrated monitoring strategy of schools through the use of multidisciplinary teams from districts
9. Establishment and strengthening of the Transfer Payment Section
10. Promotion of Employee Health and Wellness
11. Reduction of unemployment especially among the youth, via the Internship and Learner ship Programmes
12. Enhancement of EMIS data integrity
13. Continued phased implementation of the SA School Administration and Management system as the basis for e-Administration
14. Implementation of a Business Intelligence System and Learner Unit Record Information Tracking System
15. Mobilization of communities at all levels to raise awareness and participation in education issues – through the QLTC and other structures
16. Finalization and phased-in implementation of new organisational structure

Strategic Objectives, Performance Indicators Planned Targets and Actual Achievements

The department managed to fill some critical senior management vacant posts to strength internal control, guidance, supervision and leadership through an internal control unit; document management centre for audit trail; and monitoring strategy for district support. In an attempt to contain the compensation of employees expenditure, the ratio of 85:15 personnel versus non-personnel split was achieved, exceeding the targeted 89,6 is to 10,6, thus spending 99.7% of 2013/14 budget.

Payments to schools were made within the legislated time and SASAMS was implemented in 5 217 public schools which facilitated reporting by schools. Learner verification project was conducted to enhance EMIS data integrity for the administration and financing of education, but was not yet finalised at the end of the financial year. However, weaknesses and areas where challenges were identified assisted in planning and monitoring by multidisciplinary teams.

The department was able to capacitate and develop staff by providing bursaries to officials (4763 Public Service Act and 1579 office-based educators) including performance recognition by implementing PMDS. 8 325 of 10 566 PSA and OBE employees signed contract agreements, together with 62 SMS members. 7 670 employees received pay progression, while 3 461 of the 9 177 PSA received performance bonus. An intake of 130 Interns was engaged through the 1% Skills Levy fund, including contribution by ETDP-SETA.

The institution of Multi-Disciplinary Teams improved school functionality in the areas encompassing syllabus coverage; learner and educator enrolment attendance; resourcing of schools (utilisation of transfer payments) and learner admission process and administration.

The HoD and the MEC were able to meet with various stakeholders (principals, SGBs and Traditional Leaders) in view of education being a societal matter, and established a Provincial QLTC Steering committee that agreed on areas of intervention pertaining to participation in school visits. The District QLTC structures were launched and stakeholders signed pledges involving the department, parents, teachers and learners. This intervention yielded positive results in Chris Hani Municipality that adopted 10 under-performing schools.

Strategic Objectives

Programme 1: Administration						
Strategic Objective	Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation
To improve systems for effective management and administration of schools	Number of public schools targeted to use SA SAMS to provide data to the national learner tracking system in the planned financial year.	4 161	5 621	5 217	-404	The deviation is due to delays in uploading data to the SASAMS database and industrial action that affected two districts (Sterkspruit and Fort Beaufort)
	Number of public schools that can be contacted electronically (e-mail) in the planned financial year.	4 552*	5 621	2 900	-2 721	The deviation is as a result of some schools still not having connectivity and therefore no access to e-mails.
To stabilize financial management across the organisation through proper budgeting, control and reporting		25.5%	10.6%	15%	4.4%	Target was exceeded due to monitoring of spending on compensation of employees and more funds were received for capital investment during budget adjustment period.

*The baseline of the previous year is higher than the actual of the current year because the former was not verified.

Performance Measures

Programme 1: Administration						
Programme Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned Target to Actual Achievement for 2013/2014	Comment on deviations	
PM101: Number of public schools targeted to use SA SAMS to provide data to the national learner tracking system in the planned financial year	4 161	5 621	5 217	-404	The deviation is due to delays in uploading data to the SASAMS database and industrial action that affected two districts (Sterkspruit and Fort Beaufort)	
PM102: Number of public schools that can be contacted electronically (e-mail) in the planned financial year	4 552	5 621	2 900	-2 721	The deviation is as a result of some schools still not having connectivity and therefore no access to e-mails.	
PM103: Percentage of education current expenditure going towards non-personnel items in the planned financial year	25.5%	10.6%	15%	4.4%	Target was exceeded due to monitoring of spending on compensation of employees and more funds were received for capital investment during the budget adjustment period.	

Reasons for Deviations

PPM 101: The late awarding (August 2013) of tender for the implementation of SASAMS delayed the submission of electronic school data. Some of the schools had to be re-trained on utilisation of SASAMS due to time lapse. However the department had to identify schools that were used as circuit hubs for submission of reports.

PPM 102: Even though all the principals were given 3G cards in an attempt to improve access at school level, 2 721 have not yet supplied the department with e-mail contact addresses.

Strategy to overcome areas of under performance

PPM 101: The awarded contract will mitigate the under-performance and an action plan has been put in place to accelerate the roll-out of assistance and training to schools where needed, to achieve the set target in the new financial year.

PPM 102: The Directorate: IT and SI, EMIS sub-directorate and service providers to accelerate the delivery and activation of 3G Cards, and creation of emails. A technical laptop support contract is required to deal with all the support issues relating to hardware and software. A project manager will be appointed project manage this deliverable.

PPM 103: The movement and placement of excess educators into substantive vacant posts; and expedient finalisation of ill health and retirement applications including re-training thereof will stabilise financial management.

Changes to planned targets

None

Linking performance with budgets

PPM 101: Budget allocated to EMIS for utilisation on SASAMS tender was not fully utilised due to delay in the award of tender. The under spending was subsequently reprioritised to fund other budget priorities.

PPM 102: 3G Cards of schools that have been activated are paid for on monthly basis, while investigation has still to be conducted on schools that have not activated 3G cards these.

PPM 103: The compensation of employees budget has been underspent however there are posts that still remain, arrear salaries and compensation of employees related accruals vacant by the at year end.

Sub-Programme Expenditure

Sub- Programme Name	2012/2013			2013/2014		
	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	7 038	6 086	952	5 369	5 259	110
Corporate Services	947 915	909 557	38 358	863 755	867 052	(3 297)
Education Management	1 016 234	1 024 027	7793	1 136 882	1 144 551	(7 669)
Human Resource Development	27 795	24 171	3 624	7 068	5 415	1 653
Education Management Information Systems	33 840	20 622	13 218	48 399	46 251	2 148
Total	2 032 822	1 984 463	48 359	2 061 473	2 068 528	7 055

4.2 Programme 2: Public Ordinary Schools

Purpose:

To provide public ordinary education from Grades 1 to 12 in accordance with provisions of the South African Schools Act and White Paper 6 on Inclusive Education

Sub-Programmes:

Sub-Programme	Sub-Programme purpose
2.1: Public Primary Schools	To provide public primary ordinary schools with resources required for the Grades 1 to 7 levels.
2.2: Public Secondary Schools	To provide 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 Grant: School	To provide a nutritious meal to all targeted learners on every school day through the National School Nutrition Programme (NSNP) To recapitalize 31 Technical Secondary Schools in order to expand the reach of vocational and technical education To provide support to 60 Dinaledi Schools in order to enhance the number of learners that pass Mathematics and Science above required level

Strategic Objectives:

1. To increase learner access to education in public ordinary schools to 100% by 2014
2. To improve learner access to public Further Education and Training institutions
3. To increase learner access to inclusive and specialised education services
4. To improve learner access to integrated health, wellness and welfare programmes
5. To provide infrastructure, financial, material, human resources and information-communications technology (ICT) to schools
6. To improve the quality of monitoring and support provided to schools by the Department

Key Policy Priorities

1. The following are key priorities of the programme:
2. Full implementation of Norms and Standards for School Funding
3. Universal access to Learner and Teacher Support Material
4. Enhanced learner achievement in Mathematics and Science
5. Provision of School Furniture
6. Provision of a National School Nutrition Programme
7. Rationalisation and realignment

Strategic objectives, performance indicators, planned targets and actual achievements

Universal access to quality education, and improved efficiency of the system were key strategic objectives earmarked by the Department to leverage a number of systemic changes in 2013/2014 Financial Year (FY). Access to significant services has improved significantly in the year under reporting, and this includes access to public ordinary schools, special and specialised education services, Further Education and Training opportunities, as well as universal access to learning and teaching resource material. In the FY 2013/14, the Department put in place measures to improve access to public education, and the scope of delivery has yielded the following improvements;

1 730 870	learners had access to public education
1 562 129	learners benefited from No Fee school policy
55 537	learners that benefited from the scholar transport services
1 646 142	learners that had access to a nutritious meal on every schooling day
27 514	learners had access to special and specialised education services in public ordinary schools

Efficiency rates of the system also improved to new levels in 2013/2014 FY. The key and major intervention was the pilot on rationalisation of small and ineffective schools in the Province. The Department managed to rationalise 194 public ordinary schools through a process of re-alignment of schools to the legislated phases of GET and FET. The process involved closing down of dysfunctional and unworkable small schools in favour of bigger and efficient schools. The principle of resources following learners underpinned the process. The outcome of the process included the mitigation of learner migration impact to rural schools, as a result depleted schools from migration were able to gain learners. The broader lesson learnt from the rationalisation exercise is that learner migration in the Eastern Cape context has become a strategic imperative, and therefore the planning of services and infrastructure delivery should have a bearing. The output worth noting is better and coordinated planning both in horizontal and vertical dimensions.

The NSNP as a poverty alleviation initiative improved the quality of lives of learners and communities in more than one aspect, fighting short term hunger. The programme has ensured active community involvement through the participation of School Governing Bodies on the procurement process and recruitment of Meal Servers. Additional to the stimulation of the local economy, through soliciting services of SMMMEs and Coops, the Programme derived benefits from partnerships with the involvement of Tiger Brands in 27 schools in Lady Frere Districts and Kellogs in 10 schools in Port Elizabeth, both offering breakfast as an additional meal to learners.

Outside of the sponsored breakfast the programme, additional to the standard provisioning of one nutritious meal to all targeted learners, introduced systems to direct surplus funds realized by schools towards the provision of in-school breakfast with a view to further enhance learners' performance. To this effect 171 schools have benefitted from the introduction of the breakfast pilot from NSNP surplus. This has translated into 71 809 learners benefiting from this initiative. The introduction of this additional meal was well received across the province as all reports have resonated on the benefits of the provision of breakfast. The introduction of breakfast has resulted in, amongst others, improved learner attendance and punctuality as well as improvements on the Voluntary Food Handlers' Stipend. The food Production component of the programme also equipped learner with life skills relevant to their lives daily experience.

Amongst benefits of the NSNP in the 2013/14 financial year are the following:

1. 99% expenditure of the annual allocation of R949 416 000 was incurred.
2. 1 646 142 learners benefitted from the NSNP programme
3. Community involvement through the engagement of:
 - 3.1 11 491 local women were contracted as Volunteer Food Handlers and earned a total of R100 000 000 million at R840 per month each
 - 3.2 More than 378 SMMMEs were engaged by schools
 - 3.3 More than 70 Cooperatives were contracted to feed learners
4. Employment opportunities through the recruitment of 54 local youth were contracted as monitors in Districts.
5. Improved monitoring resulting from distribution of 20 Units of vehicles distributed to Districts to strengthen monitoring.
6. Skills were transferred to learners in 2 398 schools with productive food gardens.

Strategic Objectives

Programme 2: Public Ordinary Schools						
Strategic Objective	Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation
To increase access to education in public ordinary schools	PPM 201: Number of learners enrolled in public ordinary schools	1 805 876	1 719 863	1 730 870	11 007	More learners were registered than originally planned.
	PPM 202: Number of educators employed in public ordinary schools	59 543	58 588	57 625	-963	There was a change in the post provisioning declaration for the 2014 academic year of 55 796 which implied the need for a decrease in the number of educators.
To increase access to inclusive and specialised education	PPM 203: Number of non-educator staff employed in public ordinary schools	6 228	6 108	6 035	-73	There were some indication of budget overspending and the Department took a decision to put all appointments on hold until the new financial year (2014/2015).
To implement an integrated health and wellness programme including programmes catering for learner welfare	PPM 204: Number of learners in public ordinary schools benefiting from the "No Fee Policy.	1 598 820	1 750 000	1 562 129	-187 871	The deviation is due to non-compliance by schools and districts with monthly reporting requirement resulting in inaccurate reporting on learners that have benefited from the programme.

Programme 2: Public Ordinary Schools						
Strategic Objective	Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation
To provide infrastructure, financial, material, human resources and information-communications technology (ICT) to schools	PPM 205: Number of learners benefiting from the National School Nutrition Programme (NSNP)	1 571 580	1 765 475	1 646 142	-119 334	Target was not met due to 9 Public Ordinary and 15 Special Schools that have opted out of the programme for various reasons and schools that have not submitted reports.
	PPM 206: Number of learners benefiting from scholar transport	54 471	55 000	55 537	537	The variance is attributed to an increased number of learners transported in farm communities in Uitenhage District.
	PPM 207: Number of learners with special education needs that are enrolled in public ordinary schools	6 228	12 000	27 514	15 514	The variance is due to an improved capacity in schools in the implementation of Screening, Identification, Assessment and Support (SIAS) which has resulted in more learners being identified through EMIS than projected.
To improve the quality of monitoring and support provided to schools by the Department	PPM 208: Number of full service schools	0	5	5	0	None
	PPM 209: Number of schools visited at least once a quarter by a circuit manager	2 189	13 140	8 744	-4 396	The deviation is due to an effective planning and reporting system not being in place.

Performance Indicators

Programme 2: Public Ordinary Schools							
Programme Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation		
PPM 201: Number of learners enrolled in public ordinary schools	1 805 876	1 719 863	1 730 870	11 007	More learners were registered than originally planned.		
PPM 202: Number of educators employed in public ordinary schools	59 543	58 588	57 625	-963	There was a change in the post provisioning declaration for the 2014 academic year of 55 796 which implied the need for a decrease in the number of educators.		
PPM 203: Number of non-educator staff employed in public ordinary schools	6 228	6 108	6 035	-73	There were some indication of budget over-spending and the Department took a decision to put all appointments on hold until the new financial year (2014/2015).		
PPM 204: Number of learners in public ordinary schools benefiting from the "No Fee School" policy)	1 598 820	1 750 000	1 562 129	-187 871	The deviation is due to non-compliance by schools and districts with monthly reporting requirement resulting in inaccurate reporting on learners that have benefited from the programme.		
PPM 205: Number of learners benefiting from the National School Nutrition Programme (NSNP)	1 571 580	1 765 475	1 646 142	-119 334	Target was not met due to 9 Public Ordinary and 15 Special Schools that have opted out of the programme for various reasons and schools that have not submitted reports.		
PPM 206: Number of learners benefiting from scholar transport	54 471	55 000	55 537	537	The variance is attributed to an increased number of learners transported in farm communities in Uitenhage District.		
PPM 207: Number of learners with special education needs that are enrolled in public ordinary schools	6 228	12 000	27 514	15 514	The variance is due to an improved capacity in schools in the implementation of Screening, Identification, Assessment and Support (SIAS) which resulted in more learners being identified through EMIS than projected.		
PPM 208: Number of full service schools	0	5	5	0	None		

Programme 2: Public Ordinary Schools						
Programme Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation	
PPM 209: Number of schools visited at least once a quarter by a circuit manager	2 189	13 140	8 744	-4 396	The deviation is due to an effective planning and reporting system not being in place.	

Reasons for Deviations:

1. Schools that have been closed and those which received funds for feeding from other state Departments.
2. NSNP transfers to schools: use of 2013 Snap Survey data instead of 2012/13 Annual Survey as per Business Plan resulted in under expenditure of R2 780 125.68
3. Goods and Services: under spending by most districts led to under spending of R2 315 522.57.
4. In the standard item COE overpayment of R594 315.02 due to Annual increase in remuneration package for 54 monitors.
5. Capital budget, under spending of R1 205 189.50 attributed to the delays in procurement of laptops, desktops, printers and overhead projectors due to delays in procurement procedures that took longer than expected. Non procurement of storage containers as a result of stringent procurement processes.

Strategy to overcome areas of under performance

PPM 202 and 203: The Department will consider alternative planning with respect to Post Provisioning Norms (PPN) to address the disjuncture between post declared and implementation.

PPM 204 and 205: Review and strengthen monitoring and reporting by the Districts.

PPM 209: Develop an effective system of planning and reporting.

Changes to planned targets

NSNP: 2013/14 Transfers were done based on 10th day Snap Survey data against Annual Survey for 2012/13 which formed basis for 2013/14 planned.

Linking performance with budgets

The overall performance of Programme 2 was fair as the shortfall in terms of budget spending is R55 731 which translates to 2.5%. There was under performance in some objective and over in others objective. The significant deviations were in the following PPMs:

There was an over performance on PPMs 201, 206 and 207 respectively with the most significant being on PPM 201 with an excess of 11 007 learners enrolled in public ordinary schools than planned for. Also on PPM 207 there was an excess of 15 514 in number of learners with special education needs that are enrolled in public ordinary schools.

There was also under performance on PPMs 202, 203, 204, 205 and 209 with the most significant being on PPMs 202, 204, 205 and 209 as reflected above.

Sub-Programme Expenditure		2012/2013			2013/2014		
		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
Public Primary Schools	Current Payments	5 576 328	5 618 390	(42 062)	5 739 822	6 069 654	(329 832)
	Transfers and subsidies	346 889	269 150	77 739	308 579	328 930	(20 351)
	Payment for Capital Assets	4 892	111	4 781	4305	512	3 793
	Payment for financial Assets	0	0	0	0	0	0
Public Secondary Schools	Current Payments	13 391 708	13 248 947	142 761	13 918 990	13 588 025	330 965
	Transfers and subsidies	917 131	758 933	158 198	691 487	762 687	(71 200)
	Payment for Capital Assets	11 145	5 196	5 949	39 661	22 201	17 460
	Payment for financial Assets	125 671	125 671	0	0	0	0
Human Resource Development	Current Payments	93 478	85 141	8 337	90 832	88 646	2 186
	Transfers and subsidies	0	0	0	0	0	0
	Payment for Capital Assets	0	0	0	0	0	0
	Payment for financial Assets	0	0	0	0	0	0

School sport, culture and media services	Current Payments	24 754	20 895	3 859	25 902	22 621	3 281
	Transfers and subsidies	0	0	0	0	0	0
	Payment for Capital Assets	200	62	138	210	109	101
	Payment for financial Assets	0	0	0	0	0	0
Conditional Grant: School	Current Payments	41 675	14 226	27 449	34 385	33 383	1 002
	Transfers and subsidies	881 360	878 407	2 953	925 024	922 244	2 780
	Payment for Capital Assets	14 801	16 715	(1914)	8 921	4 837	4 084
	Payment for financial Assets	0	0	0	0	0	0
Total		21 430 032	21 041 844	388 188	21 788 118	21 843 849	(55 731)

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	To support independent schools in Grades 1 to 7
3.2: Secondary Phase	To support independent schools in Grades 8 to 12

Strategic Objectives

To provide infrastructure, financial, material, human resources and Information Communications Technology to schools.

Key Policy Priorities:

The following are key priorities of the programme:

1. Strengthen monitoring of Independent Schools to ensure compliance
2. Investigating state of Independent Schools in the Province

Strategic Objectives, Performance Indicators Planned Targets and Actual Achievements

In the year under review, there has been an increase in performance of independent schools at Grade 12. The pass rate of 74.5% in the 2013 academic year compared to 65% in 2012. This achievement reflects a positive impact towards improvement of quality learning outcomes in these schools as a result of improved monitoring and successful provisioning of resources. The investigation of the state of independent schools is 50% complete, since the commencement of the process was delayed.

Programme 3: Independent School Subsidies						
Strategic Objective	Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation
To provide infrastructure, financial, material, human resources and Information Communications Technology to schools	PPM301: Number of subsidised learners in independent schools	34 232	38 924	33 922	5 002	All subsidies due under this programme were paid for learners except those who are in schools that did not comply.

Performance Indicators

Programme Name: Independent School Subsidies						
Programme Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on deviations	
PPM301: Number of subsidised learners in independent schools	34 232	38 924	33 922	5 002	All subsidies due under this programme were paid for learners except those who are in schools that did not comply.	

Reasons for Deviation:

Payment of subsidies to schools is regulated in terms of the PFMA and Norms and Standards for School funding which determine compliance with requirements is a requirement to submit audited financial statements for the previous financial year and that performance of Grade 12 results should be equal or above the provincial pass rates. Learners that were not subsidized are in schools that did not submit compliance documents and those that underperformed in Grade 12 results i.e. whose average pass rate was below the provincial pass rate.

Strategy to overcome areas of under performance

According to registration and de-registration Policy of Independent Schools, Schools that do not comply are removed from the provincial list/schedule, and serial underperformers are given notice deregistered.

Changes to planned targets

None

Linking performance with budgets

Transfers to schools under this programme were made as prescribed in terms of law and all institutions have received allocated funding. However the variance of 0,6% is in respect of institutions that could not comply with the Legistrated requirements.

Sub-Programme Expenditure

Sub- Programme Name	2012/2013			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
3.1: Primary Phase	37 937	37 427	510	59 319	58 901	418
3.2: Secondary Phase	21 555	21 429	126	40 826	40 657	169
Total	59 492	58 856	636	100 145	99 558	587

4.4 Programme 4: Public Special Schools

Purpose:

To provide compulsory Public Education in Public 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	To provide specific public special schools with resources
4.2: Human Resource Development	To provide 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	To provide additional and departmentally managed sporting, cultural and reading activities in public special schools.

Strategic Objectives

To increase access to inclusive and specialised education and access to centres which offer specialised services

Key Policy Priorities:

The following are the key priorities of the programme: **1)** Full implementation of Screening, Assessment, Identification and Support (SAIS), **2)** Strengthen and resource special and Full Service Schools, and **3)** Capacitate District Based Support Teams (DBSTs) and educators in special and Full Service Schools.

Strategic Objectives, Performance Indicators Planned Targets and Actual Achievements

The Department implemented various programmes linked to 2013 declaration as the year of Intensive Inclusive Education implementation in the country wherein certain priorities were identified in this regard. SAIS has commenced and is continuing, training of teachers and DBSTs and resourcing of schools (Special and full service schools). In addition Special Schools received assistive devices, vehicle for Special Schools and non-teaching staff was employed. Focus on the implementation of these programmes will continue in the new financial year.

140 members of District Based Support Teams (DBST's) were trained in Revised Guidelines for Screening, Identification, Admission and Support (SIAS) strategy. The DBST's in turn, trained educators in schools to improve early identification and proper placement and support of learners. To expand learning opportunities for all learners in particular disabled learners, the directorate increased the number of Full Service Schools (FSS) in the province from five (5) to twenty six (26). Educators in these schools will be trained on how to support learners experiencing barriers to learning and assist educators to differentiate curriculum in the classroom. The purpose is to improve the performance of learners in reading, writing and numeracy skills so as to improve ANA and NCS results in the province. To achieve this objective, ninety (90) educators with specialization in curriculum differentiation were appointed as Learning Support Facilitators.

The directorate has also developed reading and writing skills strategy to assist the districts and schools. 50 DBST members were also trained in Basic Counseling and 51 were trained in motivational skills. These officials will assist educators and learners directly in the classrooms in particular vulnerable and Grade 12 learners. 10 educators from Special and Full Service Schools (FSS) graduated in Augmentative Alternative Communication BAhons with the University of Pretoria. The educators will be able to assist learners with speech and intellectual challenges. To strengthen special schools 122 support staff vacant posts were advertised for placement in special schools to support learners in hostels and schools. Construction has commenced in one special school and one FSS, whilst upgrading of 4 special schools is in process. In compliance with the Children's Act No 38 of 2005, all assets of Bhisho Youth Care Centre have been transferred to the Department of Social Development while the Department of Education continues to provide education services.

Strategic Objectives

Programme 4: Public Special Schools						
Strategic Objective	Performance measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation
To increase access to inclusive and to centres which offer specialised services	PPM401: Number of learners enrolled in public special schools	10 099	10 401	9206	-1195	The deviation is due to the planned capacity to mobilise additional learners not having been realised.
	PPM402: Number of educators employed in public special schools	1 716	1 132	847	-285	The reason for the deviation is the appointment of teachers in special schools was not prioritised due to budget constraints in the compensation of employees (CoE).
To provide infra-structure, financial, material human resource and information communication technology to schools	PPM403: Number of professional non-educator staff employed in public special schools	None	10	0	10	Due to budget constrains there was no employment of professional non educators in the year under review.

Performance Measures

Programme 4: Public Special Schools					
Programme Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
PPM401: Number of learners enrolled in public special schools	10 099	10 401	9 206	-1 195	The deviation is due to the planned capacity to mobilise additional learners not having been realised.
PPM402: Number of educators employed in public special schools	1 716	1 132	847	285	The reason for the deviation is the appointment of teachers in special schools was not prioritised due to budget constraints in the CoE.
PPM403: Number of professional non-educator staff employed in public special schools	None	10	0	-10	Due to budget constraints there was no employment of professional non educators in the year under review.

Reasons for deviation

Generally the program has not performed as planned in the year under review especially on the provision of personnel both teaching and non-teaching due to budget constraints. This has serious effect on the quality of specialized service that is required under this program.

Strategy to Overcome Areas of Under Performance

PPM 403: The Department has started to appoint non-professional, learner support facilitators and placed them at District Offices.

Changes to Planned Targets

None

Linking Performance with Budgets

The targets have largely been achieved in all the programmes. The exception of compensation of employees where in under performance is largely due to delayed appointment of learner support facilitation together with non-teaching staff for Special Schools as these appointment were only finalised in February 2013.

Sub-Programme Expenditure

Sub- Programme Name	2012/2013			2013/2014		
	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	489 696	442 384	47 312	482 280	458 367	23 913
4.2: Human Resource Development	1 643	496	1 147	7 435	7 491	(56)
4.3: School sport, culture and media services	2 878	2031	847	4 916	3 090	1 826
4.4: Conditional Grants						
Total	494 217	444 911	49 306	494 631	468 948	25 683

4.5 Programme 5: Further Education and Training Colleges

Purpose:

Provide Further Education and Training (FET) at public FET colleges in accordance with the Further Education and Training Colleges Act (Act 16/2006), inclusive of provisions of the FETC Amendment Act, Act No. 3 of 2012.

Sub-Programmes:

Sub-Programme	Sub-Programme purpose
5.1: Public Institutions	To provide specific Public FET colleges with resources
5.2: Youth Colleges	To provide specific Public youth colleges with resources.
5.3: Professional Services	To provide educators and students in Public FET colleges with departmentally managed support services.
5.4: Conditional Grant	To provide funding for the entire Further Education and Training programme, to ensure successful transfer of the Further Education and Training function to the Department of Higher Education and Training

Strategic Objectives

1. Increase access to education in Public Further Education and Training Colleges
2. To improve systems for monitoring of learner performance, administration of assessments and utilization of examinations question banks across the system

Key Policy Priorities

The priorities of the programme for the year 2013/14 were:

1. Teaching and learning management (Enhancing quality teaching, learning and assessment)
2. The strengthening of college management and governance
3. Curriculum responsiveness (tracking learner achievement) and marketing (advocacy and awareness campaign of available college programmes)
4. Student management and support
5. Infrastructure and estate management

Strategic Objectives, Performance Indicators Planned Targets and Actual Achievements

Although the Minister of Higher Education and Training publicly announced that prospective students that did not gain enrolment at universities should approach FET Colleges, the Department of Higher Education and Training (DHET) did not make increased funding available to support the policy pronouncement.

The delay in the function shift from Provincial Education Departments to DHET impacted adversely on the achievement of strategic objectives and key policy priorities.

Strategic Objectives

Programme 5: Further Education and Training Colleges							
Strategic Objective	Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation	
Increase access to education in public Further Education and Training Colleges	Number of students enrolled in NC(V) courses in FET Colleges	18 341	23 000	22 435	565	The Department of Higher Education and Training (DHET) issued a directive not to increase enrolment as this would have financial implication on college budgets after the target was set.	
To improve systems for monitoring of learner performance, administration of assessments and utilization of examinations question banks across the system	Number of FET College NC(V) students who completed full courses successfully	4 774	12 190	12 103	87	The deviation was caused by the dual control of the FET entities resulting from the delay in the transfer of function to DHET.	

Performance Measures

Programme 5: Further Education and Training Colleges							
Programme Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations		
PPM 501: Number of students enrolled in NC(V) courses in FET Colleges	18 341	23 000	22 435	565	The Department of Higher Education and Training (DHET) issued a directive not to increase enrolment as this would have financial implication on college budgets after the target was set.		
PPM 502: Number of FET College NC(V) students who completed full courses successfully	4 774	12 190	12 103	87	The deviation was caused by the dual control of the FET entities resulting from the delay in the transfer of function to DHET.		

Reasons for Deviation:

PPM501: There was a directive from the DHET not to increase enrolment in colleges as this would have financial implication on college budgets. The DHET uses program-based funding for FET college enrolment.

PPM502: Outstanding results due to ICASS, directive not to increase enrolment resulted in deviation. There are communication problems with DHET examinations office to deal with the backlog in issuing examinations results and certification. There is a need to revisit the condonement policy and use it correctly to improve examinations results.

Strategy to Overcome Areas of Under Performance

Training of educators in curriculum delivery, based on IQMS, issued bursaries for Training and Development of Educators and partnering with SETAs and QCTO for continuing capacity-building.

Changes to Planned Targets

There were no changes to planned targets.

Linking Performance with Budgets

The following activities linked to education and training (Curriculum Management) could not be performed due to protocol arrangements between DoE and DHET.

1. Quarterly Meetings: Education & Training services
2. Agreement 8 Colleges (Deputy Principal academic registrars)
3. Assessor course – 40 officials
4. Differential instruction and classroom
5. Management – 50
6. Monitoring & evaluation -35 campuses
7. Training of 20 agriculture educators on calibration of planters and sprayers
8. Monitoring and evaluation – 150 officials . Reporting writing – 32
9. Skills development facilitator course – 80 officials.
10. FETCSETA forums (quarterly meetings)

Sub-Programme Expenditure

Sub- Programme Name	2012/2013			2013/2014		
	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: Public Institutions	-	-	-	-	-	-
5.2: Youth Colleges	-	-	-	-	-	-
5.3: Professional Services	-	-	-	-	-	-
5.4: Human Resource Development	-	-	-	-	-	-
5.5: In-college sport and culture	-	-	-	-	-	-
5.6: Conditional Grant	704 488	688 760	15 728	297 816	293 159	4 657
Total	704 488	688 760	15 728	297 816	293 159	4 657

4.6 Programme 6: Adult Education and Training

Purpose:

To provide Adult Education and Training (AET) in accordance with the Adult Education and Training Act, 52 of 2000, including the provisions of the AET Amendment Act, 2010.

Sub-Programmes:

Sub-Programme	Sub-Programme purpose
6.1: Public Centres	To support specific public AET sites with resources
6.2: Professional Services	To provide educators and students in public AET sites with departmentally managed support services.
6.3: Human Resource Development	To provide departmental services for the professional and other development of educators and non-educators in public AET sites.
6.4: Conditional Grants	

Strategic Objectives

To increase access to education in public Adult Education and Training Learning Centres

Key Policy Priorities:

The priorities of the programme for the year 2013/14 were:

1. Ensuring that adults without basic education access learning opportunities
2. Establishing more AET Centres in under-utilized schools, implement Norms and Standards for Funding of Adult Learning Centres
3. Improving the quality of AET programmes so that they articulate with FET College programmes

Strategic Objectives, Performance Indicators Planned Targets and Actual Achievements

The basis for aspiring towards the target 84 541 was prompted by a need for expanding the reach of AET and aligning it with Expanded Public Works Programme (EPWP) in view of the high rate of illiteracy as reflected in the 2004 (year) census statistics. Globally the United Nations made a declaration that all countries including South Africa should halve illiteracy by 2014 as response to the prescripts of the eight millennium development goals shared by the world vision for reducing poverty and illiteracy, the Province of the Eastern Cape (AET) responded by conducting a needs audit in Public Adult Learning Centres (PALCs) which yielded response and a need for massive skilling of AET curriculum with skills programme.

Programme 6: Adult Education and Training						
Strategic Objective	Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation
Increase access to education in public Adult Education and Training Centres	PPM601: Number of learners enrolled in Public AET Centres	36 167	84 541	36 167	-48 374	The reason for variance is that most AET Learners are not only interested in literacy and numeracy programmes but rather a combination of this programme and the skills programme. Hence the high dropout rate.
	PPM602: Number of educators employed in AET Centres	3 396	4 704	3 396	1 308	The target was not met due to the decrease of learner numbers in AET Centres and the poor conditions of service.

Performance Measures

Programme 6: Adult Education and Training						
Programme Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement 2013/2014	Comment on deviations	
PPM601: Number of learners enrolled in Public AET Centres	36 167	84 541	36 167	-48 374	The reason for variance is that most AET Learners are not only interested in literacy and numeracy programmes but rather a combination of this programme and the skills programme. Hence the high dropout rate.	
PPM602: Number of educators employed in AET Centres	3 396	4 704	3 396	-1 308	The target was not met due to the decrease of learner numbers in AET Centres and the poor conditions of service.	

Reason for Deviation:

PPM 601: The reason for variance is due to the non- availability of skills programme in AET centres as per need analysis. Most AET Learners are not only interested in literacy and numeracy programmes, but rather the combination of both literacy and skills programmes, hence the high dropout rate.

PPM 602: All AET Educators are employed on a 12 months contract basis, which creates instability as a result they continue to seek more secure permanent employment elsewhere. Compounding this is resignation, natural attrition and upward mobility.

Strategy to Overcome Areas of Under Performance

It is impossible to develop a strategy to address the deviations for this objective due to protocol arrangements. Deviations are going to be overcome through the protocol with DHET as well as the ultimate shift to DHET.

Changes to Planned Targets

None

Linking Performance with Budgets

The budgeted amount for AET centres was R377 383.00 and the actual expenditure was R377 484.00 resulting in the over expenditure of R2 112.00, which represents the overall expenditure at the centres such as goods and services, compensation of employees etc.

The budgeted amount for Human Resource Development at the AET centres was R1 172.00 and the actual expenditure was R732.00 resulting in an under expenditure of R440.00. This is due to the reduction of staff members as result of learners decrease.

Sub-Programme Expenditure

Sub- Programme Name	2012/2013			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
6.1:Public Centres	350 961	345 769	5 192	377 383	377 484	(101)
6.2: Subsidies to private centres	-	-	-	-	-	-
6.3: Professional Services.	-	-	-	-	12	(12)
6.4: Human Resource Development	1 462	628	834	1 172	732	440
6.5: Conditional Grants						
Total	352 423	346 397	6 026	378 555	378 228	327

4.7 Programme 7: Early Childhood Development

Purpose:

To provide Early Childhood Development (ECD) at the Grade R level in accordance with White Paper 5.

Sub-Programmes:

Sub-Programme	Sub-Programme purpose
7.1: Grade R in Public Schools	To provide specific public ordinary schools with resources required for Grade R and encourage more schools to establish Grade R classes where space exists
7.2: Grade R in Community Centres	To support particular community centres at Grade R level
7.3: Pre-Grade R Training	To provide training and payment of stipends of Pre-Grade R Practitioners.
7.4: Human Resource Development	To provide departmental services for the professional and other development of educators and non-educators in ECD sites.
7.5: Conditional Grants	To provide for the infrastructure for Early Childhood Development

Strategic Objectives

1. To improve access of children to quality Early Childhood Education
2. To provide an integrated quality ECD provisioning
3. To develop and enhance the professional and technical capacity and performance of educators/practitioners

Key Policy Priorities

The following are key priorities of the programme:

1. Attachment of new grade R classes to Public Ordinary Schools.
2. Compensation of Grade R Practitioners (ensure that payments are made monthly and timeously)
3. Transfer funds to schools with Grade R (ensure that funds are transferred to schools timeously)
4. Procurement of resources for Grade R classrooms in Section 20 Schools

Strategic objectives, performance indicators planned targets and actual achievements

In the 2013/14 financial year, Programme 7 focused on three strategic objectives to support the strategic priorities of the government, namely: **1)** To improve access of children to quality Early Childhood Education(ECD), **2)** to provide an integrated quality ECD provisioning and **3)** to develop and enhance the professional and technical capacity and performance of educators/ practitioners.

In achieving the above, the Snap Survey of 2014 records 4 557 public ordinary schools with Grade 1, of which 4 484 have one/more Grade R class/es with a registered enrolment of 150 523 Grade R learners (98% coverage). In promoting the provisioning of quality Early Childhood Education, the sub-directorate transferred the necessary funding to resource Grade R classes in Section 21 schools and procured Learner Teacher Support Material, furniture, outdoor equipment and/or stationery for Section 20 schools. Furthermore, the Department provides a monthly stipend aimed at subsidizing the salary of 5 201 Practitioners who are employed by School Governing Bodies. In promoting the professionalization of Grade R Practitioners, 592 practitioners are receiving training towards an accredited NQF Level 5 qualification in ECD and a further

1 103 practitioners have been registered for an accredited Level 6 qualification in ECD.

Programme 7: Early Childhood Development						
Strategic Objective	Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation
To improve access of children to quality Early Childhood Education(ECD)	PPM701: Number of learners enrolled in Grade R in public schools	158 858	171 350	150 523	20 827	The deviation is as a result of a reduction in numbers of children seeking Grade R admission for the 2014 Academic Year
To provide an integrated quality ECD provisioning	PPM702: Number of public schools that offer Grade R	4 623	4 601	4 484	117	The reason for the deviation is that the attachment of 100 schools scheduled for January 2014 was withdrawn due to a decline in Grade R learner numbers.

Programme 7: Early Childhood Development						
To develop and enhance the professional and technical capacity and performance of educators/practitioners	PPM703: Number of Grade R practitioners employed in public ordinary schools per quarter*	New PPM	5 556	5 253	303	<p>In the period under review, the variance is attributed to:</p> <ul style="list-style-type: none"> • 100 new Grade R practitioners who were to be approved for 2014 /15 financial year which were withdrawn due to the decline in Grade R learner numbers. • Challenges on processing of appointment of 78 Grade R practitioners are experienced in the districts. • The non-renewal of posts due to a decrease in Grade R enrolment. • Delays in the replacement of deceased and resigned practitioners.

Performance Measures

Programme 7: Early Childhood Development					
Programme Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
PPM701: Number of learners enrolled in Grade R in public schools	158 858	171 350	150 523	20 827	The deviation is as a result of a reduction in numbers of children seeking Grade R admission for the 2014 Academic Year.
PPM702: Number of public schools that offer Grade R	4 623	4 601	4 484	117	The reason for the deviation is that the attachment of 100 schools scheduled for January 2014 was withdrawn due to a decline in Grade R learner numbers. In the period under review, the variance is attributed to: <ul style="list-style-type: none"> • 100 new Grade R practitioners who were to be approved for 2014 /15 financial year which were withdrawn due to the decline in Grade R learner numbers.
PPM703: Number of Grade R practitioners employed in public ordinary schools per quarter*	New PPM	5 556	5 201	355	<ul style="list-style-type: none"> • Challenges on processing of appointment of 78 Grade R practitioners are experienced in the districts. • The non-renewal of posts due to a decrease in Grade R enrolment. • Delays in the replacement of deceased and resigned practitioners.

*All Grade R practitioners in the Eastern Cape Department of Education are employed by School Governing Bodies and receive stipends through PERSAL.

Reasons for Deviation:

PPM 701 and PPM 702: The reduction in the number of learners enrolled in public schools is as a result of fewer learners seeking admission to Grade R in those schools and therefore affected the planned target. There are not enough feeder for Grade R.

PPM 703: The reduced number of ECD Practitioners employed is due to the decline in the number of Grade R Learners, challenges experienced in the appointment of Grade R Practitioners and the replacement of deceased and practitioners that have left.

Strategy to overcome areas of under performance

PPM 701 to 703: More Pre-Grade R facilities need to be built by municipalities that have the constitutional mandate in this regard, which must be accredited by Social Development in terms of the integrated ECD Strategy. The Department will bring its influence to bear on the Social Transformation Cluster to improve the working relationships amongst the various stakeholders. The greater inflow of learners from Pre-Grade R will result in more Grade R Practitioners required. The Department is also prioritising the professionalisation of Grade R practitioners to regulate the pool of qualified Practitioners.

Changes to Planned Targets

None

Linking Performance with Budgets

Grade R in Public Schools (Compensation of Employees):

Under-spending is attributed to the withdrawal of 100 new Grade R practitioners (scheduled for January 2014), due to a decline in Grade R learner numbers, challenges in processing of the appointment of 78 Grade R practitioners and 93 Grade R Practitioners paid R5 000 instead of R5 300 per month.

Grade R in Public Schools (Training)

A payment system challenge occurred and the Department was unable to process payment of service providers for Level 6 training.

Grade R in Public Schools and Pre Grade R (Resources)

Under spending, in both sub-programmes, is attributed to the incapacity of service providers to provide quality resources timeously.

Pre Grade R (Training and Development)

The sub-program under spent due to delays in contracting Service Providers to offer accredited NQF Level 4 training to Pre Grade R practitioners; this also contributed to the non-payment of stipend (Transfers).

Sub-Programme Expenditure

Sub- Programme Name	2012/2013				2013/2014				
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	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	R'000	R'000	R'000
7.1: Grade R in Public Schools	375 585	359 496	16 089	441 985	427 672	14 313			
7.2: Grade R in Community Centres	0	0	0	0	0	0			
7.3: Pre-Grade R Training	8 556	3 055	5 501	3 926	148	3 778			
7.4: Human Resource Development	1 413	806	607	1 897	1 270	627			
7.5: Conditional Grants									
Total	385 554	363 357	22 197	447 808	429 090	18 718			

4.8 Programme 8: Infrastructure Development

Purpose:

To provide and maintain infrastructure facilities for the administration and schools

Sub-Programmes:

Sub-Programme	Sub-Programme purpose
8.1: Administration	To provide goods and services required for the office infrastructure development and maintenance
8.2: Public Ordinary Schools	To provide goods and services required for the public ordinary schools (main stream and full service schools) infrastructure development and maintenance
8.3: Special Schools	To provide goods and services required for the special schools infrastructure development and maintenance
8.4: Early Childhood Development	To provide goods and services required for the early childhood development infrastructure development and maintenance
8.5: Conditional Grants	To provide for project funded by the Education Infrastructure Grant

Strategic Objectives:

1. Provide adequate basic services such as water, sanitation and electricity to schools by 2014/15
2. Systematically eliminate the backlog in classroom accommodation and progressively improve access to facilities such as libraries and laboratories (ie progressive and systematic achievement of Minimum and Optimum Functionality)
3. Align the Eastern Cape Department of Education backlog intervention with the ASIDI intervention
4. Re-align schools and re-organise small schools that are no longer sustainable or which are under-utilised
5. Intensify efforts to ensure that all schools have safe environments for all children
6. Improve User Asset Management Planning, together with more emphasis on life cycle planning (especially improved maintenance planning), and provision of infrastructure that complements and promotes the relevant curriculum, especially regarding outcomes based education
7. Ensure that training and skills development initiatives form part of building programmes to respond to the requirements of the economy, rural development challenges and social integration, thereby also equipping the unemployed and vulnerable with requisite skills to overcome poverty and unemployment
8. Promote the principles of sound asset and financial management and effectively implement these to ensure that all legislative compliance and audit criteria are met and best practices are utilised throughout
9. Effectively and efficiently implement the Education Facilities Management System

Key Policy Priorities

The following were key priorities of the programme:

1. To eradicate all inappropriate structures (including mud and *plankieskole* structures) by 2014/15
2. To align the 2020 vision of DBE with delivery of infrastructure
3. To ensure universal access to Grade R by 2014/15
4. To improve access to secondary schools to 95% by 2014/15

5. To increase the percentage of schools with libraries/media centres to 52% by 2014/15
6. To achieve universal access for disabled children and youths (aged 6 – 18 years) to basic education
7. To have in place optimum infrastructure at all schools as per national Norms and Standards by 2030

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

The Department has managed to effect renovations to a number of rural hostels which featured in the Daily Dispatch some of which took practical completion during the year under review

There has been improvement in the realignment of the mud school backlog with the ASIDI intervention through interactions with the Department of Basic Education – however the challenge of infrastructure for small schools needs to be addressed as a matter of urgency

On realignment and reorganisation of schools - out of the 194 schools approved by the Honourable MEC during October 2013, procurement of temporary classrooms for 153 schools commenced during the last quarter of the year

The condition assessment tender for 2542 schools had not been awarded by the end of the financial year whereas the assessment of the 3110 schools done by the Department of Basic Education was nearly completed by the end of the year. Out of a total of 17 posts advertised for technical professionals, 13 were appointed by the end of the year

At the start of the financial year, 539 projects were due for close-out and at the end of the financial year 372 projects had achieved close out

A total of 46 schools were handed over (practical completion) to the department for use and the number of classrooms reported on form part of this

The norms and standards for public school infrastructure came into effect in November 2013 effectively giving new timeframes thus substantially changing some of the timeframes under key policy priorities and strategy objectives.

Strategic Objectives

Programme 8: Infrastructure Development						
Strategic Objective	Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation
To provide infrastructure, financial, material, human resources and Information-Communications Technology to schools	PPM801 Number of public ordinary schools to be provided with water supply	124	59	53	6	Target was not achieved as a result of underestimation of the scope of work in planning.
	PPM802 Number of public ordinary schools to be provided with electricity supply	27	78	25	53	The target was not met. The challenge was accessibility of schools to the ESKOM grid. Our targets were not aligned with the ESKOM roll out plan
	PPM803 Number of public ordinary schools to be supplied with sanitation facilities	48	44	47	-3	Exceeded target due to roll-out of additional projects during the year.
	PPM804 Number of classrooms to be built in public ordinary schools	856	350	361	-11	Exceeded target due to roll-out of additional projects during the year.
	PPM805 Number of specialist rooms to be built in public ordinary schools (all rooms except classrooms-include; laboratories, stock rooms, sick bay, kitchen, etc.)	36	152	78	74	The reason for the deviation is that there was confusion in the setting of the target and the scope of work was not clear enough to be able to get accurate data.

Performance Measures

Programme 8: Infrastructure Development						
Programme Performance Measures	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation	
PPM801 Number of public ordinary schools to be provided with water supply	124	59	53	6	Target was not achieved as a result of underestimation of the scope of work in planning.	
PPM802 Number of public ordinary schools to be provided with electricity supply	27	78	25	53	The target was not met. The challenge was accessibility of schools to the ESKOM grid. Our targets were not aligned with the ESKOM roll out plan	
PPM803 Number of public ordinary schools to be supplied with sanitation facilities	48	44	47	-3	Exceeded target due to roll-out of additional projects during the year.	
PPM804 Number of classrooms to be built in public ordinary schools	856	350	361	-11	Exceeded target due to roll-out of additional projects during the year.	
PPM805 Number of specialist rooms to be built in public ordinary schools (all rooms except classrooms-include; laboratories, stock rooms, sick bay, kitchen, etc)	36	152	78	74	The reason for the deviation is that there was confusion in the setting of the target and the scope of work was not clear enough to be able to get accurate data.	

Reason for Deviation:

1. Slow progress on the Examination Centre due to contractor that was replaced
2. Special schools (4) that were rolled out towards the end of the year – there were challenges with land matters in some of the special schools
3. Slow progress in ECD projects by contractors in this programme is the biggest challenge.

Strategy to Overcome Areas of Under Performance

1. The examinations centre is now progressing well and the expected completion date is August 2014.
2. The roll out of the Special Schools towards the end of the financial year together with the finalisation and close out of projects from previous years will see improvement in this area of delivery
3. The department has a dedicated a programme manager who is driving and monitoring the implementation of the workshops under the Technical Secondary School Grant and interfacing with the client directorate
4. There is Chief Town Planner who is dedicated to resolving all land issues and the department has also minimised the budget where land issues were not been resolved
5. There was also ongoing interaction with the stakeholders for infrastructure on a regular basis through the Infrastructure Commission and other bilateral are planned with individual implementing agents to address areas of non-delivery
6. Better planning and target setting will be put in place in the coming year in order to ensure that all targets are backed by data which can be tracked in cases of non-delivery

Changes to Planned Targets

None

Linking Performance with Budgets

The department underperformed on the Technical Secondary School Grant. This was due to incorrect and lack of prioritisation on rollout and the misjudgement of the skills of the contractors allocated the construction of the workshops. On Special Schools underperformance was due to land issues. Projects were also rolled out late and scope of work caused delays in implementation during the year under review. The department was allocated additional funding for infrastructure amounting to R345 million during the Adjustment Estimate for the following:

1. Rural Hostels - R35 million in respect of 15 hostels for bulk services
2. ECD - R60 million (this was later agreed to be used for Realignment of schools) a total of 126 Schools were in the process of receiving temporary classrooms at year end, another 27 schools will be receiving classrooms under this program. Most of these are in 2014/15 targets as their completion date is in 2014/15
3. Disasters - R22 million where 65 schools were affected by the September 2013 storm damage. Another 44 schools were affected by storms during January 2014
4. Water, Sanitation and Fencing - 151 schools were targeted and 105 were under procurement

Sub-Programme Expenditure

Sub- Programme Name	2012/2013			2013/2014		
	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
8.1: Administration	54 079	39 741	14 338	244 497	143 853	100 644
8.2: Public Ordinary Schools	693 538	799 858	(106 320)	1 058 919	1 246 256	(187 337)
8.3: Special Schools	140 003	86 989	53 014	171 493	108 527	62 966
8.4: Early Childhood Development	115 421	72 566	42855	181 192	60 458	120 734
Total	1 003 041	999 154	3 887	1 656 101	1 559 094	97 008

Programme 9: Auxiliary and Associated Services

Purpose:

To provide education institutions as a whole with training and support.

Sub-Programmes:

Sub-Programme	Sub-Programme purpose
9.1: Payments to SETA	To provide employee HRD in accordance with the Skills Development Act.
9.2: Professional Services	To provide educators and learners in schools with departmentally managed support services.
9.3: Special projects	To provide for special departmentally managed intervention projects in the education system as a whole.
9.4: External examinations	To provide for departmentally managed examinations and assessment services
9.5: Conditional Grant	<ol style="list-style-type: none"> 1. To enhance the protection offered by schools to prevent and mitigate the impact of HIV. 2. To increase knowledge, skill and confidence amongst learners and educators to take self-appropriate sexual and reproductive health decisions. <p>To increase access to sexual and reproductive health services including HIV services for learners and educators.</p>

Strategic Objectives:

1. To increase access to education in public ordinary schools
2. To increase access to inclusive and specialised education and access to centres which offer specialist services
3. To implement an integrated health and wellness programme including programmes catering for learner welfare
4. To increase access to inclusive and specialised education and access to centres which offer specialist services
5. To provide infrastructure, financial, material, human resources and information-communications technology (ICT) to schools
6. To improve the quality of monitoring and support provided to schools by the Department

Key Policy Priorities

The following are key priorities of the programme:

1. Development and implementation of curriculum mandates, e.g. Provincial Curriculum Guidelines, Assessment Instructions and other curriculum mandate
2. Management of operational policy for GET and FET bands in respect of teaching, learning and assessment
3. Management of MSTE strategies and the Multi-media Centres, libraries and e-learning
4. Promotion of the Learner Attainment Improvement Strategy
5. Management of provincial and National assessment and examinations for grades 1 – 12

6. To build capacity Subject Advisors and Teachers for effective delivery in GET with special focus on Languages and Mathematics
7. Monitoring and support of CAPS implementation in Grades R, 1-12
8. Ensuring that there are operational District Subject Committees/Forums focusing on Common Assessment Tasks, moderation of School Based Assessment and Teaching, Learning Support Materials and the development of Subject Improvement Plans
9. Monitoring and support Grade 9 Career Advocacy in 23 districts
10. Provision of content gap training and support to teachers and subject practitioners
11. Electronic curriculum content development and distribution through the website and other electronic media
12. Teacher Training on trouble shooting connectivity and Networking, ICT integration in education through the use of educational software and development of Reusable Learning Objects
13. Teacher Training and Professional development support of practitioners in School Librarianship
14. Improvement of numeracy and literacy levels through the integration of library resources in teaching, learning and assessment
15. Increase and improve the participation and performance of learners in reading and writing activities
16. Improvement of professionalism; teaching skills and subject content knowledge of teachers to teach Mathematics and Sciences
17. In-service and pre-service teacher training (induction, support and mentoring) for MSTE teachers
18. Encouragement of effective participation of learners in Mathematics, Science and Technology and support them to improve their performance in the National Senior Certificate

Strategic objectives, performance indicators, planned targets and actual achievements

The critical programme purpose of providing training and support to the education institutions was achieved to varying degrees in the year under review

Transfer of skills development funds to ETD-SETA was done on time

The Provision of departmentally managed support services to educators and learners, was also carried out successfully, although the outcomes varied from poor to excellent in some areas

This programme has adequately implemented its curriculum mandates. The training of teachers on Curriculum and Assessment Policy Statement (CAPS) was completed for all subject advisors and educators from Grade 1-12. As a result the province is ready for the full implementation of CAPS from Grade 1-12, significantly to the first time implementing grades, namely, Senior Phase and Grade 12

The Literacy and Numeracy Strategy progressed fairly well in the Province, with programmes such as Early Grade Reading Assessment (EGRA) which benefited all Foundation Phase subject advisors from 23 districts successfully

The Certificate in Primary English Teaching Programme also benefitted Foundation Phase Subject advisors and 412 Cluster Leaders to strengthen the teaching of English FAL in the Primary Schools from 23 Districts

It is however, important to highlight that the performance in Languages in Grade 3 2013 ANA results declined from 50.3% in 2012 to 47.0% in 2013. Much as this performance is comparable to the performance of other Provinces much still needs to be done. The Province obtained position 5 out of 9 Provinces

In Mathematics there was big improvement in ANA results in Grade 3 from 40.59% in 2012 to 56.6% in 2013. This improvement could be attributed in amongst others the "How I Teach" programme roll out, the provision

of the “Guideline on Fluency in Multiplication and Division”, as well as the enforcement of the development and monitoring of the implementation of the Subject Improvement Plans by all schools in the year under review

The steady increase in the NSC results from 61.6% in 2012 to 64.9% in 2013 which later improved to 67% after the inclusion of the supplementary examinations results in 2014, was also an indication of a stable upward trajectory and stability in the province

The improvement realized in these areas was the biggest achievement since the inception of the Department. This achievement can be attributed to a number of interventions, such as, the reinforcement of the functionality of Subject Committees, the holding of the Annual Subject Advisors’ Indaba which benefited over 200 subject advisors

The subject focused training programmes which targeted content gaps raised the confidence of teachers in handling the difficult areas of the curriculum, which were identified through the diagnostic reports and chief markers reports.

The intensification of the monitoring and strengthening of partnerships with NGO’s, Business Sector, community and religious organisation also assisted in the improvement achieved in the year under review

The mass participation of the learners in extra – curricula programmes such as Debates, History Heritage Workshops and CEE Workshop also supported educators in sharing best practices

The Learner enrichment programmes to improve the learners’ performance in Mathematics and Physical Science, especially in Grade 12 through MSTE Strategy led to the improvement of the Grade 12 Mathematics passes from 38.1% in 2012 to 43.4% in 2013 and Physical Science improved significantly from 50.4% in 2012 to 55.8% in 2013. These programs will be accelerated in 2014/15

The 60 Dinaledi Schools which were expected to contribute significantly in producing quality Mathematics and Physical Science passes disappointingly , only contributed less than 30% improvement of the total output for 2013

One of the significant programmes that produced globally recognized stars was a programme driven by MSTE, wherein two Grade11 learners from a rural district of Maluti participated in the Physical Science Focus Week Competition and became national winners. These two learners represented the country in Beijing. They both became runners up in the World Competition

Furthermore, South African Agency for Science and Technology Advancement trained 61 teachers for GET and FET on “Nano -Technology” in 2013 which strengthened the teaching of related areas in Physical Science

Lastly, the management and administration of the Annual National Assessment (ANA) and National Senior Certificate (NSC) Examinations received a positive report for having conducted credible examinations for over 75000 NSC and over 1 million GET learners in the Province. This was a major achievement considering the budgetary challenges which confronted the Department in the year under review

Strategic Objectives

Programme 9: Auxiliary and Associated Services						
Strategic Objective	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation	
To increase the percentage of Grade 3, learners performing at required levels in Languages	50%	79 304	79 809	505	More learners than projected participated and performed well. The over-achievement is statistically insignificant.	
To increase the percentage of Grade 3 learners performing at required levels in Mathematics	41%	87 234	87 282	48	More learners than projected participated and performed well. The over-achievement is statistically insignificant.	
To increase the percentage of Grade 6 learners performing at required levels in Languages.	36%	73 459	56 254	-17 195	The poor curriculum coverage and the capacity of educators to competently teach basic language aspects. Poor teaching methodologies applied and absence of prescribed set works in this Grade.	
To increase the percentage of Grade 6 learners performing at required levels in Mathematics	25%	73 459	22 395	-51 064	This is because of the poor teaching, content gaps, and incomplete curriculum coverage in Mathematics. Shortage of competent Mathematics teachers.	
To increase the percentage of Grade 9 learners performing at required levels in Languages	35%	72 907	29 497	-43 433	The poor curriculum coverage and the capacity of educators to competently teach basic language aspects. Poor teaching methodologies applied and absence of prescribed set works in this Grade.	
To increase the percentage of Grade 9 learners performing at required levels in Mathematics	14.6%	72 907	4 699	-68 208	This is because of the poor teaching, content gaps, and incomplete curriculum coverage in Mathematics. Shortage of competent Mathematics teachers.	
To increase the number of Grade 12 learners who become eligible for a Bachelors programme at a university	17.8%	12 492	13 686	1 194	Focused Intervention programmes such Winter Schools, Camps, Weekend Classes and partnerships with critical stake holder. Supply of additional support material and incubation programmes.	
To increase the number of Grade 12 learners who pass Mathematics and Physical Sciences	38.1%	19 200	15 743	-3 457	This is because of the poor teaching, content gaps, and incomplete curriculum coverage in Mathematics. Shortage of competent mathematics and science teachers.	
To increase the number of Grade 12 learners who pass Physical Sciences	51.4%	14 492	14061	-431	This is because of the poor teaching, content gaps, and incomplete curriculum coverage in Physical Science. Shortage of competent Science teachers.	

¹ The wording of this PPM is not the same as the PPM in the "White Book" because it was changed subsequently by National Department and Treasury; hence the different targets.

Performance Indicators

Programme 9: Auxiliary and Associated Services						
Performance	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation	
PPM901: Number of candidates for the Grade 12 National Senior Certificate (matric examinations)	63 989	75 000	74 980	-20	Less learners were registered in Grade 12 than projected.	
PPM902: Number of candidates who passed National Senior Certificate*1	61.6%	49 968	46 840	-3 128	The province could not achieve the national target due to intervention implementation weaknesses.	
PPM903: Number of learners who obtained Bachelor passes in the National Senior Certificate (NSC)	17.8%	12 492	13 686	1 194	The target set was too conservative based on the historically trends. The interventions and DBE support can be attributed to the over-achievement.	
PPM904: Number of learners who passed Mathematics in the NSC examinations	38.1%	19 200	15 743	-3 457	This is because of the poor teaching, content gaps, and incomplete curriculum coverage in Mathematics. Shortage of competent Mathematics and Science teachers.	
PPM905: Number of learners who passed Physical Science in the NSC examinations	51.4%	14 492	14 061	-431	This is because of the poor teaching, content gaps, and incomplete curriculum coverage in Mathematics. Shortage of competent Mathematics and Science teachers.	
PPM906: Number of Grade 3 learners who passed Language in Annual National Assessment (ANA)	50%	79 304	79 809	505	More learners than projected participated and performed well. Over-achievement is statistically insignificant.	
PPM907: Number of Grade 3 learners who passed Mathematics in Annual National Assessment (ANA)	41%	87 234	87 282	48	More learners than projected participated and performed well. Over-achievement is statistically insignificant.	
PPM908: Number of Grade 6 learners who passed Language in Annual National Assessment (ANA)	36%	73 459	56 254	-17 195	The poor curriculum coverage and the capacity of educators to competently teach basic language aspects. Poor teaching methodologies applied and absence of prescribed set works in this Grade.	

Programme 9: Auxiliary and Associated Services						
Performance	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviation	
PPM909: Number of Grade 6 learners who passed Mathematics in Annual National Assessment (ANA)	25%	73 459	22 395	-51 064	This is because of the poor teaching, content gaps, and incomplete curriculum coverage in Mathematics. Shortage of competent Mathematics and Science teachers.	
PPM910: Number of Grade 9 learners who passed Language in Annual National Assessment (ANA)	35%	72 907	29 497	-43 433	The poor curriculum coverage and the capacity of educators to competently teach basic language aspects. Poor teaching methodologies applied and absence of prescribed set works in this Grade.	
PPM911: Number of Grade 9 learners who passed Mathematics in Annual National Assessment (ANA)	14.6%	72 907	4 699	-68 208	This is because of the poor teaching, content gaps, and incomplete curriculum coverage in Mathematics. Shortage of competent Mathematics and Science teachers.	

Strategy to Overcome Areas of Under Performance

Poor Foundational skills in from Grade R had a negative ripple effect on learner performance in

Grades 1-3. A Grade R Improvement Plan has been in place since 2010 and it is being implemented. Emergent reading and writing as well as Basic Numeracy Skills workshops formed part of the Plan. In collaboration with the ECD Directorate, the purchase of additional teaching resources also played a major role at this point of the value chain. To this end, to improve this important function, a Provincial Supplementary Catalogue will be issued for the first time in 2015 for Grades R-12.

Results of the 2012-2013 Annual National Assessment (ANA) have indicated a trend that points to the same areas of weakness for both Languages and Mathematics.

After the comprehensive analysis of the ANA results and the diagnostic reports, a Provincial ANA Improvement Plan was developed highlighting best teaching strategies for identified areas of weakness (Assessment Instruction 20 of 2014). This was mediated to teachers.

“How I Teach” Seminars will be replicated across the province to highlight best practice in teaching difficult topics. Universities, Publishers, NGOs, Curriculum Planners, Subject Advisors and mainly Teachers delivered presentations that also assisted to expose high quality material available.

Within the GET Curriculum Directorate, Professional Development Support (PDS) enrolled both teachers and Subject Advisors for Languages, Mathematics Science and Technology for Bachelor of Education degrees, Education Professional Services (EPS) as well as targeting underperforming districts and is offering Language and Mathematics upgrading for teachers at Nelson Mandela Metropolitan University (NMMU) and Fort Hare University.

Poor levels of implementation of targeted intervention and support at district and school level also impact negatively on learner performance.

From 2014 onwards, for district support and monitoring the delivery model of 3 days per district is being implemented. Half the number of days will be devoted to intensive engagement with district officials and the other to sampling schools to verify district reports. Early warning signs of poor or inadequate service delivery will give Province the opportunity to intervene. This is intended to strengthen the monitoring of the last mile.

Teachers were re-deployed to teach in the Foundation/Intermediate Phase, though not trained for that Phase. Re-deployment processes to be better managed as misallocations ultimately contribute to teachers deficiencies in the classroom. Qualifications (under or over) themselves are a barrier to teaching and learning in any classroom. Teacher upgrading is receiving attention focusing on Mathematics and Languages but the intake could be improved by a large margin for significant impact funds permitting.

Poor curriculum management by SMT results in poor curriculum coverage and is another challenge In collaboration with the Education Professional Services (EPS) Directorate, an HOD Training Programme was developed 2014 - 2016 focusing on underperforming districts and schools. Indirectly this will impact on improved curriculum coverage and better quality of assessment tasks.

Lack of well-coordinated structured support where there is shortage of curriculum personnel. Professional Learning Communities (erstwhile Subject Committees) will be launched as a vehicle for sharing best practices. This is a platform for a broad spectrum of professionals to showcase their research, knowledge and skills to the schooling environment. Individual teachers struggle with distinct concepts on the other hand within the same circuit/district some colleagues excel on the same challenging concepts. Bringing them together in a structured way will strengthen sharing of best practices among the Subject Committees and improve their functionality.

Focused learner support programme targeting Grade 12 has been planned for 2014/15 Learner Incubation Classes: These were organised to support learners in respect to Mathematics and Physical Science. Learners in 23 district will be registered to participate in Mathematics and National Science Olympiads. Schools and learners will be registered for participation at Fort Fare University, Nelson Mandela Metropolitan University (NMMU) and Walter Sisulu University (WSU) in Minquiz competition. Role Modelling and Awareness Campaign targeted learners from Lady Frere and Sterkspruit districts were targeted. Selected schools and teachers from other districts as well were targeted for sessions in Role Modelling Mathematics and Physical Science Focus Week: Learners will be identified to attend a Mathematics and Physical Science Focus Week organised by the Department of Energy. Workshops on Probability Theory: In collaboration with Statistics South Africa (STATSSA) Grade 11 Mathematics teachers are targeted to attend workshops on Statistics and Probability areas of the curriculum professional development through accredited courses: Teachers

and Subject Education Specialists for Mathematics will also participate in accredited courses offered by the African Institute for Mathematical Sciences Schools Enrichment Centre (AIMSSEC).

Senior and FET Phase Mathematics and Physical/ Natural Sciences teachers will be targeted and Senior Phase teachers will be trained by the South African Astronomy Observatory (SAAO) on Astronomy (Earth and Beyond). Teacher Training in Nanotechnology of GET and FET teachers will be done by the South African Agency for Science and Technology Advancement (SAASTA). Major interventions will be in place to ensure that the number of learners who are able to achieve 50% pass mark in Home and First Additional Languages as well as Mathematics is drastically improved. The interventions and strategies outlined above will address some of the challenges outlined above.

Changes to planned targets

No target was changed.

Linking Performance with Budgets

The programme has under spent by R3, 935, 000 from its allocated R312, 498,000. The biggest under expenditure was attributed to sub-programme 9.2. The allocation to the 23 District offices. Also to note the restrictions due to austerity measures led to the cancellation of certain non-critical but important activities. However, the majority of the planned were carried out in the year under review.

Sub-Programme Expenditure

Sub- Programme Name	2012/2013			2013/2014		
	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
9.1: Payments to SETA	12 342	12 342	-	12 150	12150	-
9.2: Professional Services	52 083	41 532	10 551	45 801	43 614	2 187
9.3: Special projects	896	864	32	374	16	358
9.4: External examinations	186 991	197 961	(10 970)	219 278	218 226	1 052
9.5: Conditional Grant	38 686	38 496	190	34 895	34 557	338
Total	290 998	291 195	(197)	312 498	308 563	3 935

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Public entities receive sizeable transfer payments from government and are often the front-line providers of services on behalf of government. It is therefore important to understand the impact of these services on the community. Departments are requested to provide information on the services provided by these public entities, transfer payments to the public entities, the actual amount spent from the transfer received by the public entities, strategic achievements of the public entity. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfer payments. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Program 2 : - Public ordinary 'No Fee' and Special Schools National School Nutrition Program (NSNP) - Public ordinary No Fee and Section 21 schools Norms and Standard for school Funding (NSF)	Procurement of foodstuffs, fuel, and payment of stipend for food handlers, feeding equipment, provision of food preparatory and storage facilities Procurement of Educational Consumables, Stationery, Non Educational Consumables, Maintenance, Learning and Teaching Support Material, Municipal services and office administrative items.	R1 846 612	R1 846 612	<ul style="list-style-type: none"> Provision of nutritious meals received by learners Adherence to 30 days turnaround time for payment of services rendered Provision of breakfast utilising surplus funds and through partnerships with Tiger brands and Kellogg in targeted schools thereby improving attendance and punctuality where breakfast is provided. Improvement in provisioning of school resources.
Program 3 - Independent Schools		99 558	99 558	<ul style="list-style-type: none"> Improvement in provisioning of school resources. Improvement in learner attainment pass rate Increase in learner numbers subsidised. Increase access to special education Transport arranged for both day and hostel learners The grade 12 pass rate for 2013/14 increased to 73%
Program 4 - Special Schools	Tuition Administration School Maintenance Hostel Transport for day and hostel learners Hostel Maintenance Food for hostel learners Assistive devices	57 157	57 157	

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Program 6 Adult Education and Training Centres	Administrative costs Learning and Teaching Material	205	205	<ol style="list-style-type: none"> 1. Increase in adults registering at the AET centres. 2. Additional centres were established in all districts.
Program 7 Early Childhood Development (Grade R)	Procurement of Learning and Teaching support Material (LTSM) Outdoor play area equipment/furniture Operating costs Grade R Stationery	76 658	76 658	<ol style="list-style-type: none"> 1. All transfers paid timorously 2. Schools have indicated that funds were utilised for the intended purpose.
Program 9 Marking Centres	Provision of accommodation meals and security for the duration of the marking session	R16 273 085.56	R16 273 085.56	<ol style="list-style-type: none"> 1. Marking was completed and re-suiting was done
Conditional Grants HIV and AIDS	Provision of counselling and support to HIV and AID affected and infected learners	15 543	15 543	<ol style="list-style-type: none"> 1. Increase in the number of Peer group trainers, Leamer Support Assistants and supervisors contracted which covered more school. 2. Increase in HIV and AIDS awareness in schools.

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the department.

Conditional Grant 1: Technical Secondary Schools Grant

Department who transferred the grant	Department of Basic Education (DBE)
Purpose of the grant	<p>To recapitalise 31 Technical Schools and to improve their capacity to contribute to skills development training in the country by:</p> <ol style="list-style-type: none"> 1. Building or re-designing workshops to support the technical subject offerings 2. Refurbishing workshops to comply with safety laws and regulations so as to meet minimum 3. Buying and installing new machinery, equipment and tools consistent with the subject offered in the schools 4. Training and up skilling of teachers to acquire new trends, practical skills and developments in their subjects.
Expected outputs of the grant	<ol style="list-style-type: none"> 1. Finalisation of 16 workshops built at Vulindlela Technical School in Mbizana, Sidinane Senior Secondary School in Mt Fletcher, Elliotdale Technical School in Dutywa and Richard Varha Senior Secondary School in King Williams Town. 2. Building of 12 new workshops at Phumlani Senior Secondary School in Lady Frere, Nosimo Technical High School in Ngcobo and Isikhoba Nombewu Senior Secondary School in Cofimvaba. 3. Upgrade and/or extend one workshop at each of the 2 schools at Mhlanganisweni and Vakele Technical Schools in Libode. 4. Train teachers of the 31 Technical Schools of the grant.
Actual outputs achieved	<ol style="list-style-type: none"> 1. 16 workshops finalised and handed over 2. Teachers trained and accruals for machinery and tools paid
Amount per amended DORA (R'000)	R34 595
Amount recieved (R'000)	R21 936
Reasons if amount as per DORA not recieved	Due to poor performance on the construction of Workshops the DBE withheld funds

Amount spent by the department (R'000)	R7 047
Reasons for the funds unspent by the entity	<p>The under-expenditure in this grant is due to a number of reasons:</p> <ol style="list-style-type: none"> 1. The deviation from the timeframes set in the Business Plan in the Infrastructure related activity by advertising the tender in August 2013 five months after the planned date. 2. Delay in the issuing of contracts to the successful bidders even though the tender evaluations were done and finalised by end of October 2013. The handing over of sites to contractors in February 2014.
Reasons for deviations on performance	Late advertisement of tenders resulted on the targets not being met
Measure taken to improve performance	<p>Infrastructure plans are to be in place and adhere to.</p> <p>This will be monitored by infrastructure committee.</p>
Monitoring mechanism by the transferring department	<p>The Infrastructure Committee chaired by the HOD is where Implementing Agents report on the status of their projects.</p> <p>Dedicated professionals employed in the Infrastructure Directorate monitor the Implementing Agents.</p>

Conditional Grant 2: Dinaledi Grant

Department who transferred the grant	Department of Basic Education (DBE)
Purpose of the grant	<ol style="list-style-type: none"> 1. To promote Mathematics and Physical Science teaching and learning 2. To improve learner performance in Mathematics and Physical Sciences in line with Action Plan 2014 3. To improve teachers' content knowledge of Mathematics and Physical Sciences
Expected outputs of the grant	<ol style="list-style-type: none"> 1. Establishment of ICT laboratories in 8 Dinaledi schools by purchasing 31 computers and a server for each ICT ready school. 2. Purchasing and installation of Mathematics and Physical Sciences educational software for the 60 Dinaledi schools. 3. Purchasing of one laptop and a data projector for each of the 60 Dinaledi schools. 4. Purchasing of mobile science laboratories for 60 Dinaledi schools. 5. Training of 360 teachers from Dinaledi schools on content knowledge in Mathematics, Physical Sciences and English First Additional Language (English FAL). 6. Capacity Development of 60 principals from Dinaledi schools. 7. Purchasing of Mathematics kits for the 60 Dinaledi schools. 8. Registration of 100 learners in Mathematics and Sciences Olympiads from each of the 60 Dinaledi schools. 9. Monitoring of 60 Dinaledi schools in order to assess, measure and address learning and teaching deficiencies in Mathematics, Physical Sciences and English FAL. 10. Purchasing Interactive White Boards as incentives for the 5 best performing Dinaledi schools in line with the Dinaledi Conditional Grant Framework and 2012 NSC results.
Actual outputs achieved	<ol style="list-style-type: none"> 1. Mobile Physical Sciences laboratories were purchased and delivered to all 60 Dinaledi schools. 2. Life Sciences models were purchased and supplied to all 60 Dinaledi schools. 3. ICT laboratories were installed in six (06) Dinaledi schools, which comprised of 31 computers, a server and a data projector. 4. 4 200 Calculators and 60 CASIO emulators were purchased for the 60 Dinaledi schools. 5. 12 000 instrument boxes were purchased for the 60 Dinaledi schools. 6. 30 laptop solutions (laptop, data projector and white screen) were purchased and delivered to each of the 60 Dinaledi schools. 7. Mathematics and Sciences educational software was purchased and installed for the 60 Dinaledi schools. 8. 549 Teachers from 60 Dinaledi schools were work shopped and trained on Mathematics and Physical Sciences content. 9. 101 Dinaledi school principals were trained and mentored. 10. Teachers from the 60 Dinaledi schools trained on the effective use of Mathematics and Physical Sciences software.
Amount per amended DORA (R'000)	R12 620
Amount recieved (R'000)	R12 620

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Reasons if amount as per DORA not received	N/A
Amount spent by the department (R'000)	R11 271
Reasons for the funds unspent by the entity	<ol style="list-style-type: none"> 1. The entire amount of money was set aside for the purchase of ICT laboratories. There were delays in the issue of the tender by the Information Technology Directorate. 2. The under-expenditure was caused by the fact that, during tender processing the Bid Adjudication Committee (BAC) and Bid Evaluation Committee (BEC) awarded the tender for 6 ICT laboratories instead of 8 ICT laboratories. This led to an amount of R302 453 being unspent. 3. Since it was already close the end of the 2013/14 financial year, these funds could not be spent. 4. There was also an amount of R614 788 committed for the purchase of 2 ICT trolleys that had not yet been delivered by the contracted supplier.
Reasons for deviations on performance	Problems in the tender process as expressed above.
Measure taken to improve performance	Expediency is to be observed in the processing of tenders through Financial committee meetings.
Monitoring mechanism by the transferring department	<p>The following monitoring mechanisms were carried out by the Department:</p> <ol style="list-style-type: none"> 1. Monthly narrative and FINCOM reports 2. Quarterly reports 3. Evaluation reports 4. School support visits to monitor and support implementation of the Dinaledi programme 5. Quarterly Principal's meetings 6. Regular management meetings with the Acting Chief Director: Curriculum Management to track spending of grant funds

Conditional Grant 3 : National School Nutrition Programme Grant

Department who transferred the grant	Department of Basic Education and National Treasury
Purpose of the grant	To provide nutritious meals to targeted learners in grades R-12 in Quintiles 1-3 and special schools.
Expected outputs of the grant	Nutritious meals served to the learners
Actual outputs achieved	To enhance learning capacity and improve access to education.
Amount per amended DORA (R'000)	R 949 162
Amount received (R'000)	R 949 162

Reasons if amount as per DORA was not received	Not applicable
Amount spent by the department (R'000)	R 943 436
Reasons for the funds unspent by the entity	Use of 2013 Snap Survey data instead of 2012 Annual Survey as per 2013/14 Business Plan.
Reasons for deviations on performance	Planning on the Programme is based on the Annual Survey of the year preceding the year of implementation whereas actual implementation is based on the snap survey on the implementing year
Measures taken to improve performance	Verification of learner data
Monitoring mechanism by the receiving department	In Year Monitoring of the expenditure trends of the Grant and submission of monthly and quarterly reports. In addition monthly accountability meetings with district programme coordinators which includes group visits to schools.

Conditional Grant 4: Infrastructure Grant

Department who transferred the grant	Department of Basic Education (DBE)
Purpose of the grant	<p>To provide goods and services required for:</p> <ol style="list-style-type: none"> 1. Public ordinary schools (main stream and full service schools) infrastructure development and maintenance; 2. The special schools infrastructure development and maintenance; 3. The early childhood development infrastructure development and maintenance; 4. Provide adequate basic services such as water, sanitation and electricity; 5. Systematically eliminate the backlog in classroom accommodation; 6. The development of infrastructure for the re-alignment and rationalization of public ordinary schools; 7. Intensify efforts towards providing infrastructure facilities that ensure all schools have safe environments for all children; 8. Intensify efforts towards eradication of inappropriate schools.

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Expected outputs of the grant	<ol style="list-style-type: none"> 1. Provision of water supply for the targeted number of public ordinary schools; 2. Provision of electricity supply for the targeted number of public ordinary schools; 3. Provision of sanitation facilities for the targeted number of public ordinary schools; 4. Provision of classrooms for the targeted number of public ordinary schools; 5. Provision of specialist rooms for the targeted number of public ordinary schools.
Actual outputs achieved	1. Infrastructure facilities in 73 public ordinary schools were completed and handed over.
Amount per amended DORA (R'000)	R1 010 870
Amount recieved (R'000)	R1 010 870
Reasons if amount as per DORA was not recieved	N/A
Amount spent by the department (R'000)	R1 131
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	Poor monitoring of projects by IA's and Department and non alignment of plans by all stakeholders.
Measure taken to improve performance	Intergrated planning and Alignment by all institutions involved. Appointment of technical skilled people to improve performance
Monitoring mechanism by the transferring department	<p>The Infrastructure Committee chaired by the HOD is where Implementing Agents report on the status of their projects.</p> <p>Dedicated professionals employed in the Infrastructure Directorate monitor and manage the Implementing Agents.</p> <p>Regular participation of Infrastructure program managers at RPMs, RCCs, PTCs held on monthly basis, and at bi-monthly committee meetings on VOs and Final Accounts.</p>

Conditional Grant 5: HIV/AIDS Grant

Department who transferred the grant	Department of Basic Education
Purpose of the grant	To enhance the protection offered by schools to prevent and mitigate the impact of HIV. To increase knowledge, skills confidence amongst learners and educators to take self-appropriate sexual and reproductive health decision. To increase access to sexual and reproductive health services including HIV services for learners and educators
Expected outputs of the grant	Training and Development 5083 Advocacy 1020 LTSM Delivered to a 1590 schools Co-curriculum Peer Education = 1160 schools Care and Support 1001 schools
Actual outputs achieved	Training and Development Integration – 1247, Expressive Art Therapy – 1289, Peer Education guidelines – 1104, Peer Education Pay point principals – 230, PGT training – 273, Safe Circumcision training – 210, CSTL principals training – 477, HAC training – 253 Advocacy Youth conference – 1077, ISHP Road show – 861 in Graaff Reinet and 920 in P.E, Safe circumcision road show – 1200 in Libode and 1000 in Bizana, Soul buddyz Conference – 330 LTSM First Aid Kit – 1100, Safe Circumcision booklet – None, CSTL Material – 590, HAC – None Co-curriculum Peer Education programme – 1000, Payment of stipend for PGT's and PGT Supervisors – 273, Soul Buddyz Club – 160 Care and Support CSTL programme – 1001, Payment of stipends for LSA's and LSA's Supervisors – 501, Payment of Project Officers - 5
Amount per amended DORA	None
Amount received (R'000)	R 34 895
Reasons if amount as per DORA was not received	n/a

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Amount spent by the department (R'000)	R 34 555
Reasons for the funds unspent by the entity	Invoices for IT equipment were not received on time.
Reasons for deviations on performance	None
Measures taken to improve performance	Payment of payment of stipends at Head Office. Providing of working tools for district to be able to submit reports on time and monitor the implementation of the programme
Monitoring mechanism by the receiving department	Submission of monthly and quarterly reports together with monthly meetings with District Programme coordinators

Conditional Grant 6: FET Colleges

Department who transferred the grant	Department of Basic Education
Purpose of the grant	Delivery of Vocational Education of good quality at FET Colleges.
Expected outputs of the grant	Increased enrolment at FET Colleges and increase in number of students who complete their studies.
Actual outputs achieved	Enrolment increased with the , increase in the budget
Amount per amended DORA (R'000)	R 296 421
Amount received (R'000)	R 296 421
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R 293 158
Reasons for the funds unspent by the entity	416,000 unspent in Goods + services is due to implementation of Austerity measures introduced and
Reasons for deviations on performance	Implementation of Austerity measures resulted in workshops and projects not taking place
Measures taken to improve performance	Strategic planning, approved plans for the next financial year
Monitoring mechanism by the receiving department	College visits, submission of monthly expenditure reports and verification thereof, reporting to FINCOM getting expert advice on over and under-expenditure and submission of recovery plans

7. DONOR FUNDS

7.1. Donor Funds Received

Name of donor	IMPALA PLATINUM (IMPLATS)
Full amount of the funding (R'000)	R3 500
Period of the commitment	
Purpose of the funding	Construction of Gqubeni High School on a 50/50 basis (project in progress)
Expected outputs	Payment of all consultants fees for the project
Actual outputs achieved	Payment made directly to consultants
Amount received in current period (R'000)	R2 600 paid directly to consultants
Amount spent by the department (R'000)	R3 800
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Programme Manager, monthly monitoring meetings

8. CAPITAL INVESTMENT

8.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Capital investment

Background:

The Eastern Cape Department of Education has in infrastructure stock comprising some 5552 schools, as well as supporting fixed assets such as District offices, administration and other institutions, ECD centres, etc. accommodating almost 2 million learners and other personnel.

Whilst the current facilities are still insufficient for its purposes, the Department has made significant inroads into eradicating backlogs and improving physical conditions at schools throughout the Province over the past 18 years. There are, however, still substantial backlogs to be overcome, especially now with the introduction of Regulations relating to Minimum Uniform Norms and Standards for Public School Infrastructure which were published in November 2013. The current estimate of the backlogs (in terms of the target dates set in the regulations) is in excess of R50 billion.

It needs to be noted, however, that the infrastructure provided over the period 2009 – 2014 has reduced the backlog by more than R3,5 billion. Whilst this is substantial, it is clear that a more concerted intervention will be needed to meet the targets by 2030.

Delivery programme:

The re-alignment of schools to conform to the national model of a first stream Grade R – Grade 7 and a second stream Grade 8 – Grade 12 also needs to be accommodated. A further challenge is the rationalization of small schools where effective education is not sustainable. These processes have already commenced, and it has become apparent that the re-alignment process will require further investment that will need to be phased over a number of years.

After many years of under-capacitating of the Department's infrastructure unit, this is now being addressed through a comprehensive HR strategy which will see the infrastructure unit being elevated to a Chief Directorate

and the appointment of 15 technical professionals. The SMS posts (Chief Director and two Directors) are also due to be advertised in 2014/15.

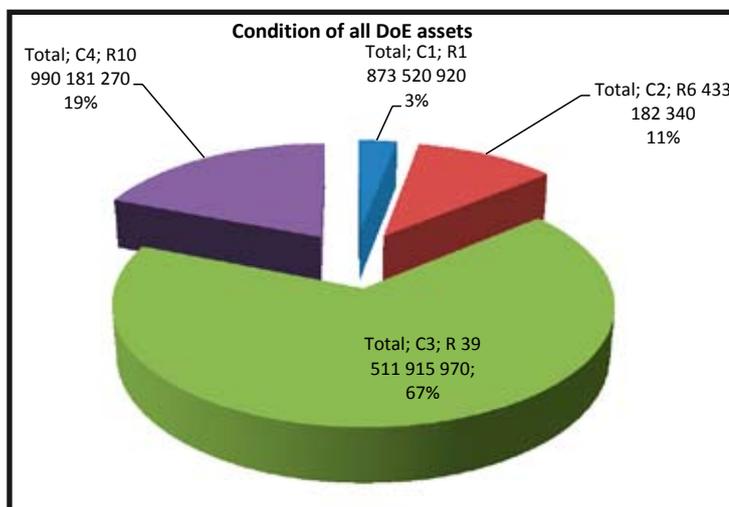
Additionally, the operationalisation of the Education Facilities Management System (EFMS) will greatly assist with programme management and reporting. An initiative is also under way to update condition assessments of schools on the EFMS, which will greatly facilitate both planning and project prioritisation.

The capital programme was characterised by the injection of R345m during the November adjustment budget. This was largely targeted at water, sanitation and fencing projects, provision of emergency classrooms at re-aligned schools, and disaster maintenance.

In some cases, as is seen in above table, expenditure exceeded the original allocation to the sub-programme or to the funding source. This was done to facilitate optimal utilisation of the available budget, which had become distorted by funding that was made available during the adjustment budget. This funding was from the Equitable Share, whilst the projects with the potential increase expenditure were those funded by the Grant.

Maintenance

The current condition of the Department's assets is shown graphically in the diagram below:



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%)

Schools and learners will be registered for participation at Fort Fare University, Nelson Mandela Metropolitan University (NMMU) and Walter Sisulu University (WSU) The Condition Based Maintenance index (CBM) is the ratio of repair cost to replacement cost

The Department acknowledges that, to maintain the value of its physical assets, it needs to budget sufficient annual funding for this purpose. Industry norms indicate that an annual budget of at least 2% of the replacement value of the building should be made available for its maintenance. The replacement value of the Department's building assets is currently estimated at R58,8 billion. This would imply an annual maintenance budget requirement of almost R1,2 billion, which is almost the entire annual infrastructure budget (over and above funding needed to eliminate the current maintenance backlog).

The focus of the Department's maintenance programme has therefore been on addressing emergencies and disasters. However, the Department will need to allocate a greater portion of its budget to maintenance in future, hence the entire budget will need to be increased to be able to meet the targets in terms of the regulations as well as undertake planned maintenance. The Department has, however, assisted with maintenance at a large number of schools.

Asset Management Plan

In line with current international practices, the Department's asset management plan comprises the following components:

Routine maintenance:

To date routine maintenance has been limited, as the emphasis of the infrastructure programme has been on eliminating historical backlogs and replacing uninhabitable buildings. To improve the reliability of information on which maintenance is based, the Department is in the process of conducting condition assessments. The national Department of Basic Education has assessed 3110 schools, and the balance of 2542 will be done by the Department. The tender for this is in the process of adjudication.

Day to day maintenance has been delegated to Section 21 schools, and the budget transferred directly to the schools. In the case of Section 20 schools this is done through the District office since the budget resides at District level.

Creation / acquisition:

There has been little change to the Department's asset holdings by way of acquisitions or disposals over the past year. By and large the infrastructure programme comprises additions, upgrading and renovations at existing schools – or replacement in the case of mud structures. The Department does, however, provide new schools in areas where increasing population density demands this.

Details of completed projects are captured into the EFMS which serves as the Department's fixed asset register. A list of completed projects is given elsewhere.

Disposal:

The Department seldom disposes of its fixed assets (rather re-utilising in a different role) but in cases where it does these are handed over to the Department of Roads and Public Works (DRPW). The Department has approximately 140 schools that are unofficially closed. The process of closing schools needs to be approved at Executive level, where after these structures will be handed over to the DRPW as indicated above.

Disasters

Major disasters (such as tornado or snow damage) on a wide scale are addressed on the basis of emergency intervention. Once a disaster area has formally been declared, funds can be sourced from a special provincial allocation. In the case where a disaster is not formally declared, funds are requested directly from Provincial Treasury. In the past year disaster / emergency maintenance was carried out at more than 60 schools in the province.

Donor funding

The Department has continued to forge strong links for collaboration with private and business sector donors. The Department has resuscitated the Education Development Trust where all donor funds will be co-ordinated.

8.1. Capital investment, maintenance and asset management plan

Infrastructure projects	2012/2013			2013/2014		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	677 495	660 961	16 534	1 126 960	907 901	219 059
Existing infrastructure assets	346 661	363 182			651 192	
- Upgrades and additions	139 827	159 898	-20 071	218 165	274 517	-56 352
- Rehabilitation, renovations and refurbishments	111 149	107 599	3 550	140 473	105 062	35 411
- Maintenance and repairs	95 685	95 685	-	170 503	271 613	-101 110
Infrastructure transfer						
- Current						
- Capital						
Total	1 024 156	1 024 143	13	1 656 101	1 559 093	97 008

Infrastructure projects	2012/2013			2013/2014		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	677 495	660 961	16 534	1 126 960	907 901	219 059
Existing infrastructure assets	346 661	363 182			651 192	
- Upgrades and additions	139 827	159 898	-20 071	218 165	274 517	-56 352
- Rehabilitation, renovations and refurbishments	111 149	107 599	3 550	140 473	105 062	35 411
- Maintenance and repairs	95 685	95 685	-	170 503	271 613	-101 110
Infrastructure transfer						
- Current						
- Capital						
Total	1 024 156	1 024 143	13	1 656 101	1 559 093	97 008

PART C: GOVERNANCE



1. INTRODUCTION

The Department is fully committed to ensure that appropriate high levels of governance is evident across the length and breadth of the province to ensure that the State's resources are used effectively, efficiently and economically. This is a key component of the Turnaround Plan of the Department. The Department fully participates in political and technical governance structures at a national and provincial level. Various governance structures, covering all the line functions, have been established in the Department and are at different levels of functionality. More work is needed to improve IGR governance and co-operation with district and local municipal governance structures.

2. RISK MANAGEMENT

The Risk Management Committee charter based on the National Treasury Framework has been approved by the HOD and has met twice in 2013/14. The Risk Management Committee advised management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. It ensured that the 2014/15 risk register is timeously finalised and that the new risk assessment exercise for the 2013/14 financial year was driven by the Risk Management Committee and but was not completely reviewed and finalized.

The nature of Educational services is such that associated risks do not vary frequently year on year. Consequently the complexion of risks do not change materially year on year and as a result prior year risk assessment reports remain reasonably valid. The Department therefore still placed reliance on the existing risk assessment report together with its risks register from the previous financial period.

Risk Management capacity continues to appear as a critical problem in the Department. The Unit does not have the capacity and there is a need for additional support, which was partially provided by Provincial Planning and Treasury, just before the end of the financial year.

The Audit Committee did advise the Department on risk management and independently monitors the effectiveness of the system of risk management.

Little progress was registered on fully and proactively managing risk across the Department, albeit in a few areas of the Department. This will receive more attention in 2014/15. Various programs within the Department will have to be engaged and assisted in identifying the individual risks that confront their operations. So far two directorates have had an engagement with the Risk Management unit with regards to a discussion on their risk profile and how to mitigate the associated risks. These programs are the Internal Control Unit, Supply Chain and the ICT Program (not completely finalized).

3. FRAUD AND CORRUPTION

The 2013/14 Fraud Prevention Plan has been approved and is being implemented. The Fraud Prevention Plan/ policy together with its plan of action is found in the main Risk Management Policies approved by the HoD. What remains to be done is to be visiting districts in an effort to run an advocacy campaign. It is however important to note that the proactive phase of fraud risk management could take quite some time before the Department is able to arrive at a certain level of comfort. With regards to the reactive phase it is important to mention that investigations are proceeding quite smoothly and the details of it could be found in the various forensic reports dealing with fraud and corruption. Several cases of fraud investigations have been completed whilst others are at various stages of completion. Various disciplinary steps have been taken to address contraventions of law.

4. MINIMISING CONFLICT OF INTEREST

The Department ensured that ALL SMS members submitted their financial disclosures for the 2013/14. The department received a letter of appreciation by the Public Service Commission for the 100% compliance. The Department is following up on several instances of reports where there is alleged conflict of interest of its employees doing business with government without proper authorisation. These have not been completed as yet.

5. CODE OF CONDUCT

Currently the Department has implemented, utilises and is guided by the formal Code of Conduct issued by the DPSA. The DPSA code is furthermore enhanced and entrenched within the Department by also referring to the SMS Handbook and the Ethics code governing Supply Chain Management. Whilst the aforementioned code serves the Department well and is the basis for the control environment, a conscious decision has been taken to supplement these Codes with in-house policies that are tailored to the unique circumstances of the Province and the Department. The Superintendent General through the DDGs are also driving the “Back to Basics” campaign and rejuvenating the Batho Pele principles to all stakeholders. Because of the nature and depth of the related challenges in the Department, various other interventions, require implementation beyond the 2013/14 financial year. Listed below is sample of Policies that the Department has drafted or is currently drafting for ratification and implementation in the 2014/15:

1. Whistle blowing
2. Gift declaration
3. Standard operating procedures of the Department
4. Fraud policy
5. Service Providers and Consultants Ethics Code
6. Smoking Policy
7. Employee Harassment
8. Related party register
9. Disclosure of interest
10. Eastern Cape Management of Admission and registration of learners at old public schools
11. Policy guidance on the capacity of schools; Language policy
12. Ethics

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Below are some of the main Safety, Health and Environment issues facing the Department as well as the progress made to address them:

1. There were altogether 60 schools identified by the districts that were affected by the recent tornado. On top of these schools, about 3 schools were partly burnt down during the first six months of the current financial year. Orders were issued for all the schools, contractors are on site and the target is to have all schools finished and ready for occupation soon.
2. A bilateral meeting is planned with DBE to discuss the roll-out of the schools in the ASIDI programme in the light of the rationalisation and re-alignment of schools and the implications of the small schools in the ASIDI programme. A letter signed by the SG with an amended ASIDI list A and an ASIDI list B for which additional funds will be needed to deal with the remaining appropriate structures in the

province was forwarded to DBE in January 2014. There are five schools that took the Minister and the Department to Court on provision of infrastructure. An out of Court Settlement Agreement was entered into which effectively meant the department must provide for temporary intervention/classrooms. The estimated cost for the five schools is R19 million and this has been requested from Provincial Treasury as it was not provided for. So far all 49 of the original list of ASIDI schools started in 2011/12 have reached practical completion and about 40 handed over to communities.

3. The Department compiled a list of inappropriate structures (plank and old prefabricated structures across the province). These schools are not provided for in the 10 year infrastructure plan – this is based on the priority list provided by the districts. A meeting was convened by the Head of Department with the acting Director General on the 18th November 2013, which requested an extension of the ASIDI programme as this was meant to be up to 2014/15. An agreement has been reached in principle that this matter will be pursued with the National Treasury.
4. In the first quarter of 2013/14, the Department received correspondence from the Department of Labour that its two district offices of EL and Butterworth needs to be urgently renovated due to health and safety issues. The Department of Public Works is currently still fixing up both offices, in a sequenced fashion so that there is little disruption of work. Additional safety issues for the relevant offices are contained in the infrastructure report/ section below.

7. PORTFOLIO COMMITTEES

The Education Portfolio Committee has had numerous interactions with the Department concerning the 2013/14 Budget and Policy Speech, 2013 and 2014 school visits recommendations, 2012/13 Annual Report, six monthly financial oversight report. Apart from fully complying with the 2013 and 2014 school visit recommendations, the Department has responded to the other findings and recommendations.

8. SCOPA RESOLUTIONS

After the end of the 2011/12 financial year the Department, with the valued assistance of the Office of the Premier, introduced a records management system, improved the financial systems (with the help of the Department of Provincial Planning and Treasury) and improved the processes surrounding responsiveness to the requests of the Auditor-General. The outcomes for 2012/13 were significantly improved but there is still some way to go.

The Department took a conscious decision not to revisit the findings for 2011/12 and concentrate on 2012/13 because it did not have the capacity to do both and it believed that it was critical to improve future outcomes.

2012/13 OUTCOME AND CURRENT ACTIONS

All of the matters raised by the Auditor-General and the Standing Committee on Public Accounts are being addressed by the Department at the moment.

DETAILED RESPONSES TO QUALIFICATION ISSUES

Finding: Irregular Expenditure resulting from inadequate systems to identify and disclose all irregular expenditure incurred resulting in understated of the AFS figures.

Current situation: there are systems in place to identify irregular expenditure. The main cause of the irregular expenditure that arose during 2012/13 is the use of contractors that are not qualified according to CIDB requirements; however, there are very few appropriately qualified contractors in the Eastern Cape. The Department will identify and disclose the irregular expenditure.

Finding: Commitments had differences that were identified between the supporting documentation and amounts reflected in the commitment schedule.

Current situation: there are two principal sources of commitments – LOGIS (for Goods and services acquisitions) and Infrastructure. LOGIS is being cleaned at present and will be used as the sole source of commitment data for Goods and services. Infrastructure previously relied on EFMS data, which is not complete, but the Department will use the systems of the implementing agents to obtain the commitments.

Finding: Fruitless and wasteful expenditure: the department did not have adequate systems in place to identify and disclose all fruitless and wasteful expenditure incurred during the year, neither controls to limit the occurrence.

Current situation: Fruitless and wasteful expenditure arises from two main sources – Interest paid on school electricity and water accounts (technically not the responsibility of the Department) and interest paid on arrear amounts due to contractors for infrastructure. The interest paid on school electricity and water accounts will either be disclosed or recovered. The amount of interest due on arrear amounts due to contractors for infrastructure has reduced significantly due to the implementation of the Inter-Departmental Account, which results in implementing agents being paid immediately and a matching improvement in responsiveness to the contractors claims.

Finding: Employee benefits disclosed in Annual Financial Statements were overstated as a result of leave days which were not captured at the year end.

Current situation: The situation currently persists, however the Department has identified all the offices responsible for the problem and is instructing them to capture leave urgently (the issue is purely one of capturing leave). The situation is expected to be resolved prior to submission of the Annual Financial Statements to the Auditor-General.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department compiled a system Improvement Plan to address the Auditor-General findings in the 2012/13 financial year as refelected in paragraph 8 above.

Nature of qualification	Progress made
Qualification: The department did not have an adequate and complete contract management system in place for the identification and recognition of contracted commitments and did not include all the commitments of the department in the amounts disclosed in the disclosure note. It was impracticable to determine the full extent of the error.	The department improved commitments systems in respect of goods and services but did not make significant improvements on infrastructure commitment systems. The department adopted alternate procedures and the Auditor-General was able to estimate the full extent of the error.
Qualification: The department did not have adequate systems to identify fruitless and wasteful expenditure.	The department improved its systems and the finding did not recur in 2013/14.
Qualification: The department did not have adequate controls in place to ensure that accurate learner numbers, based on verified enrolment figures, formed the basis of transfers to school.	The department improved its systems and the finding did not recur in 2013/14.
Qualification: Employee benefits were overstated as a result of leave days which were not captured at year-end.	No progress was made during the year because of capacity constraints, this area is targeted for full attention during 2014/15.
Qualification: Discrepancies between the manual leave forms and PERSAL resulted in capped leave commitments and leave entitlement being understated.	No progress was made during the year because of capacity constraints, this area is targeted for full attention during 2014/15.
Qualification: The department did not have adequate systems in place to identify and disclose all irregular expenditure incurred during the year. The irregular expenditure disclosed was understated by irregular expenditure identified by the Auditor-General during the audit process amounting to R549,40 million.	The issue was not fully resolved, however, significant improvements were made to the systems and the irregular expenditure identified by the Auditor-General during the audit process declined to R55,1 million.
Qualification: The department did not submit sufficient appropriate audit evidence in respect of assets subjected to transfer in terms of section 42 of the PFMA and disclosed at R511,58 million.	The department improved its systems to provide better completeness and adequate supporting documentation. The finding did not recur in 2013/14.
Qualification: Contingent liabilities – housing guarantees: the department did not have sufficient appropriate audit evidence to support the disclosed amounts for housing guarantees.	The department improved its systems to provide better completeness and adequate supporting documentation. The finding did not recur in 2013/14.
Qualification: Contingent liabilities – claims against the state: the department did not have sufficient appropriate audit evidence to support the disclosed amounts for claims against the state.	The department improved its systems to provide better completeness and adequate supporting documentation. The finding did not recur in 2013/14.
Immaterial uncorrected misstatements: Accruals were understated by R195,64 million.	The department made no progress during the year because of capacity constraints and this resulted in a qualification during 2013/14.
Immaterial uncorrected misstatements: Related party transactions were overstated by R156,19 million.	The department improved its systems to provide better completeness and adequate supporting documentation. The finding did not recur in 2013/14.
Immaterial uncorrected misstatements: Movable tangible assets were overstated by R35,95 million.	The department made no progress during the year because of continual movement of offices and this resulted in a qualification during 2013/14.
Immaterial uncorrected misstatements: Minor tangible assets were understated by R12,6 million.	The department made no progress during the year because of continual movement of offices and this resulted in a qualification during 2013/14.

10. INTERNAL CONTROL UNIT

SERVICES PROVIDED:

To provide governance and compliance services that are focused at preventative measures in respect of financial losses, unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure by offering the following specific services.

- 10.1 Pre-order audit services in respect of goods and services for compliance with all procurement regulations, this is mainly a preventative exercise
- 10.2 Pre-payment audit services in respect of goods and services, transfers and compensation of employees for compliance with all procurement regulations, and human resource parameters, this is mainly a preventative exercise
- 10.3 Post-payment review for both 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
- 10.4 Review activities for finance policies, procedures and administrative standards
- 10.5 Loss control and consequence management in respect financial losses, unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure

11. INTERNAL AUDIT AND AUDIT COMMITTEES

KEY ACTIVITIES AND OBJECTIVES OF THE INTERNAL AUDIT

Key Objective

The main objective of the internal audit unit is to provide independent, objective assurance and a consulting activity designed to add value and improve the department's operations.

It helps the department accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance.

Activities

Internal Audit assists the accounting officer and the audit committee in effective discharge of their responsibilities. Internal audit activities are as follows:

1. **Risk Management:** Assists management and audit committee in identifying, evaluating and implementing risk management methodologies and controls to address risks.
2. **Internal Controls:** Provide an independent evaluation of the adequacy of internal controls to determine their effectiveness and efficiency and by developing new controls and providing recommendations for enhancements or improvements to the existing controls.
3. **Governance:** Evaluates and develops recommendations for the enhancement or improvement of the processes through which values are established and communicated, accountability is ensured and values are preserved.

Specify summary of audit work done

Internal Audit conducted Audits on Infrastructure planning, Post Provisioning planning, Conditional Grants (HIV AIDS, National School Nutrition, Dinaledi and Technical High Schools), Review of IFS, Adult Education and Early Childhood Development.

Attendance of audit committee meetings by audit committee members (Tabular form);
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
Ms. Pumla Mzizi	CA(SA)	External	None	May 2010	Contract expires 31 May 2014	4
Mr. Roy Mnisi	LLB	External	None	May 2010	Contract expires 31 May 2014	5
Dr. Clyde Maurice	BSc, M.A. in Public Affairs and Administration, PhD in education specialising in Human Resources Development	External	None	May 2010	Contract expires 31 May 2014	4
Mr. Zingisa Mkhabile	BA in philosophy and Masters in Public Administration	External	None	May 2010	Contract expires 31 May 2014	0
Mr. Harold Marsberg	B Comm	External	None	May 2010	Contract expires 31 May 2014	5
Ms. Nomusa Qunta	Bcom (Honours), Mcom, MBA	External	None	May 2010	Contract expires 31 May 2014	5
Ms. Lerato Mothae	CA(SA)	External	None	May 2010	Contract expires 31 May 2014	5
Mr. Nick Nicholls	CA(SA)	External	None	May 2010	Contract expires 31 May 2014	5
Mr. Nala Mhlongo	CA(SA)	External	None	May 2010	September 2012	0

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2014

We are pleased to present our report for the financial year ended 31 March 2014.

Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereunder, mandated to meet at least four times per annum, as per its approved terms of reference. During the current year five, meetings were held.

Member	Role	Meetings	
		Held	Attended
Ms. P Mzizi	Chairperson	5	4
Mr. PR Mnisi	Deputy Chairperson	5	5
Mr. RG Nicholls	Member	5	5
Mr. Z Mkabile	Member	5	0
Mr. JH Marsberg	Member	5	5
Ms. L Mothae	Member	5	5
Ms. NZ Qunta	Member	5	5
Dr. C Maurice	Member	5	4

The Audit Committee is considered to have the correct mix of experience, qualifications and skills to carry out its responsibilities effectively, given the acknowledged challenges with which the Department is faced.

Apologies were tendered and accepted for all meetings not attended. A quorum of members was present at all meetings.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) of the Public Finance Management Act, No. 1 of 1999 (PFMA) and Treasury Regulation 3.1 The Audit Committee also reports that it had adopted appropriate formal terms of reference as its Audit Committee Charter, had regulated its affairs in compliance with this Charter, and had attempted to discharge its responsibilities as contained therein.

12. REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2014

Duties and Responsibilities

The Audit Committee was responsible for the following duties:

1. The efficiency and effectiveness of the system of internal control applied by the Department;
2. Risk management and its effectiveness, efficiency and transparency and the King III Report on Corporate Governance;
3. The effectiveness of the Internal audit function;
4. The risk areas of the Departments operations to be covered in the scope of the Internal auditors and the Auditor General South Africa (AGSA);
5. The adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
6. Any accounting and auditing concerns identified as a result of Internal and external audits;
7. The Departments compliance with legal and regulatory provisions;
8. The activities of the Internal audit function, including its annual work program, coordination with the AGSA, the reports of significant recommendations and the response of management to those recommendations; and
9. The scope and results of the external audit function, its cost effectiveness as well as the independence and objectivity of the AGSA.

The Audit Committee was also responsible for:

1. Reporting to the Department and the AGSA where a report implicates the Accounting Officer in fraud, corruption or gross negligence;
2. Communicating any concerns it deemed necessary to the Executive Authority, AGSA and the Internal Auditors;
3. Confirming the Internal audit charter and Internal audit plan;
4. Conducting investigations within its terms of reference; and
5. Reviewing the Annual Financial Statements prior to the Annual audit for approval by the Accounting Officer.

The Effectiveness of Internal Control

It is reported that, as part of the Audit Committees' mandate to provide oversight on the Department, the following was considered:

Efficiency and Effectiveness of the system of Internal Control and Risk Management

The system of internal control, governance and risk management was ineffective for the year under review. Several deficiencies in the system of internal control were reported by the internal audit and confirmed by the AGSA in the prior year audit. Certain deficiencies raised by internal audit and the AGSA in the report of the previous financial year had also not been resolved.

Based on the quarterly reviews, the Departmental fraud and risk management system was not adequate or effective. Investigations undertaken during the year, by co-sourced service providers, were in progress.

Reports and findings were tabled at the Audit committee meetings but due to their status most investigations have not been concluded nor resulted in legal or disciplinary action.

The lack of adequate resources was uppermost amongst the challenges facing the Department and unless this is addressed the Department cannot carry out its mandate or even meet its strategic objectives. Leadership of the Department are to ensure that key vacant posts on the Establishment are competently capacitated and processes are in place to ensure for next year controls are in place.

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2014

Evaluation of Financial Statements

The Audit Committee has

1. Reviewed and discussed the audited Annual financial statements to be included in the Annual report, with the AGSA and Accounting Officer;
2. Evaluated the Annual Financial Statements for the consistent application of accounting policies and practices; and
3. Reviewed significant adjustments resulting from the audit.

The Committee was not satisfied with internal controls regarding the preparation and compilation of the Annual Financial Statements and Annual Report. Although there has been an improvement since the previous financial year, there were still major deficiencies in some areas.

During the year under review, deficiencies in compliance with laws and regulations were reported by the internal auditors.

It is considered it appropriate to note the Audit Committee's concern, that, despite the guidance provided by both Internal Audit and this Committee, the process of recording objectives and measuring performance against them, remains inadequate in the Performance Information Report.

Internal audit

The Committees' role was to coordinate and monitor the activities of the co-sourced Internal audit function. The committee is able to report on the effectiveness and efficiency of the unit. The Annual Internal audit plans were adjusted to focus on areas where internal audit could be most effective in auditing prioritized needs. Due to a severe lack of capacity of the in-house internal audit function, not all planned audit were completed in the year. The vacant position of the Director: Internal Audit has adversely affected the efficiency and effectiveness of the unit.

Auditor General South Africa

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are not satisfied that the matters have been adequately resolved.

The Audit Committee has met with the Auditor General South Africa and is not aware of any unresolved issues with respect to the current audit.

The Audit Committee concurs with the Auditor-General South Africa's conclusions on the annual financial statements.

General

The Audit Committee strongly recommends that the Department must prioritise the adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audit in order to achieve the required effectiveness in governance, accountability and clean administration.

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2014

Signed on behalf of the Audit Committee by:



Ms Pumla Mzizi CA(SA)

Chairperson of the Audit Committee

Date: 25 September 2014

PART D: HUMAN RESOURCE MANAGEMENT



1.

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

In the year under review the main focus was on the implementation of Post Provisioning Norms 2013 and 2014 the including the management of the cost of employees to avoid over spending of the allocated budget. Although the department followed the due process in the declaring the 2014 school post establishment labour declared a dispute that resulted in the conclusion of Collective Agreement No 1 of 2014 of the Education Labour Relations Council (Eastern Cape). This Agreement paved the way for the permanent absorption of 1162 temporarily employed educators that were professionally qualified in February 2014 and the identification and placement of additional educators in accordance with the agreed management plan with labour. An institutional framework to manage the redeployment process implemented throughout the province, In the quest to improve the human resource management functioning the department implemented a HR Turnaround that focused on the following areas

1. Management and administration of applications of incapacity leave and ill-health retirement as contemplated in Policy on Incapacity Live and Ill-Health Retirement (PILIR)
2. HR Process re-engineering and implementation
3. Service Delivery Model (Refinement of Organisational Model and Human Effective Assessment)
4. Performance Management and Development System Compliance
5. Human Resource Planning

The Department also implemented the teacher incentive scheme to attract and retain professionally qualified educators in deep rural and remote schools particularly those based in the former Transkei area in this province. The project to improve records and document management continued although faced challenge regarding space to accommodate the centralised filling system.

Set HR Priorities for the year under review and the impact of these priorities

1. Development of organisational structure based on the reviewed service delivery model and the norms and standards for education district model.
2. Resourcing education by adopting a long - term approach in human resource provisioning including teacher demand and supply – to maintain an adequate quantity and quality of teachers, and ensuring that skills required in terms of curriculum, administrative, social and psychological support are adequate.
3. Optimum utilisation of skills levy in training and development of employees to improve the required skills, knowledge and capacity to render effective and efficient service delivery
4. Improving of employee records management to improve audit outcomes

Workforce Planning framework for the year under review and key strategies to attract and recruit a skilled and capable workforce

The department's human resource planning process has to incorporate the development of strategies, realistic and affordable plans that will be implemented to provide sustainable human resources that is skilled teachers and non-teaching support staff. A critical exercise to improve the current situation will be to conduct the gap analysis of demand and supply which include the existing teachers' profile, potential entrants from the labour market and Institutions of Higher Learning.

The implementation of rural incentive scheme to attract and retain skilled educators particularly for school subjects that are classified as gateway subjects in deep rural and remote schools in the province

Employee Performance

Additional resources were procured in order to assist with the implementation of the PMD system at SMS level.

Employee Wellness

The PILIR process has been delayed as a result of a legal battle between the DPSA and some service provider. This caused a delay in the finalisation of PILIR applications. The focus in PILIR was given to PILIR applicants who are over 60 years old and are pensionable, as well as look at the cost of retirement for between 55 and 60 years old. A project has been initiated to deal with the medical boarding applications. In particular, focus was given to the employees who are unable to present themselves for work and are not likely to recover in future. Furthermore, financial resources were made available to ensure continued support for employees requiring professional assistance.

Future HR Plans

Since the Department is labour-intensive and its biggest cost driver is personnel, it embarked on a comprehensive turnaround strategy of the management of human resources. The Department is also getting assistance through the Office of the Premier as well as National Treasury's Technical Assistance Unit (now known as Government Technical Advisory Centre (GTAC).

Policy development

No changes

Challenges faced by the department

1. In the year under review the department experienced the following challenges
2. Wild cat strikes in various district offices that resulted in the department seeking a court interdict to prevent disruption of service delivery
3. Closure of the Butterworth District office due to non-compliance with occupational health and safety issues by the Department of Labour
4. The inability to employ personnel to fill Administrative and Management Support vacancies due to projected over-expenditure on cost of employees
5. Legal challenges from the Legal Resource Centre acting on behalf of school governing bodies to demand filling of allocated school based educator posts.

Future and HR Plans / goals

1. Finalisation and implementation of the organogram, in line with the Service Delivery Model of the department based on the education district model
2. Development and implementation of a long-term human resource plan and human resource provisioning approach to provide for the critical skills shortage in the department. This will also include a declaration of a multi-term school post establishment to stabilise schooling in the province.
3. Implementation of a Human Resource Management Information System to improve data integrity for planning and resource utilisation in the department.
4. Implementation of employment equity plan to increase the percentage of women in senior management echelons and employment of people with disabilities over a medium term framework period.
5. Training and development of personnel to improve skills, knowledge and expertise to improve service delivery in the department

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2013 and 31 March 2014

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	2 070 100	1 723 012	3 552	22 347	83.23	22.4
Adult basic educand training	378 228	374 902	288	0	98.89	4.8
Auxiliaryandassociated service	308 563	114 087	1 722	0	36.97	1.4
Early childhood development	429 090	338 551	11 730	0	78.90	4.3
Further educationandtraining	293 159	270 331	1 122	0	92.21	3.4
Independent school subsidies	99 558	0	0	0	0	0
Infrastructure development	1 559 094	7 115	99	0	0.46	0.1
Public ordinary school educ	21 843 851	18 833 110	18 923	0	86.22	241.1
Public spec school education	468 948	396 628	7 237	198	84.58	5.1
Z=Total as on Financial Systems (BAS)	27 450 589	22 057 736	44 673	22 545	80.35	282.7

Note: The expenditure for Compensation of Employees includes the Statutory amount paid of R 1 866 million under Program 1.

Table 3.1.2 Personnel costs by salary band for the period 1 April 2013 and 31 March 2014

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	6 824	0.04	70	97 486
Skilled (Levels 3-5)	618 698	2.8	4 763	129 897
Highly skilled production (Levels 6-8)	12 806 662	58.06	47 459	269 847
Highly skilled supervision (Levels 9-12)	7 790 493	35.02	17 727	439 470
Senior management (Levels 13-16)	59 414	0.2	56	1 060 964
Contract (Levels 1-2)	415 848	1.9	5 505	75 540
Contract (Levels 3-5)	243 781	1.1	2 711	89 923
Contract (Levels 6-8)	71 330	0.3	387	184 315
Contract (Levels 9-12)	8 274	0.04	20	413 700
Contract (Levels 13-16)	3 670	0.04	5	734 000
Periodical Remuneration	13 704	0.04	2 239	6 121
Abnormal Appointment	19 038	0.1	597	31 889
TOTAL	22 057 736	100	81 539	270 518

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2013 and 31 March 2014

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Pr1:administration	1 230 027	71.39	1 390	0.08	47 175	2.67	70 704	4
Pr2:pub ordinschedu	14 106 489	74.90	0	0	561 067	2.96	851 387	4.49
Pr4:pub spec scheduc	287 644	72.52	0	0	15 636	3.92	22 103	5.54
Pr5:further educand training	200 637	74.22	0	0	7 813	2.89	12 329	4.56
Pr6:adult basic eduand train	372 590	99.38	0	0	22	0.005	38	0.01
Pr7:early childhood development	335 546	99.11	0	0	406	0.12	605	0.18
Pr8: infrastructure: conditional grants	5 304	74.55	0	0	186	2.54	90	1.23
Pr9: aux and assoc services	1 954	1.71	3 565	3.12	0	0	0	0
TOTAL	16 540 191	74.99	4 955	0.02	632 305	2.84	957 266	4.30

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2013 and 31 March 2014

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	4 499	65.93	0	0	342	5.01	177	2.59
Skilled (Levels 3-5)	449 660	72.68	72	0.01	37 111	6	38 262	6.18
Highly skilled production (Levels 6-8)	9 494 730	74.14	2 750	0.02	425 762	3.28	650 748	5.01
Highly skilled supervision (Levels 9-12)	5 797 484	74.42	2 093	0.03	167 625	2.15	267 021	3.43
Senior management (Levels 13-16)	42 473	71.49	0	0	1 315	2.21	662	1.11
Contract (Levels 1-2)	413 943	99.54	0	0	0	0	265	0.06
Contract (Levels 3-5)	240 382	98.61	0	0	0	0	30	0.01
Contract (Levels 6-8)	69 402	97.30	27	0.04	16	0.02	30	0.04
Contract (Levels 9-12)	7 380	89.20	13	0.16	78	0.94	47	0.57
Contract (Levels 13-16)	3 354	91.39	0	0	56	1.53	24	0.65
Periodical Remuneration	322	2.35	0	0	0	0	0	0
Abnormal Appointment	16 562	86.99	0	0	0	0	0	0
TOTAL	16 540 191	74.99	4 955	0.02	632 305	2.84	957 266	4.30

3.2. 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:

1. programme
2. salary band
3. critical occupations (see definition in notes below).

The Department has identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2014

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Pr1:administration	7 145	4 679	34.5	490
Pr2:pub ordin sch	70 619	62 895	10.9	8 109
Pr4:pub spec sch	2 504	1 791	28.5	104
Pr5:further educand training	1 078	865	19.8	90
Pr6:adult basic eduand train	3 337	3 269	2	3 269
Pr7:early childhood development	5 343	5 200	2.7	5 200
Pr9: aux and assoc services	6	4	33.3	4
TOTAL	90 032	78 703	12.6	17 266

Note 1: The number of funded posts for the year under review was **82,680**. At the time of reporting this number was exceeded because the figures reported above, **[90,032]**, are based on a "Snapshot" of what was reflected on PERSAL as at 31 March 2014 and would have included posts created for the extension of services for ABET educators and ECD practitioners, extension of other contract appointments for the 2014/2015 Financial Year as well as posts created in the 2014 post establishment whereby the existing posts would have been terminated and / or abolished as the 2014 post establishment was being loaded.

Note 2: For the 2013/2014 MTEF the total number of funded posts across all employment categories within the department was **82,680** posts and based on the **78,703** filled posts as at 31 March 2014 as stated above, the overall vacancy rate within the department would therefore have been **4.8%** as at the end of the financial year and not the **12.6%** as stated in the tables above and below. (Reasons for disparities as explained in Note 1 above).

Note 3: As at 31 March 2014 the filled and vacancy rate in respect of the current (2006) approved Organizational Structure for Head Office and District Offices office based staff was **70.75%** Filled and **33 %** Vacant.

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2014

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)	6 327	5 582	11.8	5 521
Skilled (Levels 3-5)	8 542	7 473	12.5	3 605
Highly skilled production (Levels 6-8)	55 300	47 842	13.5	6 806
Highly skilled supervision (Levels 9-12)	19 774	17 745	10.3	1 328
Senior management (Levels 13-16)	89	61	31.5	6
TOTAL	90 032	78 703	12.6	17 266

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2014

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	200	140	30	13
All artisans in the building metal machinery etc	30	25	16.7	2
Architects town and traffic planners	3	3	0	3
Archivists curators and related professionals	4	1	75	0
Artisan project and related superintendents	3	2	33.3	0
Auxiliary and related workers	32	23	28.1	0
Building and other property caretakers	52	32	38.5	2
Bus and heavy vehicle drivers	18	14	22.2	4
Cleaners in offices workshops hospitals etc	3 670	2 903	20.9	582
Client inform clerks (switchboard reception clerks)	30	12	60	1
Communication and information related	1	1	0	0
Community development workers	1	1	0	1
Compositors typesetters and related printing workers	2	0	100	0
Computer programmers	2	2	0	1
Computer system designers and analysts	8	5	37.5	1
Conservation labourers	10	9	10	0
Custodian personnel	1	1	0	0
Diplomats	1	1	0	0
Engineering sciences related	2	2	0	2

Farm hands and labourers	10	9	10	0
Farming forestry advisors and farm managers	4	2	50	0
Finance and economics related	132	82	37.9	6
Financial and related professionals	135	82	39.3	2
Financial clerks and credit controllers	584	460	21.2	16
Fire fighting and related workers	2	2	0	0
Food services aids and waiters	216	177	18.1	36
General legal administration and rel. professionals	7	1	85.7	1
Head of department/chief executive officer	10	8	20	1
Household and laundry workers	746	459	38.5	36
Housekeepers laundry and related workers	3	2	33.3	0
Human resources and organisat developm and relate prof	101	69	31.7	0
Human resources clerks	712	618	13.2	24
Human resources related	119	62	47.9	2
Inspectors of apprentices works and vehicles	65	20	69.2	2
Librarians and related professionals	3	3	0	0
Library mail and related clerks	216	118	45.4	1
Light vehicle drivers	119	76	36.1	5
Logistical support personnel	112	87	22.3	3
Material-recording and transport clerks	716	617	13.9	53
Messengers porters and deliverers	55	35	36.4	3
Motor vehicle drivers	10	10	0	5
Nursing assistants	8	5	37.5	0
Occupational therapy	10	1	90	1
Other administrat and related clerks and organisers	2 522	1 782	29.6	71
Other administrative policy and related officers	620	331	46.6	33
Other information technology personnel	26	7	73.1	3
Other occupations	77 141	69 835	9.5	16 280
Physiotherapy	1	1	0	1
Printing and related machine operators	2	2	0	1
Professional nurse	6	5	16.7	1
Quantity surveyors and rela prof not class elsewhere	3	3	0	3
Rank: Administrative officer	1	0	100	0
Rank: Departmental head	182	0	100	0
Rank: Deputy principal	72	0	100	0
Rank: Lecturer (c)	1	0	100	0

Rank: Principal p1	15	0	100	0
Rank: Principal p2	28	0	100	0
Rank: Principal p3	7	0	100	0
Rank: Principal s1	20	0	100	0
Rank: Rector (c6)	1	0	100	0
Rank: Teacher	409	0	100	0
Risk management and security services	2	2	0	0
Secretaries and other keyboard operating clerks	238	142	40.3	23
Security guards	219	191	12.8	15
Security officers	171	121	29.2	18
Senior managers	92	56	39.1	4
Social work and related professionals	1	0	100	0
Trade labourers	9	7	22.2	4
Youth workers	78	36	53.8	0
TOTAL	90 032	78 703	12.6	17 266

Notes

- 1 The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- 2 Critical occupations are defined as occupations or sub-categories within an occupation –
 - 2.1 in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - 2.2 for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - 2.3 where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - 2.4 in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2014

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 (Salary Level 16)	1	1	100	0	0
Salary Level 15	2	2	100	0	0
Salary Level 14	16	9	56.3	7	43.7
Salary Level 13	69	45	62.2	24	37.8
Total	89	58	65.1	31	34.9

Table 3.3.2 SMS post information as on 30 September 2013

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 (Salary Level 16)	1	1	100	0	0
Salary Level 15	1	1	100	0	0
Salary Level 14	16	9	56.3	7	43.7
Salary Level 13	69	45	62.2	24	37.8
Total	89	58	65.1	31	34.9

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2013 and 31 March 2014

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 (Salary Level 16)	0	0	0	0	0
Salary Level 15	1	1	100	0	0
Salary Level 14	2	1	50	7	43.7
Salary Level 13	11	1	9	10	37.8
Total	14	3	21.4	31	34.9

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2013 and 31 March 2014

Reasons for vacancies not advertised within six months
The delay in the approval of the Annual Recruitment Plan.
Reasons for vacancies not filled within six months
The delay in the approval of the Annual Recruitment Plan.

Notes

3.3.4 In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2013 and 31 March 2014

Reasons for vacancies not advertised within six months
No disciplinary action was taken because the Department's decision to appoint was reviewed in the light of budget constraints.
Reasons for vacancies not filled within six months
No disciplinary action was taken because the Department's decision to appoint was reviewed in the light of budget constraints.

Notes

3.3.5. In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4. 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, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2013 and 31 March 2014

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)	6 327	0	0	0	0	0	0
Skilled (Levels 3-5)	8 542	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	55 300	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	19 774	0	0	0	0	0	0
Senior Management Service Band A	68	0	0	0	0	0	0
Senior Management Service Band B	16	0	0	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
TOTAL	90 032	0	0	0	0	0	0

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2013 and 31 March 2014

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2013 and 31 March 2014

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total No. of Employees whose salaries exceeded the level determined by job evaluation in 2013/14	14	5	7	Arbitration award
Percentage of total employed				0.02%

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2013 and 31 March 2014

	Gender					Total
	African	Asian	Coloured	White	Total	
Female	14	0	0	0	14	
Male	0	0	0	0	0	
Total	14	0	0	0	14	
Employees with a disability	0	0	0	0	0	
Total number of Employees whose salaries exceeded the grades determined by job evaluation					14	

Notes

If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

3.5. Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2013 and 31 March 2014

Salary band	Number of employees at beginning of period-1 April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	5 554	180	598	10.8
Skilled (Levels 3-5)	5 399	198	708	13.1
Highly skilled production (Levels 6-8)	46 684	1 086	2 906	6.2
Highly skilled supervision (Levels 9-12)	19 106	45	1 417	7.4
Senior Management Service Band A	47	0	4	8.5
Senior Management Service Band B	9	2	0	0
Senior Management Service Band C	2	2	1	50
Senior Management Service Band D	1	0	0	0
TOTAL	76 802	1 513	5 634	7.3

Note 1: The high number of appointments and termination as reflected in these tables includes those categories of employees that were terminated and re-appointed more than once during the financial year under review due to the extension of their services e.g. Temporary Educators, Substitutes, etc.

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2013 and 31 March 2014

Critical occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	146	1	10	6.8
All artisans in the building metal machinery etc	26	0	2	7.7
Architects town and traffic planners	0	4	1	0
Archivists curators and related professionals	1	0	0	0
Artisan project and related superintendents	2	0	0	0
Auxiliary and related workers	24	0	1	4.2
Building and other property caretakers	34	0	2	5.9
Bus and heavy vehicle drivers	13	0	0	0
Cleaners in offices workshops hospitals etc	3 097	18	223	7.2
Client inform clerks (switchboard receipt inform clerks)	13	0	0	0
Communication and information related	1	0	0	0
Community development workers	1	0	0	0
Computer programmers	2	0	0	0
Computer system designers and analysts	5	0	0	0
Conservation labourers	12	0	3	25
Custodian personnel	1	0	0	0
Diplomats	1	0	0	0
Engineering sciences related	0	1	0	0
Farm hands and labourers	10	0	1	10
Farming forestry advisors and farm managers	2	0	0	0
Finance and economics related	80	2	1	1.3
Financial and related professionals	82	0	3	3.7
Financial clerks and credit controllers	453	20	11	2.4
Fire fighting and related workers	2	0	0	0

Critical occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Food services aids and waiters	184	5	12	6.5
Head of department/chief executive officer	8	0	0	0
Household and laundry workers	438	41	23	5.3
Housekeepers laundry and related workers	2	0	0	0
Human resources and organisat developm and relate prof	71	0	3	4.2
Human resources clerks	633	0	16	2.5
Human resources related	69	0	6	8.7
Inspectors of apprentices works and vehicles	23	0	2	8.7
Legal related	0	0	1	0
Librarians and related professionals	3	0	0	0
Library mail and related clerks	121	0	2	1.7
Light vehicle drivers	70	11	5	7.1
Logistical support personnel	90	0	5	5.6
Material-recording and transport clerks	641	0	20	3.1
Messengers porters and deliverers	36	0	2	5.6
Motor vehicle drivers	12	0	2	16.7
Nursing assistants	5	0	0	0
Occupational therapy	1	0	0	0
Other administrat and related clerks and organisers	1 808	2	32	1.8
Other administrative policy and related officers	319	1	11	3.4
Other information technology personnel	7	0	0	0
Other occupations	67 651	1 401	5 209	7.7
Physiotherapy	1	0	0	0
Printing and related machine operators	2	0	0	0

Critical occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Professional nurse	5	0	0	0
Quantity surveyors and rela prof not class elsewhere	0	3	0	0
Rank: Teacher	6	0	0	0
Risk management and security services	2	0	0	0
Secretaries and other keyboard operating clerks	157	0	3	1.9
Security guards	200	1	10	5
Security officers	126	0	5	4
Senior managers	57	2	5	8.8
Trade labourers	9	0	2	22.2
Youth workers	37	0	0	0
TOTAL	76 802	1 513	5 634	7.3

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation –

- (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2013 and 31 March 2014

Termination Type	Number	% of Total Resignations
Death	485	8.6
Resignation	1 067	18.9
Expiry of contract	2 140	38
Transfers	3	0.1
Discharged due to ill health	14	0.2
Dismissal-misconduct	60	1.1
Retirement	1 863	33
Other, Permanent	2	0
TOTAL	5 634	100
Total number of employees who left as a % of the total employment		7.3

Table 3.5.4 Promotions by critical occupation for the period 1 April 2013 and 31 March 2014

Occupation	Employees 1 April 20YY	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	146	3	2.1	63	43.2
All artisans in the building metal machinery etc.	26	0	0	2	7.7
Archivists curators and related professionals	1	0	0	0	0
Artisan project and related superintendents	2	0	0	0	0
Auxiliary and related workers	24	0	0	21	87.5
Building and other property caretakers	34	0	0	22	64.7

Occupation	Employees 1 April 20YY	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Bus and heavy vehicle drivers	13	0	0	7	53.8
Cleaners in offices workshops hospitals etc.	3 097	0	0	1 777	57.4
Client inform clerks(switchboard inform clerks)	13	0	0	8	61.5
Communication and information related	1	0	0	0	0
Community development workers	1	0	0	0	0
Computer programmers.	2	0	0	2	100
Computer system designers and analysts.	5	0	0	0	0
Conservation labourers	12	0	0	3	25
Custodian personnel	1	0	0	1	100
Diplomats	1	0	0	1	100
Farm hands and labourers	10	0	0	6	60
Farming forestry advisors and farm managers	2	0	0	0	0
Finance and economics related	80	1	1.3	55	68.8
Financial and related professionals	82	0	0	40	48.8
Financial clerks and credit controllers	453	1	0.2	303	66.9
Fire fighting and related workers	2	0	0	1	50

Occupation	Employees 1 April 20YY	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Food services aids and waiters	184	0	0	113	61.4
Head of department/chief executive officer	8	0	0	1	12.5
Household and laundry workers	438	0	0	290	66.2
Housekeepers laundry and related workers	2	0	0	2	100
Human resources and organisat developm and relate prof	71	0	0	32	45.1
Human resources clerks	633	1	0.2	439	69.4
Human resources related	69	0	0	51	73.9
Inspectors of apprentices works and vehicles	23	0	0	4	17.4
Librarians and related professionals	3	0	0	2	66.7
Library mail and related clerks	121	0	0	90	74.4
Light vehicle drivers	70	0	0	42	60
Logistical support personnel	90	0	0	9	10
Material-recording and transport clerks	641	0	0	393	61.3
Messengers porters and deliverers	36	0	0	24	66.7
Motor vehicle drivers	12	0	0	6	50

Occupation	Employees 1 April 20YY	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Nursing assistants	5	0	0	3	60
Occupational therapy	1	0	0	0	0
Other administrat and related clerks and organisers	1 808	1	0.1	1 019	56.4
Other administrative policy and related officers	319	2	0.6	138	43.3
Other information technology personnel.	7	0	0	5	71.4
Other occupations	67 651	1 542	2.3	51 035	75.4
Physiotherapy	1	0	0	1	100
Printing and related machine operators	2	0	0	1	50
Professional nurse	5	0	0	3	60
Rank: Teacher	6	0	0	0	0
Risk management and security services	2	0	0	1	50
Secretaries and other key-board operating clerks	157	0	0	74	47.1
Security guards	200	0	0	70	35
Security officers	126	0	0	32	25.4
Senior managers	57	2	3.5	19	33.3
Trade labourers	9	0	0	4	44.4
Youth workers	37	0	0	2	5.4
TOTAL	76 802	1 553	2	56 217	73.2

Table 3.5.5 Promotions by salary band for the period 1 April 2013 and 31 March 2014

Salary Band	Employees 1 April 2013	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2), Permanent	5 554	0	0	5	0.1
Skilled (Levels 3-5), Permanent	5 399	3	0.1	2 863	53
Highly skilled production (Levels 6-8), Permanent	46 684	724	1.6	38 679	82.9
Highly skilled supervision (Levels 9-12), Permanent	19 106	823	4.3	14 651	76.7
Senior management (Levels 13-16), Permanent	59	3	5.1	19	32.2
TOTAL	76 802	1 553	2	56 217	73.2

3.6. Employment Equity
The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.
Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2014

Occupational category	Male			Female			Total		
	African	Coloured	Indian	White	African	Coloured		Indian	White
Legislators, senior officials and managers	41	4	1	0	19	1	0	1	67
Professionals	14 932	1 566	140	929	38 458	2 430	207	2 495	61 157
Technicians and associate professionals	180	20	1	10	340	15	0	23	589
Clerks	783	46	0	11	2 488	223	5	193	3 749
Service and sales workers	243	46	0	1	31	1	0	1	323
Craft and related trades workers	29	5	0	0	13	0	0	0	47
Plant and machine operators and assemblers	85	7	0	5	3	2	0	0	102
Elementary occupations	2 054	259	0	27	9 582	595	3	143	12 663
Other	0	0	0	2	4	0	0	0	6
TOTAL	18 347	1 953	142	985	50 938	3 267	215	2 856	78 703
Employees with disabilities	78	15	1	12	124	16	1	14	261

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	1	0	0	1	0	0	0	5
Senior Management	34	4	1	0	15	1	0	1	56
Professionally qualified and experienced specialists and mid-management	5 346	895	102	588	8 884	739	101	1 090	17 745
Skilled technical and academically qualified workers, junior management, supervisors, foremen	10 387	767	37	351	32 653	1 920	110	1 617	47 842
Semi-skilled and discretionary decision making	2 473	284	2	43	4 201	380	1	89	7 473
Unskilled and defined decision making	104	2	0	3	5 184	227	3	59	5 582
TOTAL	18 347	1 953	142	985	50 938	3 267	215	2 856	78 703

Table 3.6.3 Recruitment for the period 1 April 2013 to 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	1	0	0	0	0	0	0	2
Senior Management	0	1	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	19	6	1	4	4	8	0	3	45
Skilled technical and academically qualified workers, junior management, supervisors, foremen	315	20	1	29	561	47	5	108	1 086
Semi-skilled and discretionary decision making	79	4	0	3	96	11	0	5	198
Unskilled and defined decision making	12	0	0	0	141	20	0	7	180
TOTAL	426	32	2	36	803	86	5	123	1 513
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 3.6.4 Promotions for the period 1 April 2012 to 31 March 2013

Occupational band	Male			Female			Total		
	African	Coloured	Indian	White	African	Coloured		Indian	White
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	16	0	1	0	4	0	0	0	21
Professionally qualified and experienced specialists and mid-management	4 601	621	85	403	8 377	508	89	790	15 474
Skilled technical and academically qualified workers, junior management, supervisors, foremen	8 388	451	21	154	28 242	1 212	72	863	39 403
Semi-skilled and discretionary decision making	1 041	224	1	24	1 262	256	1	57	2 866
Unskilled and defined decision making	3	1	0	0	1	0	0	0	5
TOTAL	14 050	1 297	108	581	37 886	1 976	162	1 710	57 770
Employees with disabilities	59	10	0	8	95	7	1	10	190

Note: The promotion events for the above table are individually counted per employee and category of promotion, for examination, (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 promotions events and as such will be counted / reflected more than once.

Table 3.6.5 Terminations for the period 1 April 2013 to 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	1	0	0	1	0	0	1	4
Professionally qualified and experienced specialists and mid-management	396	71	8	28	764	61	10	79	1 417
Skilled technical and academically qualified workers, junior management, supervisors, foremen	908	55	13	29	1 607	138	10	146	2 906
Semi-skilled and discretionary decision making	288	29	2	8	319	46	0	16	708
Unskilled and defined decision making	14	0	0	0	555	17	0	12	598
TOTAL	1 608	156	23	65	3 246	262	20	254	5 634
Employees with disabilities	6	0	0	1	9	2	0	4	22

Table 3.6.6 Disciplinary action for the period 1 April 2013 to 31 March 2014

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary actions finalised	47	8	0	1	24	0	0	1	81

Table 3.6.7 Skills development for the period 1 April 2013 to 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	28	0	0	0	63	0	0	2	93
Professionals	590	57	8	39	1 018	600	41	63	2 416
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	336	2	1	9	765	6	1	7	1 127
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	63	0	0	0	29	3	0	0	95
Total	1 017	59	9	48	1 875	609	42	72	3 731
Employees with disabilities	4	0	0	0	0	0	0	0	4

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2013

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				
Salary Level 16	01	01	01	100%
Salary Level 15	03	03	03	100%
Salary Level 14	14	9	09	100%
Salary Level 13	66	38	38	100%
Total	84	51	51	100%

Notes

In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For examinationple if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2013.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2013

Reasons	
NONE	

Notes

The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2014

Reasons	
NA	

Notes

The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8 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, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2013 to 31 March 2014

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	808	18 269	4.4	5 112	6 326
Female	2 058	50 814	4.1	13 926	6 767
Asian					
Male	1	141	0.7	19	19 471
Female	2	214	0.9	13	6 587
Coloured					
Male	170	1 938	8.8	931	5 477
Female	309	3 251	9.5	1 840	5 955
White					
Male	32	973	3.3	206	6 422
Female	182	2 842	6.4	1 246	6 844
Employees with disability	32	261	12.3	276	8 622
Total	3 594	78 703	4.6	23 568	6 558

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2013 to 31 March 2014

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	
Lower Skilled (Levels 1-2)	13	5 575	0.2	50	3 846	0.02%
Skilled (level 3-5)	1 200	7 474	16.1	4 880	4 067	0.02%
Highly skilled production (level 6-8)	2 237	47 846	4.7	16 588	7 415	0.03%
Highly skilled supervision (level 9-12)	144	17 747	0.8	2 050	14 236	0.06%
Total	3 594	78 642	4.6	23 568	6 558	0.03%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2014 to 31 March 2014

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	53	140	37.9	716	13 509
All artisans in the building metal machinery etc.	4	25	16	23	5 750
Architects town and traffic planners	0	3	0	0	0
Archivists curators and related professionals	0	1	0	0	0
Artisan project and related superintendents	0	2	0	0	0
Auxiliary and related workers	11	23	47.8	44	4 000
Building and other property caretakers	5	32	15.6	20	4 000
Bus and heavy vehicle drivers	4	14	28.6	17	4 250

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Cleaners in offices workshops hospitals etc.	842	2 902	29	3 340	3 967
Client inform clerks(switchboard inform clerks)	7	12	58.3	47	6 714
Communication and information related	0	1	0	0	0
Community development workers	1	1	100	9	9 000
Computer programmers	2	2	100	14	7 000
Computer system designers and analysts.	0	5	0	0	0
Conservation labourers	0	9	0	0	0
Custodian personnel	1	1	100	23	23 000
Diplomats	0	1	0	0	0
Engineering sciences related	0	2	0	0	0
Farm hands and labourers	2	9	22.2	6	3 000
Farming forestry advisors and farm managers	1	2	50	8	8 000
Finance and economics related	44	82	53.7	646	14 682
Financial and related professionals	45	82	54.9	442	9 822
Financial clerks and credit controllers	228	460	49.6	1 606	7 044
Fire fighting and related workers	1	2	50	4	4 000
Food services aids and waiters	50	177	28.2	197	3 940
General legal administration and rel. professionals	0	1	0	0	0
Head of department/chief executive officer	6	8	75	62	10 333

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Household and laundry workers	164	459	35.7	756	4 610
Housekeepers laundry and related workers	1	2	50	4	4 000
Human resources and organisat developm and relate prof	46	69	66.7	427	9 283
Human resources clerks	333	617	54	2 451	7 360
Human resources related	37	62	59.7	478	12 919
Inspectors of apprentices works and vehicles	9	20	45	73	8 111
Librarians and related professionals	0	3	0	0	0
Library mail and related clerks	62	118	52.5	417	6 726
Light vehicle drivers	32	76	42.1	131	4 094
Logistical support personnel	49	87	56.3	469	9 571
Material-recording and transport clerks	298	617	48.3	2 199	7 379
Messengers porters and deliverers	13	35	37.1	54	4 154
Motor vehicle drivers	2	10	20	8	4 000
Nursing assistants	4	5	80	22	5 500
Occupational therapy	0	1	0	0	0
Other administrat and related clerks and organisers	734	1 782	41.2	5 126	6 984
Other administrative policy and related officers	196	331	59.2	1 755	8 954
Other information technology personnel.	3	7	42.9	25	8 333
Other occupations	176	69 830	0.3	1 157	6 574
Physiotherapy	0	1	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Printing and related machine operators	0	2	0	0	0
Professional nurse	1	5	20	11	11 000
Quantity surveyors and rela prof not class elsewhere	0	3	0	0	0
Rank: Unknown	0	7	0	0	0
Risk management and security services	1	2	50	9	9 000
Secretaries and other keyboard operating clerks	72	142	50.7	503	6 986
Security guards	23	191	12	93	4 043
Security officers	27	121	22.3	159	5 889
Senior managers	0	56	0	0	0
Trade labourers	3	7	42.9	12	4 000
Youth workers	1	36	2.8	5	5 000
TOTAL	3 594	78 703	4.6	23 568	6 558

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2013 to 31 March 2014

Salary band	Beneficiary Profile		Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	Total Cost (R'000)	Average cost per employee	
Band A	0	45	0	0	0
Band B	0	11	0	0	0
Band C	0	3	0	0	0
Band D	0	2	0	0	0
Total	0	61	0	0	0

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2013 and 31 March 2014

Salary band	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	29	4.4	47	5	18	6.4
Highly skilled production (Lev. 6-8)	392	60	689	73.8	297	105.7
Highly skilled supervision (Lev. 9-12)	225	34.5	191	20.4	-34	-12.1
Contract (Levels 1-2)	3	0.5	2	0.2	-1	-0.4
Contract (Levels 3-5)	3	0.5	4	0.4	1	0.4
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	1	0.1	1	0.4
Total	653	100	934	100	281	100

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2013 and 31 March 2014

Major occupation	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	2	0.3	1	0.1	-1	-0.4
Information technology personnel	1	0.2	1	0.1	0	0
Other occupations	650	99.5	931	99.7	281	100
Professionals and managers	0	0	1	0.1	1	0.4
TOTAL	653	100	934	100	281	100

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days	% Days with Medical certification	Number of Em- ployees using sick leave	% of total em- ployees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	74	90.5	11	0	7	21
Skilled (Levels 3-5)	14 387	86.4	1 852	5.5	8	4 712
Highly skilled production (Levels 6-8)	156 622	80.6	22 847	67.4	7	114 475
Highly skilled supervision (Levels 9-12)	62 855	81.5	9 044	26.7	7	76 546
Senior management (Levels 13-16)	186	94.1	23	0.1	8	564
Contract (Levels 1-2)	332	71.7	78	0.2	4	78
Contract (Levels 3-5)	10	42.1	4	0	2	4
Contract (Levels 6-8)	180	82.2	30	0.1	6	120
Contract (Levels 9-12)	55	87.3	11	0	5	96
Contract (Levels 13-16)	7	100	2	0	4	26
TOTAL	234 707	81.2	33 902	100	7	196 642

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2013 to 31 December 2013

Salary band	Total days	% Days with Medical certification	Number of Em- ployees using disability leave	% of total em- ployees using disability leave	Average days per employee	Estimated Cost (R'000)
Skilled (Levels 3-5)	2 936	100	36	4.3	82	941
Highly skilled production (Levels 6-8)	37 058	100	526	62.5	70	28 140
Highly skilled supervision (Levels 9-12)	19 978	100	278	33.1	72	23 009
Senior management (Levels 13-16)	10	100	1	0.1	10	30
TOTAL	59 982	100	841	100	71	52 120

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 3.10.3 Annual Leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	84	15	6
Skilled (Levels 3-5)	30 238	1 917	16
Highly skilled production (Levels 6-8)	65 663	3 888	17
Highly skilled supervision (Levels 9-12)	40 341	2 162	19
Senior management (Levels 13-16)	862	48	18
Contract (Levels 1-2)	128	44	3
Contract (Levels 3-5)	38	5	8
Contract (Levels 6-8)	479	41	12
Contract (Levels 9-12)	194	17	11
Contract (Levels 13-16)	24	5	5
TOTAL	138 052	8 142	17
Lower skilled (Levels 1-2)	84	15	6

Table 3.10.4 Capped leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 20ZZ
Skilled (Levels 3-5)	207	43	5	67
Highly skilled production (Levels 6-8)	2047	573	4	62
Highly skilled supervision (Levels 9-12)	1915	483	4	82
Senior management (Levels 13-16)	2	1	2	102
TOTAL	4171	1 100	4	70

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

Table 3.10.5 Leave payouts for the period 1 April 2013 and 31 March 2013

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Capped leave payouts on termination of service for 2013/14	10 424	1 183	8 811
Current leave payout on termination of service for 2013/14	0	3	0
Total	10 424	1 186	8 811

3.11 HIV/AIDS and Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
Head Office based employees that are categories as field workers who are often compelled to 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.	<ol style="list-style-type: none"> 1. Facilitation of quarterly HCT sessions to enable employees to have a regular check of their HIV status. Early detection for those who participates and sure that they can access treatment if necessary and take precautions to avoid reinfection and infecting others. 2. Facilitating access to treatment care and support for infected employees and affected families. 3. Intensifying education on managing HIV so that it does not impede employee productivity. 4. Sensitising managers on reasonable accommodation (physically and emotionally) of employees who are infected.
Re-deployed officials who cannot move their families to the area of redeployment are forced to live alone.	

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Employee Health and Wellness is a component of Human Resource Management and Development and reports directly to the Chief Director : HRMandD.
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		5 employees are attached to the Unit 2 Employees (Employed) and three 3 officials are seconded from other sections. HIV and AIDS Budget 2013-2014 = R773 000
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		1. Prevention programmes in the form of health promotions and health education, HCT and TB Screening 2. Provide treatment, care and support in the form of counselling 3. GEMS advocacy to facilitate the enrolment of those infected in the Disease Management Programme
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		See attachment entitled Employee Health and Wellness Committee.

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.	x		Key Human Resource Policies and procedures that might have a bearing on the implementation of Employee Health and Wellness 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 the Programme. The following HR policies and procedures were reviewed: <ul style="list-style-type: none"> • Service Benefits • Leave • Medical Assistance • Compensation for occupational injuries and diseases • Employee Assistance Programme. • Training and Skills development • Performance management and development systems. • Employment equity • Safety Health and Environment The review revealed that none of the policies and procedures in the Department contradicts key principles for the effective implementation of an Employee Health and Wellness Programme.
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"> • Upholding the confidentiality principle throughout the access to treatment, care and support process • Ensuring anonymity during our HCT sessions placing no emphasis at all on the names of participants and putting all emphasis on statistics • Identification of infected employees is protected during the referral process (names are kept strictly confidential by referring specialist only)

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		<ul style="list-style-type: none"> An increase in the number of Employees who participate in the HCT programme An increase in the number of Employees who disclose their status and seek assistance through the Employee Health and Wellness programme
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		<ul style="list-style-type: none"> Quarterly Statistics indicating new infections Follow up the work attendance of employees who have disclosed.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2013 and 31 March 2014

Subject matter	Date
Collective Agreement 1 of 2014	4 February 2014

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

Table 3.12.2 *Misconduct and disciplinary hearings finalised for the period 1 April 2013 and 31 March 2014*

Outcomes of disciplinary hearings	Number	% of total
A fine	1	1.23%
A fine and counselling	1	1.23%
A fine and final written warning	3	3.70%
A fine, final written warning and counselling	1	1.23%
Acquitted	5	6.17%
Demotion	2	2.47%
Demotion and suspension without pay	1	1.23%
Discharged	23	28.40%
Final written warning	13	16.05%
Final written warning and counselling	2	2.47%
Suspension without pay	5	6.17%
Suspension without pay and counselling	1	1.23%
Suspension without pay and final written warning	14	17.28%
Suspension without pay, a fine and final written warning	2	2.47%
Suspension without pay, counselling and final written warning	1	1.23%
Written warning	6	7.41%
TOTAL	81	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2013 and 31 March 2014

Type of misconduct	Number	% of total
Absenteeism	15	18.52%
Assault	6	7.41%
Contravened the Act	7	8.64%
Dishonesty	1	1.23%
Failed to carry out a lawful order or instruction without just or reasonable cause	4	4.94%
Failed to comply with regulations	1	1.23%
Falsification of records or documents	1	1.23%
Financial mismanagement	5	6.17%
Fraud	19	23.46%
Inflation of learner numbers	1	1.23%
Insolent behaviour	3	3.70%
Intimidated learners	1	1.23%
Misappropriate and abuse of petrol card	1	1.23%
Misuse of government vehicle	1	1.23%
Performed poorly or inadequately for reasons other than incapacity	1	1.23%
Poor performance	1	1.23%
Prejudiced the Department	6	7.41%
Sexual assault	1	1.23%
Sexual relationship with a learner	2	2.47%
Theft	2	2.47%
Unlawful conduct	2	2.47%
TOTAL	81	100%

Table 3.12.4 Grievances logged for the period 1 April 2013 and 31 March 2014

Grievances	Number	% of Total
Number of grievances resolved	32	22.69%
Number of grievances not resolved	45	31.91%
Number of grievances pending	64	45.39%
Total number of grievances lodged	141	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2013 and 31 March 2014

Disputes	Number	% of Total
Arbitration hearing pending	74	47%
Conciliation hearing pending	41	26%
Dispute dismissed	17	11%
Dispute settled	5	3%
Dispute upheld	11	7%
Dispute withdrawn	6	4%
No jurisdiction	3	2%
Total number of disputes lodged	157	100%

Table 3.12.6 Strike actions for the period 1 April 2013 and 31 March 2014

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2013 and 31 March 2014

Number of people suspended	12
Number of people who's suspension exceeded 30 days	12
Average number of days suspended	110 days
Cost (R'000) of suspension	R 2 022 344.11

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2013 and 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			Total
			Learnerships	Skills Programmes and other short courses	Other forms of training	
Legislators, senior officials and managers	Male	46	0	30	0	30
	Female	21	0	45	0	45
Professionals	Male	17 567	0	689	0	689
	Female	43 590	0	1 033	0	1 033
Technicians and associate professionals	Male	211	0	0	0	0
	Female	378	0	0	0	0
Clerks	Male	840	0	126	0	126
	Female	2 909	0	190	0	190
Service and sales workers	Male	290	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	13	0	0	0	0
Plant and machine operators and assemblers	Male	97	0	0	0	0
	Female	5	0	0	0	0
Elementary occupations	Male	2 342	0	129	0	129
	Female	10 327	0	192	0	192
Sub Total	Male	21 427	0	974	0	974
	Female	57 276	0	1 460	0	1 460
Total		78 703	0	2 434	0	2 434

Table 3.13.2 Training provided for the period 1 April 2013 and 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			Total
			Learnerships	Skills Programmes and other short courses	Other forms of training	
Legislators, senior officials and managers	Male	46	0	28	0	28
	Female	21	0	65	0	65
Professionals	Male	17 567	0	694	0	694
	Female	43 590	0	1 722	0	1 722
Technicians and associate professionals	Male	211	0	0	0	0
	Female	378	0	0	0	0
Clerks	Male	840	0	348	0	348
	Female	2 909	0	779	0	779
Service and sales workers	Male	290	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	13	0	0	0	0
Plant and machine operators and assemblers	Male	97	0	0	0	0
	Female	5	0	0	0	0
Elementary occupations	Male	2 342	0	63	0	63
	Female	10 327	0	32	0	32
Sub Total	Male	21 427	0	1 133	0	1 133
	Female	57 276	0	2 598	0	2 598
Total		78 703	0	3 731	0	3 731

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2013 and 31 March 2014

Nature of injury on duty	Number	% of total
Required basic medical attention only	49	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	49	100

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds

No	Project Title	Total Number of consultants that worked on project	Duration Work days	Contract value in Rand
1.	Section 100 Intervention; SCM	(1) Daniel Carstens		R1,655,308.50
2.	Section 100 Intervention; Internal Audit	(1) James Botha		R 929,747.00
3.	Strategic executive Support	(1) Ian Assam		R1,237,556.00
4.	Financial Management; Audit Rectification	(1) Jeremy Perks		R1,699,098.50
5.	Financial Management Support; Internal Control Unit	(1) Tembeleni Mashalaba		R1,158,524.00
6.	Financial Management Support; Internal Control Unit; Transfers and Subsidies	(1) Tafadzwa Mutanhauwa		R 365,820.74

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage man-agement by HDI groups	Number of Consultants from HDI groups that work on the project
Section 100 Intervention; SCM	0	0	1
Section 100 Intervention; Internal Audit	0	0	1
Strategic executive Support	100%	100%	1
Financial Management; Audit Rectification	0	0	1
Financial Management Support; Internal Control Unit	100%	100%	1
Financial Management Support; Internal Control Unit; Transfers and Subsidies	100%	100%	1

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2013 and 31 March 2014

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	0	0	0
None	0	0	0
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	0	0	0
None	0	0	0

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 and 31 March 2014

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	0	0	0
None	0	0	0

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2013 and 31 March 2014

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

PART E: FINANCIAL INFORMATION



Eastern Cape Department of Education

Audit Report

For the year ended 31 March 2014

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 6: DEPARTMENT OF EDUCATION

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Eastern Cape Department of Education set out on pages 197 to 277, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements 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, 2013 (Act No. 2 of 2013) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing (ISA). Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Irregular expenditure

6. The department did not obtain the written approval from the relevant condoning authority for the condonement of the prior year irregular expenditure of R1,4 billion as disclosed in note 25 to the financial statements as required by the Guideline on Irregular Expenditure issued by National Treasury. Furthermore the department did not have adequate systems in place to identify and disclose all irregular expenditure incurred during the year as required by section 40(3)(b)(i) of the PFMA. The irregular expenditure disclosed in disclosure note 25 is understated in respect of the condonement of R1,4 billion and due to amounts incurred during the year that were identified during the audit process of R55,1 million (2013: R549,4 million). Owing to the lack of systems, it was impracticable to determine the full extent of the understatement of irregular expenditure.

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 6: DEPARTMENT OF EDUCATION

Commitments

7. An adequate record of commitments for the current and prior year was not maintained and reviewed by the department as required by the Modified Cash Standards. The manual commitments schedules prepared for the current year included commitments at the incorrect amounts and the schedule for the prior year did not include all commitments. As a result, commitments disclosed in note 21 to the financial statements are understated by at least R29,1 million (2013 – Impracticable to determine). In addition, sufficient appropriate audit evidence was not available to support the amounts disclosed as commitments in note 21 to the financial statements. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any further adjustments to the commitments of R1,3 billion (2013: R1,4 billion) disclosure note were necessary.

Accruals

8. The department did not maintain adequate records of outstanding payments for goods and services received but not yet paid at year-end as required by the MCS, and included amounts which should not have been accrued for in the financial statements, resulting in an overstatement of accruals as disclosed in note 22 by at least R19,8 million. However, due to the lack of systems in place, it was impracticable for to determine the full extent of the overstatement of accruals. In addition, sufficient appropriate audit evidence was not available to support the amounts disclosed as accruals in note 22 to the financial statements. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the amount of R236,5 million disclosed for accruals.

Employee benefits

9. The department did not have adequate systems in place to maintain accurate leave records and employee files. As a result, capped leave was incorrectly calculated and is understated by R883,9 million (2013: R641,2 million). In addition, due to the lack of adequate systems I was unable to obtain sufficient appropriate audit evidence for the amount disclosed as capped leave commitments in note 23 to the financial statements and I could not confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments to the capped leave commitments stated at R2,9 billion (2013: R3 billion) in the financial statements was necessary.

Movable tangible capital assets

10. The department did not account for its movable tangible capital assets as required by the MCS as not all assets were:

- correctly classified between major and minor assets.
- allocated a unique asset number.
- readily available for inspection.
- recognised at cost or R1.

Consequently, assets disclosed as moveable tangible capital assets are overstated by R19,7 million and minor assets are understated by R1,8 million.

11. In addition, sufficient appropriate audit evidence was not available to support the amounts and items included in the asset register and I was unable to confirm or verify these amounts by alternate means. Consequently, I was unable to determine whether any further adjustments were necessary to the amounts disclosed as moveable tangible capital assets of R118,8 million and minor assets of R74,3 million in note 31 to the financial statements.

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 6: DEPARTMENT OF EDUCATION

Aggregation of immaterial uncorrected misstatements

12. The financial statements are materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements in the following items making up the statement of financial performance:
- Statutory appropriation is understated by R166 000.
 - Transfers and subsidies is overstated by R3 million.
 - Expenditure for goods and services is overstated by R58,3 million.
 - Expenditure for capital assets is understated by R5,6 million.
 - Compensation of employees is understated by R3 million.
13. In addition, I was unable to obtain sufficient appropriate audit evidence due to individually immaterial amounts that were unsubstantiated and I was unable to confirm the following items making up the statement of financial performance by alternative means, or determine whether adjustments were required to:
- Expenditure for goods and services as disclosed in note 5.
 - Expenditure of capital assets as disclosed in note 9.
 - Annual appropriation as disclosed in note 1.
 - Compensation of employees as disclosed in note 4.

Corresponding figures

14. During 2012-13, I identified that fruitless and wasteful expenditure of R64,9 million as disclosed in note 26 was understated by R624,6 million is still included in the corresponding figures disclosed in the current period's financial statements.
15. In addition, during 2012-13 I was unable to obtain sufficient appropriate audit evidence regarding amounts disclosed in immovable assets subject to transfer in terms of section 42 of the PFMA of R511,6 million as disclosed in note 33.2.
16. I was unable to obtain sufficient appropriate audit evidence for the corresponding figures of the above items or to confirm them by alternative means. Consequently, I was unable to determine whether any adjustments to these amounts were necessary. My audit opinion on the financial statements for the period ended 2012-13 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of these matters on the comparability of the current period's figures.

Aggregation of immaterial uncorrected corresponding misstatements

17. The financial statements as a whole are materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements in the following corresponding elements making up the 2012-13 disclosure notes to the financial statements:
- Accruals is understated by R195,6 million.
 - Related party transactions is overstated by R156,2 million.
 - Movable tangible capital assets is overstated by R36 million.
 - Minor assets is understated by R12,6 million.

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18. In addition, due to individually immaterial amounts that were unsubstantiated, I was unable to obtain sufficient appropriate audit evidence and I was unable to confirm the following items making up the 2012-13 disclosure notes to the financial statements by alternative means:
- Accruals included in note 22.
 - Related party transactions included in note 33.
 - Movable tangible capital assets included in note 31.
 - Minor assets included in note 31.4.
 - Intangible capital assets in note 32.
19. As a result, I was unable to determine whether any adjustments to these corresponding elements were necessary. My audit opinion on the financial statements for the period ended 31 March 2013 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

Qualified opinion

20. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Department of Education as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with the Departmental financial reporting framework prescribed by the National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matter

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

Irregular expenditure

21. Disclosed in note 25 to the financial statements is irregular expenditure of R12 million (2013: R1,4 billion). As a result of the department not submitting sufficient appropriate audit evidence in the prior year and the non-compliance to the legislated prescripts of supply chain management in the current year, I was unable to determine if the goods and services received were procured by the department in a fair, equitable, transparent, competitive and cost effective manner.
22. Included in the prior and current year irregular expenditure is irregular expenditure arising from non-compliance to legislated prescripts by implementing agents of the department. Of the R55,1 million reported in paragraph 25 in the current year, R41 million relates to such irregular expenditure and R17 million of this was incurred by the implementing agents.

Additional matter

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

Unaudited supplementary schedules

23. The supplementary annexures set out on pages 279 to 319 do not form part of the financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion thereon.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

24. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

25. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for Programme 2: Public Ordinary Schools on pages 59 to 67 as presented in the annual performance report of the Eastern Cape Department of Education for the year ended 31 March 2014.
26. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
27. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programme. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
28. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
29. The material findings in respect of the selected programme are as follows:

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 6: DEPARTMENT OF EDUCATION

Programme 2: Public Ordinary Schools

Usefulness of reported performance information

Presentation of performance information

30. In accordance with the National Treasury's Guide for the preparation of the annual report, departments should disclose reasons for all variances between planned targets and actual achievements. Variances between planned targets and actual achievements are applicable to both over achievements and under achievements.
31. The reasons for variances between planned and actual achievements reported in the annual performance report for the selected programme did not contain sufficient detail and no supporting documentation was provided to substantiate such variances. This was due to a lack of documented and approved internal policies and procedures to address reporting requirements and officials not being able to adequately articulate the nature and extent of variances.

Measurability of indicators

32. The FMPPI requires that performance indicators must be verifiable, meaning that it must be possible to validate the processes and systems that produced the indicator. A total of 33% of the indicators for the selected programme were not verifiable.
33. Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. All indicators of the selected programme were not well defined. This was due to a lack of proper systems and processes and officials not being able to explain the day-to-day operations of the programme, however this is not clearly documented in a policies and procedures manual.

Reliability of reported performance information

34. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information. I was unable to confirm the reliability of reported performance information by alternative means.

Additional matter

I draw attention to the following matter:

Achievement of planned targets

35. Refer to the annual performance report on page 60 to 61 and 61 to 65 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programme reported in paragraphs 29 to 34 of this report.

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Compliance with legislation

36. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Strategic planning and performance management

37. The accounting officer did not ensure that the department had and maintained an effective, efficient and transparent system of internal control regarding performance management, which described and represented how the department's processes of performance planning, monitoring, measurement, review and reporting were conducted, organised and managed as required by section 38(1)(a)(i) and (b) of the PFMA.
38. Specific and appropriate information systems to enable the department to monitor the progress made towards achieving the goals, targets and core objectives as indicated in the strategic/annual performance plan were not implemented and operational as required by Public Regulation Part IIIB.1(f)(i)(iii).
39. Procedures for quarterly reporting to the executive authority and the facilitation of effective performance monitoring, evaluation and corrective action were not established as required by Treasury Regulation (TR) 5.3.1.

Annual financial statements

40. 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.
41. Material misstatements of disclosures items identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified audit opinion.

Audit committee

42. The audit committee did not review the institution's compliance with legal and regulatory provisions, as required by TR 3.1.10(f).

Internal audit

43. The internal audit function did not submit reports, detailing the performance against the annual internal audit plan, to the audit committee every quarter, as required by TR 3.2.7(d).
44. The internal audit function did not assess the operational procedure and monitoring mechanisms over all transfers made and received, including transfers in terms of the annual DoRA, as required by TR 3.2.8.
45. The internal audit function did not evaluate the reliability and integrity of financial and operational information, as required by TR 3.2.11(b).
46. The internal audit function did not evaluate the compliance with laws and regulations, as required by TR 3.2.11(e).

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 6: DEPARTMENT OF EDUCATION

Procurement and contract management

47. Invitations for competitive bidding were not always advertised for the required minimum period of 21 days, as required by TR 16A6.3(c).
48. Sufficient appropriate audit evidence was not submitted that quotations were awarded to suppliers whose tax matters have been declared by the South African Revenue Services (SARS) to be in order as required by TR 16A9.1(d) and the Preferential Procurement Regulations.
49. Sufficient appropriate audit evidence was not submitted that quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act (PPPFA) and its regulations.
50. 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 TR 16A8.4.
51. Persons in service of the department whose close family members, partners or associates had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by TR 16A8.4.
52. Persons in service of the department who and whose partners had a private or business interest in contracts awarded by the department participated in the process relating to that contract in contravention of TR 16A8.4.

Human resource management

53. Employees were appointed without following a proper process to verify the claims made in their applications in contravention of Public Service Regulation 1/VII/D.8.
54. Employees received overtime compensation in excess of 30% of their monthly salaries, in contravention of Public Service Regulation I/V/D.2 (d).
55. Sufficient appropriate audit evidence could not be obtained:
 - that persons appointed met the requirements for the job or that a deviation was approved as required by section 11(2) of the Public Service Act and Public Service Regulation 1/VII/D.5-8.
 - that appointments were approved by and authorised official as required by Public Service Regulation 1/VII/D7 and 8.

Expenditure management

56. Effective steps were not taken to prevent irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.
57. Effective internal controls were not in place for payment approval and processing, as required by TR 8.1.1.
58. Money was spent / committed without the approval of the accounting officer / a properly authorised official, as required by TR 8.2.1 and 8.2.2.

**REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON
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Transfer of funds

59. Sufficient appropriate audit evidence could not be obtained that the accounting officer maintained appropriate measures to ensure that transfers and subsidies to entities were applied for their intended purposes, as required by TR 8.4.1.

Conditional grants received

Further education and training grant

60. Performance in respect of programmes funded by the allocation was not evaluated by the department, as required by section 11(6)(a) of the DoRA.

Human Immunodeficiency Virus (HIV) and Aids life skills education grant

61. Performance in respect of programmes funded by the allocation was not evaluated by the department, as required by section 12(5) of the DoRA.

Technical secondary schools re-capitalisation grant

62. Performance in respect of programmes funded by the allocation was not evaluated by the department, as required by section 12(5) of the DoRA.

Education infrastructure grant

63. Performance in respect of programmes funded by the allocation was not evaluated by the department, as required by section 11(6)(a) of the DoRA.

Revenue management

64. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA and TR 11.2.1, 15.10.1.2(a) and 15.10.1.2(e).
65. All reasonable steps were not taken to recover debts before writing them off, as required by TR 11.4.1.

Asset management

66. Proper control systems to safeguard and maintain assets were not implemented, as required by section 38(1)(d) of the PFMA and TR 10.1.1(a).

Consequence management

67. Investigations were not conducted into all allegations of financial misconduct committed by officials, as required by TR 4.1.1.
68. Disciplinary hearings were not held for confirmed cases of financial misconduct committed by officials, as required by TR 4.1.1.

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 6: DEPARTMENT OF EDUCATION

Service delivery

National School Nutrition Programme

69. Not all meals were prepared according to the recommended food specifications and approved menu, which is in contravention of the Conditional Grant framework, Gazette No. 36581.
70. Meals were not prepared and served according to the recommended food specifications and approved menu, which is in contravention of the Division of Revenue Grant Framework, Gazette No. 36581.
71. Food handlers at 10 of the 17 schools visited did not have valid contracts with the department.
72. The cost per meal per learner was not at an average of R2,60 in primary schools and R3,46 in secondary schools. At the schools visited, an average of R2,16 was noted for the primary schools and R2,95 for secondary schools, this is in contravention of Conditional Grant framework, Gazette No. 36581. This does not represent a cost saving, but rather an under spending on the nutritional requirements per learner.

Infrastructure

73. Infrastructure needs were not correctly identified and prioritised as appropriate information was not used during the needs determination process.
74. Bid specifications as required by TR 16A6.2(b) were not submitted by the department for the school infrastructure projects selected for audit.
75. The bid adjudication register as required by TR 16A 6.2(b) was not submitted for some school infrastructure projects selected for audit.

Internal control

76. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Leadership

77. There has been inadequate oversight by leadership and a slow response to the key messages. This has results in weaknesses and deficiencies that have been prolific in undermining the control environment in previous years have not been adequately addressed and as a result the sustainability of the current audit outcome is questionable. As in prior years, deficiencies in human resource and performance management and the lack of implementation of policies and procedures were identified. This was due to management not effecting timeous change in the department. Improvement is dependent on the proper execution of the detailed action plans drafted, which were not fully implemented in the current year. The oversight function of leadership is not as effective as it could be as a result of the number of district offices and schools in the province. Leadership is faced with inaccurate learner numbers and control environment deficiencies and a challenge concerning providing oversight at a service delivery level as well as at an administrative level.

**REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON
VOTE NO. 6: DEPARTMENT OF EDUCATION**

78. Leadership has not provided adequate monitoring of service delivery as a result of a lack of good governance and inadequate lines of reporting. There is a lack of accountability and regular monitoring at a district and school level, with schools in dire need of attention. In addition, the weak overall performance management system was too weak to effectively monitor and evaluate service delivery reporting.

Financial and performance management

79. The department does not have an effective record management system, which is critical in an organisation of its size. The function of the audit controller and the records management unit should be institutionalised as these functions are not performed and administered by department officials. This very aspect raises critical concern regarding the sustainability of the current audit outcome. In addition, the significant number of districts and numerous filing systems with respect to compensation of employee records, compound an already deficient system. Furthermore, various documents received for audit purposes lacked quality and completeness, indicating that filing systems at a floor level are a contributing factor to the misstatements identified. The use of manual systems to account for certain financial reporting disclosures was ineffective and resulted in information retrieval delays and accuracy errors in the financial statements.
80. The department does not apply best practice in its daily and monthly control activities and audit recommendations have not been adequately addressed in the current year. The financial statements and the annual performance report contained numerous misstatements that were not detected and corrected, indicating that staff members did not fully understand the requirements of the financial reporting framework and performance information requirements. This is as a result of a lack of supervision, monitoring and consequence management in respect of the reporting process.
81. The department does not have systems in place to monitor compliance and prevent non-compliance with all applicable legislation. Non-compliance with laws and regulations could have been prevented had compliance been properly reviewed and monitored, particularly with respect to procurement and contract management where unsubstantiated procurement deviations resulted in irregular and fruitless and wasteful expenditure. In addition, the budgeting process around the transfers and subsidies to the schools remains a challenge, as the learner numbers, which form the basis for the transfers, are not verified by the department, further contributing to the fruitless and wasteful expenditure incurred.

Governance

82. The risk management strategy and fraud prevention plan have not been communicated to all staff and therefore have not been adequately implemented in the current year.
83. The head of internal audit was seconded from provincial treasury and acted in that position to date. The post is still vacant, although it is currently filled in an acting capacity. The internal audit unit is also not appropriately staffed. Numerous substantive audits relating to the high-risk areas of the department were performed under the instruction of the audit committee, however, management has not adequately followed up and implemented the recommendations in these reports. As a result, the audit committee could not exercise adequate and effective oversight over the implementation of the matters reported during the year.

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 6: DEPARTMENT OF EDUCATION

OTHER REPORTS

Performance audits

Performance audit on Early Childhood Development (grade R)

84. The outcomes of a performance audit on the Early Childhood Development (ECD) programme will be included in the education sector report, which will be tabled towards the end of 2014. The audit focused on the economical, efficient and effective use of resources within the ECD programme.

Performance audit on the Adult Education and Training programme

85. The outcomes of a performance audit on the Adult Education and Training (AET) programme will be included in the education sector report, which will be tabled towards the end of 2014. The audit focused on the economical, efficient and effective use of resources within the AET programme.

Performance audit of the readiness of government to report on its performance

86. The report on the readiness of government to report on its performance will be tabled during 2014. The Eastern Cape Department of Education was one of the 61 institutions/departments audited during this audit. The performance audit focused on the following:
- The systems and processes that government departments have put in place to report on their performance
 - The performance reporting guidance and oversight government departments received.

Investigations

87. Independent organisations have been appointed to conduct investigations into alleged irregularities in procurement and contract management. These investigations relate to the manufacture and delivery of school furniture for Grade R and school hostel catering. The investigations are ongoing at the reporting date.
88. The alleged irregularities have been reported to the South African Police Services (SAPS) and the Directorate for Priority Crime Investigation (the Hawks) as appropriate. The timing of the outcome of the investigation is not known at present.

Auditor - General

East London



2. ANNUAL FINANCIAL STATEMENTS

Appropriation per programme										
2013/14										
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	2012/13
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
1. ADMINISTRATION										
Current payment	1 968 404	(592)	50 759	2 018 571	2 027 954	(9 383)	100.5%	1 997 339	1 930 611	
Transfers and subsidies	8 186	(1)	-	8 185	16 190	(8 005)	197.8%	32 571	29 818	
Payment for capital assets	28 124	593	6 000	34 717	24 384	10 333	70.2%	2 912	24 034	
Payment for financial assets	-	-	-	-	-	-	-	-	-	
	2 004 714	-	56 759	2 061 473	2 068 528	(7 055)		2 032 822	1 984 463	
2. PUBLIC ORDINARY SCHOOL EDUCATION										
Current payment	19 934 878	(26 456)	(98 491)	19 809 931	19 802 329	7 602	100.0%	19 127 943	18 987 599	
Transfers and subsidies	1 866 090	-	59 000	1 925 090	2 013 861	(88 771)	104.6%	2 145 380	1 906 490	
Payment for capital assets	26 641	26 456	-	53 097	27 659	25 438	52.1%	31 038	22 084	
Payment for financial assets	-	-	-	-	-	-	-	125 671	125 671	
	21 827 609	-	(39 491)	21 788 188	21 843 849	(55 731)		21 430 032	21 041 844	

Annual Report 2013/14 Financial Year
Vote 06: Department of Education, Province of Eastern Cape

9. AUXILIARY AND ASSOCIATED SERVICES													
Current payments	272 601	-	(10 568)	262 033	260 308	1 725	99.3%	242 195	239 437				
Transfers and subsidies	44 219	-	-	44 219	43 862	357	99.2%	42 040	49 854				
Payment for capital assets	6 246	-	-	6 246	4 393	1 853	70.3%	6 763	1 904				
Payment for financial assets	-	-	-	-	-	-	-	-	-				
	323 066	-	(10 568)	312 498	308 563	3 935		290 998	291 195				
Subtotal	27 537 145	-	-	27 537 145	27 449 017	88 128	99.7%	26 753 067	26 218 937				
Statutory Appropriation													
Current payment	1 735	-	-	1 735	1 735	-	100.0%	1 645	1 656				
TOTAL	27 538 880	-	-	27 538 880	27 450 752	88 128	99.7%	26 754 712	26 220 593				

	2013/14		2012/13	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	9 431			
Aid assistance				
Actual amounts per statement of financial performance (total revenue)	27 548 311		26 754 712	
ADD				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		27 450 752		26 220 593

Appropriation Statement for the year ended 31 March 2014

Appropriation per economic classification										
	2013/14					2012/13				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments										
Compensation of employees	22 123 126	(11 360)	(12 163)	22 099 603	21 803 204	296 399	98.7%	21 401 269	21 086 353	
Goods and services	1 761 656	(6 073)	(52 837)	1 702 746	1 731 757	(29 011)	101.7%	1 434 672	1 391 875	
Interest and rent on land	-	-	-	-	29	(29)	-	-	-	
Transfers and subsidies										
Provinces and municipalities										
Departmental agencies and accounts	12 150	-	-	12 150	12 150	-	100.0%	12 342	12 362	
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions	2 035 887	11 359	59 000	2 106 246	2 377 584	(271 338)	112.9%	2 599 940	2 361 604	
Households	114 521	-	-	114 521	186 105	(71 584)	162.5%	184 999	183 855	
Gifts and donations	-	-	-	-	-	-	-	-	-	
Payments for capital assets										
Buildings and other fixed structures	1 422 364	(20 975)	-	1 401 389	1 281 040	120 349	91.4%	929 120	989 920	
Machinery and equipment	59 540	27 049	6 000	92 589	54 442	38 147	58.8%	39 911	43 994	
Intangible assets	7 901	-	-	7 901	2 706	5 195	34.2%	5 826	3 987	
Payments for financial assets										
	-	-	-	-	-	-	-	125 671	125 671	
Total	27 537 145	-	-	27 537 145	27 449 017	88 128	99.7%	26 753 067	26 218 937	

Appropriation Statement for the year ended 31 March 2014

Statutory Appropriation									
2013/14					2012/13				
Direct changes against the National/Provincial Revenue Fund	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
Member of executive committee	1 735	-	-	1 735	1 735	-	100.0%	1 645	1 656
Total	1 735	-	-	1 735	1 735	-	100.0%	1 645	1 656

Statutory Appropriation per economic classification									
2013/14					2012/13				
Per Economic classification	Adjusted	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1 735	-	-	1 735	1 735	-	100.0%	1 645	1 656
Goods and services	-	-	-	-	-	-	-	-	-
Total	1 735	-	-	1 735	1 735	-	100.0%	1 645	1 656

Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14					2012/13			
	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
1.1 OFFICE OF THE MEC									
Current payment	6 470	(1 351)	-	5 119	5 119	-	100.0%	6 792	5 976
Transfers and subsidies	190	(10)	-	180	117	63	65.0%	200	110
Payment for capital assets	70	-	-	70	23	47	32.9%	46	-
1.2 CORPORATE SERVICES									
Current payment	847 223	(49 888)	32 392	829 727	838 415	(8 688)	101.0%	943 318	883 807
Transfers and subsidies	2 869	9	-	2 878	5 625	(2 747)	195.4%	2 532	2 240
Payment for capital assets	24 650	500	6 000	31 150	23 012	8 138	73.9%	2 065	23 510
1.3 EDUCATION MANAGEMENT									
Current payment	1 074 557	55 763	460	1 130 780	1 133 128	(2 348)	100.2%	1 005 712	1 015 780
Transfers and subsidies	5 127	-	-	5 127	10 448	(5 321)	203.8%	10 522	8 152
Payment for capital assets	554	421	-	975	975	-	100.0%	-	95
1.4 HUMAN RESOURCE DEVELOPMENT									
Current payments	12 168	(5 100)	-	7 068	5 415	1 653	76.6%	8 478	4 855
Transfers and subsidies	-	-	-	-	-	-	-	19 317	19 316

1.5 EDUCATION MANAGEMENT INFORMATION SYSTEM(EMIS)												
Current payments	27 986	(16)	17 907	45 877	45 877	45 877	-	100.0%	33 039	20 193		
Payment for capital assets	2 850	(328)	-	2 522	374	2 148	2 148	14.8%	801	429		
Total	2 004 714	-	56 759	2 061 473	2 068 528	(7 055)	100.3%	2 032 822	1 984 463			

Appropriation Statement for the year ended 31 March 2014

Economic classification	2013/14					2012/13			
	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
Current payments									
Compensation of employees	1 715 534	-	5 744	1 721 278	1 721 278	-	100.0%	1 641 047	1 609 563
Goods and services	252 870	(592)	45 015	297 293	306 664	(9 371)	103.2%	356 292	321 048
Interest and rent on land	-	-	-	-	13	(13)	-	-	-
Transfers and subsidies to:									
Higher education institutions	-	-	-	-	-	-	-	19 317	19 316
Non-profit institutions	190	(1)	-	189	117	72	61.9%	-	110
Households	7 996	-	-	7 996	16 072	(8 076)	201.0%	13 254	10 393
Payment for capital assets									
Buildings and other fixed structures	25 774	593	6 000	32 367	24 384	7 983	75.3%	2 111	23 995
Machinery and equipment	2 350	-	-	2 350	-	2 350	-	801	38
Intangible assets									
Payments for financial assets									
Total	2 004 714	-	56 759	2 061 473	2 068 397	(7 055)	100.3%	2 032 822	1 984 463

Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14					2012/13			
	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
2.1 PUBLIC PRIMARY SCHOOLS									
Current payment	5 739 822	-	-	5 739 822	6 069 654	(329 832)	105.7%	5 576 328	5 618 390
Transfers and subsidies	249 579	-	59 000	308 579	328 930	(20 351)	106.6%	346 889	269 150
Payment for capital assets	4 305	-	-	4 305	512	3 793	11.9%	4 892	111
2.2 PUBLIC SECONDARY SCHOOLS									
Current payment	14 043 844	(26 363)	(98 491)	13 918 990	13 588 025	330 965	97.6%	13 391 708	13 248 947
Transfers and subsidies	691 487	-	-	691 487	762 687	(71 200)	110.3%	917 131	758 933
Payment for capital assets	13 298	26 363	-	39 661	22 201	17 460	56.0%	11 145	5 196
Payment for financial assets	-	-	-	-	-	-	-	125 671	125 671
2.3 HUMAN RESOURCE DEVELOPMENT									
Current payment	90 832	-	-	90 832	88 646	2 186	97.6%	93 478	85 141
2.4 IN-SCHOOL SPORT AND CULTURE									
Current payments	25 902	-	-	25 902	22 621	3 281	87.3%	24 754	20 895
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	210	-	-	210	109	101	51.9%	200	62
2.5 CONDITIONAL GRANTS									
Current payments	34 478	(93)	-	34 385	33 383	1 002	97.1%	41 675	14 226
Transfers and subsidies	925 024	-	-	925 024	922 244	2 780	99.7%	881 360	878 407
Payment for capital assets	8 828	93	-	8 921	4 837	4 084	54.2%	14 801	16 715
Total	21 827 609	-	(39 491)	21 788 118	21 843 849	(55 731)	100.3%	21 430 032	21 041 844

Appropriation Statement for the year ended 31 March 2014

Economic classification	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	18 844 410	-	-	18 844 410	18 833 110	11 300	99.9%	18 274 469	18 077 852
Goods and services	1 090 468	(26 456)	(98 491)	965 521	969 216	(3 695)	100.4%	853 475	909 747
Interest and rent on land					3	(3)		-	-
Transfers and subsidies to:									
Departmental agencies and accounts									20
Non-profit institutions	1 762 853	-	59 000	1 821 853	1 846 612	(24 759)	101.4%	1 977 069	1 734 761
Households	103 237	-	-	103 237	167 249	(64 012)	162.0%	168 310	171 711
Gifts and donations								-	-
Payment for capital assets									
Buildings and other fixed structures	21 340	26 456	-	47 796	25 039	22 757	52.4%	26 013	18 133
Machinery and equipment	5 301	-	-	5 301	2 620	2 681	49.4%	5 025	3 949
Intangible assets									
Payments for financial assets								125 671	125 671
Total	21 827 609	-	(39 491)	21 788 118	21 843 849	(55 731)	100.3%	21 430 032	21 041 844

Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14					2012/13			
	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
3.1 PRIMARY PHASE									
Current payment Transfers and subsidies	59 769	(450)	-	59 319	58 901	418	99.3%	37 937	37 427
3.2 SECONDARY PHASE									
Current payment Transfers and subsidies	40 376	450	-	40 826	40 657	169	99.6%	21 555	21 429
Total	100 145	-	-	100 145	99 558	587	99.4%	59 492	58 856

Economic classification	2013/14					2012/13			
	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 to Non-profit institutions Households	100 145	-	-	100 145	99 558	587	99.4%	59 492	58 856
Payments for financial assets									
Total	100 145	-	-	100 145	99 558	587	99.4%	59 492	58 856

Appropriation Statement for the year ended 31 March 2014

Detail per programme	2013/14						2012/13		
	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
4.1 SCHOOLS									
Current payment	423 049	(5 200)	-	417 849	398 746	19 103	95.4%	422 491	379 592
Transfers and subsidies	59 431	-	-	59 431	59 621	(190)	100.3%	61 932	61 966
Payment for capital assets	5 000	-	-	5 000	-	5 000		5 273	826
4.2 HUMAN RESOURCE DEVELOPMENT									
Current payment	2 235	5 200	-	7 435	7 435	-	100.0%	1 643	496
Transfers and subsidies					56	(56)		-	-
4.3 IN-SCHOOL SPORT AND CULTURE									
Current payment	4 916	-	-	4 916	3 090	1 826	62.9%	2 878	2 031
Total	494 631	-	-	494 631	468 948	25 683	94.8%	494 217	444 911

Appropriation Statement for the year ended 31 March 2014

Economic classification	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	416 211	-	-	416 211	396 628	19 583	95.3%	402 036	373 227
Goods and services	13 989	-	-	13 989	12 630	1 359	90.3%	25 455	8 892
Interest and rent on land					13	(13)		-	-
Transfers and subsidies to:									
Non-profit institutions	58 157	-	-	58 157	57 157	1 000	98.3%	59 435	60 415
Households	1 274	-	-	1 274	2 520	(1 246)	197.8%	1 517	1 551
Payment for capital assets									
Machinery and equipment	5 000	-	-	5 000	-	5 000		5 774	826
Intangible assets								-	-
Total	494 631	-	-	494 631	468 948	25 683	94.8%	494 217	444 911

Detail per sub-programme	2013/14					2012/13			
	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
5.6 CONDITIONAL GRANTS-FET									
Current payments	289 608	(11 360)	-	278 248	24 810	253 438	8.9%	265 171	254 936
Transfers and subsidies	4 763	11 360	-	16 123	265 595	(249 472)	1647.3%	430 030	428 303
Payment for capital assets	3 445	-	-	3 445	2 754	691	79.9%	9 287	5 521
Total	297 816	-	-	297 816	293 159	4 657	98.4%	704 488	688 760

Appropriation Statement for the year ended 31 March 2014

Economic classification	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	281 565	(11 360)	-	270 205	17 533	252 672	6.5%	253 348	251 909
Goods and services	8 043	-	-	8 043	7 279	764	90.5%	11 823	3 027
Transfers and subsidies to									
Non-profit institutions	2 749	11 360	-	14 109	265 551	(251 442)	1882.1%	428 112	428 112
Households	2 014	-	-	2 014	43	1 971	2.1%	1 918	191
Payment for capital assets									
Buildings and other fixed structures	3 445	-	-	3 445	2 753	692	79.9%	9 287	5 521
Machinery and equipment									
Intangible assets									
Total	297 816	-	-	297 816	293 159	4 657	98.4%	704 488	688 760

Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14					2012/13			
	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
6.1 PUBLIC CENTRES									
Current payment	376 867	-	-	376 867	377 279	(412)	100.1%	350 499	345 618
Transfers and subsidies	362	-	-	362	205	157	56.6%	316	151
Payment for capital assets	154	-	-	154	-	154		146	-
6.2 SUBSIDIES TO PRIVATE CENTRES									
Current payment									
6.3 PROFESSIONAL SERVICES									
Current payment					12	(12)			
6.4 HUMAN RESOURCES DEVELOPMENT									
Current payments	1 872	-	(700)	1 172	732	440	62.5%	1 462	628
Total	379 255	-	(700)	378 555	378 228	327	99.9%	352 423	346 397

Appropriation Statement for the year ended 31 March 2014

Economic classification	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	372 806	-	-	372 806	374 902	(2 096)	100.6%	346 997	343 144
Goods and services	5 933	-	(700)	5 233	3 121	2 112	59.6%	4 964	3 102
Transfers and subsidies to:									
Non-profit institutions	362	-	-	362	205	157	56.6%	316	151
Households									
Payment for capital assets									
Machinery and equipment	154	-	-	154	-	154	-	146	-
Total	379 255	-	(700)	378 555	378 228	327	99.9%	352 423	346 397

Appropriation Statement for the year ended 31 March 2014

Detail per programme	2013/14					2012/13			
	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
7.1 GRADE R IN PUBLIC SCHOOLS									
Current payment	366 813	-	(2 000)	364 813	350 772	14 041	96.2%	336 179	320 131
Transfers and subsidies	64 625	12 271	-	76 896	76 691	205	99.7%	39 406	39 365
Payment for capital assets	276	-	-	276	209	67	75.7%	-	-
7.2 GRADE R IN COMMUNITY CENTRES									
Current payment									
7.3 PRE- GRADE R									
Current payment	5 460	-	(4 000)	1 460	148	1 312	10.1%	2 144	723
Transfers and subsidies	14 737	(12 271)	-	2 466	-	2 466		6 412	2 332
7.4 HUMAN RESOURCE DEVELOPMENT									
Current payments	1 897	-	-	1 897	1 270	627	66.9%	1 413	806
Total	453 808	-	(6 000)	447 808	429 090	18 718	95.8%	385 554	363 357

Appropriation Statement for the year ended 31 March 2014

Economic classification	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	351 275	-	-	351 275	338 551	12 724	96.4%	330 540	304 143
Goods and services	22 895	-	6 000	16 895	13 640	3 255	80.7%	9 196	17 518
Transfers and subsidies to:									
Non-profit institutions	79 362	-	-	79 362	76 658	2 704	96.6%	45 818	41 687
Households					32	(32)		-	9
Payment for capital assets									
Machinery and equipment	276	-	-	276	209	67	75.7%	-	-
Total	453 808	-	(6 000)	447 808	429 090	18 718	95.8%	385 554	363 357

Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14					2012/13			
	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
8.1 ADMINISTRATION									
Current payment	40 630	20 975	-	61 605	55 347	6 258	89.8%	-	-
Transfers and subsidies	-	-	-	-	204	(204)	-	-	-
Payment for capital assets	203 867	(20 975)	-	182 892	88 302	94 590	48.3%	54 079	39 741
8.2 PUBLIC ORDINARY SCHOOLS									
Current payment	129 407	-	-	129 407	203 543	(74 136)	157.3%	83 208	14 756
Transfers and subsidies									
Payment for capital assets	929 512	-	-	929 512	1 042 713	(113 201)	112.2%	610 330	785 102
8.3 SPECIAL SCHOOLS									
Current payment	16 145	-	-	16 145	21 212	(5 067)	131.4%	-	-
Payment for capital assets	155 348	-	-	155 348	87 315	68 033	56.2%	140 003	86 989
8.4 EARLY CHILDHOOD DEVELOPMENT									
Current payments	50 000	-	-	50 000	-	50 000	-	-	-
Payment for capital assets	131 192	-	-	131 192	60 458	70 734	46.1%	115 421	72 566
Total	1 656 101	-	-	1 656 101	1 559 094	97 007	94.1%	1 003 041	999 154

Appropriation Statement for the year ended 31 March 2014

Economic classification	2013/14					2012/13			
	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
Current payments									
Compensation of employees	8 130	-	-	8 130	7 115	1 015	87.5%	-	-
Goods and services	228 052	20 975	-	249 027	272 986	(23 959)	109.6%	83 208	14 755
Transfers and subsidies to:									
Households					204	(204)		-	-
Payment for capital assets									
Buildings and other fixed structures	1 418 919	(20 975)	-	1 397 944	1 278 287	119 657	91.4%	919 833	984 399
Machinery and equipment	750	-	-	750	416	334	55.5%	-	-
Intangible assets	250	-	-	250	86	164	34.4%	-	-
Total	1 656 101	-	-	1 656 101	1 559 094	97 007	94.1%	1 003 041	999 154

Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14					2012/13			
	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
9.1 PAYMENT TO SETA									
Transfers and subsidies	12 150	-	-	12 150	12 150	-	100.0%	12 342	12 342
9.2 PROFESSIONAL SERVICES									
Current payment	52 712	(7 899)	(4 327)	40 486	39 252	1 234	97.0%	48 287	40 337
Transfers and subsidies	4 459	856	-	5 315	(15)	15	82.4%	(980)	185
Payment for capital assets					4 377	938		4 776	1 010
9.3 CONDITIONAL GRANTS									
PROJECTS									
Current payment	19 237	-	-	19 237	19 104	133	99.3%	22 075	22 294
Transfers and subsidies	15 478	-	-	15 478	15 453	25	99.8%	16 200	16 196
Payment for capital assets	180	-	-	180	-	180		411	6
9.4 SPECIAL PROJECTS									
Current payments	374	-	-	374	16	358	4.3%	-	864
Payment for capital assets								896	
9.5 EXTERNAL Examinations									
Current payments	200 278	7 899	(6 241)	201 936	201 936	-	100.0%	171 833	176 806
Transfers and subsidies	16 591	-	-	16 591	16 274	317	98.1%	14 478	21 131
Payment for capital assets	1 607	(856)	-	751	16	735	2.1%	680	24
Total	323 066	-	(10 568)	312 498	308 563	3 935	98.7%	290 998	291 195

Appropriation Statement for the year ended 31 March 2014

Economic classification	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	133 195	-	(17 907)	115 288	114 087	1 201	99.0%	152 832	126 515
Goods and services	139 406	-	7 339	146 745	146 221	524	99.6%	90 259	113 786
Transfers and subsidies to									
Departmental agencies and accounts	12 150	-	-	12 150	12 150	-	100.0%	12 342	12 342
Non-profit institutions	32 069	-	-	32 069	31 726	343	98.9%	29 698	37 512
Households					(15)	15		-	-
Payment for capital assets									
Machinery and equipment	6 246	-	-	6 246	4 394	1 852	70.3%	5 867	1 040
Total	323 066	-	(10 568)	312 498	308 563	3 935	98.7%	290 998	291 195

Notes to the Appropriation Statement for the year ended 31 March 2014

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-D) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
ADMINISTRATION	2 061 473	2 068 528	(7 055)	-0.3%
Explanation of variance: There had been an attempt by the department to pay long outstanding leave gratuities that have remained as accruals from the previous year. The overspending has also been created by payment of arrear salaries effected, utilising 2013/14 budget. This has created this programme to overspend its overall budget.				
PUBLIC ORDINARY SCHOOLS	21 788 118	21 843 849	(55 731)	-0.3%
Explanation of variance: This programme has overspent its budget on leave gratuity payments and on transfers to schools. This was due to accruals arising from unpaid invoices of booksellers and due to leave gratuity accruals paid utilising current year's budget.				
INDEPENDENT SCHOOLS SUBSIDIES	100 145	99 558	587	0.6%
Explanation of variance: The under spending on this programme was due to five (5) schools that did not comply with the requirement of submission of Annual Financial Statements as a pre-requisite for the payment of second tranche.				
PUBLIC SPECIAL SCHOOL EDUCATION	494 631	468 948	25 683	5.2%
Explanation of variance: The under spending on this programme was due to delay in the appointment of 122 learner support facilitators and 90 non-teaching staff. The under spending was also caused by the delay in the procurement of assistive devices and school buses due to adaptations that are required and that must be suitable for learners with special needs.				
FURTHER EDUCATION AND TRAINING	297 816	293 159	4 657	1.6%
Explanation of variance: The programme could not hold some of the planned activities due to the compliance to the austerity measures. The programme also underspent its budget due to non-filling of posts which became vacant during the year as these are filled by colleges and remunerated outside the department's system.				

Notes to the Appropriation Statement for the year ended 31 March 2014

Adult Education AND TRAINING	378 555	378 228	327	0.1%
Explanation of variance: The under spending on this programme was due to four AET centres transfers that could not be made due to lack of banking details and acquisition of machinery and equipment was deferred to 2014/15 financial year.				
EARLY CHILDHOOD DEVELOPMENT	447 808	429 090	18 718	4.2%
Explanation of variance: The programme could not finalise the contracting of the service providers to provide Level 4 training of pre-grade R practitioner which mainly resulted to under spending of its budget. This training is linked to stipends paid on this programme.				
INFRASTRUCTURE DEVELOPMENT	1 656 101	1 559 094	97 007	5.9%
Explanation of variance : The registered under spending for this programme is due to equitable share budget received during the budget adjustment period which could not all be spent by the end of financial year end.				
AUXILLIARY AND ASSOCIATED SERVICES	312 498	308 563	3 935	1.3%
Explanation of variance: The underspending on this programme was due to financial obligations around supplementary examinations processes not being fully met by the end of the financial year.				

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	22 101 338	21 804 939	296 399	1.3%
Goods and services	1 702 746	1 731 757	(29 011)	(1.7%)
Interest and rent on land	-	(29)	29	0.0%
Transfers and subsidies				
Departmental agencies and accounts	12 150	12 150	-	0.0%
Non-profit institutions	2 106 246	2 377 584	(271 338)	(12.9%)
Households	114 521	186 105	(71 584)	(62.5%)
Payments for capital assets				
Buildings and other fixed structures	1 401 389	1 281 040	120 349	8.6%
Machinery and equipment	92 589	54 442	38 147	41.2%
Intangible assets	7 901	2 706	5 195	65.8%

Explanation of variance

Goods and Services: The main reason for the overspending on this line item was due to payment of accruals, litigations that the department was faced with during the current period.

Transfers and Subsidies: The main reason for the over expenditure is the payment of outstanding backlogs of leave gratuity obligations.

Payment of capital assets: Underspending on machinery and equipment is due to the fact that budgets were reprioritised to cover other budget pressures in other areas. Buildings and other fixed structures underspent its equitable share budget due to disaster/storm damage projects not finalised and paid at the end of the financial year.

Notes to the Appropriation Statement for the year ended 31 March 2014

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Basic Education				
Hiv/Aids (Life Skills Edu) Grant	34 895	34 555	340	1.0%
Nat School Nutrition Prog Grnt	949 162	943 436	5 726	0.6%
Tech Sec School Recap Gr	34 595	7 047	27 548	79.6%
Dinaledi Schools Grant	12 620	11 271	1 349	10.7%
Educ Infrastructur Grant	1 010 870	1 130 962	(120 092)	(11.9%)
Extended Public Works programme	3 000	2 442	558	18.6%
Higher Education and Training				
Further Edu and Train Col Grant	296 421	293 158	3 263	1.1%

Explanation of variance

HIV/AIDS (Life Skills Edu) Grant: SandT Claims as the result of monitoring done on the fourth quarter were not paid at the end of the year.

NSNP: The underspending is due to not transferring to schools that were closed and that transfers for feeding could not be made. Procurement processed for the acquisition of machinery and equipment took longer than anticipated.

Technical Sec School Recap Grant: Under spending is caused by late contracting of three (3) contracts for the construction of workshops.

Dinaledi Schools Grant: The underspending by this Conditional Grant is due to the non-delivery of 2 ITC trolleys for schools.

Education Infrastructure Grant: The overspending registered by this grant is due to projects that were paid during the year faster than was anticipated.

EPWP: Delays by service providers to submit invoices for the renovations done in certain districts.

FET Colleges: The underspending is due to the fact that staff who leave the system are not replaced and paid by the department but are replaced and paid directly by the relevant FET College.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2014

	Note	2013/14 R'000	2012/13 R'000
REVENUE			
Annual appropriation	1	27 537 145	26 753 067
Statutory appropriation	2	1 735	1 645
Departmental revenue	3	9 431	-
TOTAL REVENUE		27 548 311	26 754 712
EXPENDITURE			
Current expenditure			
Compensation of employees	4	21 804 939	21 054 358
Goods and services	5	1 731 757	1 391 876
Interest and rent on land	6	29	-
Unauthorised expenditure approved without funding	10	-	33 652
Total current expenditure		23 536 725	22 479 886
Transfers and subsidies			
Transfers and subsidies	8	2 575 839	2 577 136
Total transfers and subsidies		2 575 839	2 577 136
Expenditure for capital assets			
Tangible assets	9	1 335 482	1 033 913
Intangible assets	9	2 706	3 987
Total expenditure for capital assets		1 338 188	1 037 900
Payments for financial assets	7.1	-	125 671
TOTAL EXPENDITURE		27 450 752	26 220 593
SURPLUS/(DEFICIT) FOR THE YEAR		97 559	534 119
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		88 128	534 119
Annual appropriation		49 344	525 397
Conditional grants		38 784	8 722
Departmental revenue and NRF Receipts	15	9 431	-
SURPLUS/(DEFICIT) FOR THE YEAR		97 559	534 119

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
ASSETS			
Current assets		152 747	365 076
Unauthorised expenditure	10	62 786	289 617
Cash and cash equivalents	11	-	13 465
Prepayments and advances	12	6 426	7 223
Receivables	13	83 535	54 771
TOTAL ASSETS		152 747	365 076
LIABILITIES			
Current liabilities		137 255	354 152
Voted funds to be surrendered to the Revenue Fund	14	138 255	331 252
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	(42 077)	(14 481)
Bank overdraft	16	248	-
Payables	17	40 829	37 381
TOTAL LIABILITIES		137 255	354 152
NET ASSETS		15 492	10 924
	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Represented by:			
Recoverable revenue		15 492	10 924
TOTAL		15 492	10 924

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Recoverable revenue			
Opening balance		10 924	59 947
Transfers		4 568	(49 023)
Irrecoverable amounts written off		-	(49 977)
Debts revised		(726)	1 246
Debts recovered (included in departmental receipts)		(9 281)	(1 001)
Debts raised		14 575	709
Closing balance		15 492	10 924
TOTAL		15 492	10 924

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		27 595 219	26 741 201
Annual appropriated funds received	1.1	27 524 486	26 694 692
Statutory appropriated funds received	2	1 735	1 645
Departmental revenue received	3	68 964	44 684
Interest received	3.3	34	180
Net (increase)/decrease in working capital		202 312	75 334
Surrendered to Revenue Fund		(427 846)	(108 422)
Current payments		(23 473 910)	(22 479 886)
Interest paid	6	(29)	-
Payments for financial assets		-	(125 671)
Transfers and subsidies paid		(2 575 839)	(2 577 136)
Net cash flow available from operating activities	18	1 319 907	1 525 420
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(1 338 188)	(1 037 900)
Net cash flows from investing activities		(1 388 188)	(1 037 900)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		4 568	(49 023)
Net cash flows from financing activities		4 568	(49 023)
Net increase/(decrease) in cash and cash equivalents		(13 713)	438 497
Cash and cash equivalents at beginning of period		13 465	(425 032)
Cash and cash equivalents at end of period	19	(248)	13 465

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

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.

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.

1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p>Revenue</p>
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014	
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. 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.
8.2	Other expenditure 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.
8.3	Leases
8.3.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.3.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position. 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.
10	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

11	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
12	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
13	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
14	<p>Capital Assets</p>
14.1	<p>Immovable capital assets</p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
14.2	<p>Movable capital assets</p> <p>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.</p> <p>Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

14.3	<p>Intangible assets</p> <p>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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
15	<p>Provisions and Contingents</p>
15.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
15.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably</p>
15.3	<p>Commitments</p> <p>Commitments 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>
16	<p>Unauthorised expenditure</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"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

17	<p>Fruitless and wasteful expenditure</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.</p> <p>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>
28	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the irregularity 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 or transferred to receivables for recovery.</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>
19	<p>Prior period errors</p> <p>Prior period errors are disclosed when a correction is made in the financial statements. These errors are corrected retrospectively.</p>
20	<p>Agent-Principal arrangements</p> <p>Infrastructure payments to suppliers/service provider, are paid by DPRW as an Implementing Agent.</p>
21	<p>Related Party Transactions</p> <p>Specific information with regards to related party transactions is recorded in the notes to the financial statements.</p>
22	<p>Contingent Assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
23	<p>Recoverable Revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
24	<p>Key Management Personnel</p> <p>Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.</p>
25	<p>Accruals</p> <p>Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.</p>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

26	Employee Benefits Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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:

	2013/14			2012/13
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	2 061 473	2 061 473	-	2 052 151
Public Ordinary School Education	21 788 118	21 775 459	12 659	22 121 758
Independent School Subsidies	100 145	100 145	-	59 492
Public Special School Education	494 631	494 631	-	639 060
Further Education and Training	297 816	297 816	-	695 766
Adult Education and Training	378 555	378 555	-	352 423
Early Childhood Development	447 808	447 808	-	505 054
Infrastructure Development	1 656 101	1 656 101	-	268 988
Auxiliary and associated Services	312 498	312 498	-	-
Total	27 537 145	27 524 486	12 659	26 694 692

Funds for the Technical Secondary School grant was withheld due to under spending noted during the 2013/14 financial year

1.2 Conditional grants

	Note	2013/14	2012/13
		R'000	R'000
Total grants received	36	2 328 904	2 592 807
Provincial grants included in Total Grants received		2 328 904	2 592 807

These conditional grants are included in the amounts per final appropriation in note 1.1

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

2. Statutory Appropriation

	2013/14 R'000	2012/13 R'000
President and Deputy President salaries		
Member of executive committee/parliamentary officers	1 735	1 645
Total	1 735	1 645
Actual Statutory Appropriation received	1 735	1 645

3. Departmental revenue

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Sales of goods and services other than capital assets	3.1	48 334	44 643
Fines, penalties and forfeits	3.2	151	41
Interest, dividends and rent on land	3.3	34	180
Transactions in financial assets and liabilities	3.5	20 479	-
Total revenue collected		68 998	44 864
Less: Own revenue included in appropriation	19	59 567	44 864
Departmental revenue collected		9 431	-

3.1 Sales of goods and services other than capital assets

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Sales of goods and services produced by the department	3	48 334	44 643
Sales by market establishment		56	71
Other sales		48 278	44 572
Total		48 334	44 643

3.2 Fines, penalties and forfeits

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Fines	3	151	41
Total		151	41

3.3 Interest, dividends and rent on land

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Interest	3	34	180
Total		34	180

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

3.4 Transactions in financial assets and liabilities

	<i>Note</i>	2013/14	2012/13
	3	R'000	R'000
Receivables		537	-
Stale cheques written back		5 336	-
Other Receipts including Recoverable Revenue		14 606	-
Total		20 479	-

4. Compensation of employees

4.1 Salaries and Wages

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Basic salary		16 352 088	15 724 560
Performance award		47 906	53 468
Service Based		56 788	60 409
Compensative/circumstantial		247 047	149 800
Periodic payments		12 084	9 435
Other non-pensionable allowances		2 171 985	2 196 656
Total		18 887 898	18 194 328

The 2012/13 Compensative/circumstantial figure has been restated to from R136,383 to R149,800 due to changes in SCOA reimplementation with regards to Learnership item that has been moved to Compensative/circumstantial.

4.2 Social contributions

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Employer contributions			
Pension		1 965 352	1 873 533
Medical		945 626	981 100
UIF		89	158
Bargaining council		2 225	1 382
Official unions and associations		3 749	3 857
Total		2 917 041	2 860 030
Total compensation of employees		21 804 939	21 054 358
Average number of employees		79 990	81 216

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

5. Goods and services

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Administrative fees		831	734
Advertising		2 236	4 303
Capital assets less than R5 000	5.1	7 231	8 312
Bursaries (employees)		70 777	61 334
Catering		50 769	39 443
Communication		21 643	23 904
Computer services	5.2	32 147	40 761
Consultants, contractors and agency/outsourced services	5.3	444 272	206 206
Entertainment		69	69
Audit cost – external	5.4	18 472	20 948
Inventory	5.5	637 978	440 759
Consumables	5.6	78 651	103 591
Operating leases		25 114	42 196
Property payments	5.7	69 085	128 805
Rental and hiring		8	-
Transport provided as part of the departmental activities		1 201	32 492
Travel and subsistence	5.8	188 611	164 710
Venues and facilities		4 708	2 584
Training and development		45 122	40 347
Other operating expenditure	5.9	32 832	30 378
Total		<u>1 731 757</u>	<u>1 391 876</u>

The 2012/13 Other Operating expenditure figure has been restated from RM43 795 to RM30 378 due to changes in SCOA re-implementation with regards to Learnership item that has been moved to Compensative/Circumstantial. Due to the implementation of the Modified Cash Basis by all departments, the classification of inventory has been revised which affected the following Items:

Capital Assets less than R5000 - School Furniture has been classified under inventory - RM23 230
Stationery and Printing is now classified as consumables - RM91 298.
All other inventory items previously disclosed excluding the LTSM are now classified as Consumables - RM12 293.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

5.1 Capital assets less than R5 000

	Note	2013/14	2012/13
	5	R'000	R'000
Tangible assets		5 801	6 278
Buildings and other fixed structures		-	-
Machinery and equipment		5 801	6 278
Intangible assets		1 430	2 034
Total		7 231	8 312

5.2 Computer services

	Note	2013/14	2012/13
	5	R'000	R'000
SITA computer services		32 147	32 782
External computer service providers		-	7 979
Total		32 147	40 761

5.3 Consultants, contractors and agency/outsourced services

	Note	2013/14	2012/13
	5	R'000	R'000
Business and advisory services		22 545	52 049
Infrastructure and planning		290	-
Legal costs		26 520	36 297
Contractors		278 608	422
Agency and support/outsourced services		116 309	117 438
Total		444 272	206 206

5.4 Audit cost – External

	Note	2013/14	2012/13
	5	R'000	R'000
Regularity audits		17 244	20 837
Computer audits		1 228	111
Total		18 472	20 948

5.5 Inventory

	Note	2013/14	2012/13
	5	R'000	R'000
Learning, teaching and support material		586 078	417 529
Other supplies	5.5.1	51 900	23 230
Total		637 978	440 759

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

5.5.1 Other supplies

	Note	2013/14	2012/13
	5.5	R'000	R'000
Assets for distribution		51 900	23 230
Total		51 900	23 230

5.6 Consumables

	Note	2013/14	2012/13
	5	R'000	R'000
Consumable supplies		10 994	12 293
Uniform and clothing		194	-
Household supplies		1 461	-
IT consumables		492	-
Other consumables		8 847	12 293
Stationery, printing and office supplies		67 657	91 298
Total		78 651	103 591

5.7 Property payments

	Note	2013/14	2012/13
	5	R'000	R'000
Municipal services		50 853	88 107
Property maintenance and repairs		3 493	21 153
Other		14 739	19 545
Total		69 085	128 805

5.8 Travel and subsistence

	Note	2013/14	2012/13
	5	R'000	R'000
Local		188 611	164 710
Total		188 611	164 710

5.9 Other operating expenditure

	Note	2013/14	2012/13
	5	R'000	R'000
Resettlement costs		2 712	2 032
Other		30 120	28 346
Total		32 832	30 378

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

6. Interest and rent on land

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Interest paid		29	-
Total		29	-

7. Payments for financial assets

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Debts written off	7.1	-	125 671
Total		-	125 671

7.1 Debts written off

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Nature of debts written off	7		
Amount owed by schools written off		-	30 383
Fruitless and Wasteful expenditure		-	15 942
Irrecoverable debts		-	69 932
Premier's Discretionary Fund		-	6 000
Transactions in financial assets and liabilities		-	3 414
		-	
Total		-	125 671
Total debt written off		-	125 671

8. Transfers and subsidies

		2013/14	2012/13
Departmental agencies and accounts	<i>Annex 1A</i>	12 150	12 362
Higher education institutions	<i>Annex 1B</i>	-	19 316
Non-profit institutions	<i>Annex 1G</i>	2 377 584	2 361 573
Households	<i>Annex 1H</i>	186 105	183 885
Total		2 575 839	2 577 136

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

9. Expenditure for capital assets

	Note	2013/14 R'000	2012/13 R'000
Tangible assets		1 335 482	1 033 913
Buildings and other fixed structures	33	1 281 040	989 919
Machinery and equipment	31	54 442	43 994
Intangible assets		2 706	3 987
Software	32	2 706	3 987
Total		1 338 188	1 037 900

9.1 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	1 335 482		1 355 482
Buildings and other fixed structures	1 281 040	-	1 281 040
Machinery and equipment	54 442	-	54 442
Intangible assets	2 706		2 706
Software	2 706	-	2 706
Total	1 338 188		1 338 188

9.2 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	1 033 913		1 033 913
Buildings and other fixed structures	989 919	-	989 919
Machinery and equipment	43 994	-	43 994
Intangible assets	3 987		3 987
Software	3 987	-	3 987
Total	1 037 900		1 037 900

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

10. Unauthorised expenditure

10.1 Reconciliation of unauthorised expenditure

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Opening balance		289 617	323 269
Prior year error		-	-
As restated		<u>289 617</u>	<u>323 269</u>
Unauthorised expenditure – discovered in current year (as restated)		62 786	-
Less: Amounts approved by Parliament/Legislature with funding		(289 617)	-
Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance		-	(33 652)
Capital		-	-
Current		-	(33 652)
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery	13	-	-
Unauthorised expenditure awaiting authorisation / written off		<u>62 786</u>	<u>289 617</u>

10.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2013/14	2012/13
	R'000	R'000
Capital	-	-
Current	-	289 617
Transfers and Subsidies	62 786	-
Total	<u>62 786</u>	<u>289 617</u>

10.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2013/14	2012/13
	R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	62 786	289 617
Total	<u>62 786</u>	<u>289 617</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

10.4 Details of unauthorised expenditure - current year

2013/14
R'000

Incident	Disciplinary steps taken/criminal proceedings	
		62 786
Total		62 786

11. Cash and cash equivalents

	Note	2013/14 R'000	2012/13 R'000
Consolidated Paymaster General Account		-	13 465
Total		-	13 465

12. Prepayments and advances

	Note	2013/14 R'000	2012/13 R'000
Advances paid	12.1	6 426	7 223
Total		6 426	7 223

12.1 Advances paid

	Note	2013/14 R'000	2012/13 R'000
Public entities	12	6 426	7 223
Total		6 426	7 223

13. Receivables

		2013/14			2012/13
	Note	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total
Staff debt	13.1	15 153	60 816	5 522	81 491
Fruitless and wasteful expenditure	13.3	-	-	-	-
Other debtors	13.2	-	87	1 957	2 044
Total		15 153	60 903	7 479	83 535
					54 771

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

13.1 Staff debt

	<i>Note</i>	2013/14	2012/13
	15	R'000	R'000
(Group major categories, but list material items)			
Debt Account		23 560	17 580
Salary Reversal Control Account		50 737	29 921
Other Salary Accounts		-	1
Pension Recoverable		443	443
Deduction Disallowance Account		741	361
Sal: Tax Debt		6 010	4 495
Total		81 491	52 801

13.2 Other debtors

	<i>Note</i>	2013/14	2012/13
	13	R'000	R'000
(Group major categories, but list material items)			
Disallowance Payment Fraud		1 957	1 957
UNP/RC BAS EBT Contr Acc: Dom		40	13
Unallocated Credits		1	-
Receipt Control Account		1	-
Receipt Deposit Control		45	-
Total		2 044	1 970

13.3 Fruitless and wasteful expenditure

	<i>Note</i>	2013/14	2012/13
	13	R'000	R'000
Opening balance		-	15 942
Less amounts recovered		-	-
Less amounts written off		-	(15 942)
Transfers from note 32 Fruitless and Wasteful Expenditure		-	-
Total		-	-

13.4 Impairment of receivables

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Estimate of impairment of receivables		5 166	2 962
Total		5 166	2 962

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

14. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Opening balance		331 252	(99 851)
Prior period error (2012/13)		-	-
As restated		331 252	(99 851)
Transfer from statement of financial performance (as restated)		88 128	534 119
Add: Unauthorised expenditure for current year	<i>10</i>	62 786	-
Voted funds not requested/not received	<i>1.1</i>	(12 659)	(58 375)
Paid during the year		(331 252)	(44 641)
Closing balance		138 255	331 252

15. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Opening balance		(14 481)	4 436
Prior period error (2012/13)	<i>19.1</i>	-	-
As restated		(14 481)	4 436
Transfer from Statement of Financial Performance (as restated)		9 431	-
Own revenue included in appropriation		59 567	44 864
Paid during the year		(96 594)	(63 781)
Closing balance		(42 077)	(14 481)

16. Bank Overdraft

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Consolidated Paymaster General Account		248	-
Total		248	-

17. Payables – current

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Clearing accounts	<i>17.1</i>	14 081	10 612
Other payables	<i>17.2</i>	26 748	26 769
Total		40 829	37 381

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

17.1 Clearing accounts

	Note	2013/14	2012/13
	17	R'000	R'000
(Identify major categories, but list material amounts)			
Sal:ACB Recalls		9 890	8 459
Sal: Garnishee Order		151	1 095
Medical Aid		351	860
Sal: Pension Fund		567	2
Sal: Income Tax		3 072	-
Other		50	-
Housing Loan Guarantees		-	8
Sal: Finance and other Institutions		-	4
Disallowance account		-	184
Total		14 081	10 612

17.2 Other payables

	Note	2013/14	2012/13
	17	R'000	R'000
Description			
Unauthorised Expenditure Surplus Funds Received		26 748	26 748
Receipt Control Deposit		-	21
Total		26 748	26 769

18. Net cash flow available from operating activities

	Note	2013/14	2012/13
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		97 559	534 119
Add back non cash/cash movements not deemed operating activities		1 222 348	991 301
(Increase)/decrease in receivables – current		(28 764)	138 194
(Increase)/decrease in prepayments and advances		797	7 537
(Increase)/decrease in other current assets		289 617	49 594
Increase/(decrease) in payables – current		3 448	(119 991)
Expenditure on capital assets		1 338 188	1 037 900
Surrenders to Revenue Fund		(427 846)	(108 422)
Voted funds not requested/not received		(12 659)	(58 375)
Own revenue included in appropriation		59 567	44 864
Net cash flow generated by operating activities		1 319 907	1 525 420

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Consolidated Paymaster General account		(248)	13 465
Total		(248)	13 465

20. Contingent liabilities and contingent assets

20.1 Contingent liabilities

		<i>Note</i>	2013/14	2012/13
			R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 2A</i>	75 254	105 978
Claims against the department		<i>Annex 2B</i>	110 297	82 737
Intergovernmental payables (unconfirmed balances)		<i>Annex 4</i>	127	52
Total			185 678	188 767

The following contingent liabilities 2012/13 closing balances have been restated due to new information that became available to the department which was not available at the time of approval of the financial statements in prior years.

Housing loan guarantees from RM111 438 to RM105 978

Claims against the state from RM226 877 to RM82 737

Housing loan guarantees are guarantees issued by the department in terms of the policy and procedure Guarantee Scheme for Housing Loans for officials and employees in the public sector. These guarantees were not yet been released by financial institutions at 31 March 2014.

Claims against the State are claims against the department that were made which will only be settled either when the court decides that the Department is liable or when the Department accepts liability which were both unknown at 31 March 2014.

Intergovernmental payables are claims by other departments where the department has not yet confirmed liability as at 31 March 2014.

There is uncertainty with regards to the date of release of housing guarantees by the financial institutions and the finalization of the legal cases.

Contingent assets	2013/14	2013/14
	R'000	R'000
Nature of contingent asset		
Interdepartmental unconfirmed claims recoverable	3 636	2 673
TOTAL	3 636	2 673

These are salary related claims owed to the Department that have not been confirmed at year end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

21. Commitments

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Current expenditure			
Approved and contracted		36 839	753 135
Approved but not yet contracted		360	21 368
		<u>37 199</u>	<u>774 503</u>
Capital expenditure			
Approved and contracted		834 279	638 909
Approved but not yet contracted		411 000	5 319
		<u>1 245 279</u>	<u>644 228</u>
Total Commitments		<u>1 282 478</u>	<u>1 418 731</u>

22. Accruals

		2013/14 R'000	2012/13 R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services		75 241	28 207
Transfers and subsidies		149 247	129 806
Capital assets		11 983	16 831
Total		<u>236 471</u>	<u>174 844</u>

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Listed by programme level			
Programme 1		35 274	11 462
Programme 2		186 928	162 501
Programme 3		-	-
Programme 4		40	718
Programme 5		-	-
Programme 6		37	-
Programme 7		38	-
Programme 8		11 229	-
Programme 9		2 925	163
Total		<u>236 471</u>	<u>174 844</u>

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Confirmed balances with other departments	<i>Annex 4</i>	34 227	14 846
Total		<u>34 227</u>	<u>14 846</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

23. Employee benefits

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Leave entitlement		225 550	214 993
Service bonus (Thirteenth cheque)		673 759	639 939
Performance awards		4 320	951
Capped leave commitments		2 932 234	2 978 519
Other		31 425	72 349
Total		<u>3 867 288</u>	<u>3 906 751</u>

Included in the Capped leave is the negative capped leave amounting to R644 982.88.

24. Lease commitments

24.1 Operating leases expenditure

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	8 629	-	8 629
Later than 1 year and not later than 5 years	-	-	34 518	-	34 518
Later than five years	-	-	-	-	-
Total lease commitments	-	-	<u>43 147</u>	-	<u>43 147</u>

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	7 994	-	7 994
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	<u>7 994</u>	-	<u>7 994</u>

Operating lease disclosed are for private properties leased by the Department to run public schools.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

24.2 Finance leases expenditure**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2013/14					
Not later than 1 year	-	-	-	19 307	19 307
Later than 1 year and not later than 5 years	-	-	-	14 478	14 478
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	33 785	33 785

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2012/13					
Not later than 1 year	-	-	-	33 855	33 855
Later than 1 year and not later than 5 years	-	-	-	59 013	59 013
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	92 868	92 868

Finance lease is for cell phones, vehicles and photocopiers leased by the Department.

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	Note	2013/14 R'000	2012/13 R'000
Opening balance		1 456 230	1 449 063
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		4 792	7 167
Less: Prior year amounts condoned		(1 449 063)	-
Less: Current year amounts condoned		-	-
Less: Amounts recoverable (not condoned)		-	-
Less: Amounts not recoverable (not condoned)		-	-
Irregular expenditure awaiting condonation		11 959	1 456 230

Analysis of awaiting condonation per age classification

Current year	4 792	7 167
Prior years	7 167	1 449 063
Total	11 959	1 456 230

Irregular expenditure relating to prior years amounting to Rb1.4 was condoned during the year by the Accounting Officer.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

25.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2013/14 R'000
Butterworth	Under Investigation	219
Dutywa	Verbal Warning	429
Grahamstown	Under Investigation	521
Head Office	Verbal Warning	659
KWT	Verbal Warning	324
Libode	Under Investigation	1 007
Lusikisiki	Under Investigation	154
Mbizana	Under Investigation	156
Mt Fletcher	Under Investigation	407
Mt Frere	Under Investigation	437
Port Elizabeth	Under Investigation	148
Queenstown	Under Investigation	77
Qumbu	Under Investigation	254
Total		4 792

Expenditure incurred without proper compliance to procurement processes.

25.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2013/14 R'000
OBE school material expenditure in year 2005	Accounting Officer	15 100
Fleet Africa contract for transportation of learners	Accounting Officer	16 043
Procurement processes not followed	Accounting Officer	675 003
Over expenditure - Cost of Employees	Accounting Officer	610 192
Irregular personnel promotions	Accounting Officer	132 725
Total		1 449 063

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

25.4 Details of irregular expenditures under investigation

Incident	2013/14
	R'000
Contravention of Supplier Chain Management processes.	4 792
Total	4 792

26. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Opening balance		64 941	58 246
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		2 478	6 695
Less: Amounts resolved		-	-
Less: Amounts transferred to receivables for recovery		-	-
Fruitless and wasteful expenditure awaiting resolution		67 419	64 941

26.2 Analysis of awaiting resolution per economic classification

	2013/14	2012/13
	R'000	R'000
Current	2 478	4 627
Capital	-	2 068
Total	2 478	6 695

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

26.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2013/14 R'000
Port Elizabeth	Under investigation	464
Legal Services Interest paid	Under investigation	1 985
Interest paid	Under investigation	29
Total		2 478

27. Related party transactions

Payments made	Note	2013/14 R'000	2012/13 R'000
Goods and services		20 426	32 792
Interest and rent on land		-	-
Purchases of capital assets		798	1 536
Transactions in financial assets and liabilities		-	-
Transfers		-	-
Total		21 224	34 328

The amount for payments made in Goods and Services in year 2012/13 has been restated to comply with Modified Cash Standards.

	2013/14 R'000	2013/14 R'000
In kind goods and services provided/received		
The Department is utilising buildings paid for by the Department of Roads and Public Works.	20 397	30 213

List related party relationships

- 27.1 The Department is trading some companies directly owned or coowned by employees.
- 27.2 The Department is utilising buildings currently paid for by the Eastern Cape Department of Roads and Public Works.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

28. Key management personnel

	No. of Individuals	2013/14 R'000	2012/13 R'000
Political office bearers (provide detail below)	1	1 735	1 656
Officials:			-
Level 15 to 16	4	4 825	2 501
Level 14 (incl. CFO if at a lower level)	57	54 589	42 844
Family members of key management personnel	79	17 412	23 240
Total		78 561	70 241

29. Provisions

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Court order dated 25 March 2014, for the Department to pay a learner that suffered acid burns.		5 500	-
Total		5 500	-

29.1 Reconciliation of movement in provisions – 2013/14

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance				
Provisions raised	5 500	-	-	5 500
Closing balance	5 500	-	-	5 500

Court order dated 25 March 2014, for the Department to pay a learner that suffered acid burns. The department agreed to pay this amount as per court order.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

30. Non-adjusting events after reporting date

Nature of event	2013/14 R'000
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.	-
Total	<u>-</u>

31. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	84 618		34 203	-	118 445
Transport assets	8 178		5 797	-	13 975
Computer equipment	53 620		8 457	-	62 077
Furniture and office equipment	15 117		6 841	-	21 958
Other machinery and equipment	7 703		13 154	422	20 435
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	84 618		34 203	422	118 445

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

31.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	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
MACHINERY AND EQUIPMENT	54 442	-	(20 239)	46	34 249
Transport assets	25 018	-	(19 221)	-	5 797
Computer equipment	8 457	-	-	-	8 457
Furniture and office equipment	6 841	-	-	-	6 841
Other machinery and equipment	14 126	-	(1 018)	46	13 154
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	54 442	-	(20 239)	46	34 249

31.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT		422	422	
Transport assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	422	422	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS		422	422	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

31.3 Movement for 2012/13

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	154 918	(84 193)	21 699	7 806	84 618
Transport assets	727	391	7 060	-	8 178
Computer equipment	104 162	(57 046)	7 146	642	53 620
Furniture and office equipment	20 470	(5 677)	324	-	15 117
Other machinery and equipment	29 559	(21 861)	7 169	7 164	7 703
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	154 918	(84 193)	21 699	7 806	84 618

31.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	67 077	-	67 077
Curr Year Adjustments to Prior Year balances	-	-	-	-	-	-
Additions	-	-	-	7 231	-	7 231
Disposals	-	-	-	-	-	-
TOTAL MINOR ASSETS	-	-	-	74 308	-	74 308

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Minor Assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	21 131	-	21 131
Curr Year Adjustments to Prior Year balances	-	-	-	45 065	-	45 065
Additions	-	-	-	19 223	-	19 223
Disposals	-	-	-	18 342	-	18 342
TOTAL MINOR ASSETS	-	-	-	67 077	-	67 077

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	1 520	-	1 520
Number of minor assets at cost	-	-	-	171 568	-	171 568
TOTAL NUMBER OF MINOR ASSETS	-	-	-	173 088	-	173 088

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

32. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	8 796	-	2 706	-	11 502
TOTAL INTANGIBLE CAPITAL ASSETS	8 796	-	2 706	-	11 502

32.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-Cash	(Develop- ment 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	2 706	-	-	-	2 706
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	2 706	-	-	-	2 706

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

32.2 Movement for 2012/13

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	4 809	-	3 987	-	8 796
TOTAL INTANGIBLE CAPITAL ASSETS	4 809	-	3 987	-	8 796

33. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

33.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	1 281 040	-	(1 281 040)	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	1 281 040	-	(1 281 040)	-	-
Other fixed structures	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	1 281 040	-	(1 281 040)	-	-

33.2 S42 Immovable assets

Asset subjected to transfer in terms of S42 of the PFMA – 2013/14

	Number of assets	Value of Assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	340	1 611 365
Dwellings	-	-
Non-residential buildings	340	1 611 365
Other fixed structures	-	-
Total	340	1 611 365

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Assets subjected to transfer in terms of S42 of the PFMA - 2012/13

BUILDINGS AND OTHER FIXED STRUCTURES	190	511 579
Dwellings	-	-
Non-residential buildings	190	511 579
Other fixed structures	-	-
TOTAL	190	511 579

34. Agent-principal arrangements

34.1 Department acting as the principal

	2013/14 R'000
Eastern Cape department of Roads and Public Works	1 433 596
Total	1 433 596

Eastern Cape Department of Roads and Public Works is acting as an Agent for this department for all Infrastructure related projects.

35. Prior period errors

35.1 Correction of prior period error for secondary information

	<i>Note</i>	2012/13 R'000
The comparative amounts in <i>Note 20.1</i> were restated as follows:		
Housing loan guarantee		5 460
Claims against the state		144 140
Net effect on the note		149 600

The above prior period errors have been corrected due to new information that became available to the Department which was not available at the time of approval of financial statement in prior years.

These were misstatements in prior period financial statements which resulted from the department's failure to use reliable information during the preparation the financial statements in prior years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

36. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT			2012/13	
	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
Dinaledi School Gant	12 620	-	-	-	12 620	12 620	11 271	1 349	89%	11 964	11 656
Education Infrastructure Grant	1 010 870	-	-	-	1 010 870	1 010 870	1 130 962	(120 092)	112%	883 403	937 140
HIV and AIDS Grant	34 895	-	-	-	34 895	34 895	34 555	340	99%	35 252	38 417
National School Nutrition Programme	949 162	-	-	-	949 162	949 162	943 436	5 726	99%	903 644	892 095
Tech Sec Schools Recapitalisation	31 648	2 947	-	-	34 595	21 936	7 047	27 548	32%	30 000	29 725
Extended Public Works Programme	3 000	-	-	-	3 000	3 000	2 442	558	81%	1 000	973
Further Education and Training Grant	296 421	-	-	-	296 421	296 421	293 158	3 263	99%	688 593	687 164
	2 338 616	2 947	-	-	2 341 563	2 328 904	2 422 871	(81 308)		2 553 856	2 597 170

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2012/13
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
SETA	12 150	-	-	12 150	12 150	100%	12 362
	12 150	-	-	12 150	12 150		12 362

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2012/13
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers to NSFAS	-	-	-	-	-	-	-	19 317
	-	-	-	-	-	-	-	19 317

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1C

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2012/13 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred	
						%	
Transfers							
Section 20 and Section 21 Schools	872 691	-	-	872 691	903 156	103%	1 064 347
School Nutrition Programme	949 162	-	-	949 162	943 456	99%	907 814
Independent Schools	100 145	-	-	100 145	99 558	99%	59 492
Special Schools	58 157	-	-	58 157	57 156	98%	60 415
FET Colleges	14 109	-	-	14 109	265 552	1882%	392 723
ECD Sites	79 362	-	-	79 362	76 658	97%	45 818
Marking Centres	32 069	-	-	32 069	31 726	99%	30 678
AET Centres	362	-	-	362	205	57%	200
Bursaries	189	-	-	189	117	62%	
	2 106 246	-	-	2 106 246	2 377 584		2 561 487
Total	2 106 246	-	-	2 106 246	2 377 584		2 561 487

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1D

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave Gratuities	114 521	-	-	114 521	186 105	163%	184 999
	114 521	-	-	114 521	186 105		184 999
Total	114 521	-	-	114 521	186 105		184 999

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14		2012/13	
		R'000		R'000	
Received in cash					696
Sanlam	R1,000 Cash for a Staff function	1			
Epoch and Optima Trusts	R150,000 First Instalment for Maths Improvement	150			
Epoch and Optima Trusts	R150,000 First Instalment for Maths Improvement	150			
National Lotteries Distribution Trust Fund	R1,000 Cash for purchase of Sport gear/equipment	24			
Watt Energy (Pty) Ltd	R24,000 @ 2000 to pay SGB post educator	24			
Mrs Mercia Oliphant	R5,000 Cash for Grade 6 Tour	5			
Rotary Club of Port Elizabeth	R3,000 Cash for Accommodation for Athletes and Helpers	3			
Chandos Trust	R10,000 Cash for assisting in School Hall Building	10			
Cacadu Municipality	R10,000 Cash payment for Grade 7 Outing	10			
Epoch and Optima Trusts	R150,000 Second Instalment for Maths Improvement	150			
Life Hunters Craig Private Hospital	R13,500 for Boundary Wall Repair and Fence	14			
CR Knoezen Prokureurs	R100 Cash	1			
Merino Pharmacy	R300 Cash	1			
Deriko Light Attorney	R500 Cash	1			
Minnaar Optometrist	R300 Cash	1			
Cipal Telecommunications	R45,000 Cash	45			
V.Dercksen en Vennote	R700 Cash	1			
Olifantskop Feeds	R31,000 Cash	31			
Die Oud Kommando Bond Trust	R8,000 Cheque	8			
Lumotech	R45,000 Cheque	45			
Primat Contruction	R30,000 Cash	30			

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Santam	R4000.00 Cash	4	
Epoch and Optima Trusts	R150,000 Cash for Teaching and Learning of Maths and Science	150	
Epoch and Optima Trusts	R150,000 Cash for Teaching and Learning of Maths and Science	150	
Subtotal		1 009	696
Received in kind			
12/13 Balance			103
Department of Mineral Resources	8x Dell Laptop	30	
Mr A Jaram	80x Lapedesks	2	
Mr Ahmed Seedat	1x Fan Pedestal	1	
Valmac Office National	Stationery	6	
Vodacom	20xlaptops for learners, 1xlaptop for educator, 1xprojector,	173	
National Lotteries Board	R180,000 for Sports Field Upgrading	180	
Vodacom	1x Brother, 1x Wireless, 1xAntenna, 1x Charging ZTrolley, 1x Mecer	120	
Mass Discounters	Container Kitchen with fixed and loose items	45	
Amatola Telecomms	1x Laptop HP 630	4	
Mr. Theo Tijjsen	Photocopier HP Deskjet	10	
Mr. Theo Tijjsen	Play Park Items	100	
Old Mutual	Micro Oven Defy	9	
Kanzie South Africa	Lapedesk, Stationery, and Sport Equipment	64	
IT Master	15x Computer set, 1x Samsung Printer	30	
Eveready	Rugby Jerseys and Rugby Scrum Machine	19	
Mr G Venter	1x Wheelchair	1	
MP Pardazi	Bowls Ball	1	
Sanlam	5xComputer set	15	

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Waltons	16x Small Blanket for pre-Grade R Section	1	
Konica Minolta	Painting , Shelving, Sitting Benches and Books	10	
University of Free State	Konica Minolta Printer/Copier	4	
Pax Stationers CC	Acer Notebook, Logitech mouse	7	
Die huis Vriend	Fridge	4	
Telecom Technique Solar	1xFridge	4	
Kirkwood Care Centre	1xPrinter	3	
DVD-Light Electrical	Fridge KIC	4	
Subtotal		847	103
TOTAL		1 856	799

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2013	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2014	Guaranteed interest for year ended 31 March 2014	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
Standard Bank			17 851	97	6 035	-	9 616		
Nedbank Cape Of			42	-	-	-	42		
Nedbank Limited			9 787	78	78	-	9 437		
First Rand Bank			15 347	-	293	-	15 054		
Nedbank(Inc)			368	-	162	-	206		
Meeg Bank			244	-	-	-	244		
Absa			31 915	111	2198	-	8 787		
Unique Finance			1 065	-	78	-	987		
Old Mutual Fin			26	-	26	-	-		
Peoples Bank Fb			7 364	-	1 234	-	6 130		
Nedbank Ltd(Nbs)			8 367	-	74	-	8 293		
Fnb(Former Sa)			1 093	-	-	-	1 093		
Old Mut(Nedb/P)			7 613	18	144	-	6 400		
United			13	-	-	-	13		
Gbs Mutual Bank			56	-	37	-	19		
Tnbs Mutual Ban			522	-	16	-	506		
Hlano Fin Serv			12	-	-	-	12		
Ithala Limited			672	-	672	-	-		
Eastern Cape Sa Homeloans			12	-	-	-	12		

House Dev. Boar,	12	-	45	-	12
Boe Bank Limited	71	-	136	-	26
Sa Home Loans	3 907	-	-	-	3771
Green Start H/L	44	-	-	-	44
Subtotal	105 978	304	31 028		75 254
Other					
Subtotal					
TOTAL	105 978	304	31 028		75 254

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

Nature of Liability	Opening Balance 1 April 2013 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2014 R'000
Claims against the department					
School Nutrition Programme	51 558	-	11 239	-	40 319
Claims against the Department	31 179	45 747	6 948	-	69 978
Subtotal	82 737	45 747	18 187	-	110 297
Environmental Liability					
Subtotal					
Other					
Subtotal					
TOTAL	82 737	44 747	18 187	-	109 297

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

**ANNEXURE 3
CLAIMES RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000
Department						
Education Kzn	823	1 067	823	1 067	823	1 067
Education Northern Cape	240	48	240	48	240	48
Education Western Cape	497	218	497	218	497	218
Education Gauteng Province	226	82	226	82	226	82
Education National	32	32	32	32	32	32
Education National (Higher)	25	25	25	25	25	25
Education Mpumalanga	70	70	70	70	70	70
Education Limpopo	46	46	46	46	46	46
Education Free State	687	80	687	80	687	80
Justice	19	19	19	19	19	19
National Artsandculture	11	11	11	11	11	11
Water Affairs	15	15	15	15	15	15
National Public Works	220	192	220	192	220	192
Correctional Services	34	34	34	34	34	34
Road Accident Fund	-	-	-	-	-	-
Parliament Sa	29	29	29	29	29	29
Saps	5	5	5	5	5	5
Ec Economic Affairs	-	-	-	-	-	-
Ec Premier	14	15	14	15	14	15
Ec Sport Arts And Culture	-	14	-	14	-	14
Ec Transport	76	38	76	38	76	38
Ec Agriculture	75	-	75	-	75	-
Ec Health	-	89	-	89	-	89
Ec Social Development	-	8	-	8	-	8
Ec Roads Andpublic Works	-	44	-	44	-	44
Sassa	26	26	26	26	26	26
Elrc	466	466	466	466	466	466
	3 636	2 673	3 636	2 673	3 636	2 673
Other Government Entities	-	-	-	-	-	-
TOTAL	3 636	2 673	3 636	2 673	3 636	2 673

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
National Departments	33 199	12 228	-	52	33 199	12 280
Eastern Cape Departments	221	996	127	-	348	996
Health: NC	-	-	-	-	-	-
Education: Free State	-	268	-	-	-	268
Education: Northern Cape	-	409	-	-	-	409
Education: Western Cape	609	74	-	-	609	74
Gauteng : Dept of Finance	-	49	-	-	-	49
Gauteng: Social Development	-	12	-	-	-	12
Education: KZN	50	662	-	-	50	662
Education: North West	148	148	-	-	148	148
Subtotal	34 227	14 846	127	52	34 354	14 898
Total	34 227	14 846	-	52	34 354	14 898

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 5

INVENTORY

Inventory	Note	2013/14		2012/13	
		Quantity	R'000	Quantity	R'000
Opening balance					
Add/(Less): Adjustments to prior year balance					
Add: Additions/Purchases – Cash		6 059 166	637 978	4 553 937	417 529
Add: Additions - Non-cash					
(Less): Disposals					
(Less): Issues					
Add/(Less): Adjustments		(6 041 401)	(626 471)	(4 553 937)	(417 529)
Closing balance		17 765	11 507	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 6A

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	2 617 739	1 281 040	-	3 898 779
Dwellings	2 617 739	1 281 040	-	3 898 779
Non-residential buildings				
Other fixed structures				
TOTAL	2 617 739	1 281 040	-	3 898 779

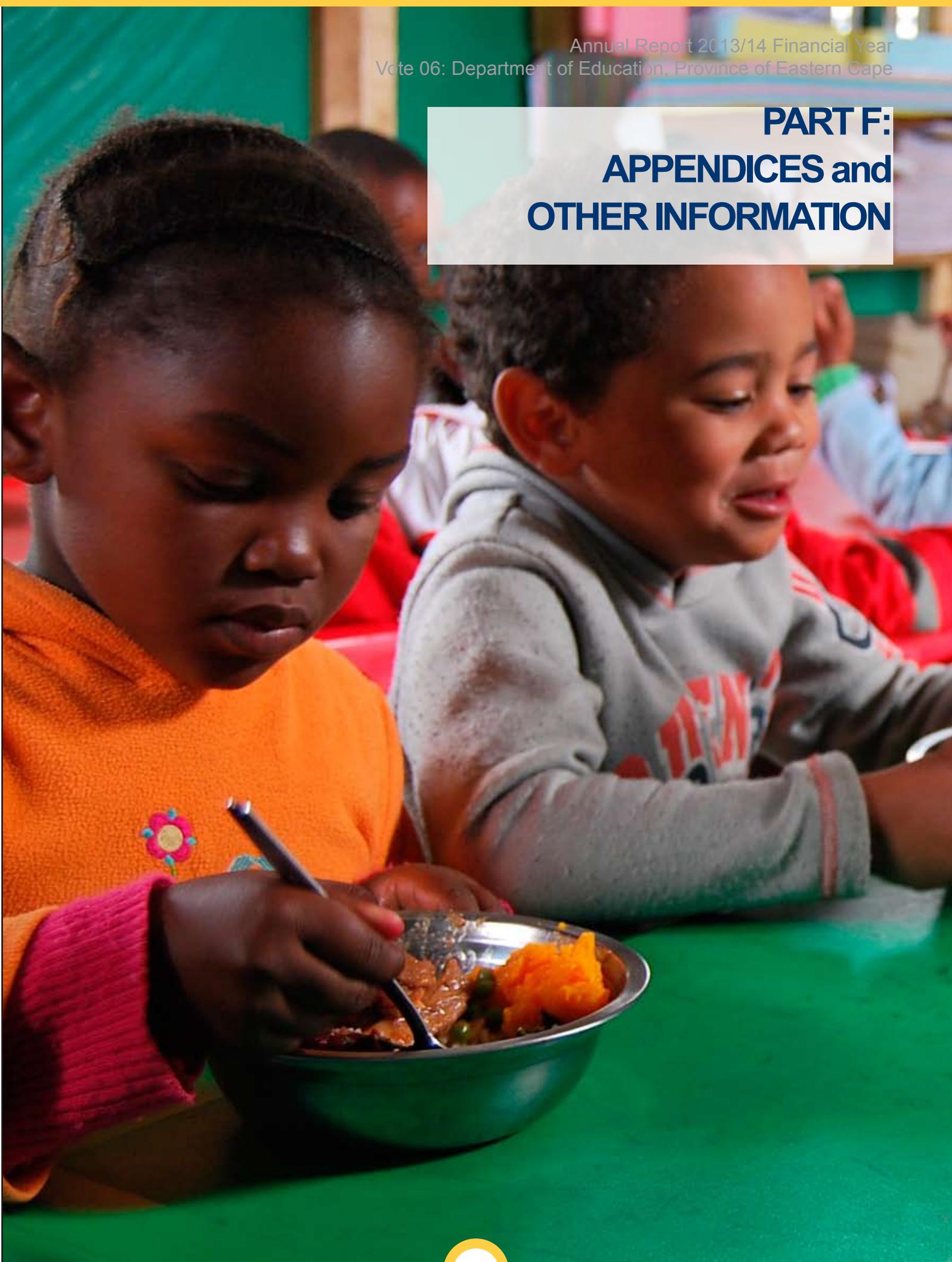
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 7A

INTER-ENTITY ADVANCES PAID (note 12)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000
PUBLIC ENTITIES						
IDT	6 426	6 426	-	-	6 426	6 426
Historic Schools Project	-	797	-	-	-	797
Subtotal	6 426	7 223			6 426	7 223
OTHER ENTITIES						
Subtotal	6 426	7 223			6 426	7 223
Total	6 426	7 223			6 426	7 223

**PART F:
APPENDICES and
OTHER INFORMATION**





APPENDIX A: NEW STRATEGIC GOAL STATEMENTS

STRATEGIC GOAL 1	
GOAL STATEMENT	Equitable access to education and resources
JUSTIFICATION	<p>Education is central to the development and transformation of the Eastern Cape Province by providing the required human resources and skills for the economic development of the Province and addressing the high levels of poverty, unemployment and illiteracy prevalent in the Eastern Cape. Statistics South Africa's General Household Survey (2008) indicates that there are 1, 647, 048 children aged between 6 and 15 years in the Province. Of these 1, 478, 519 are attending school which represents 90% of the population of children of school going age. The illiteracy level of the Province remains high in comparison to other provinces in the country. The Statistic South Africa's General Household Survey estimate that about 7.14% of the adult population (20 years and above) are still not able to read and write. This status quo demands that the reach be expanded of the School Nutrition Programme, Learner Transport Programme, No-fee-school policy, school building and AET programme all of which are the Department's programmes for providing and sustaining access to education. The current efforts to rationalise schools, realign the school phases and recapitalisation of FET Colleges are also critical in ensure optimal configuration of the school system to balance access to education and efficiency. When 6 departments were merged in 1996 the new Department inherited a legacy of under-funding/resourcing. In addition, the baseline has not been adjusted upwards to level the playing field with better-off provinces.</p>
LINKS	<p>The goal of access to education can be traced back to the Constitution which states that "Everyone has the right to: - (a) a basic education, including Adult Education; and (b) further education, which the state through reasonable measures must make progressively available and accessible.</p> <p>Other international agreements worth noting with regards to access to education include the Children's Charter of South Africa (Article 8) which states that "All children have the right to free and equal, non-racial, non-sexist and compulsory education within one department as education is a right not a privilege."</p> <p>Medium-Term Strategic Framework (MTSF) Priority 4 speaks directly to Education: "Strengthen the skills and human resource base". Recognising the importance of skills and education to enable every member of society to realise her/his potential and participate in social and economic life – and thus contribute to the reduction of poverty, inequality and unemployment – the objective is to focus our skills and education system towards the delivery of quality outcomes.</p> <p>In addition, this Strategic Goal is in line with the MTSF Strategic Priorities: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods</p> <p>This goal is also linked to the MTSF Strategic Priority: Sustainable Resource Management and use. The current global economic crisis has led to the dwindling of income or revenue for Government, which means that all departments have to make do with less funding and be cost effective in service delivery.</p>

STRATEGIC GOAL 2	
GOAL STATEMENT	Quality of teaching and learning improved at all educational institutions
JUSTIFICATION	<p>According to research conducted by, amongst others, the former Department of Education and Systemic Evaluation assessments of Grades 3 and 6, 80% of public schools in South Africa are dysfunctional in the sense that they produce learners who cannot read, write and count at the internally acceptable levels. The Eastern Cape encounters the same extent of dysfunctionality and for the last few years have had a number of under-performing schools in the National Senior Certificate (NSC) examinations. The provincial NSC results have gradually improved from 58.1% in 2011 to 61.6% in 2012, whilst the national pass rate was 73%. In 2011 learners in Grades 1 to 6 were assessed in Literacy/Languages and Numeracy/Mathematics as one of the most significant proactive interventions by Government to strengthen these foundational skills. The root cause of the current challenges relating to delivery on education outcomes relates to the fact that the Department has never been curriculum driven. Some of the key concerns/challenges are illustrated in the high levels of the Eastern Cape population without schooling and Grade 12/ Matric, Cohort Survival of learners, repetition and drop-out rates, progression and promotion rates for Grades 1-12, etc.</p> <p>The Department has adopted the Learner Attainment Improvement Strategy (LAIS) within its Quality of Learning and Teaching Campaign (QLTC) to address and improve various learning and teaching issues in the province. The LAIS was refined as a result of review summit held in December 2010 and a number of key recommendations were made and most have already been implemented and reinforced as part of the School Readiness plan. The revised LAIS has also been incorporated into the Departmental Turnaround Plan as a strategic intervention area to improve learner performance.</p> <p>Based on the 2009 Grade 12 results, in 2010, the focus of the Department of Education was on the 496 poorly performing high schools and that figure had dropped to ±300 in the 2010 results. This was due to implementation of QLTC and focus in the school functionality and the core business of the department, i.e. teaching and learning. In December 2010, Learner Attainment Improvement Strategy (LAIS) review summit was held to prepare for 2011 and a number of key recommendations were made and some were implemented and reinforced as part of the School Readiness plan.</p>

STRATEGIC GOAL 2	
GOAL STATEMENT	Quality of teaching and learning improved at all educational institutions
LINKS	<p>In terms of MTSF Priority 4, “Strengthen the skills and human resource base” in the country, the importance is recognised of skills and education to enable every member of society to realise her/his potential and participate in social and economic life. The objective is to focus our skills and education system for the delivery of quality outcomes.</p> <p>Cabinet approved in late 2009 an outcomes-based approach to performance monitoring and evaluation for the three spheres of government with twelve national outcomes that have to be realised in the long-term. The outcome for the Basic Education Sector is quality basic education and for Higher Education and Training skilled and capable workforce to support an inclusive growth path, of which the Basic Education Sector constitutes an integral part of the human resource development pipeline and contributes directly to successfully achieving the other national outcomes. The Department of Performance Monitoring and Evaluation in The Presidency also set as proxy indicators the improvement of the pass rate to 60% in Literacy (Languages) and Numeracy (Mathematics) in Grades 3, 6 and 9 by 2014.</p> <p>Furthermore, in his State of the Nation Address on 3 June 2009, the President of the Republic of South Africa, Mr JG Zuma, stated that: “Education will be a key priority for the next five years. We want our teachers, learners and parents to work together with government to turn our schools into thriving centres of excellence”. The President continued: “We reiterate our non-negotiables. Teachers should be in school and in class, on time, teaching, with no neglect of duty and no abuse of pupils! The children should be in class, on time, learning, be respectful of their teachers and each other, and do their homework”.</p> <p>In addition, the signing of the Basic Education Sector Delivery Agreement between the Minister and the MECs of Education in October 2009, the launch of a long-term Basic Education Sector Strategic Plan, Schooling 2025 and a medium-term plan, Action Plan to 2014: Towards the Realisation of Schooling 2025 are tangible commitments to improve the quality of Basic Education. The Minister’s Delivery Agreement with MECs includes key goals in the Action Plan to 2014: Towards the Realisation of Schooling 2025. Schooling 2025 has a clear vision of “where we want to be in 2025: Every young South African receives quality schooling. Every year from now on we need to move a bit closer to our vision, recognising that a large improvement is an accumulation of many smaller changes. By 2025 we must see the following in every South African school:</p> <ol style="list-style-type: none"> 1. “Learners who attend school every day and are on time, doing their schoolwork, in school and at home, and knowing their school will do everything possible to get them to learn what they should; 2. “Teachers who have received the training they require, are continuously improving their capabilities and are confident in their profession; 3. “A school principal who ensures that teaching in the school takes place as it should. 4. “Parents who are well informed about what happens in the school, and receive regular reports about how well their children perform against clear standards; 5. Learning-teaching support material in abundance and of high quality – in what is to be called the national Minimum Schoolbag policy; and 6. School buildings and facilities that are spacious, functional, safe and well maintained.” <p>The National Development Plan with Vision 2030 envisages as a milestone that the quality of (basic) education will increase so that all children have at least two years of preschool education and improving the school system, including increasing the number of students achieving above 50 percent in literacy and mathematics, increasing learner retention rates to 90 percent and bolstering teacher training.</p>

STRATEGIC GOAL 3	
GOAL STATEMENT	School functionality improved for learner achievement at all levels
JUSTIFICATION	<p>According to research conducted by, amongst others, the former Department of Education and Systemic Evaluation assessments of Grades 3 and 6, 80% of public schools are dysfunctional and are failing to produce learners who cannot read, write and count at the internally acceptable levels. The Eastern Cape encounters the same extent of dysfunctionality and for the last few years have had a number of under-performing schools in the National Senior Certificate (NSC) examinations. Based on the 2009 Grade 12 results, in 2010, the focus of the Department of Education was on the 496 poorly performing high schools and that figure had dropped to ±300 in the 2010 results. This was due to implementation of QLTC and focus in the school functionality and the core business of the department, i.e. teaching and learning. In December 2010, Learner Attainment Improvement Strategy (LAIS) review summit was held to prepare for 2011 and a number of key recommendations were made and some were implemented and reinforced as part of the School Readiness plan.</p> <p>Primarily dysfunctionality of a school can be attributed to poor management and governance caused by principals, School Management Teams and School Governing Bodies (SGBs) not complying with the provisions of the SA Schools Act, 1996, and this includes schools commencing late and closing early as well as principals, deputy principals and heads of departments not conducting classroom visits and observation. Teachers do not cover the syllabus fully and do not mark scripts and are not being held accountable for not doing their work and poor learner performance. Teacher absenteeism is relatively high and teachers are on average teaching only 3 hours on any school day instead of 7 hours. Deviant learner behaviour, of which ill-discipline, including disrespect and defiance of teachers, coming late and leaving school premises early, bullying of other learners, alcohol and substance abuse, and gangsterism impact adversely on good discipline and an enabling environment for effective teaching and learning. A significant number of parents are not involved and do not assist schools in the promotion of sound principles and values. Parents also do not attend parent meetings, ensure that learners attend school regularly, and do their homework. The high illiteracy rate of SGB members leads to their inability to effectively exercise their functions of general oversight.</p> <p>Poor infrastructure such as mud and other types of unsafe structures and the lack of basic facilities in some schools contribute to school ineffectiveness.</p>

STRATEGIC GOAL 3	
GOAL STATEMENT	School functionality improved for learner achievement at all levels
LINKS	<p>MTSF Priority 4, “Strengthen the skills and human resource base”, recognises the importance of the education system delivering quality outcomes. The elements of the strategy include, amongst others:</p> <p>Creating conditions for effective school management including monitoring and evaluation functions and performance management.</p> <p>In his State of the Nation Address on 3 June 2009, the President of the Republic of South Africa, Mr JG Zuma, stated that: “Education will be a key priority for the next five years. We want our teachers, learners and parents to work together with government to turn our schools into thriving centres of excellence”. The President further stated: “We reiterate our non-negotiables. Teachers should be in school and in class, on time, teaching, with no neglect of duty and no abuse of pupils! The children should be in class, on time, learning, be respectful of their teachers and each other, and do their homework”.</p> <p>These non-negotiables for basic education are the essence of the Quality Learning and Teaching Campaign the then Minister of Education launched on 11 August 2008 with a Code of Conduct for key stakeholders and the slogan: “FORWARD TO QUALITY LEARNING AND TEACHING FOR ALL”, after the Ruling party had declared education a societal issue on 8 January 2008. A national Ten Point Plan was developed in November 2009 in this regard. Point 8 of the Ten Point Plan or Road Map states: Improve national and provincial alignment of plans, budgets and improve efficiency in expenditure.</p> <p>The National Development Plan with Vision 2030 envisages the following:</p> <p>Management of the education system.</p> <p>Reducing layers of bureaucracy would make more resources available to support schools and teachers. The general rule of thumb is that interventions, both supportive and corrective, need to be inversely proportional to school performance. In this way, better-performing schools can be given the freedom to get on with the job, as long as there is measurable improvement. We make specific recommendations focused on better support to schools, delivering the basic necessities for a good education and measuring the right things. We propose a campaign to improve infrastructure in poor schools, especially in rural areas.</p> <p>Competence and capacity of school principals.</p> <p>The common feature of all well-run schools is leadership. The Department of Basic Education has recently launched a programme to measure the competencies of principals and deputy principals. This survey will also help identify weak performers, based on learner scores, and allow for appropriate support for principals and teachers. Principals should be selected purely on merit, be given greater powers over school management and be held accountable for performance.</p>

STRATEGIC GOAL 4	
GOAL STATEMENT	Organizational capacity enhanced through human resource development and talent management
JUSTIFICATION	<p>The Department is seriously challenged to ensure that all management and organisational levels and systems promote and support effective and efficient Curriculum planning, resourcing and implementation. The disclaimers or adverse findings of the Auditor-General for the whole of the Department's existence underscore the fact that human resource management, including document or records management in the Department, leaves much to be desired. It has been decided that Senior Managers must undergo competency assessment to determine if they are appropriately and correctly placed. The current Head of Department has also initiated a Back-to-Basics campaign to ensure that staff begins complying with basic employment requirements such as punctuality, doing what they are being paid to do with a sense of urgency, impatience with non-compliance and under-performance and consequence management. The Department like all education departments is a labour-intensive organisation where effective and efficient human resource development and management through proper policies, processes, procedures and systems for recruitment, induction, placement, training, skills development, career planning and performance management of staff, are even more critical than would otherwise be the case. The service delivery model and organisational structure are in the process of being reviewed with a view to facilitate correct placement of staff, amongst other things.</p>

STRATEGIC GOAL 4	
GOAL STATEMENT	Organizational capacity enhanced through human resource development and talent management
LINKS	<p>This goal is linked to the MTSF Strategic Priority: Building a developmental state and improving the public services, and strengthening democratic institutions.</p> <p>In addition, in terms of National Outcome 12 South Africa is striving towards ,“An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship”, to address, inter alia, persistent underperformance by management, slow bureaucratic decision making and processes and corrupt behaviour contribute towards poor public sector performance. The intention is to transform the public sector into a high performance organisation over time. The key components of an efficient, effective public sector capacity include:</p> <ol style="list-style-type: none"> 1. Delivery of services in terms of quality, quantity, and cost; 2. Effective hiring and training standards; 3. Performance incentives and disincentives; 4. Appropriate decision rights and accountability; 5. Well-functioning business systems; 6. Effective procurement processes; 7. Appropriate level of transparency; 8. Structural/ institutional issues; and 9. Appropriate allocation of powers and functions. <p>According to the NDP a developmental state needs to be capable, but a capable state does not materialise by decree, nor can it be legislated or waved into existence by declarations. It has to be built, brick by brick, institution by institution, and sustained and rejuvenated over time. It requires leadership, sound policies, skilled managers and workers, clear lines of accountability, appropriate systems, and consistent and fair application of rules. Policy instability is a concern. While there are cases where policy must change, government often underestimates the disruptive effect of major policy adjustments on service delivery. A balance has to be struck and at present that balance is missing. To achieve the aspiration of a capable and developmental state, the country needs to, amongst others, stabilise the political administrative interface, professionalise the public service, upgrade skills and improve coordination. It also needs a more pragmatic and proactive approach to managing the intergovernmental system to ensure a better fit between responsibility and capacity. Equally, the state needs to be prepared to experiment, to learn from experience and to adopt diverse approaches to reach common objectives. To professionalise the public service, we propose that:</p> <p>A purely administrative approach should be adopted for lower-level appointments, with senior officials given full authority to appoint staff in their departments. The skills profile of the public service mirrors the national skills profile. There are critical shortages of, inter alia, good-quality information technology professionals, planners, accountants, curriculum advisors and so on. In addition, the management ability of senior staff operating in a complex organisational, political and social context requires greater attention. To solve both the technical and managerial skills shortages, government has to take a long-term perspective on developing the skills it needs through career pathing, mentoring, and closer partnerships with universities and schools of management. Accountability is essential to democracy. There are several weaknesses in the accountability chain, with a general culture of blame-shifting. The accountability chain has to be strengthened from top to bottom. To begin with, parliamentary accountability is weak, with Parliament failing to fulfil its most basic oversight role. Education outcomes cannot improve unless accountability is reinforced throughout the system, from learner results to the delivery of text books.</p>

STRATEGIC GOAL 5	
GOAL STATEMENT	Social cohesion promoted through cooperation with all stakeholders in education
JUSTIFICATION	Education is now seen as a societal matter and key in the transformation of society. It is undoubtedly the ladder to help people climb out of poverty, facilitate social cohesion through Life Orientation and the inculcation of human rights and empower them to become responsible citizens.
LINKS	<p>This goal is linked to the MTSF Strategic Priority: Building cohesive, caring and sustainable communities.</p> <p>The President JG Zuma, In his State of the Nation Address on 3 June 2009 stated that: "Education will be a key priority for the next five years. We want our teachers, learners and parents to work together with government to turn our schools into thriving centres of excellence". The President further stated: "We reiterate our non-negotiables. Teachers should be in school and in class, on time, teaching, with no neglect of duty and no abuse of pupils! The children should be in class, on time, learning, be respectful of their teachers and each other, and do their homework".</p> <p>These non-negotiables for Basic Education are the essence of the Quality Learning and Teaching Campaign, which the then Minister of Education launched on 11 August 2008 with a Code of Conduct for key stakeholders and the slogan: "FORWARD TO QUALITY LEARNING AND TEACHING FOR ALL", after the Ruling party had declared education a societal issue on 8 January 2008. A national Ten Point Plan was developed in November 2009 in this regard. The QLTC calls on all individuals and organisations to assume responsibility for improving the quality of education. The education elements of the campaign will:</p> <ol style="list-style-type: none"> 1. inform citizens about the importance of education and their roles, responsibilities and obligations towards education; 2. mobilise communities to monitor and support schools, teachers and learners; 3. improve the quality of education for all children, especially the poor, and to demonstrate this improved quality via improved learner achievement. <p>The achievement of quality education for all depends on the actions of members of Parliament, the Basic Education Ministry, provincial members of executive councils, departmental officials, school principals, teachers, learners, parents, school governors and members of the community.</p> <p>Each of these role-players are called upon to make a commitment to a "Code for Quality Education", which describes the responsibilities and discipline required of them. If all sections of society work together – government, communities, health-care workers, civil society, business, the media and other sectors – we can ensure that all learners benefit from quality education. Campaign coordinating structures are being established at national, provincial, regional, local and school level and Government now calls on all South Africans to join in this campaign as part of an ongoing effort to achieve a better life for all.</p>

STRATEGIC GOAL 6	
GOAL STATEMENT	Efficient administration ensured through good corporate governance and management
JUSTIFICATION	<p>Corporate governance and management in the Department do not meet the requirements of the Constitution, 1996, as amended, the Public Finance Management Act, 1999, as amended, the Public Service Act, 1994, as amended, Treasury Regulations and prescripts as well as the Public Service Regulations. This has been confirmed by the Auditor-General's disclaimers or adverse findings for every year since the establishment of the Department. The Department is under obligation in terms of the relevant legislation, resolutions of the Provincial Standing Committee on Public Accounts and the Education Portfolio Committee to urgently address this undesirable state of affairs.</p> <p>The AG's findings have been mainly as follows:</p> <ol style="list-style-type: none"> 1. Poor document management, including failure to produce documents as and when required during audits; 2. Poor Payroll Management; 3. Lack of proper internal controls with regard to supply chain and financial management; and 4. Inadequate management of performance information.
LINKS	<p>This goal is linked to the MTSF Strategic Priority, Building a developmental state and improving the public services, and strengthening democratic institutions.</p> <p>In addition, in terms of National Outcome 12 South Africa is striving towards ,“An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship”, to address, inter alia, persistent underperformance by management, slow bureaucratic decision making and processes and corrupt behaviour contribute towards poor public sector performance. The intention is to transform the public sector into a high performance organisation over time. The key components of an efficient, effective public sector capacity include, inter alia:</p> <ol style="list-style-type: none"> 1. Delivery of services in terms of quality, quantity, and cost; 2. Appropriate decision rights and accountability; 3. Well-functioning business systems; 4. Effective procurement processes; 5. Appropriate level of transparency; and 6. Appropriate allocation of powers and functions. <p>The NDP argues that a developmental state needs to be capable, but a capable state does not materialise by decree, nor can it be legislated or waved into existence by declarations. It has to be built, brick by brick, institution by institution, and sustained and rejuvenated over time. It requires leadership, sound policies, skilled managers and workers, clear lines of accountability, appropriate systems, and consistent and fair application of rules. To achieve the aspiration of a capable and developmental state, the country needs to, amongst others, stabilise the political administrative interface, professionalise the public service, upgrade skills and improve coordination. It also needs a more pragmatic and proactive approach to managing the intergovernmental system to ensure a better fit between responsibility and capacity. Equally, the state needs to be prepared to experiment, to learn from experience and to adopt diverse approaches to reach common objectives. To professionalise the public service, the NPC proposes, amongst others things, that:</p> <p>There are several weaknesses in the accountability chain, with a general culture of blame-shifting. The accountability chain has to be strengthened from top to bottom. To begin with, parliamentary accountability is weak, with Parliament failing to fulfil its most basic oversight role. Education outcomes cannot improve unless accountability is reinforced throughout the system, from learner results to the delivery of text books.</p>

APPENDIX C: SUMMARY OF NATIONALLY DETERMINED PROGRAMME PERFORMANCE MEASURES

This appendix lists the National Programme Performance Measures as agreed upon between the Department of Basic Education, Treasury and the Eastern Cape Department of Education.

KEY PERFORMANCE AREA: PROGRAMME 1 (ADMINISTRATION)					
No.	PPM Number	Measure	Definitions and Details	Sources of Data	Frequency of Reporting
1.	PPM101	Number of public schools that use SA SAMS to provide data to the national learner tracking system	<p>Public School: Refers to ordinary and special schools. It excludes independent schools</p> <p>Status Quo: Record the number of public schools that (as per the latest available date) use SA SAMS to provide data to LURITS</p> <p>Target: Record the number of public schools that will be targeted to be trained in the use of SA SAMS for the relevant quarter.</p>	Provincial EMIS: Operational Data	Quarterly
2.	PPM102	Number of public schools that can be contacted electronically (e-mail)	<p>Public School: Refers to ordinary and special schools. It excludes independent schools</p> <p>Status Quo: Record the number of public schools that can be contacted by email as per the latest available data.</p> <p>Target: Record the number of public schools targeted to be provided with e-mail connectivity in the planned financial year.</p>	Provincial EMIS – SNAP Survey	Annual
3.	PPM103	Percentage of education current expenditure going towards non-personnel items	<p>Education Current Expenditure: Refers to all government non-capital education expenditure (inclusive of all sub-sectors of education including special schools and independent schools)</p> <p>Non-Personnel Items: Refers to all government non-personnel, non-capital expenditure in education (inclusive of all sub-sectors of education including special schools and independent schools)</p> <p>Calculation: Divide current expenditure devoted to non-personnel items in a given financial year by the total public current expenditure on education for the same financial year and multiply by 100.</p>	Provincial CFO	Annual

KEY PERFORMANCE AREA: PROGRAMME 2 (PUBLIC ORDINARY SCHOOLS)					
No.	PPM Number	Measure	Definitions and Details	Sources of Data	Frequency of Reporting
4.	PPM201	Number of learners enrolled in public ordinary schools	<p>Status Quo: Record the latest available information</p> <p>Target: Record the projected expenditure for the planned financial year</p> <p>NB: This measure excludes enrolment in special schools and Grade R enrolment in public ordinary schools.</p> <p>Status Quo: Record total learner enrolment in public ordinary schools as per the latest SNAP data (excluding Grade R enrolment)</p> <p>Target: Record the number of learners expected to be enrolled in public ordinary schools in the planned financial year (excluding Grade R enrolment).</p>	Provincial EMIS: SNAP Survey	Annual
5.	PPM202	Number of educators employed in public ordinary schools	<p>Educator: refers to any person, who teaches, educates or trains other persons or who provides professional educational services. It excludes non-educator staff and includes all educators (temporary, substitute etc.)</p> <p>Status Quo: Record the total number of educators employed in public ordinary schools as per latest available data.</p> <p>Target: The number of educators expected to be employed in the planned financial year.</p>	Provincial PERSAL	Quarterly

KEY PERFORMANCE AREA: PROGRAMME 2 (PUBLIC ORDINARY SCHOOLS)					
No.	PPM Number	Measure	Definitions and Details	Sources of Data	Frequency of Reporting
6.	PPM 203	Number of non-educator staff employed in public ordinary schools	<p>Educator: refers to any person, who teaches, educates or trains other persons or who provides professional educational services.</p> <p>Non-educator staff: all school-based staff that are not educators. These include support staff, administrative staff, hostel staff and professional non-teaching staff.</p> <p>Status Quo: Record the total number of non-educator staff employed in public ordinary schools as per the latest available data.</p> <p>Target: Record the number of non-teaching staff expected to be employed in the planned financial year.</p>	Provincial PERSAL	Quarterly

KEY PERFORMANCE AREA: PROGRAMME 2 (PUBLIC ORDINARY SCHOOLS)					
No.	PPM Number	Measure	Definitions and Details	Sources of Data	Frequency of Reporting
7.	PPM204	Number of learners in public ordinary schools benefiting from the "No Fee School" policy	<p>Status Quo: Record the number of learners that benefitted from the "No Fee School Policy" in the past financial year.</p> <p>Target: Record the number of learners expected to benefit from the "No Fee School Policy" in the planned financial year</p>	Provincial Programme Manager	Annual
8.					
9.	PPM205	Number of learners benefiting from National School Nutrition Programme (NSNP) (quarterly).	<p>Status Quo: Record the number of learners benefiting from the School Nutrition Programme per quarter.</p> <p>Target: Record the number of learners targeted to be provided with meals for the relevant quarter</p>	Provincial Programme Manager	Quarterly

KEY PERFORMANCE AREA: PROGRAMME 2 (PUBLIC ORDINARY SCHOOLS)					
No.	PPM Number	Measure	Definitions and Details	Sources of Data	Frequency of Reporting
10.	PPM 206	Number of learners benefiting from scholar transport	<p>Status Quo: Record the number of learners benefiting from the government provided scholar transport in a quarter.</p> <p>Target: Record the number of learners targeted to be provided with scholar transport for the relevant quarter.</p>	Provincial Programme Manager or Department of Transport Programme Manager	Quarterly
11.	PPM207	Number of learners with special education needs that are enrolled in public ordinary schools	<p>Special education needs: Education that is specialised in its nature and addresses barriers to learning and development experienced by learners with special education needs (including those with disabilities) in public ordinary schools.</p> <p>Status Quo: Record the total number of learners with special education needs enrolled in public ordinary schools in the past financial year</p> <p>Target: Record the number of learners with special needs expected to be enrolled in public ordinary schools in the planned financial year.</p> <p>NB.: This measure excludes number of learners with special needs enrolled in special schools.</p>	EMIS: Annual School Survey	Annual
12.	PPM208	Number of full service schools	<p>Full-service schools: Ordinary schools that are specially resourced and orientated to address a range of barriers to learning in an inclusive education setting.</p> <p>Status Quo: Record the number of full service schools (public ordinary) that existed in the past financial year</p> <p>Target: Record the number of full service schools expected to be</p>	Provincial Programme Manager	Annual

KEY PERFORMANCE AREA: PROGRAMME 2 (PUBLIC ORDINARY SCHOOLS)					
No.	PPM Number	Measure	Definitions and Details	Sources of Data	Frequency of Reporting
13.	PPM209	Number of schools visited at least once a quarter by a circuit manager	<p>established in the planned financial year</p> <p>Circuit Manager: PEDs have different names for this portfolio. For examination, in Gauteng it is IDSOs.</p> <p>Status Quo: Total number of schools (special schools, independent schools and public ordinary schools) that were visited by circuit managers per quarter for support, monitoring and liaison in the past financial year.</p> <p>Target: Total number of schools planned to be visited by circuit managers per quarter in the planned financial year.</p>	Provincial Programme Manager: Districts	Quarterly
KEY PERFORMANCE AREA: PROGRAMME 3 (INDEPENDENT SCHOOL SUBSIDIES)					
14.	PPM301	Number of subsidised learners in independent schools	<p>Independent Schools: schools registered or deemed to be independent in terms of the South African Schools Act (SASA)</p> <p>Status Quo: Record the total number of learners in subsidised independent schools in the past financial year.</p> <p>Target: Record the total number of learners in independent schools expected to be subsidised in the planned financial year.</p>	Provincial Programme Manager/CFO	Annual

KEY PERFORMANCE AREA: PROGRAMME 4 (PUBLIC SPECIAL SCHOOL EDUCATION)			
15.	PPM401	Number of learners enrolled in public special schools	Annual
		<p>Special School: Schools resourced to deliver education to learners requiring high-intensity educational and other support on either a full-time or a part-time basis. The learners who attend these schools include those who have physical, intellectual or sensory disabilities or serious behaviour and/or emotional problems, and those who are in conflict with the law or whose health-care needs are complex.</p> <p>Status Quo: Record the total number of learners enrolled in public Special Schools in the past financial year.</p> <p>Target: Record the total number of learners expected to be enrolled in public special schools in the planned financial year.</p> <p>NB.: This measure excludes learners with special needs enrolled in public ordinary schools.</p>	Provincial EMIS: SNE SNAP

KEY PERFORMANCE AREA: PROGRAMME 4 (PUBLIC SPECIAL SCHOOL EDUCATION)					
No.	PPM Number	Measure	Definitions and Details	Sources of Data	Frequency of Reporting
15.	PPM402	Number of educators employed in public special schools	<p>Educator refers to any person, who teaches, educates or trains other persons or who provides professional educational services.</p> <p>Status Quo: Record the total number of educators employed in public Special Schools in the past financial year.</p> <p>Target: Record the number of educators expected to be employed in public special schools in the planned financial year.</p>	Provincial PERSAL	Quarterly
16.	PPM403	Number of professional non-educator staff employed in public special schools	<p>Professional non-educator staff this are personnel who are classified as paramedics, social workers, caregivers, therapists and psychologists etc.</p> <p>Status Quo: Record the total number of non-educator specialists employed in public Special Schools in the past financial year.</p> <p>Target: Record the number of non-educator specialists expected to be employed in public Special Schools in the planned financial year.</p>	PERSAL	Quarterly

KEY PERFORMANCE AREA: PROGRAMME 7 (EARLY CHILDHOOD DEVELOPMENT)

17.	PPM701	Number of learners enrolled in Grade R in public schools	<p>Status Quo: Record the total number of learners enrolled in Grade R in public schools (both ordinary and special schools) in the past financial year.</p> <p>Target: Record the number of Grade R learners expected to be enrolled in public schools (both ordinary and special) in the planned financial year.</p> <p>NB: This measure requires the total number of learners enrolled in Grade R sites attached to public schools only, not independent schools.</p>	Provincial EMIS: SNAP Surveys	Annual
18.	PPM702	Number of public schools that offer Grade R	<p>Status Quo: Record the total number of public schools (ordinary and special) that offered Grade R in the past financial year</p> <p>Target: Record the number of public schools (ordinary and special) expected to offer Grade R in the planned financial year</p>	Provincial EMIS:SNAP Surveys	Annual

KEY PERFORMANCE AREA: PROGRAMME 7 (EARLY CHILDHOOD DEVELOPMENT)					
No.	PPM Number	Measure	Definitions and Details	Sources of Data	Frequency of Reporting
19.	PPM 703	Number of Grade R practitioners employed in public ordinary schools per quarter.	Status Quo: Record the number of Grade R employed in public ordinary schools per quarter. Target: Record the number of ECD teachers expected to be employed for the relevant quarter.	Provincial Programme Manager	Quarterly
KEY PERFORMANCE AREA: PROGRAMME 8 (INFRASTRUCTURE DEVELOPMENT)					
20.	PPM801	Number of public ordinary schools to be provided with water supply	Status Quo: Record the number of public ordinary schools that have water supply as per the latest available information Target: Record the number of public schools targeted to be supplied with water in the planned financial year.	Provincial NEIMS Programme Manager	Annual
21.	PPM802	Number of public ordinary schools to be provided with electricity supply	Definition: School with electricity refers to schools that have any source of electricity including solar panels and generators. Status Quo: Record the number of public ordinary schools that have electricity as per the latest available information Target: Record the number of public ordinary schools targeted to be electrified in the planned financial year.	Provincial NEIMS Programme Manager	Annual
22.	PPM803	Number of public ordinary schools to be supplied with sanitation facilities	Sanitation facility: Refers to all kinds of toilets Status Quo: Record the number of public ordinary schools that have sanitation facilities (toilets) as per the latest available information Target: Record the number of public ordinary schools targeted to be supplied with sanitation facilities in the planned financial year.	Provincial NEIMS Programme Manager	Annual

23.	PPM804	Number of classrooms to be built in public ordinary schools	<p>Classrooms: Rooms where teaching and learning occurs, but which is not designed for special instructional activities. It excludes specialist rooms.</p> <p>Status Quo: Record the total number of classrooms that exist in public ordinary schools as per the latest available information</p> <p>Target: Record the number of classrooms targeted to be built in public ordinary the planned financial year. This measure excludes specialist rooms.</p>	Provincial NEIMS Programme Manager	Annual
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KEY PERFORMANCE AREA: PROGRAMME 8 (INFRASTRUCTURE DEVELOPMENT)					
No.	PPM Number	Measure	Definitions and Details	Sources of Data	Frequency of Reporting
24.	PPM805	Number of specialist rooms to be built in public ordinary schools (all rooms except classrooms-INCLUDE; laboratories, stock rooms, sick bay, kitchen, etc.)	<p>Specialist Rooms: Rooms designed for special instructional and non-instructional activities. It EXCLUDES administrative offices and classrooms (as defined in PPM 212) and includes rooms such as laboratories, stock rooms, sick bays, kitchen, library, resource centre etc.</p> <p>Status Quo: Record the total number of specialist rooms that exist in public ordinary schools as per the latest available information</p> <p>Target: Record the number of specialist rooms planned to be built in public ordinary schools the planned financial year.</p>	Provincial NEIMS Programme Manager	Annual
KEY PERFORMANCE AREA: PROGRAMME 9 (AUXILIARY AND ASSOCIATED SERVICES)					
25.	PPM 901	Number of candidates for the Grade 12 senior certificate examinations (matric examinations)	<p>Status Quo: Record total number of candidates that wrote the senior certificate examinations in the past financial year.</p> <p>Target: Record the number of candidates expected to be registered for the national senior certificate examinations in the planned financial year.</p>	Provincial Programme Manager: Examinations Database	Annual
26.	PPM 902	Number of candidates who passed National Senior Certificate	<p>Status Quo: Record the number of NSC candidates who passed in the National Senior Certificate (NSC)</p> <p>Target: Record the number of learners expected to pass the next NSC examinations.</p>	Provincial Programme Manager: NSC Examinations Database	Annual
27.	PPM 903	Number of learners who obtained Bachelor passes in the National Senior Certificate (NSC)	<p>Status Quo: Record the number of learners who obtained Bachelor passes in the National Senior Certificate (NSC)</p> <p>Target: Record the number of learners expected to achieve Bachelor passes in the next NSC examinations.</p>	Provincial Programme Manager: NSC Examinations Database	Annual

28.	PPM 904	Number of learners who passed Maths in the NSC examinations	Status Quo: Record the number of learners who passed Maths in the National Senior Certificate (NSC) Target: Record the number of learners expected to pass Maths in the next NSC examinations.	Provincial Programme Manager: NSC Examinations Database	Annual
29.	PPM 905	Number of learners who passed Physical Science in the NSC examinations	Status Quo: Record the number of learners who passed Physical Science in the National Senior Certificate (NSC) Target: Record the number of learners expected to pass Physical Science in the next NSC examinations.	Provincial Programme Manager: NSC Examinations Database	Annual

KEY PERFORMANCE AREA: PROGRAMME 9 (AUXILIARY AND ASSOCIATED SERVICES)						
No.	PPM Number	Measure	Definitions and Details	Sources of Data	Frequency of Reporting	
30.	PPM 906	Number of Grade 3 learners who passed Language in the Annual National Assessment (ANA)	Status Quo: Record the number of Grade 3 learners who passed Language in the ANA. Target: Record the number of Grade 3 expected to pass Language in the next ANA	Provincial Programme Manager: ANA Database	Annual	
31.	PPM 907	Number of Grade 3 learners who passed Maths in the Annual National Assessment (ANA)	Status Quo: Record the number of Grade 3 learners who passed Maths in the ANA. Target: Record the number of Grade 3 learners expected to pass Maths in the next ANA.	Provincial Programme Manager: ANA Database	Annual	
32.	PPM 908	Number of Grade 6 learners who passed Language in the Annual National Assessment (ANA)	Status Quo: Record the number of Grade 6 learners who passed Language in the ANA. Target: Record the number of Grade 6 expected to pass Language in the next ANA.	Provincial Programme Manager: ANA Database	Annual	
33.	PPM 909	Number of Grade 6 learners who passed Maths in the Annual National Assessment (ANA)	Status Quo: Record the number of Grade 6 learners who passed Maths in the ANA. Target: Record the number of Grade 6 expected to pass Maths in the next ANA.	Provincial Programme Manager: ANA Database	Annual	
34.	PPM 910	Number of Grade 9 learners who passed Language in the Annual National Assessment (ANA)	Status Quo: Record the number of Grade 9 learners who passed Language in the ANA. Target: Record the number of Grade 9 expected to pass Language in the next ANA.	Provincial Programme Manager: ANA Database	Annual	
35.	PPM 911	Number of Grade 9 learners who passed Maths in the Annual National Assessment (ANA)	Status Quo: Record the number of Grade 9 learners who passed Maths in the ANA. Target: Record the number of Grade 9 expected to pass Maths in the next ANA.	Provincial Programme Manager: ANA Database	Annual	

APPENDIX D: TECHNICAL INDICATOR DESCRIPTORS

PROGRAMME 1

Indicator title	PM101 Number of public schools targeted to use SASAMS to provide data to the
Short definition	Schools on SASAMS
Purpose/importance	The measure tracks progress with regards to improving school functionality by providing an electronic administration system.
Source/collection of data	EMIS
Method of calculation	Count of number of public ordinary schools on SASAMS
Data limitations	Reliability of EMIS data
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Continues without change from 2010/11 financial year
Desired performance	At least 3 420 in 2012/13 financial year
Indicator Responsibility	Chief Director: Strategic Management Monitoring and Evaluation

Indicator title	PM102 Number of public schools that can be contacted electronically (e-mail)
Short definition	Public schools that can be contacted electronically (e-mail)
Purpose/importance	The measure tracks progress with regards to improving school functionality by providing an electronic administration system.
Source/collection of data	EMIS
Method of calculation	Count of number of public ordinary schools on SASAMS
Data limitations	Reliability of EMIS data
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from 2010/11 financial year
Desired performance	At least 1 265 in 2012/13 financial year
Indicator Responsibility	Chief Director: Strategic Management Monitoring and Evaluation

Indicator title	PM103 Percentage of education current expenditure going towards non-
Short definition	Current expenditure going towards non-personnel
Purpose/importance	The measure seeks to assess efficiency in resource deployment on personnel and non-personnel expenditure.
Source/collection of data	Records from Office of the Chief Financial Officer
Method of calculation	Ratio between the CoE and budget for operations
Data limitations	Reliability of IYM and Annual Financial Statements
Type of indicator	Outcome Measure
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from the 2011/12 financial year
Desired performance	At least 6.4% of the current expenditure to go towards non-personnel items
Indicator Responsibility	The Chief Financial Officer

PROGRAMME 2

Indicator title	PM201: Number of learners enrolled in public ordinary schools
Short definition	Learners enrolled in public ordinary schools (excluding Grade R)
Purpose/importance	In line with the provision of the Constitution it is vital that the Department tracks school attendance of children
Source/collection of data	EMIS
Method of calculation	Count of number of learners enrolled in public ordinary schools
Data limitations	Reliability of EMIS data
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues from 2010/11 financial year
Desired performance	At least 1 754 963 in the 2012/13 financial year
Indicator Responsibility	Chief Director: Strategic Management Monitoring and Evaluation

Indicator title	PM202: Number of educators employed in public ordinary schools
Short definition	Educators employed in public ordinary schools
Purpose/importance	To ensure that the education system is adequately capacitated with core staff
Source/collection of data	PERSAL
Method of calculation	Count of number of educators employed in public ordinary schools
Data limitations	Reliability of the PERSAL
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues from 2010/11
Desired performance	At least 62 910 educators in 2012/13 financial year
Indicator Responsibility	Chief Director: Human Resource Management

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Vote 06: Department of Education, Province of Eastern Cape

Indicator title	PM203: Number of non-educator staff employed in public ordinary schools
Short definition	Non-educator staff employed in public ordinary schools
Purpose/importance	To ensure that the education system is adequately capacitated with support staff
Source/collection of data	PERSAL
Method of calculation	Count of number of educators employed in public ordinary schools
Data limitations	Reliability of the PERSAL
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues from 2010/11
Desired performance	At least 6 108 educators in 2012/13 financial year
Indicator Responsibility	Chief Director: Human Resource Management

Indicator title	PM204: Number of learners in public ordinary schools benefiting from the
Short definition	Learners in public ordinary schools benefiting from the "No Fee School"
Purpose/importance	The measure tracks the progress with regards to ensuring that learners from indigent families are able to access education through the provision of the no fee school policy.
Source/collection of data	Institutional Management Development and Governance Records
Method of calculation	Count of the number of learners benefiting from the no fee school policy
Data limitations	Reliability of EMIS data
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from the 2010/11 financial year
Desired performance	All 1 600 751 indigent learners in Quintile 1 to 3 schools are benefiting
Indicator Responsibility	Chief Director: Institutional Management Development and Governance

Indicator title	PPM205: Number of learners in schools targeted to benefit from the National School
Short definition	Learners in schools benefiting from the National School Nutrition Programme (NSNP)
Purpose/importance	To track the number of learners benefiting from the school nutrition programme. This is part of a strategy to ensure that all children access education regardless of their economic backgrounds.
Source/collection of	Records of Education Social Support Services
Method of calculation	Count of number of learners in schools benefiting from the National School Nutrition
Data limitations	Reliability of records from schools and Districts
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from the 2010/11 financial year
Desired performance	At least 1 704 000 learners in 2012/13
Indicator Responsibility	Chief Director: Education Social Support services

Indicator title	PM206: Number of learners benefiting from scholar transport
Short definition	Learners in schools who qualify to benefit from the learner transport scheme
Purpose/importance	To track the number of learners benefiting from the learner transport scheme. This is part of a strategy to ensure that all children access education regardless of their economic backgrounds.
Source/collection of data	Records of Education Social Support Services
Method of calculation	Count of number of learners in schools benefiting from the National School Nutrition
Data limitations	Reliability of records from schools and Districts
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from the 2010/11 financial year
Desired performance	At least 54 471 learners in 2012/13
Indicator Responsibility	Chief Director: Education Social Support services

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Vote 06: Department of Education, Province of Eastern Cape

Indicator title	PM207: Number of learners with special education needs that are enrolled in public
Short definition	Learners with special education needs enrolled in public ordinary schools
Purpose/importance	To track progress with regards to achieving the goal of universal access for disabled children and youths (aged 6 –18 years) to basic education
Source/collection of data	EMIS and Statistics South Africa
Method of calculation	Count of the number of disabled learners with special education needs enrolled in public
Data limitations	Reliability of EMIS data
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Continues without change from the 2010/11 financial year
Desired performance	At least 10 500 in 2012/13 financial year
Indicator Responsibility	Chief Director: Education Social Support Services

Indicator title	PM208: Number of full service schools
Short definition	Full service schools
Purpose/importance	Full service schools aim at giving an integrated care and support to all learners. These schools play a crucial role in mainstreaming learners with disability in the education system and society at large.
Source/collection of data	EMIS
Method of calculation	Count of number of full service schools in the province
Data limitations	None
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Continues without change from the 2010/11 financial year
Desired performance	At least 2 in 2012/13 financial year
Indicator Responsibility	Chief Director: Education Social Support Services

Indicator title	PM209: Number of schools visited at least once a quarter by a circuit manager
Short definition	Schools visited at least once a quarter by a circuit manager
Purpose/importance	This is part of the processes conducted to monitor and provide support to schools in the Province
Source/collection of data	Institutional Management Development and Governance Records
Method of calculation	Count of the number of schools visited at least once a quarter by a circuit manager at least
Data limitations	Reliability of records from Districts
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from the 2010/11 financial year
Desired performance	All schools visited at least once a quarter in the 2013/14 financial year
Indicator Responsibility	Chief Director: Institutional Management Development and Governance

PROGRAMME 3

Indicator title	PM301: Number of subsidized learners in independent schools
Short definition	Subsidized learners in independent schools
Purpose/importance	The Department has a responsibility to track and account for the learners in independent schools. This enables the Department to plan for the funding for learners in these schools.
Source/collection of data	Records from Education Social Support Services Chief Directorate
Method of calculation	Count of number of subsidized learners in independent schools in the financial
Data limitations	Reliability of records from the Education Social Support Services Chief Directorate
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without changes from 2012/13 financial year
Desired performance	At least 37 070 in the 2012/13 financial year
Indicator Responsibility	Chief Director: Education Social Support Services

PROGRAMME 4

Indicator title	PM401: Number of learners enrolled in public special schools
Short definition	Learners enrolled in public special schools
Purpose/importance	This seeks to track progress with regards to the access of education opportunities for learners with special needs.
Source/collection of data	EMIS
Method of calculation	Count of number of learners enrolled in public special schools
Data limitations	Reliability of EMIS data
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without changes from 2010/11 financial year
Desired performance	At least 10 099 in the 2012/13 financial year
Indicator Responsibility	Chief Director: Strategic Management Monitoring and Evaluation

Indicator title	PM402: Number of educators employed in public special schools
Short definition	Educators employed in public special schools
Purpose/importance	To ensure that the education system is adequately capacitated with core staff
Source/collection of data	PERSAL
Method of calculation	Count of number of educators employed in public special schools in the financial
Data limitations	Reliability of the PERSAL
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without changes from 2010/11 financial year
Desired performance	At least 1 132 educators in 2012/13 financial year
Indicator Responsibility	Chief Director: Human Resource Management

Indicator title	PM403: Number of professional non-teaching staff employed in public special
Short definition	Professional non-teaching staff employed in public special schools
Purpose/importance	To ensure that the special schools are adequately capacitated well qualified support staff
Source/collection of	PERSAL
Method of calculation	Count of number of professional non-teaching staff employed in public special
Data limitations	Reliability of the PERSAL
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without changes from 2010/11 financial year
Desired performance	At least e non-teaching staff in 2012/13 financial year
Indicator Responsibility	Chief Director: Human Resource Management

PROGRAMME 5

Indicator title	PM501: Number of students enrolled in NC(V) courses in FET Colleges
Short definition	Students enrolled in NC(V) courses in FET Colleges
Purpose/importance	To track progress with regards to enrolments in FET colleges in the NC (V) Programmes
Source/collection of data	Vocational Education Services Records
Method of calculation	Count of number of students enrolled in NC(V) courses in FET Colleges in the financial year
Data limitations	Reliability of data from FET Colleges
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from 2010/11 financial year
Desired performance	At least 18 000 students in 2012/13 financial year
Indicator Responsibility	Chief Director: Vocational Education Services

Indicator title	PM502: Number of FET College NC(V) students who completed full courses
Short definition	FET College NC(V) students who completed full courses successfully
Purpose/importance	To track progress with regards to completion rates in FET colleges in the NC (V) Programmes in the financial year
Source/collection of data	Vocational Education Services Records
Method of calculation	Count of number of FET College NC(V) students who completed full courses successfully in the financial year
Data limitations	Reliability of data from FET Colleges
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from 2010/11 financial year
Desired performance	At least 8 600 students in 2012/13 financial year
Indicator Responsibility	Chief Director: Vocational Education Services

PROGRAMME 6

Indicator title	PM601: Number of learners enrolled in public AET Centres
Short definition	Learners enrolled in public AET Centres
Purpose/importance	To track progress with regards to the number of adult learners enrolling in the AET programmes. The programme broadly aims at eradicating adult illiteracy to enable people to be self-reliant and employable thereby alleviating poverty
Source/collection of data	Vocational Education Services Records
Method of calculation	Count of number of Learners enrolled in public AET Centres in the financial year
Data limitations	Reliability of data from AET centres
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from 2010/11 financial year
Desired performance	At least 65 167 learners in 2012/13 financial year
Indicator Responsibility	Chief Director: Vocational Education Services

Indicator title	PM602: Number of educators employed in public AET Centres
Short definition	Educators employed in public AET Centres
Purpose/importance	To ensure that the education system is adequately capacitated with core staff
Source/collection of data	Vocational Education Services Records
Method of calculation	Count of number of educators employed in public AET Centres in the financial year
Data limitations	Reliability of data from AET centres
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from 2010/11 financial year
Desired performance	At least 4 007 educators in 2012/13 financial year
Indicator Responsibility	Chief Director: Vocational Education Services

PROGRAMME 7

Indicator title	PM701: Number of learners enrolled in Grade R in public schools
Short definition	Learners enrolled in Grade R in public schools
Purpose/importance	The Department records the number of learners enrolling for Grade R as part of its efforts to track progress with regards to universal access to Grade R
Source/collection of	EMIS
Method of calculation	Count of number of Learners enrolled in Grade R in public schools in the financial year
Data limitations	Reliability of EMIS data
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from 2010/11 financial year
Desired performance	At least 171 272 learners in 2012/13 financial year
Indicator Responsibility	Chief Director: Strategic Management Monitoring and Evaluation

Indicator title	PM702: Number of public schools that offer Grade R
Short definition	Public schools that offer Grade R
Purpose/importance	Linked to the above, the Department has embarked on a process to attach Grade R classes to public primary schools. This will result in better resource allocation and improved educational outcomes.
Source/collection of data	EMIS
Method of calculation	Count of number of Public schools that offer Grade R in the financial year
Data limitations	Reliability of EMIS data
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from 2010/11 financial year
Desired performance	At least 4 568 public schools in 2012/13 financial year
Indicator Responsibility	Chief Director: Strategic Management Monitoring and Evaluation

Indicator title	PPM703: Number of ECD Practitioners undergoing accredited NQF training Level 4
Short definition	ECD Practitioners undergoing accredited NQF training Level 4
Purpose/importance	Prior to White Paper 5, many ECD practitioners had not been formally trained to
Source/collection of data	Records from the Early Childhood Development Directorate
Method of calculation	Count of number of ECD Practitioners undergoing accredited NQF training Level
Data limitations	Reliability records from the Early Childhood Development Directorate
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from 2010/11 financial year
Desired performance	At least 1 414 practitioners in 2012/13 financial year
Indicator Responsibility	Chief Director: Institutional Management Development and Governance

PROGRAMME 8

Indicator title	PM801: Number of public ordinary schools to be provided with water supply
Short definition	Public ordinary schools provided with water supply
Purpose/importance	To track progress with regards to the provision of basic needs at schools in the Province
Source/collection of	Facilities and Infrastructure Management Records
Method of calculation	Count of the number of schools provided with water supply in the financial year
Data limitations	Reliability EFMS data
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from the 2010/11 – financial year
Desired performance	At least 194 schools in 2012/13
Indicator Responsibility	Chief Director: Facilities and Infrastructure Management

Indicator title	PM802: Number of public ordinary schools to be provided with electricity supply
Short definition	Public ordinary schools to be provided with electricity supply
Purpose/importance	To track progress with regards to the provision of basic needs at schools in the Province
Source/collection of	Facilities and Infrastructure Management Records
Method of calculation	Count of the number of schools provided with electricity in the financial year
Data limitations	Reliability EFMS data
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from the 2010/11 financial year
Desired performance	At least 68 schools in 2012/13
Indicator Responsibility	Chief Director: Facilities and Infrastructure Management

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Vote 06: Department of Education, Province of Eastern Cape

Indicator title	PM803: Number of public ordinary schools to be supplied with sanitation
Short definition	Public ordinary schools to be supplied with sanitation facilities
Purpose/importance	To track progress with regards to the provision of basic needs at schools in the Province
Source/collection of	Facilities and Infrastructure Management Records
Method of calculation	Count of the number of schools provided with sanitation facilities in the financial year under review
Data limitations	Reliability EFMS data
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from the 2010/11 financial year
Desired performance	At least 200 schools in 2012/13
Indicator Responsibility	Chief Director: Facilities and Infrastructure Management

Indicator title	PM804: Number of classrooms to be built in public ordinary
Short definition	Classrooms built in public ordinary schools
Purpose/importance	To track progress with regards to the provisioning of school structure which will result in reduction of the learner classroom ratio
Source/collection of data	Facilities and Infrastructure Management Records
Method of calculation	Number of all classrooms built in public ordinary schools in the financial year
Data limitations	Reliability EFMS data
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from the 2010/11
Desired performance	At least 750 schools in 2012/13
Indicator Responsibility	Chief Director: Facilities and Infrastructure Management

Indicator title	PM805: Number of specialist rooms to be built in public ordinary schools (all rooms)
Short definition	Specialist rooms built in public ordinary schools
Purpose/importance	To track progress with regards to the provisioning of school structure which will result in the creation of a conducive environment for learning and teaching
Source/collection of data	Facilities and Infrastructure Management Records
Method of calculation	Number of specialist rooms built in public ordinary schools in the financial year
Data limitations	Reliability EFMS data
Type of indicator	Output Measure
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from the 2010/11 financial year
Desired performance	At least 750 schools in 2012/13
Indicator Responsibility	Chief Director: Facilities and Infrastructure Management

PROGRAMME 9

Indicator title	PM901: Number of candidates for the Grade 12 National Senior Certificate
Short definition	Candidates for the Grade 12 NSC examinations (matric examinations)
Purpose/importance	To ensure that all candidates for the Grade 12 NSC are registered for the examinations
Method of calculation	Count of number of candidates for the Grade 12 NSC examinations in the financial year
Source/collection of data	Examinations database
Data limitations	Late registration by some learners
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from 2010/11 financial year
Desired performance	At least 74 000 candidates in 2012/13 financial year
Indicator Responsibility	Chief Director: Curriculum Management

Indicator title	PM902 : Number of candidates who passed National Senior Certificate
Short definition	Candidates for the Grade 12 National Senior Certificate (matric) examinations
Purpose/importance	To determine how many candidates, who registered in a particular year, actually passed the Grade 12 NSC examinations
Source/collection of	Examinations database
Method of calculation	Count of number of candidates who passed the Grade 12 NSC examinations in the financial year
Data limitations	Reliability of the Examinations database
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Introduced from the 2013/14 financial year
Desired performance	At least 74 000 NSC candidates in 2012/13 and 48 312 passed
Indicator Responsibility	Chief Director: Curriculum Management

Indicator title	PPM903: Number of learners who obtained Bachelor passes in the National Senior Certificate (NSC)
Short definition	Candidates for the Grade 12 National Senior Certificate (matric) examinations who wrote and obtained Bachelor passes
Purpose/importance	To determine how many candidates, who registered in a particular year, actually obtained Bachelor passes in the Grade 12 NSC examinations
Source/collection of data	Examinations database
Method of calculation	Count of number of candidates who obtained Bachelor passes in the Grade 12 NSC examinations in the financial year
Data limitations	Reliability of the Examinations database
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from the 2010/11 financial year
Desired performance	At least 74 000 candidates in 2012/13 and 10 632 obtained Bachelor passes
Indicator Responsibility	Chief Director: Curriculum Management

Indicator title	PPM904: Number of learners who passed Mathematics in the NSC examinations
Short definition	Candidates for the Grade 12 National Senior Certificate (matric) examinations who wrote and passed Mathematics in the NSC examinations
Purpose/importance	To determine how many candidates, who registered in a particular year, actually passed Mathematics in the NSC examinations
Source/collection of data	Examinations database
Method of calculation	Count of number of candidates who passed Mathematics in the NSC examinations in the financial year
Data limitations	Reliability of the Examinations data base
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from the 2010/11 financial year
Desired performance	At least 74 000 candidates in 2012/13 and 15 340 passed Mathematics
Indicator Responsibility	Chief Director: Curriculum Management

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Indicator title	PPM905: Number of learners who passed Physical Science in the NSC
Short definition	Candidates for the Grade 12 National Senior Certificate (matric) examinations
Purpose/importance	To determine how many candidates, who registered in a particular year, actually passed Physical Science in the NSC examinations
Source/collection of data	Examinations database
Method of calculation	Count of number of candidates who passed Physical Science in the NSC examinations in the financial year
Data limitations	Reliability of the Examinations data base
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from the 2010/11 financial year
Desired performance	At least 74 000 candidates in 2012/13 and 13 147 passed Physical
Indicator Responsibility	Chief Director: Curriculum Management

Indicator title	PPM906: Number of Grade 3 learners who passed Language in Annual National
Short definition	Count of number of learners in Grade 3 who passed Language in the Annual
Purpose/importance	To determine how many learners in Grade 3 passed Language in the Annual National Assessment in a particular year
Source/collection of	Examinations database
Method of calculation	Count of number of learners in Grade 3 who passed Language in the Annual National Assessment in the financial year
Data limitations	Reliability of the Examinations database
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from the 2012/13 financial year
Desired performance	At least 71 374 passed Language in ANA in 2012/13
Indicator Responsibility	Chief Director: Curriculum Management

Indicator title	PPM907: Number of Grade 3 learners who passed Mathematics in Annual
Short definition	Count of number of learners in Grade 3 who passed Mathematics in the Annual
Purpose/importance	To determine how many learners in Grade 3 passed Mathematics in the Annual National Assessment in a particular year
Source/collection of	Examinations database
Method of calculation	Count of number of learners in Grade 3 who passed Mathematics in the Annual National Assessment in the financial year
Data limitations	Reliability of the Examinations database
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from the 2012/13 financial year
Desired performance	At least 79 304 passed Mathematics in ANA in 2012/13
Indicator Responsibility	Chief Director: Curriculum Management

Indicator title	PPM908: Number of Grade 6 learners who passed Language in Annual National
Short definition	Count of number of learners in Grade 6 who passed Language in the Annual
Purpose/importance	To determine how many learners in Grade 6 passed Language in the Annual National Assessment in a particular year
Source/collection of	Examinations database
Method of calculation	Count of number of learners in Grade 6 who passed Language in the Annual National Assessment in the financial year
Data limitations	Reliability of the Examinations database
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from the 2012/13 financial year
Desired performance	At least 58 767 passed Language in ANA in 2012/13
Indicator Responsibility	Chief Director: Curriculum Management

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Vote 06: Department of Education, Province of Eastern Cape

Indicator title	PPM909: Number of Grade 6 learners who passed Mathematics in Annual
Short definition	Count of number of learners in Grade 6 who passed Mathematics in the Annual
Purpose/importance	To determine how many learners in Grade 6 passed Mathematics in the Annual National Assessment in a particular year
Source/collection of data	Examinations database
Method of calculation	Count of number of learners in Grade 6 who passed Mathematics in the Annual National Assessment in the financial year
Data limitations	Reliability of the Examinations database
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from the 2012/13 financial year
Desired performance	At least 66 113 passed Mathematics in ANA in 2012/13
Indicator Responsibility	Chief Director: Curriculum Management

Indicator title	PPM910: Number of Grade 9 learners who passed Language in Annual National
Short definition	Count of number of learners in Grade 9 who passed Language in the Annual
Purpose/importance	To determine how many learners in Grade 9 passed Language in the Annual National Assessment in a particular year
Source/collection of	Examinations database
Method of calculation	Count of number of learners in Grade 9 who passed Language in the Annual National Assessment in the financial year
Data limitations	Reliability of the Examinations database
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from the 2012/13 financial year
Desired performance	At least 65 616 passed Language in ANA in 2012/13
Indicator Responsibility	Chief Director: Curriculum Management

Indicator title	PPM911: Number of Grade 9 learners who passed Mathematics in Annual National Assessment
Short definition	Count of number of learners in Grade 9 who passed Mathematics in the Annual National Assessment
Purpose/importance	To determine how many learners in Grade 9 passed Mathematics in the Annual National Assessment in a particular year
Source/collection of data	Examinations database
Method of calculation	Count of number of learners in Grade 9 who passed Mathematics in the Annual National Assessment in the financial year
Data limitations	Reliability of the Examinations database
Type of indicator	Output measure
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Continues without change from the 2012/13 financial year
Desired performance	At least 65 616 passed Mathematics in ANA in 2012/13
Indicator Responsibility	Chief Director: Curriculum Management

APPENDIX E: ACRONYMS

AET:	Adult Education and Training	LTSM:	Learning and Teaching Support Materials
ACE:	Advanced Certificate in Education	MST:	Mathematics, Science and Technology
AET:	Adult Education and Training	MTEF:	Medium-Term Expenditure Framework
CEM:	Council of Education Ministers	NCS:	National Curriculum Statement
CEMIS:	Central Education Management Information System	NC (V):	National Curriculum (Vocational)
CLC:	Community Learning Centre	NPDE :	National Professional Diploma in Education
CTLI:	Cape Teaching and Learning Institute	NEPA:	National Education Policy Act
DHET:	Department of Higher Education and Training	NGO:	Non-Governmental Organisation
DOCS :	Department of Community Safety	NQF:	National Qualifications Framework
DBE:	Department of Basic Education	NSC:	National Senior Certificate
DBSTs:	District-Based Support Teams	NSNP:	National School Nutrition Programme
DEMIS:	District Education Management Information System	OHSA:	Occupational Health and Safety Act
ECD:	Early Childhood Development	PFMA:	Public Finance Management Act
ECM :	Enterprise Content Management	PILIR:	Policy on Incapacity Leave and Ill-Health Retirement
EE:	Employment Equity	PPI:	Programme Performance Indicator
EIG:	Education Infrastructure Grant	PPP:	Public-Private Partnership
EMIS:	Education Management Information System	PPM:	Programme Performance Measure
EPP:	Education Provisioning Plan	QIDS-UP:	Quality Improvement, Development, Support and Upliftment Programme
EPWP:	Expanded Public Works Programme	RCL:	Representative Council of Learners
EWP:	Employee Wellness Programme	SACE:	South African Council for Educators
FET:	Further Education and Training	SAQA:	South African Qualifications Authority
GET:	General Education and Training	SASA:	South African Schools' Act
GETC:	General Education and Training Certificate	SASAMS:	School Administration and Management System
HEI:	Higher Education Institution	SAPS:	South African Police Services
ICT:	Information and Communication Technology	SETA:	Sector Education and Training Authority

IE:	Inclusive Education	SGB:	School Governing Body
IMG:	Institutional Management and Governance	SIAS:	Screening, Identification, Assessment and Support
I-SAMS:	Integrated School Administration and Management System	SITA:	State Information Technology Agency
IQMS:	Integrated Quality Management System	SMT:	School Management Team
KM:	Knowledge Management	SPMDS:	Staff Performance Management and Development System
LSEN:	Learners with Special Education Needs	WSE:	Whole-School Evaluation



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